



# Developing a low capex, high margin potash project in Morocco

Corporate Presentation – September 2021

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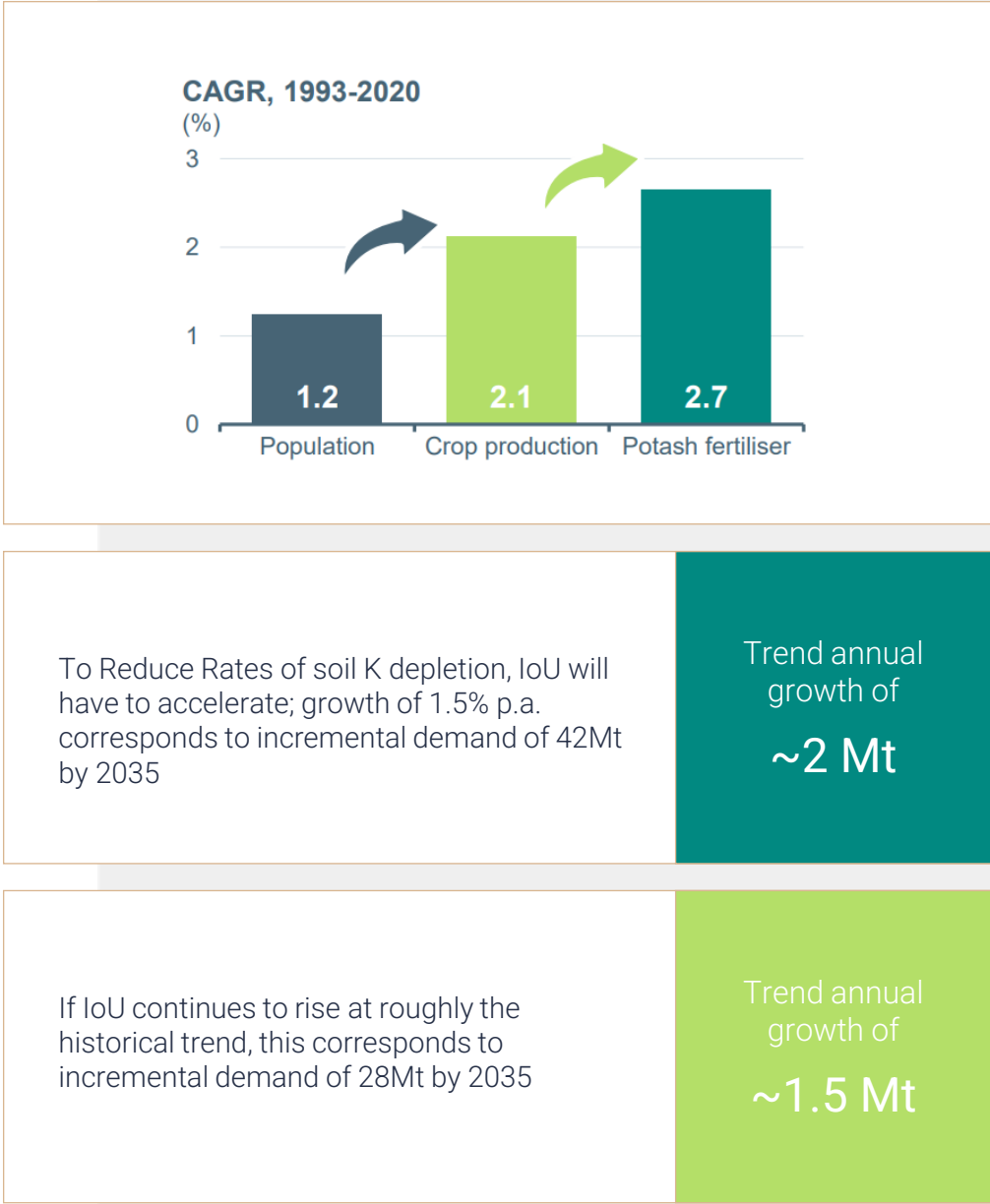
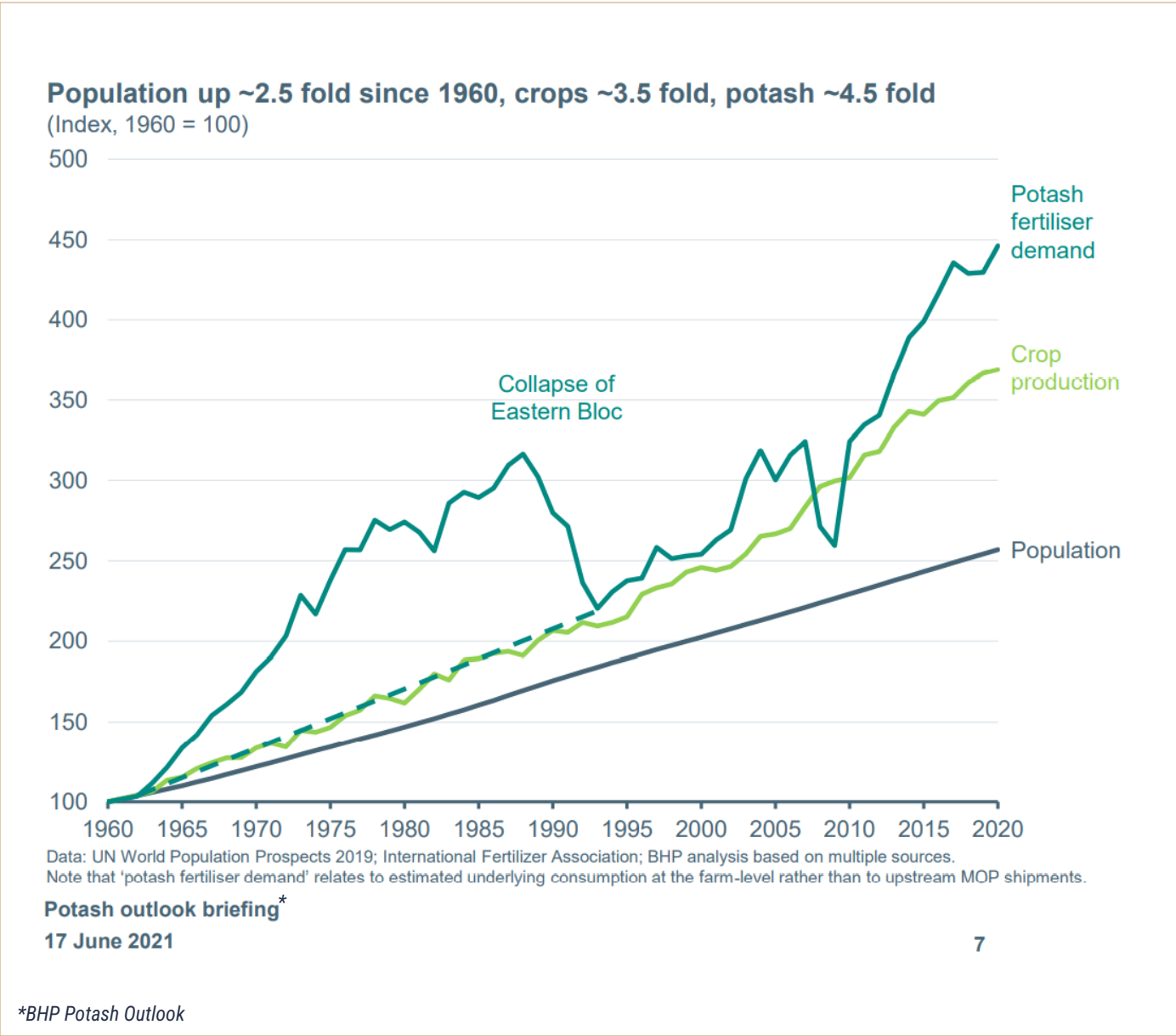


# INVESTMENT HIGHLIGHTS

<div>1.</div> <div><div>\$1.4bn</div><div>After Tax NAV<sub>1</sub></div></div> <div><div>1. Emmerson Feasibility Study June 2020</div></div>	<div>2.</div> <div><div>Potash:</div><div>Multi-decade Demand Growth</div></div>	<div>3.</div> <div><div>Lowest Quartile</div><div>Cost Base</div></div>	<div>4.</div> <div><div>Key Development</div><div>Expertise in Place</div></div>
<div>5.</div> <div><div>Highest Standards</div><div>ESG Compliance</div></div>	<div>6.</div> <div><div>Supportive</div><div>Mining Jurisdiction – Low Tax &amp; Royalties</div></div>	<div>7.</div> <div><div>19 Year</div><div>Mine Life</div></div>	<div>8.</div> <div><div>+ Expansion</div><div>To &gt;30 Years</div></div>



POPULATION + Intensity of Use = DEMAND INCREASES up to 2Mtpa

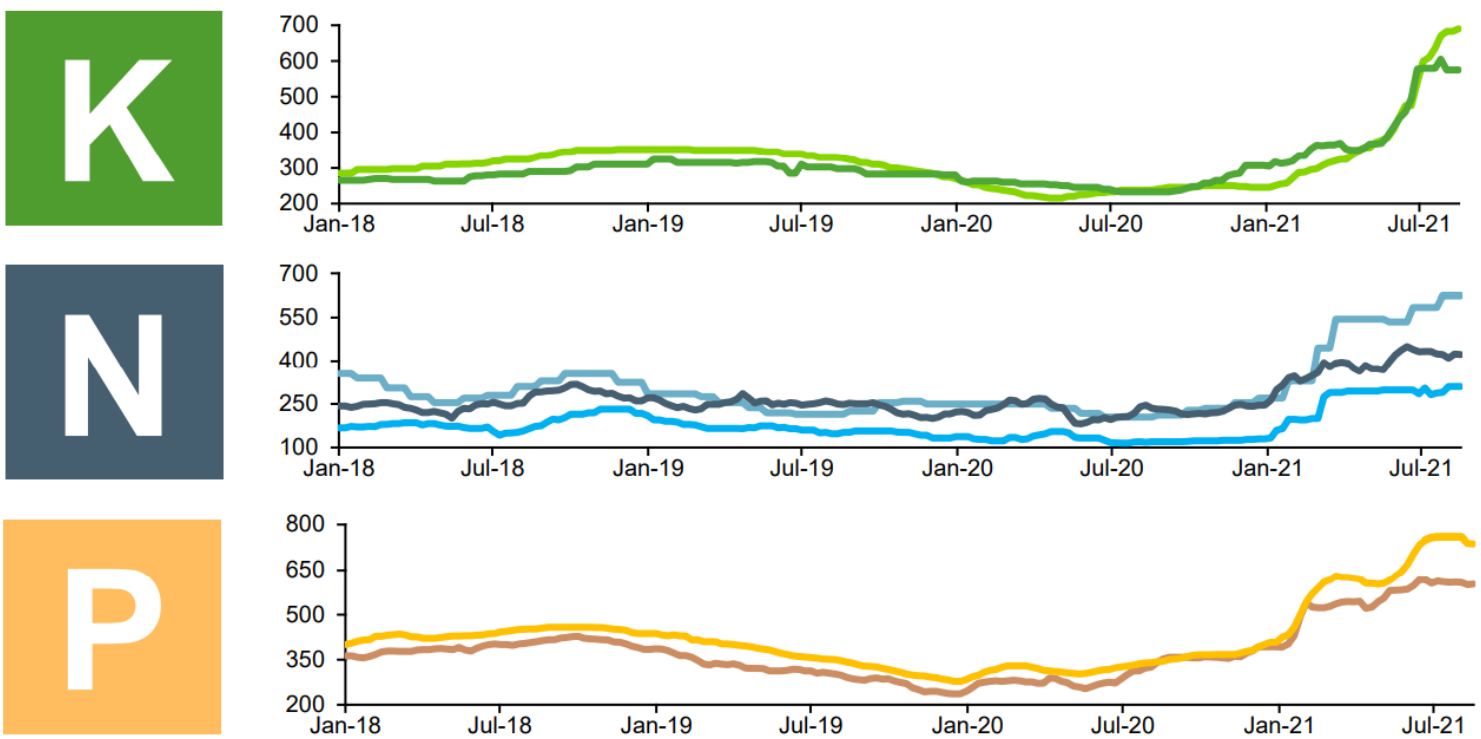


# PRICES MOVING MUCH HIGHER

Fertilizer prices have continued to increase in recent months on tightened supply and robust demand in key spot markets

## Selected Fertilizer Prices US\$ per Unit

## Change Since July 2020 US\$ per Unit



Brazil CFR (US\$/mt)	+\$453
US Midwest FOB (US\$/st)	+\$343
Tampa Ammonia CFR (US\$/mt)	+\$420
NOLA Urea FOB (US\$/st)	+\$205
NOLA UAN FOB (US\$/st)	+\$191
NOLA DAP FOB (US\$/st)	+\$280
Brazil MAP CFR (US\$/mt)	+\$399

As of August 19, 2021.

August 2021  
Source: Fertilizer Week, Nutrien





## MOROCCO – GREAT LOCATION FOR A POTASH DEPOSIT

Morocco is a major fertilizer player through OCP phosphate exports

An important domestic market for fertilizer

Gateway to Africa: the fastest growing fertilizer market

Actively encouraging both industrial FDI and new mining projects



# HARNESSING ABUNDANT RENEWABLE ENERGY

Emmerson is negotiating energy tariffs with Voltalia

Morocco has 3,000 hours of sunshine per year

There has been over \$3bn of new solar projects started in country

42% of electricity is now generated from renewable energy



# POSITIVE IMPACT

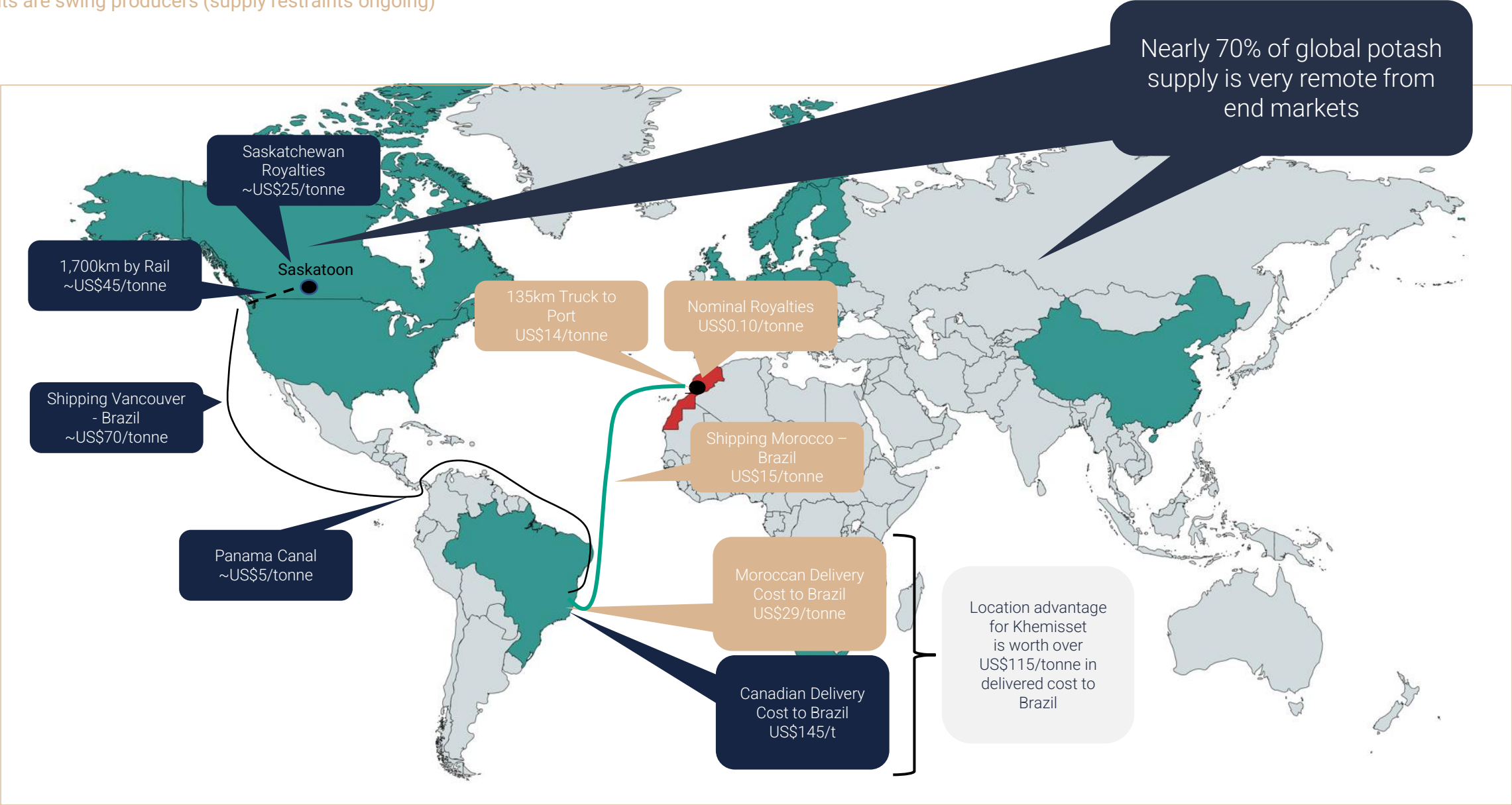
<div>1.</div> <div>2,385</div> <div>1,218 in indirect employment 760 in direct employment</div> <div>90% of employees from the Khemisset region</div>	<div>2.</div> <div>US \$2.5bn</div> <div>Total investment over the life of mine</div>	<div>3.</div> <div>US \$146m</div> <div>Per annum - Indirect fiscal contribution of the project</div> <div>Taxes generated on local, regional &amp; national revenue generation</div>	<div>4.</div> <div>US \$63m</div> <div>Per annum – Direct fiscal contribution of the project</div> <div>Extraction tax, corporate income tax, payroll tax, &amp; withholding tax on dividends</div>
<div>5.</div> <div>Local GDP per capita to increase</div> <div>40%</div> <div>0.42%</div> <div>Contribution to national GDP per capita</div>	<div>6.</div> <div>Khemisset exports revenues would account for</div> <div>8%</div> <div>Of total mineral exports</div>	<div>7.</div> <div>FDI of</div> <div>US \$48m</div> <div>Per annum (nominal) During life of mine</div>	<div>8.</div> <div>ESIA program designed to meet Moroccan requirements &amp; IFC Performance Standards &amp; the Equator Principles*</div> <div>Effective inclusion of the community, partners &amp; the broad range of stakeholders to create sustainable benefits</div>



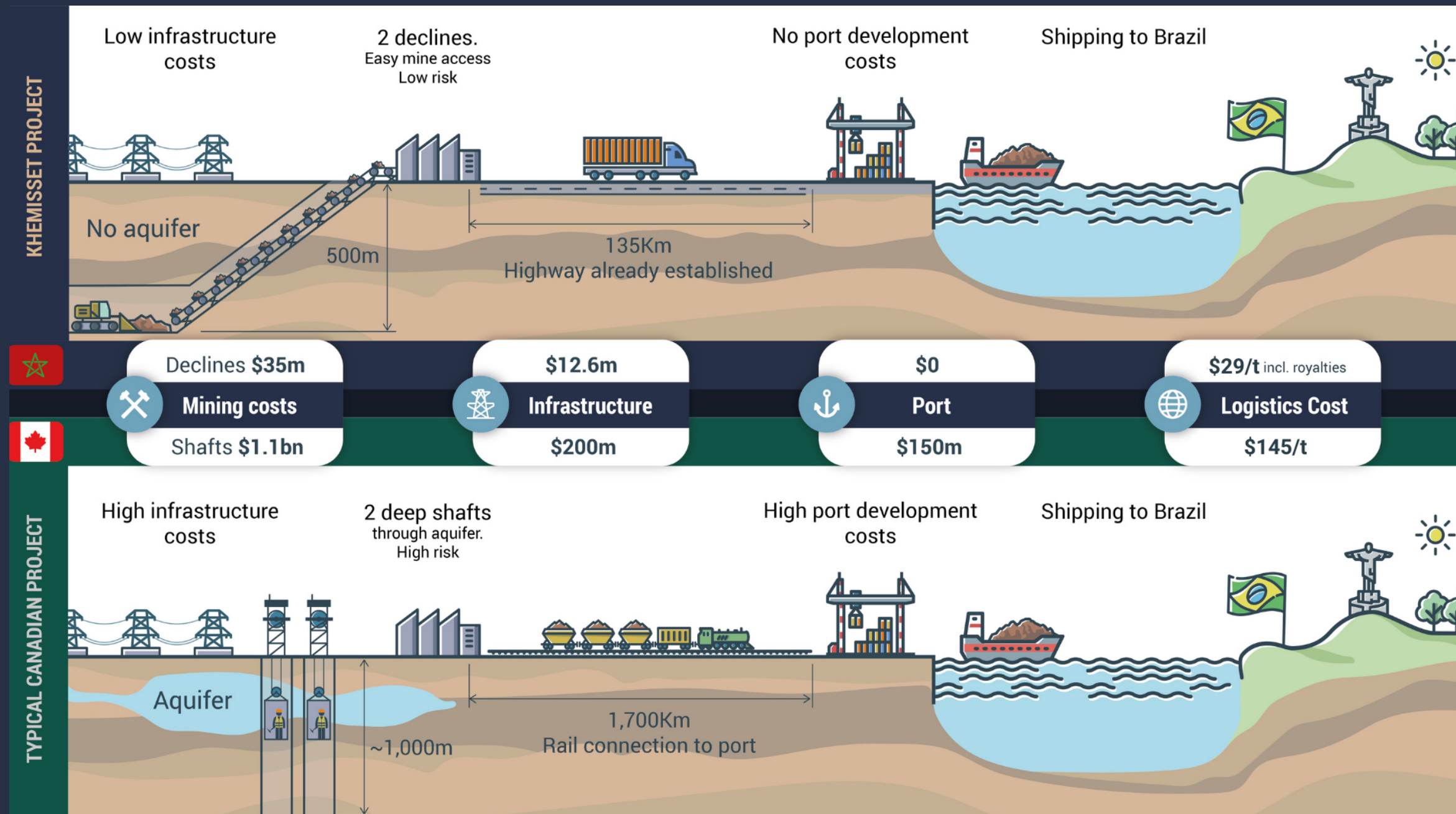


# MAJOR COST ADVANTAGE FROM LOCATION

Canadian giants are swing producers (supply restraints ongoing)



# THE GEOLOGY AND LOCATION ARE UNIQUE ADVANTAGES



# THE BIG PICTURE – A GLOBAL FERTILIZER HUB

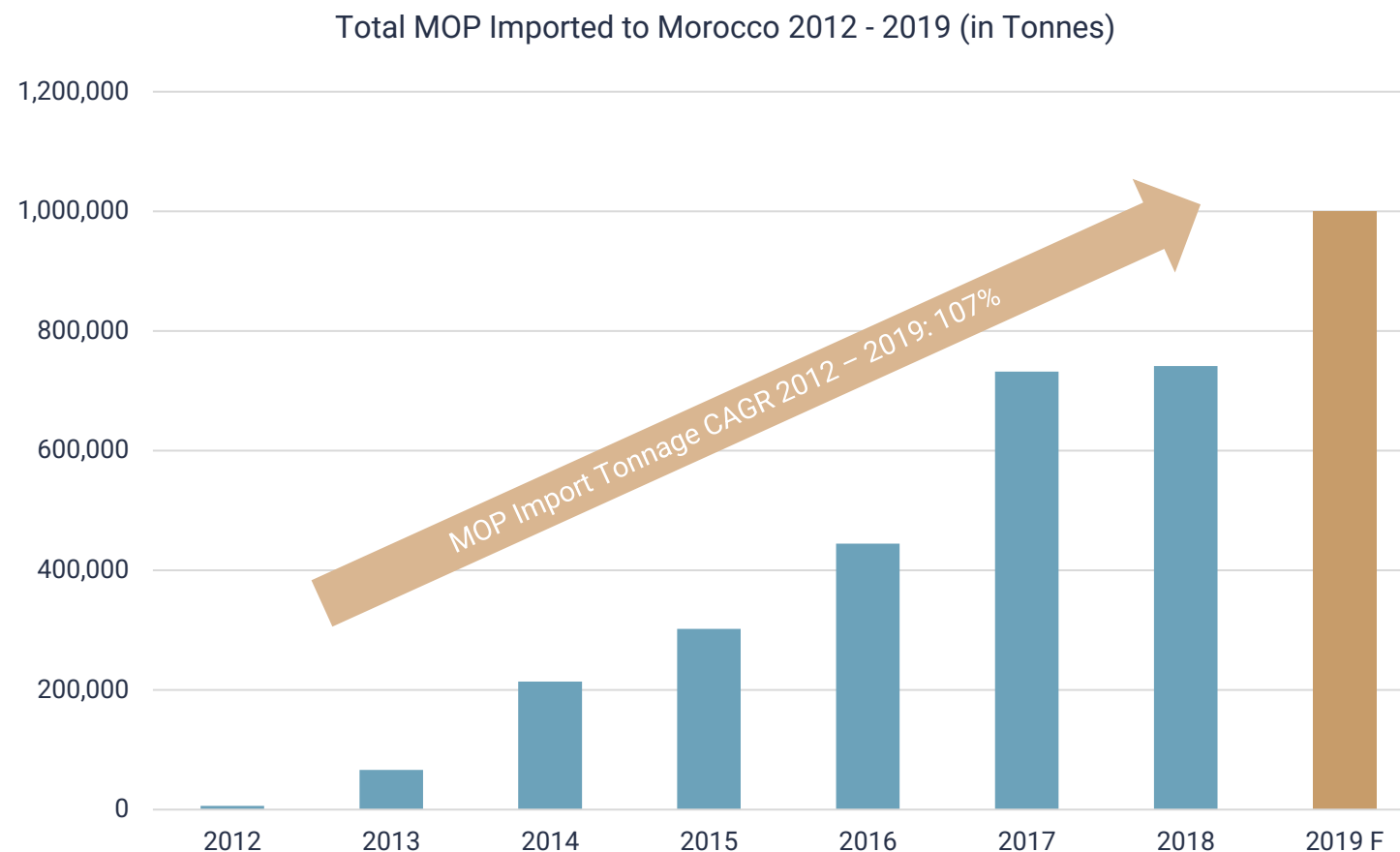


**Jorf Lasfar** – one of the largest fertilizer complexes in the world.  
Water, Power, Atlantic port.

SOP Input: Sulfuric acid. OCP industrial production on site.

SOP Output: HCL.

HCL + Phosphate rock = DCP fertilizer



\* 2019 F = forecasted figure as real data has not been fully collected yet

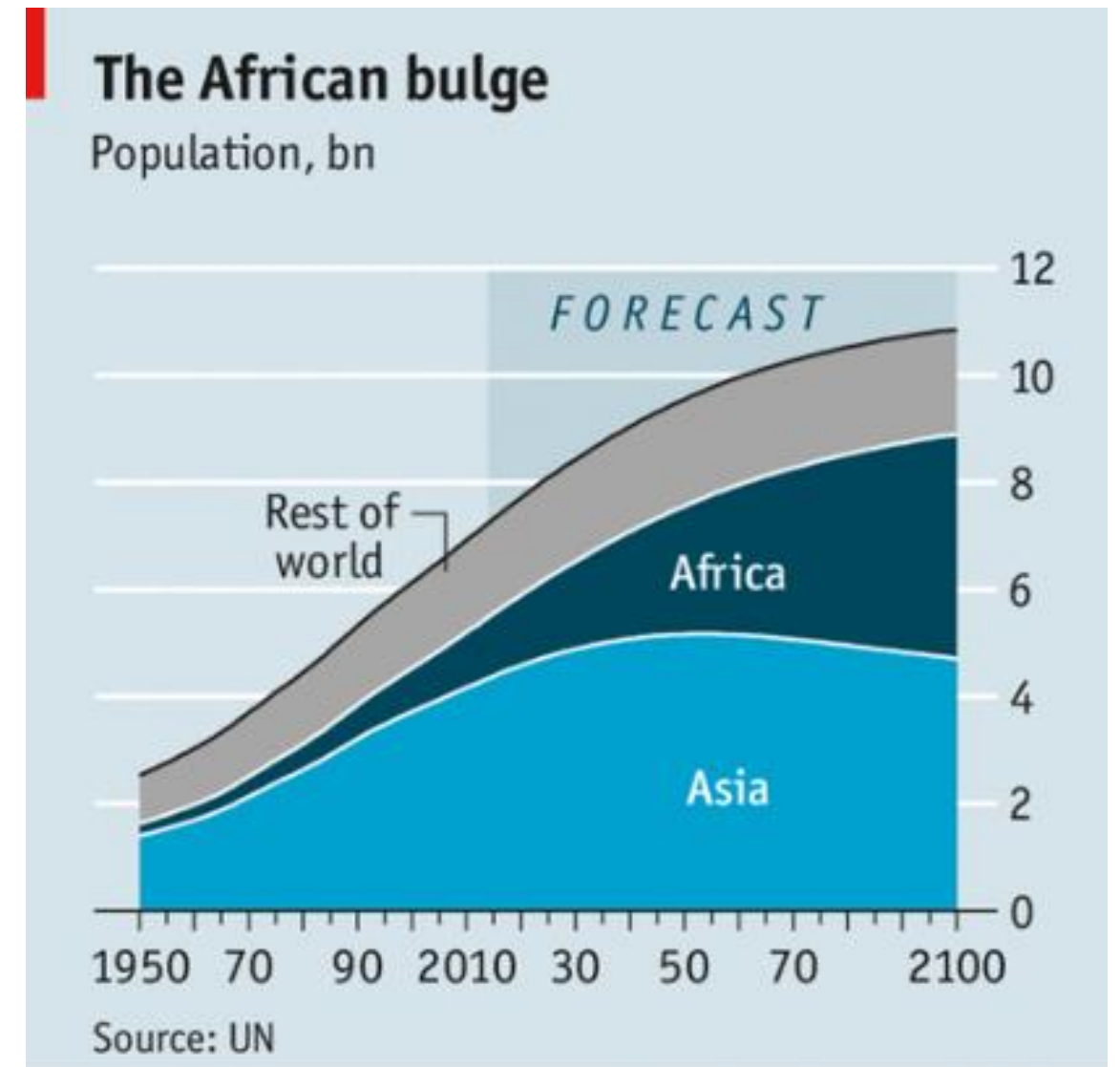
Source: [www.oc.gov.ma/DataBase/CommerceExterieur/requete.htm](http://www.oc.gov.ma/DataBase/CommerceExterieur/requete.htm), Company Estimates



# AFRICA POPULATION BOOM

African population set to grow rapidly in coming decades:

- Currently growing at 2.7% a year
- Population to have doubled by 2050 to 2.5 billion (25% of global population)
- Growth in population and GDP per capita forces increases in yield – creating even greater growth in demand for potash.
- Africa currently applies 10% the amount of fertilisers (Kg/hectare) as the EU and USA (the world's most agriculturally advances areas).





# AGRICULTURE GROWTH IN AFRICA

Africa's vast size only contains 288 MHA of harvested area

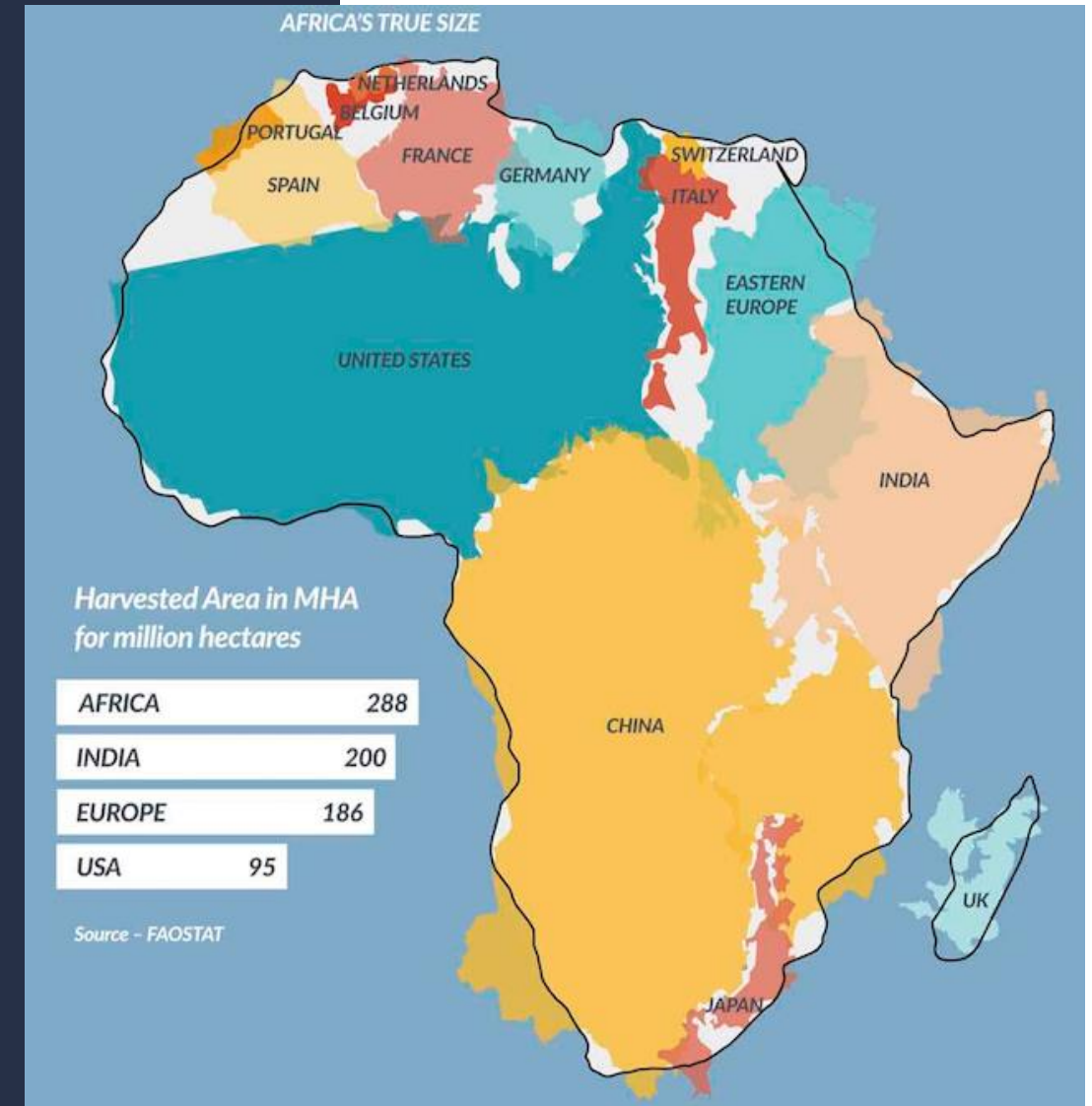
Responsible expansion of agricultural area alongside growth in use of potash has large potential in increased food production for Africa and the rest of the world.

The soil of Sub-Saharan Africa is among the most nutrient deficient globally. Nutrient application continues to be lower than nutrient loss through crop extraction – causing rapid depletion of soil nutrients, organic matter and erosion.

Food production per capita has been decreasing for decades, with food imports having to increase to match growing population.

Across Africa, attempts to increase food production have been through increasing agricultural land area rather than increase yield per hectare.

This has come at the expense of biodiversity, nature and wildlife.



# THE FUTURE GROWTH CONTINENT

Forecasted demand growth for MOP in Africa exceeds all other regions over the next decade

Potash contribution to K uptake in Africa is the lowest globally at ~5%

Africa's soil nutrient balance is "poor, deteriorating" – further highlighting the need for potash in African agriculture

Highest global forecasted growth per annum of MOP during the next decade of 5-10% - with all other regions forecasted for between 1-3%

## Potash demand outlook to 2030 by region

Soil depletion a global phenomenon, underscoring our belief that IoU is likely to rise across multiple regions

Additional tonnes 2020-2030

NORTH AMERICA	
Historical demand growth <sup>1</sup>	0.2%
BHP forecast growth <sup>2</sup>	1-3%
External forecast growth <sup>3</sup>	1.7%
Soil nutrient imbalance <sup>4</sup>	Poor, deteriorating
Potash contribution to K uptake <sup>5</sup>	30-35%, recently improving

EUROPE & CIS	
Historical demand growth <sup>1</sup>	0.2%
BHP forecast growth <sup>2</sup>	1-3%
External forecast growth <sup>3</sup>	1.1%
Soil nutrient imbalance <sup>4</sup>	Poor
Potash contribution to K uptake <sup>5</sup>	20-25%, stable

ASIA & OCEANIA	
Historical demand growth <sup>1</sup>	4.3%
BHP forecast growth <sup>2</sup>	1-4%
External forecast growth <sup>3</sup>	2.0%
Soil nutrient imbalance <sup>4</sup>	Poor, deteriorating
Potash contribution to K uptake <sup>5</sup>	30-35%, improving

CENTRAL & SOUTH AMERICA	
Historical demand growth <sup>1</sup>	4.4%
BHP forecast growth <sup>2</sup>	2-4%
External forecast growth <sup>3</sup>	2.9%
Soil nutrient imbalance <sup>4</sup>	Poor, deteriorating
Potash contribution to K uptake <sup>5</sup>	35-40%, stable

AFRICA	
Historical demand growth <sup>1</sup>	6.1%
BHP forecast growth <sup>2</sup>	5-10%
External forecast growth <sup>3</sup>	2.9%
Soil nutrient imbalance <sup>4</sup>	Poor, deteriorating
Potash contribution to K uptake <sup>5</sup>	~5%, improving

WORLD	
Historical demand growth <sup>1</sup>	2.7%
BHP forecast growth <sup>2</sup>	1-3%
External forecast growth <sup>3</sup>	2.0%

1. Average growth per annum of MOP shipments 2000-01 to 2019-20 (CRU).
2. Forecast average growth per annum of MOP shipments 2019-20 to 2030 (BHP range).
3. Forecast average growth per annum of MOP shipments 2019-20 to 2030 (Argus; CRU; IHS).
4. Status of the World's Soil Resources (FAO and ITPS, 2015).
5. BHP analysis based on multiple sources.

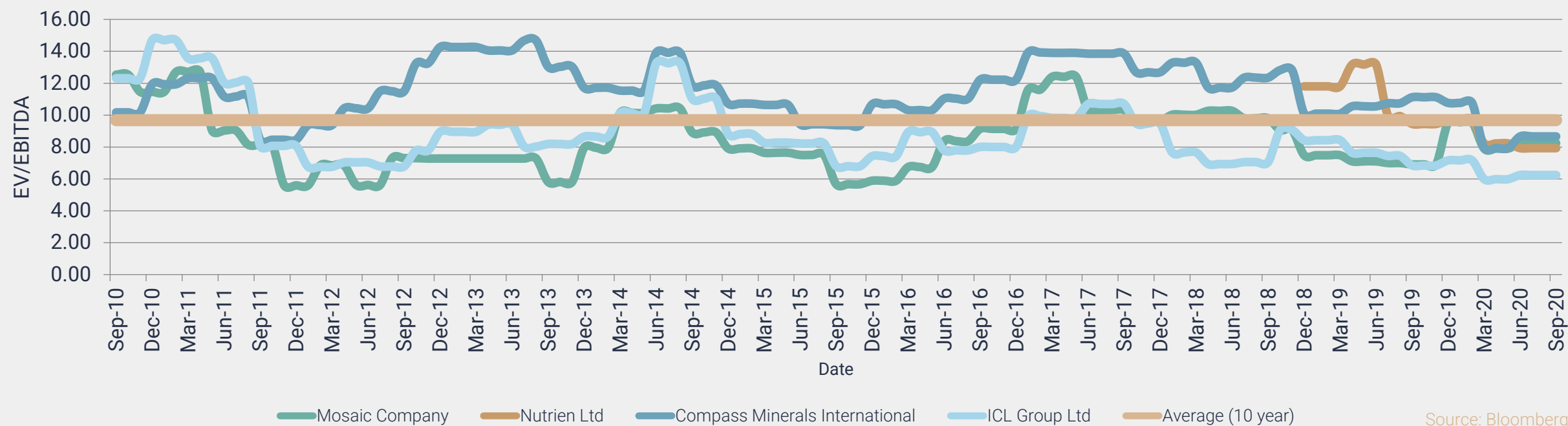


# POTASH IS A STEADY MARKET

Current supply restraint signals the potash price has bottomed, will rise from here

The major potash producers trade at decent multiples, around 10x EV/EBITDA

Oligopoly market dampens the boom and bust of other commodities

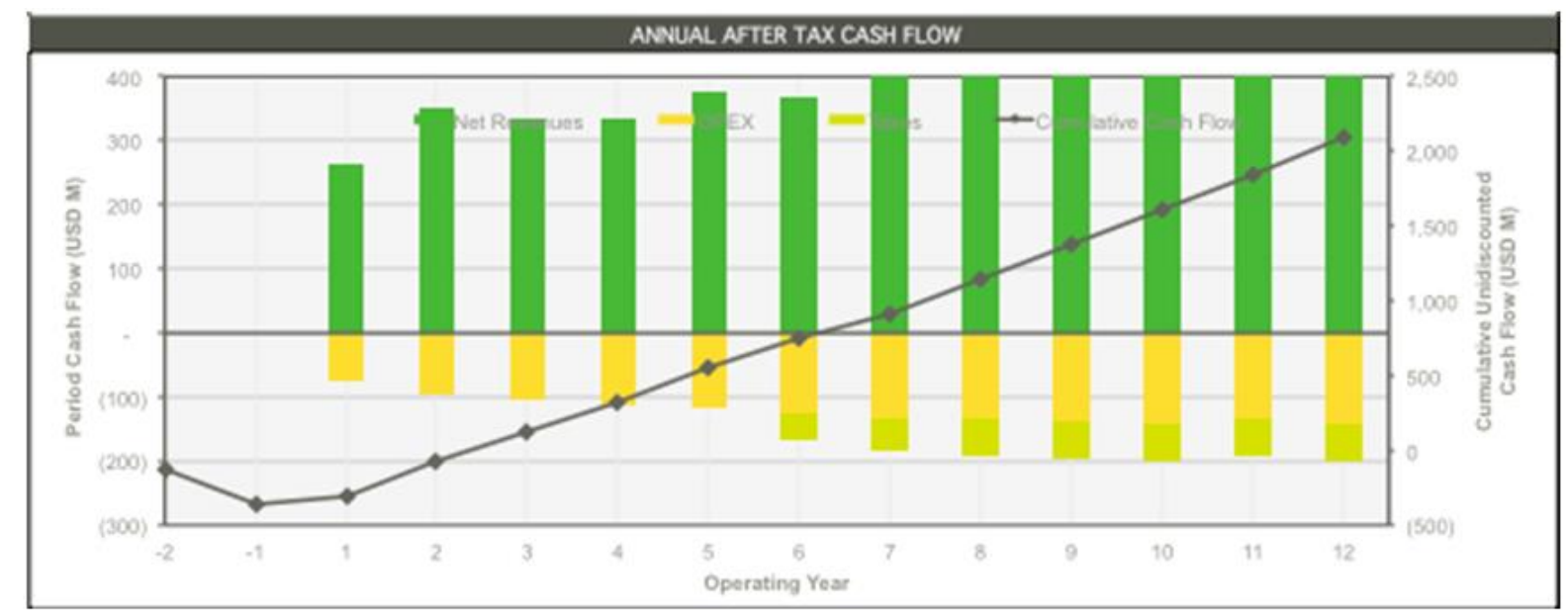


Source: Bloomberg



# THE KHEMISSSET PROJECT HAS WORLD CLASS ECONOMICS

Average Annual ROM Production (tonnes)	5.7m
Life of mine	19 Years
Average Annual MOP Production (tonnes)	735,000
LOM Cash Cost (\$/tonne)	151.8
AISC FOB Casablanca (\$/tonne)	158.0
Payback Period (from first production)	2.4 Years



Post Tax NPV8 = \$1.4b  
Post Tax IRR = 40.6%  
CAPEX = \$411m

Team Photo (Khemisset Site)





# SIGNIFICANT EQUITY UPSIDE FROM NET ASSET VALUE

Junior resources companies can be expected to trade around 20-25% of NAV if:

The project economics  
are top quality

The capex is much  
lower than the NAV

The management team  
is credible

Strong shareholders  
join the register

	Market Cap USD	Flagship Project	Commodity	Country	NPV8 USD	Valuation
Adriatic Metals	499,000,000	Vares	Polymetallic	Bosnia	917,000,000	54%
Arizona Mining**	1,007,000,000	Taylor	Zinc	USA	2,000,000,000	50%
Salt Lake Potash	147,000,000	Lake Way	Potash	Australia	348,000,000	42%
MOD Resources*	85,000,000	T3	Copper	Botswana	225,000,000	38%
Marimaca Copper	153,000,000	Marimaca	Copper	Chile	524,000,000	29%
Danakali	107,000,000	Danakali***	Potash	Eritrea,Ethiopia	439,000,000	24%
Horizonte Minerals	140,000,000	Araguaia, Vermelho	Nickel	Brazil	2,900,000,000	5%
Emmerson	40,000,000	Khemisset	Potash	Morocco	1,400,000,000	3%



## LOW UPFRONT CAPEX

	Consensus Case	Spot Price (All other inputs equal)
Mine life	19 years	19 years
Extraction rate (Mt/annum)	6.0	6.0
MOP price per tonne (USD)	412	680
Average Annual MOP production (tonnes/annum)	735,000	735,000
Average Salt Production (tonnes/annum)	1,000,000	1,000,000
AISC FOB Casablanca (\$/tonne)	158.0	158.0
Upfront CAPEX	\$411m	\$411m
Payback	2.4 years	1.4 years
Average annual EBITDA LOM (USD)	\$ 294m	\$ 556m
EBITDA Margin	61%	74%
Post Tax Cash Flow	\$4.4b	\$9.1b
After-tax NPV 8%	\$1.4b	\$3.2b
After-tax IRR	40.6%	72.6%

Source: Emmerson Feasibility study (Argus, June 2020)



# ON THE FAST TRACK TO PRODUCTION

Progress to date has been cost effective and quick

<b>June</b> 2018	RTO £6m raised at 3p	<b>Jun</b> 2020	Mine Builder CEO Appointed– 5.40p FS – 5.20p
<b>Nov</b> 2018	Low Capex Potential Confirmed by Scoping Study – 3.35p	<b>Jul</b> 2020	Equity Financing £1.72m @ 4.25p– 4.87p
<b>Apr</b> 2019	Heads of Agreement Signed for 100% Offtake– 4.10p	<b>Aug</b> 2020	Shore Capital Appointed Joint Broker– 4.15p Socioeconomic Study (Aug '20) – 4.60p
<b>Jul</b> 2019	PEA for Sale of Salt By-Product – 4.00p Completion of Comprehensive Metallurgical Testwork – 3.90p	<b>Feb</b> 2021	Mining Permit - 8p
<b>Feb</b> 2020	Completion of Power and Gas Supply – 3.80p	<b>Q4?</b> 2021	Environmental and Social Impact Assessment Strategic Equity



## Major Milestones to Advance into Construction

1. Mining Permit



2. ESIA Approval

3. Strategic Partner

4. Debt Finance

5. Commence Construction





We will strive to “Always do the right thing and always do it in the **right** way”

**R**      **Respect**  
We respect our environment, our stakeholders and each other.

**I**      **Integrity**  
We act with integrity and lead by example.

**G**      **Goals**  
We set challenging goals and embrace innovation and change to achieve them

**H**      **Health & Safety**  
The health, safety and well being of our team and all those engaged on the project is non-negotiable.

**T**      **Team**  
We work together as a team to achieve the best results possible

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# THANK YOU

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# THE VALUE OF INDEPENDENCE

High margin standalone business

Unallied to any integrated Fertilizer company

Maximise profit flexibly selling into best markets





## CURRENT MOP PRICES IN DIFFERENT MARKETS

Commodity/Type	Unit	Sep	Sep	Sep	W-on-W
<b>POTASH</b>					
<b>Standard Bulk FOB</b>					
Vancouver Spot/Contract <sup>1</sup>	USD/t	200–463	204–488	203–488	-1
Jordan/Israel Spot/Contract <sup>1</sup>	USD/t	178–439	180–463	176–459	-4
Baltic Sea Spot/Contract <sup>1</sup>	USD/t	174–444	177–464	173–463	-3
<b>Standard Bulk DAP</b>					
China/Russia cross border Spot/Contract <sup>1</sup>	USD/t	442–450	442–450	442–450	0
<b>Standard Bulk CFR</b>					
China Contract	USD/t	247–247	247–247	247–247	0
India 180 days Contract	USD/t	280–280	280–280	280–280	0
Southeast Asia Spot <sup>1</sup>	USD/t	480–530	500–550	500–550	0
<b>Standard Bagged FCA</b>					
China port wholesale Spot <sup>1</sup>	RMB/t	3,350–3,700	3,400–3,700	3,400–3,700	0
<b>Granular Bulk FOB</b>					
Vancouver Spot <sup>1</sup>	USD/t	461–642	486–660	486–678	9
Baltic Sea Spot <sup>1</sup>	USD/t	442–653	462–670	461–689	9
Saskatchewan coarse Spot	USD/st	NOM	NOM	NOM	-
US New Orleans barge Spot <sup>1</sup>	USD/st	550–560	560–600	580–600	10
US Midwest East Spot <sup>1</sup>	USD/st	590–600	595–630	595–630	0
US Midwest West Spot <sup>1</sup>	USD/st	590–600	595–630	595–630	0
US South Spot <sup>1</sup>	USD/st	590–595	590–595	590–595	0
<b>Granular Bulk CFR</b>					
Brazil Spot <sup>1</sup>	USD/t	690–715	700–730	710–750	15
Southeast Asia Spot <sup>1</sup>	USD/t	530–550	550–570	550–570	0
<b>Granular Bulk CIF</b>					
NW Europe Spot/Contract <sup>1</sup>	EUR/t	430–460	430–460	450–470	15
<b>SOP</b>					
<b>Standard Bulk FCA</b>					
NW Europe Spot/Contract <sup>1</sup>	EUR/t	525–550	525–550	525–550	0
<b>Standard Bulk FOB</b>					
Far East Spot <sup>1</sup>	USD/t	580–600	580–600	580–600	0

(1) Indicative Price





# PHASED DEVELOPMENT SUMMARY

Conceptual, phased development plan completed resulting in major value enhancing opportunities

Significantly reduced up-front <b>capex of US\$254.6m</b> (pre-contingency)	Potential for subsequent phases to be funded from internal cash flows	Estimated <b>NPV8 US\$2.37 billion</b> (post tax) (assuming phase 4 production)
Forecast EBITDA in first full year of phase 4 production of <b>US\$491.4m</b>	Demonstration of flexibility and additional potential of Khemisset	Emmerson to continue Project development utilising outputs of this phased approach study

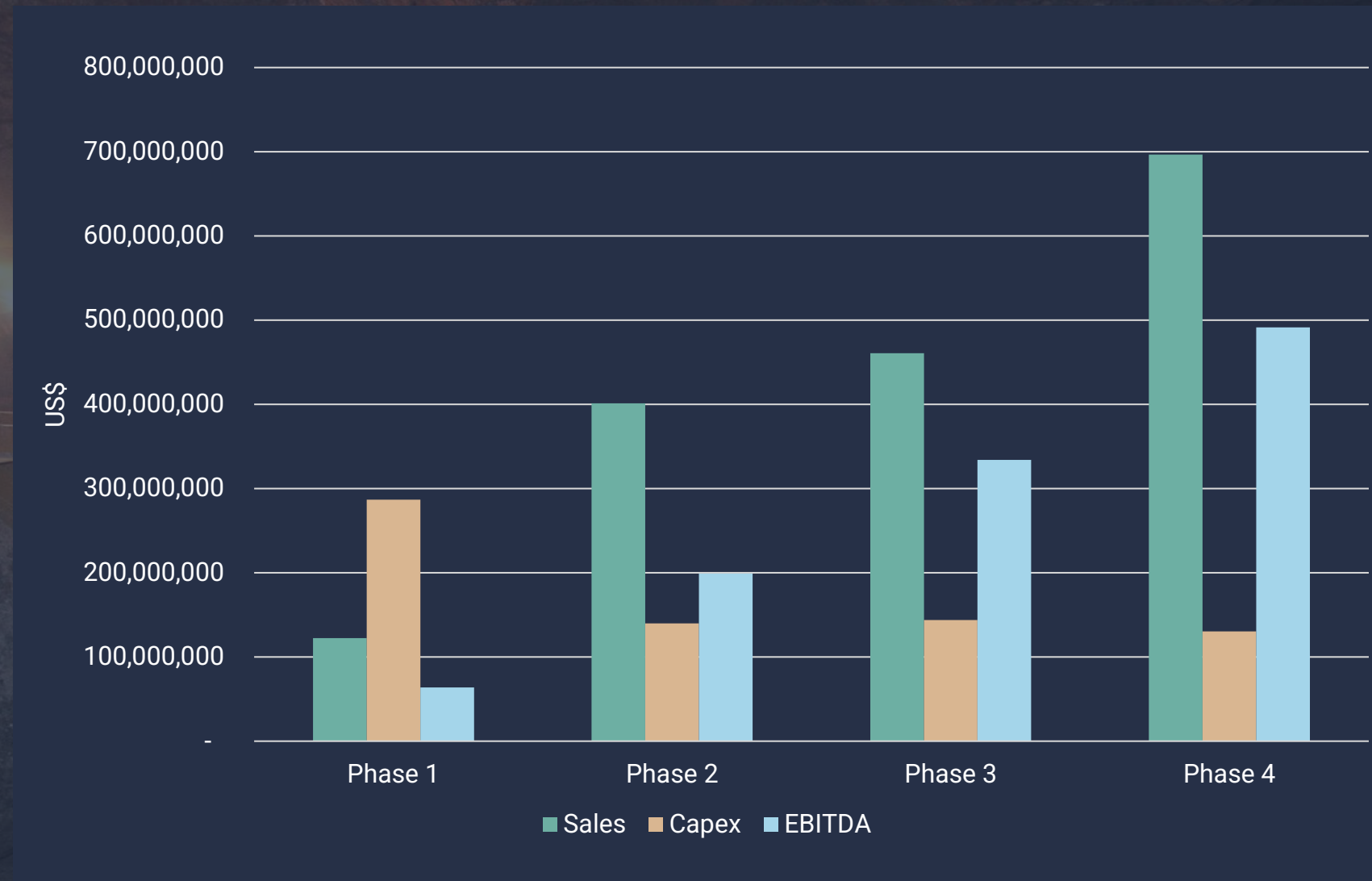


## STEPPING UP TO A LARGER OUTPUT PLATEAU

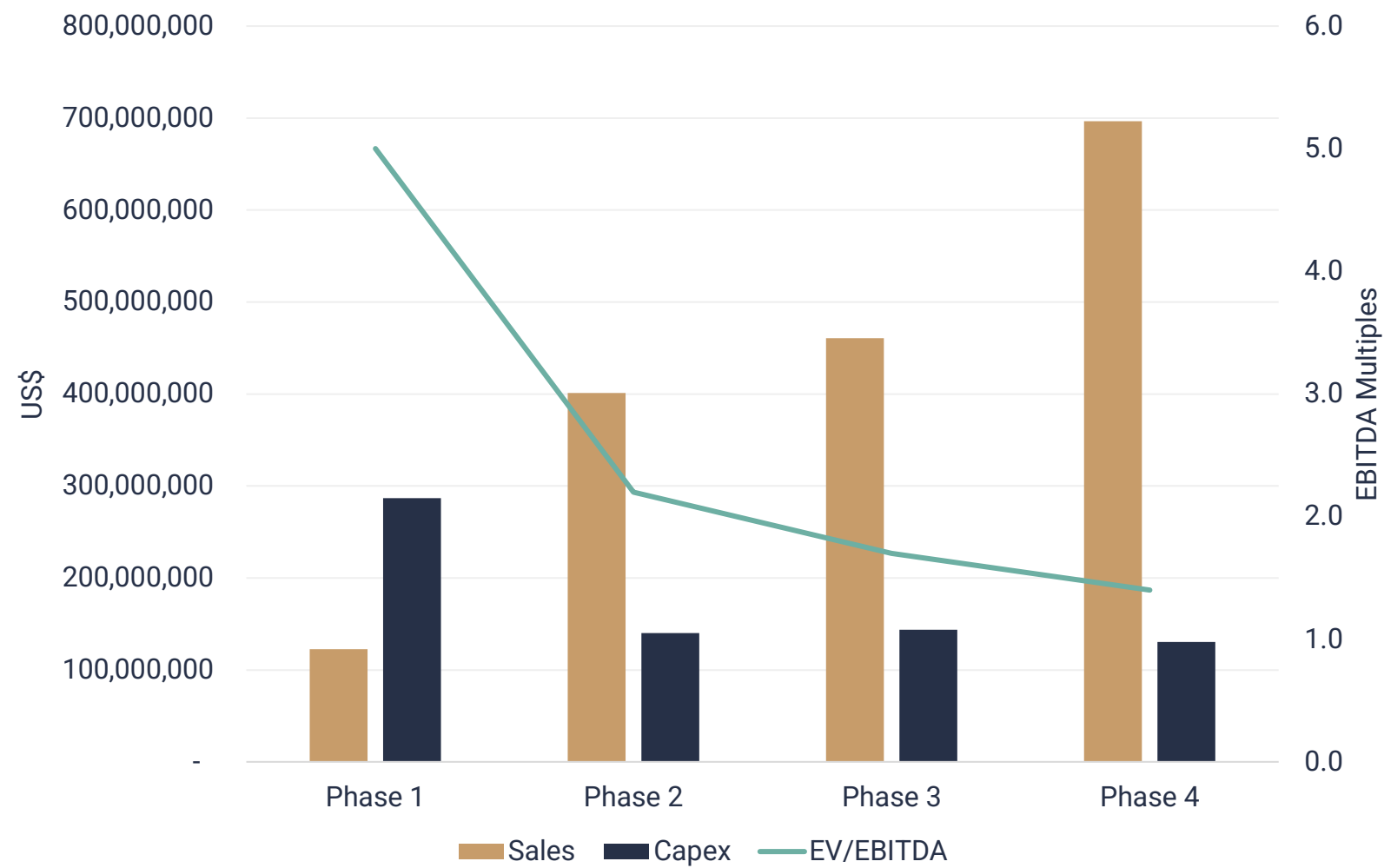
	Phase 1	Phase 2	Phase 3	Phase 4	Total
MOP Production (t)	350,000	385,000	-	270,000	1,005,00
MOP consumed by SOP production (t)	-	-	(205,000)	-	(205,000)
MOP Sold (t)	350,000	385,000	530,000	270,000	800,000
SOP Production (t)	-	-	240,000	-	240,000
De-icing salt (NaCl) Production (t)	-	1,000,000	1,000,000	2,000,000	4,000,000
Capex (incl. contingency)	US\$286.9m	US\$140.0m	US\$143.7m	US\$130.4m	US\$701.0m
Annual EBITDA	US\$63.9m	US\$199.1m	US\$334.1m	US\$491.4m	US\$491.4m
NPV8 (post tax)	US\$518.5m	US\$1.06bn	US\$1.71bn	US\$2.37bn	US\$2.37bn



## PHASED DEVELOPMENT EXPANSION FROM CASHFLOW



## SALES AND EBITDA GROWTH AS PRODUCTION RAMPs UP



# FEASIBILITY STUDY: POSITIVE ECONOMICS

## Key assumptions and results

Parameter	Value
Initial Operating Life	19 years
Annual ROM Extraction Rate	6Mtpa
Average Life of Mine Grade to Mill	8.6% K <sub>2</sub> O
Average Metallurgical Recovery (LOM)	85.2%
Average Annual MOP Production Rate	~735,000 metric tonnes
Average Annual Salt Production Rate	1 million metric tonnes
Average Flat Real MOP Price CFR Brazil	US\$412/tonne
Average Flat Real Salt Price CFR East Coast US	US\$60/tonne
Capital Cost (including US\$45.5m contingency)	US\$387 million
Total Cash Cost FOB Port of Casablanca	US\$125.3/tonne
All-in-Sustaining Cash FOB Port of Casablanca	US\$158.0/tonne
Average Steady State EBITDA	US\$307 million
Average Steady State EBTDA Margin	61.5%
Average Steady State Annual Post-Tax Cash Flow	US\$235 million
Average Steady State Post Tax Cash Margin	47.1%
Post Tax NPV8 (nominal)	US\$1.4 billion
Post Tax IRR (nominal)	38.5%
Post-tax Payback Period	2.6yrs

## NPV (US\$m) Sensitivity to Potash Price and Discount Rate

NPV - US\$ millions		MOP Price - US\$/tonne				
Discount Rate		288 (-30%)	350 (-15%)	412 (Base Case)	474 (15%)	536 (30%)
	4%	1,151.0	1,719.6	2,288.3	2,857.0	3,425.7
	6%	855.5	1,316.0	1,776.5	2,237.0	2,697.5
	8%	634.9	1,012.9	1,390.9	1,768.9	2,146.9
	10%	468.1	782.4	1,096.7	1,410.9	1,725.2

## Cashflow & EBITDA Sensitivity to Potash Price

EBITDA – US\$ millions	Flat Real MOP Price - US\$/tonne				
227 (-45%)	288 (-30%)	350 (-15%)	412 (Base Case)	474 (15%)	536 (30%)
130.4	189.3	248.3	307.2	366.1	425.0

Post Tax FCF – US\$ millions	Flat Real MOP Price - US\$/tonne				
227 (-45%)	288 (-30%)	350 (-15%)	412 (Base Case)	474 (15%)	536 (30%)
87.5	136.8	186.0	235.2	284.5	333.7

Cashflow & EBITDA Sensitivity to Potash Price





# IS THERE ROOM FOR JANSEN

BHP “Jansen” – after eventually coming online

The world needs 2Mt more potash every year

By 2030 demand will have grown approx. 18Mtpa

Even a new world class mine needs a \$327/t at Vancouver

Khemisset’s location is key to its value (CFR Brazil is at least \$40/t higher than FOB Vancouver)

## Project details and assumptions

Country	Canada
Product	MOP
Start of production	2026
Target market	Export
Capacity (phase 1)	4.5mn t/y
Capex required	~\$5.5 bn
Corp. tax rate	27 pc
Corp. WACC	7.1 pc

## Economic cost build up estimate, 2030 nominal (\$/t)

