The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the "**UK MAR**") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company's obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

9 August 2022

Kropz Plc
("Kropz" or the "Company")

Elandsfontein phosphate project update, drawdown and bridge loan facility

Kropz Plc (AIM: KRPZ), an emerging African phosphate producer and developer, reports further delays in the ramp-up of operations at Kropz Elandsfontein (Pty) Ltd ("**Elandsfontein**"). The most recent delay has largely been driven by initial ore variability in the current mining area. Mining rates and associated delivery of ore to the plant have been compromised due to the presence of competent banks of hard material within the orebody, that were previously unknown. This hard material cannot be mined using free-digging methods and so new equipment has been brought to site to test mechanical breakage of the material and alternative mining methods are being identified. In order to assess the impact of this hard material on the future mine plan, further drilling is currently in progress. A revised mineral resource estimate will be produced, if necessary, once the results of this drilling have been interpreted. This delay in ramp-up of operations will result in an immediate funding requirement of ZAR 70 million (approximately US$4.2 million) for Elandsfontein.

In order to cover part of this funding requirement, Kropz will draw down, on 9 August 2022, the remaining ZAR 13.5 million (approximately US$0.8 million) conditional convertible equity facility of up to ZAR 177 million ("**ZAR 177 Million Equity Facility "**), with its major shareholder, the ARC Fund ("**ARC**"), as announced on 11 May 2022. This will be the final drawdown of the ZAR 177 Million Equity Facility.

In addition, Kropz, Elandsfontein and ARC have agreed to a further ZAR 121.5 million (approximately US$ 7.3 million) bridge loan facility (the **"Loan"**) to meet immediate cash requirements at Elandsfontein to the end of August 2022. Kropz will draw down ZAR 60 million (approximately US$ 3.6 million) of the Loan on 9 August 2022.

The Loan is unsecured, repayable on demand, and there are no fixed repayment terms. It is repayable by Elandsfontein on no less than two business days' notice. Interest is payable on the Loan at the South African prime overdraft interest rate plus 6%, nominal per annum and compounded monthly.

Due to the delay in production ramp-up, Kropz is exploring further funding options with ARC to fund any additional working capital requirements for Elandsfontein through to positive cash flow.

The Loan is a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Machiel Reyneke, a director of the Company, is the representative of ARC. Mike Nunn, a director of the Company, is the beneficial owner of Kropz International SARL ("**Kropz International**"). ARC and Kropz International are treated as acting in concert for the purposes of the City Code on Takeovers and Mergers. Accordingly, neither has been involved in the approval of the Loan by the Company's board. The directors of the Company, who are considered independent for the purposes of the Loan, having consulted with the Company's nominated adviser, consider the terms of the Loan to be fair and reasonable insofar as the Company's shareholders are concerned.

The Company will provide further updates in due course.

For further information visit www.kropz.com or contact:

Kropz Plc Mark Summers (CEO)	**Via Tavistock** +44 (0) 207 920 3150
Grant Thornton UK LLP Samantha Harrison Harrison Clarke George Grainger Ciara Donnelly	**Nominated Adviser** +44 (0) 20 7383 5100
Hannam & Partners Andrew Chubb Ernest Bell	**Broker** +44 (0) 20 7907 8500
Tavistock Emily Moss Nick Elwes Adam Baynes	**Financial PR & IR (UK)** +44 (0) 207 920 3150 kropz@tavistock.co.uk
R&A Strategic Communications James Duncan	**PR (South Africa)** +27 (0) 11 880 3924 james@rasc.co.za

About Kropz Plc

Kropz is an emerging African phosphate producer and developer with phosphate projects in South Africa and the Republic of Congo. The vision of the Group is to become a leading independent phosphate rock producer and to develop into an integrated, mine-to-market plant nutrient company focusing on sub-Saharan Africa.

-ENDS-