

A WORLD CLASS POTASH DEVELOPMENT ASSET

Emmerson's primary focus is on developing the Khemisset Potash Project located in Northern Morocco.

The project has a large JORC Resource Estimate (2012) of 311.4Mt @ 10.2% K₂O and significant exploration potential with an accelerated development pathway targeting a low capex, high margin mine. A Scoping Study completed by Golder Associates in November 2018 has confirmed robust economics for Khemisset with a post-tax NPV10 of US\$795 million and IRR of 29.8% to produce approximately 800,000 tonnes of K60 MOP per annum during steady state operations over the initial 20 year mine life. Importantly, Khemisset has demonstrated an incredibly low pre-production capital cost of US\$406 million, less than half of its global peer average capital intensity.



KHEMISSSET FAST FACTS



DE-RISKED

with estimated historical spend of US\$20million; 136 drill holes for c. 85,000m and PFS (1974)



LOCATION

Located in one of the fastest growing potash consuming countries in the world (88% CAGR 2015-2017)



JORC RESOURCE

Significant JORC Resource of 311.4Mt @ 10.2% K₂O and strong exploration potential



SHALLOW DEPOSIT

Relatively shallow deposit commencing from only 450m below surface



BASIN STRIKE

Basin strike extends over 60km by 20km



K60 PRODUCT

(saleable grade for standard MOP for agricultural use) aiming for a +20 year mine life



LOW CAPEX

US\$406 million - Bottom quartile capital intensity per tonne of product produced – less than half of global peer average capital intensity



ROBUST ECONOMICS

Post-tax NPV10 US\$795M; IRR of 29.8%; Cash Margins of 50%; EBITDA Margins of ~64%; Post-tax cashflow of US\$184M per annum

POTASH: THE FUNDAMENTALS

There are three key plant macronutrients: potassium (K), nitrogen (N) and phosphate (P)

- Muriate of Potash ("MOP") is a potassium salt (KCl) which is a key product used in the agricultural industry
- MOP is the most important K fertiliser product in the world, accounting for approximately 95% of global demand
- Minimum saleable grade for standard MOP for agricultural uses is 60% K₂O – referred to as K60
- In 2017, it is estimated that global consumption of MOP reached a record of around 64 million tonnes
- The Khemisset Project is targeting production of the ubiquitous K60 product

Potassium based fertiliser is proven to:

- ✓ Improve crop quality
- ✓ Increase uptake of nitrogen
- ✓ Increases efficiency of water use



KHEMISSSET PROJECT SCOPING STUDY

Low capital cost with high margins support a project that can be built and operated regardless of the potash prices

- US\$795M Post Tax NPV10 (US\$1.14bn using Argus Media forecast prices)
- IRR of 29.8%
- Average post tax cashflow of US\$184M per annum – Less than 3.25yr capital payback
- Cash margins of 50% - in top quartile of industry
- EBIDA margins of 64%
- 20 years initial life of mine
- Total pre-production capital cost of US\$406M – Less than half of global peer average
- Average steady state annual production rate of ~800,000 metric tonnes

Established infrastructure, including a network of toll roads, electricity distribution and deep water ports



BOARD

Mark Connelly – Chairman

An internationally experienced financial and commercial executive with thirty years' experience in the financing and development of mining projects. He has worked with a number of multinational companies and across multiple jurisdictions including Africa, Europe, Australia and the Americas. Most recently he served as MD and CEO of Papillon Resources Limited that was sold in 2014 for nearly US\$600 million.

Hayden Locke – Executive Director & CEO

An experienced mining executive with ~15 years' experience in mining, private equity and investment banking. Most recently he was Head of Corporate and Technical Services (Geology, Mining and Processing) at ASX listed potash developer Highfield Resources. Prior to this, Hayden was Head of Corporate for ASX listed Papillon Resources which was sold to B2Gold in 2014 for \$650 million. Hayden studied engineering, commerce and geology.

Dr Robert Wrixon – Executive Director

Led Moroccan Salts Limited since its inception in 2013. Rob has 18 years' commercial experience in mining including five years with Xstrata in various strategy roles, and as MD and CEO of ASX listed Manhattan Corporation Limited and Haranga Resources Limited. He is a Director and founding partner of Starboard Global, a natural resource PE group based in Hong Kong and holds a PhD in mineral engineering from the University of California, Berkeley.

Edward McDermott – Non-Executive Director

A former investment banker with 15 years' experience in the management and financing of small companies. Currently a Non-Executive Director of AIM listed companies Fishing Republic Plc and FastForward Innovations Ltd. He has previously served as a Director of AIM listed Stellar Resources Plc and Noricum Gold Ltd. He is part of the corporate finance team at Optiva Securities Limited, the Company's corporate Broker.

MANAGEMENT

Phil Cleggett – Head of Corporate Development

A qualified accountant with ~10 years' experience in mining and investment banking. Most recently, he was Manager Corporate Strategy of ASX listed potash developer Highfield Resources.

Lahcen Alloubane – Manager, Logistics and Operations

A Moroccan national with a Masters of Business Administration and nearly 10 years' experience in the mining sector including with Moroccan based tin developer Kasbah Resources.

Mohamed Ouabid – Project Geologist

A geologist and Moroccan national with over 15 years' experience in a variety of commodities including potash. Previously worked for ASX listed Kasbah Resources as well as a number of Moroccan mining entities including Managem.

Enrique Sanz PhD – Consultant Geologist

A geologist with 20 years' experience in industrial minerals, primarily evaporite minerals. Formerly project geologist for worldwide exploration with Rio Tinto PLC. Extensive experience in Khemisset Basin and other Triassic – Liassic salt basins of Morocco.

Said Hamdioui – Advisor

Mr Hamdioui, a Moroccan national, is a PhD electrical engineer and is Chair Professor at the Delft University of Technology in the Netherlands. He has been involved with the Khemisset Project since its acquisition focussing on local stakeholder engagement and management.

CONTACTS

Hayden Locke
Executive Director
hayden.locke@emmerisonplc.com

London Office
Third Floor, 47 Charles Street
London W1J 5EL

Registered Office
IOMA House, Hope Street,
Douglas, Isle of Man, IM1 1AP

www.emmerisonplc.com

 @emmerison_plc