

17 February 2020

**Emmerson Plc (“Emmerson” or the “Company”)  
Commencement of Socio-Economic Impact Study  
to Confirm Khemisset as Project of National Significance**

Emmerson Plc, the Moroccan focused potash development company, is pleased to announce that it has commenced a Socio-Economic Impact Study (“Study”) for its Khemisset Potash Project in Northern Morocco (“Khemisset” or “the Project”). Khemisset is a potentially world class potash development asset and is expected to have industry leading low capital cost to production and among the highest margins in the potash industry resulting in compelling economics including a post-tax NPV<sub>10</sub> of over US\$1.1 billion using industry expert price forecasts.

**Highlights**

- Study provides an important data point for the potential positive impacts of the development of Khemisset in the local region
- Study becomes an integral part of the process of negotiation for government subsidies and tax concessions under the investment convention for which Emmerson is eligible
- Given the large scale of the Project, its expected profitability, mine life and the relatively high levels of unemployment in the region, the Company expects Khemisset will be recognised as having a significant impact
- Study will examine expected impacts in the local area, the broader Rabat-Kenitra-Sale region and for Morocco as a country
- Study will examine direct impacts as well as indirect and induced impacts to assess the socio-economic multiplier effect of the Project
- Study is not officially required under any of the permitting processes in Morocco, but it is designed, as is the practice for mining projects, to act as a tangible proof for the positive socio-economic impact of the Project
- Appointed renowned Professor in Economics, Dr Sallem Koubida, to study the immediate and ongoing economic impacts which would be expected from Khemisset

**Hayden Locke, CEO of Emmerson, commented:**

*"Throughout the multiple discussions we have had with government bodies and community representatives at various levels, it was clear that Khemisset is highly significant in terms of its expected positive impacts for our Moroccan stakeholders, hence the outstanding support that we have received.*

*"Notwithstanding this support, providing detailed analysis of the expected positive impacts will be integral in our engagements with these stakeholders as we move into the final permitting processes for Khemisset.*

*"As a Company, we are committed to the sustainable development of Khemisset in a manner which benefits all of our stakeholders, one aspect of which is through positive socio-economic development, especially at the local level.*

*"2020 will be another year of achievement for the Company as we continue to move rapidly towards the development of Khemisset. We have commenced the full ESIA programme in preparation for permitting and our Feasibility Study continues to progress well, and remains ahead of schedule, and we look forward to continuing to keep the market updated as we move towards its release."*

## Details of Study

Large industrial projects, like Khemisset, have the potential to provide a myriad of positive benefits throughout the local and regional economies where they are located. Accordingly, following discussions with various Moroccan government bodies and local and regional community representatives, which conclude that Khemisset is a project of national significance to its Moroccan stakeholders, the Company has commenced a Socio-Economic Impact Study. This Study is not officially required under any of the permitting processes in Morocco, but is designed, as is the practice for mining projects, to act as a tangible proof for the positive socio-economic impact of the Project. It is anticipated that it will also become an integral part of the process of negotiation for government subsidies and tax concessions under the investment convention for which Emmerson is eligible (See RNS 10 December 2019).

Under its remit, the Study will examine the benefits across local communes, the broader Rabat-Kenitra-Sale region and for Morocco as a country. It will also look at direct impacts but, perhaps more importantly, will look at the multiplier impacts, which can be much more significant.

Following a period of consultation and planning, Emmerson has appointed Dr Sallem Koubida, a Moroccan Professor of Economics, to assist in taking the Study forward and quantifying the potential impacts that the development of the Project may provide.

Dr Koubida is a renowned economist and has completed similar studies for several industrial development projects including a multi-national company investing in fast moving consumer goods in Morocco. Currently, he is Associate Professor of Economics and the Chair of Quality Assurance and Operating Effectiveness at the School of Business Administration, Al Akhawayn University Ifrane, Morocco. Amongst other previous roles, Dr. Koubida has taught at different US universities including Southern Illinois University, Slippery Rock University, and East Tennessee State University. He is particularly interested in the economics of emerging markets and has published papers in internationally recognised journals and presented academic papers at the annual meetings of the Midwest Economics Association, the Midwest Business Administration Association, and the Western Decision Science Institute.



Figure 1: World Class Local Infrastructure in Morocco

**\*\*ENDS\*\***

For further information, please visit [www.emmersonplc.com](http://www.emmersonplc.com), follow us on Twitter (@emmerson\_plc), or contact:

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#### Notes to Editors

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 537Mt @ 9.24% K<sub>2</sub>O and significant exploration potential with an accelerated development pathway targeting a low capex, high margin mine. Khemisset is perfectly located to capitalise on the expected growth of African fertiliser consumption whilst also being located on the doorstep of European markets. This unique positioning means the project will receive a premium netback price compared to existing potash producers. The need to feed the world's rapidly increasing population is driving demand for potash and Emmerson is well placed to benefit from the opportunities this presents.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014.