

## Emmerson: The star of Morocco

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As global potash markets have strengthened considerably over this past year, with prices in the fast growing fertiliser market of Brazil surpassing \$800 per tonne, many commentators are suggesting that potash prices will continue to perform over the near and mid-term.

The predicted structural bull market for commodities can already be witnessed in the climbing prices of key agricultural commodities. Due to potash's importance to the fertiliser industry, its price is not only affected by the market but also by global demographics and population growth which, continues to support an upward trajectory.

With this market outlook as a backdrop, the Moroccan potash development company **Emmerson (EML:AIM)** is focused on the development of its flagship Khemisset Potash Project, which is in a prime position to take advantage of these dynamics.

After first joining the London Stock Exchange's Main Market in February 2017, Emmerson made the strategic decision to make the move to AIM in April of this year in order to better suit its development goals ahead of its rapid growth phase. The main goal in question is to become the first



and leading potash producer in Africa to help feed the world's growing population - a seemingly ambitious aim but one that Emmerson is on track to achieve.

### A UNIQUE PROJECT

The key pillar in Emmerson's strategy is its 100% owned Khemisset Potash Project

in Northern Morocco, ideally located in a stable and supportive mining jurisdiction and one of the fastest growing potash consuming countries in the world. The project's location provides a gateway to Africa's potentially huge fertiliser market and is close to a number of high capacity ports for access to the export

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markets of Europe, Brazil and the USA.

Its location gives Khemisset a competitive edge, providing pre-production capital cost savings of over \$1.2 billion compared to average deep shaft projects. The unique location advantage of the project is now worth over \$115 per tonne in delivered cost to the key market of Brazil, a figure which has increased from \$80 per tonne from earlier this year.

Khemisset boasts very attractive fundamentals with a large JORC Resource Estimate of 537Mt @ 9.24% K<sub>2</sub>O, as well as significant exploration potential with an accelerated development pathway. It has also demonstrated world class economics with a post-tax NPV (net present value) of \$1.4 billion and IRR (internal rate of return) of 38.5% to produce an estimated 735,000 tonnes of K60 MOP per annum over its initial 19 year mine life, and offers the possibility to be expanded up to 30 years.

Khemisset is set apart from its competitors by its low pre-production capital cost of \$411 million, because the deposit is shallow and accessible by ramps.

The Feasibility Study has demonstrated its potential to become a world class, low capital cost, high margin potash mine; these impressive fundamentals make the project an incredibly rare jewel of an asset in the potash industry.

This is a point which has been recognised by the market, and Emmerson secured a key strategic investor in November 2021 to support the pre-production phase of the project.

This cornerstone investment, of up to \$46.75 million which was secured at a premium to



the company's share price, was a major endorsement of the deep value of the project. The Emmerson team has formed a strong partnership with the investors who share Emmerson's vision of creating a new, independent, and highly profitable and environmentally sustainable potash company.

### A TEAM TO LEAD

With such a strong asset, an experienced team is vital to take it forward into production. Emmerson is led by. The company is headed by Graham Clarke as chief executive, one of the industry's most experienced potash mining executives with a background of over 25 years managing large teams for some of the most challenging underground potash mines.

The board is made up of senior mining executives with a range of previous careers covering corporate finance, commercial mining, investment banking, and also boasts the former Ambassador & Head of the EU Delegation to Morocco. In addition, management includes highly experienced geologists to further support the running of the project onsite, with the

majority of the team based in Morocco.

### ON THE FAST TRACK

This year saw a strong start for Emmerson, with the mining licence approval for Khemisset received in February, providing the exclusive right to develop and mine the deposit.

From there, development of Khemisset continued with work onsite fully underway to move towards construction, including, decline and deep drilling for detailed mine design and advancing the land acquisition programme.

Following the award of the first basic engineering contract for a mineral processing facility in December, and targeting to award all of the declines, civils and site engineering by year end, Khemisset is now firmly placed in the pre-construction phase which is in line with its goal of achieving first production in early 2024.

