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25 May 2021

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

Elandsfontein and Hinda Update

Kropz Plc (AIM: KRPZ), an emerging African phosphate developer, is providing updates for its Elandsfontein project ("**Elandsfontein**") located in the Republic of South Africa and its Hinda project ("**Hinda**"), located in the Republic of the Congo.

Elandsfontein

Significant progress continues to be made at Elandsfontein. The project remains on track and within the original projected capital budget for commissioning in Q4 2021. These achievements have been realised against the backdrop of the COVID-19 pandemic.

Earthworks and civil construction are largely complete; the fabrication and erection of structural steel, platework and piping are well advanced, and the first mechanical equipment has been installed. Installation by the electrical, control and instrumentation contractor has also commenced.

The project schedule remains tight, with a high number of critical path, and near critical path items being managed concurrently.

The current and further potential effects of COVID-19, and the possibility of a third wave of infections in South Africa remains a risk to the project schedule. The Company has mitigated this risk as far as reasonably practicable by compliance to the Kropz COVID-19 policies and procedures.

For the past eight months, Kropz (together with the Elandsfontein management team) and Transnet have been engaging regarding the finalisation of the port capacity agreement for the export sales of the Elandsfontein phosphate rock through the Port of Saldanha. Transnet recently informed the Company that capacity is not available in Saldanha, although Transnet has committed to provide an alternative solution for a portion of the Elandsfontein production through the Port of Cape Town. Sales through Cape Town would incur additional transportation costs due to the greater travel distance involved. Kropz and Elandsfontein management are investigating all possible solutions and discussions with Transnet are continuing.

Images of the progress at the Elandsfontein site are available online at www.kropz.com/projects/elandfontein/gallery-elandfontein.

Kropz secured a convertible loan facility of up to US\$ 40 million (not exceeding a maximum of ZAR 680 million) from the ARC Fund ("ARC"), Kropz's major shareholder ("Original Equity Facility") in June 2020, to be used exclusively for the development of Elandsfontein in South Africa. At the time of concluding the Original Equity Facility, the exchange rate was well above ZAR 17 / US\$ and budgets and cashflows were calculated based on that ZAR exchange rate. Due to the strengthening of the ZAR to the US\$ in recent months, ZAR drawdown receipts in South Africa are expected to be well below the ZAR 680 million anticipated at the time of concluding the Original Equity Facility. The current shortfall is

expected to be ZAR 80 million, subject to exchange rates for the rest of 2021, and that this would be required by the Company in Q4 2021. Management are in the process of investigating alternatives for the funding of this potential shortfall.

The Company will provide further updates on the Elandsfontein project and funding progress in due course.

Hinda

Hatch Africa (Pty) Ltd (“**Hatch**”), a leading global engineering and construction firm, was appointed in February 2021 to complete the updated feasibility study (“**Updated FS**”) on Hinda, targeting a phased approach in line with the terms of the mining investment agreement.

The Updated FS is on track to be concluded by the end of September 2021. The Company will announce the results as soon as they become available.

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

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About Kropz Plc

Kropz is an emerging African phosphate explorer and developer, with an advanced stage phosphate mining project in South Africa and a phosphate project in 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.

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