

08 October 2018

Emmerson Plc (“Emmerson” or the “Company”) Potential for Very Low Capital Cost Logistics Solution at Khemisset Potash Project

Emmerson Plc, the Moroccan focused potash development company, is pleased to announce that it has completed the preliminary design and cost estimates for the road connection component of the Scoping Study, which is being completed for its 100% owned Khemisset Potash Project, located in northern Morocco (“Khemisset” or “the Project”). These estimates have confirmed the potential for significant capital cost savings for the Project due to its proximity to excellent infrastructure.

Highlights

- Total budgeted cost for construction of access roads to allow product shipment via the A2 toll road is approximately US\$1.3m including a 30% contingency
- Estimated capital cost saving for similar work package of approximately 99%, or over US\$130m, relative to estimates for average Canadian potash mine development¹
- Proposed site location requires only 1.2km of paved roads to be constructed to connect the Project to existing high-quality highway (A2 toll road), with an additional 3km of gravel internal roads also included in the design estimate
- No requirement to construct expensive rail spur connections
- Design and estimate completed by independent engineering group, Golder Associates (“Golder”), according to AusIMM guidelines for capital cost estimates
- Further enhances Management’s strong belief in potential for Khemisset to be a low capital cost potash mine development, following the announcement of low capex mine access which has the potential to save Emmerson over US\$1bn when compared to benchmark projects (refer RNS dated 18 September 2018)
- Scoping Study providing the full Project economics is on track for delivery in Q1 2019

Hayden Locke, CEO of Emmerson, commented:

“In the development of a potash mine, low capital cost to production is integral in demonstrating economic viability in any commodity price environment. The Khemisset Project benefits from its proximity to outstanding infrastructure including existing, high quality, highways and ports. Access to this infrastructure results in significant capital cost savings in construction, especially when compared to other development stage potash projects globally, which typically require significant investment in roads and rail connections to transport their product to an export port.

“The design and cost estimates for the access to mineralisation, via decline, highlighted significant cost savings already available to the Khemisset Project. This announcement further enhances our belief that the Scoping Study for Khemisset will present a low capital cost, high margin proposition which should result in compelling economic metrics.

“We will continue to keep the market informed of the progress of our engineering works and we will release key components of the Scoping Study (as outlined in our 6 September 2018 RNS), which we are confident of delivering to the market by early Q1 2019.”

¹ Based on Hatch Engineering Study, 2012 (<http://publications.gov.sk.ca/documents/310/93667-PotashRequirementGuide%20Rev1.pdf>) with 30% contingency added.

Comparison to Peers

The Scoping Study road access design and costing for the Khemisset Project, completed by independent engineers Golder, indicates that the capital cost requirement to connect to key transport infrastructure should be far lower than the equivalent road and/or rail connection for the majority of potash development projects globally. A comparison to other development stage potash projects is shown in **Figure 1** below.

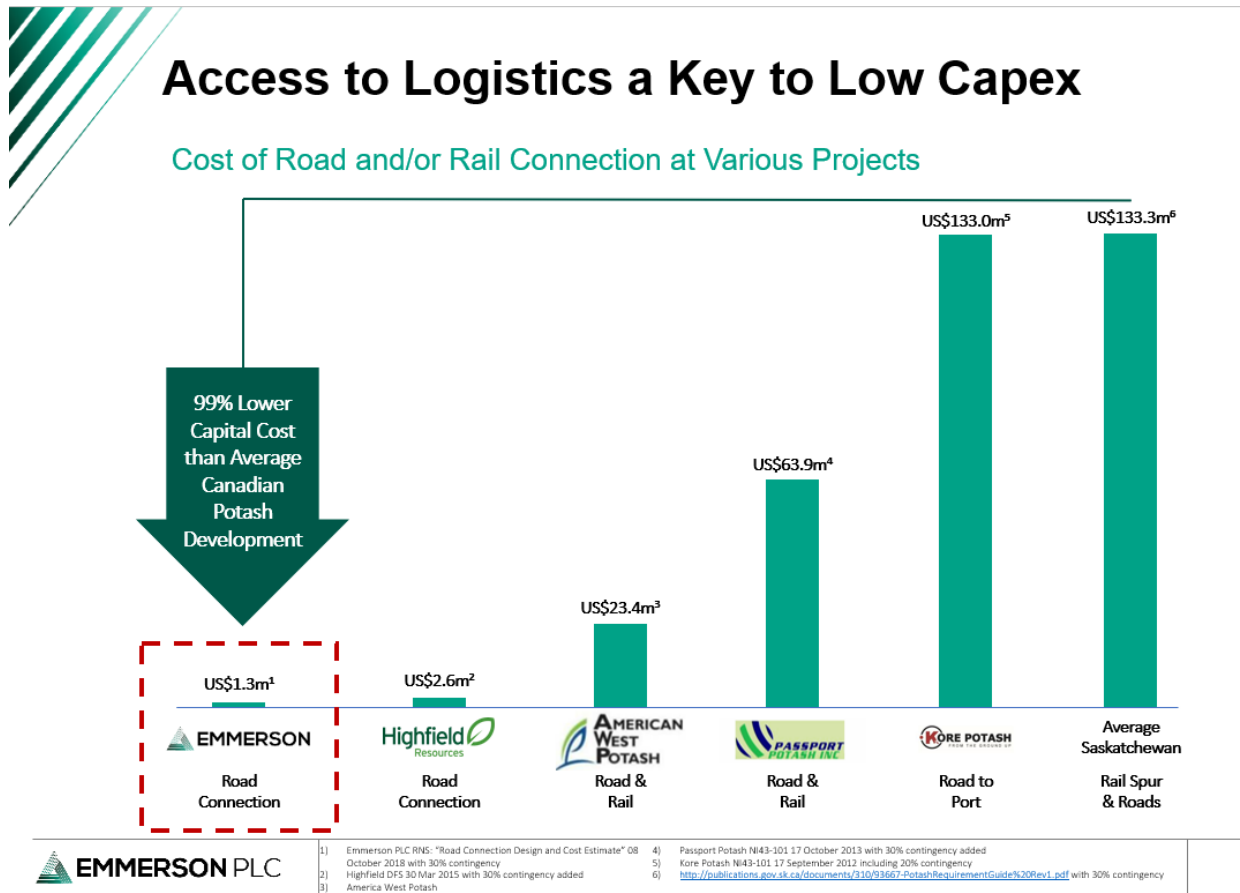


Figure 1. Capital costs to connect to logistics solution in selected potash projects

Road Connection Overview

Golder, which was appointed by the Company to manage the delivery of its Scoping Study, has completed basic design and cost estimates for the road connection at Khemisset. Designs and estimates have been prepared in line with Scoping Study guidelines provided by the Australasian Institute of Mining and Metallurgy ("AusIMM").

The planned location of the connection of the proposed site to the A2 highway has been selected as it is both close to site and is an ideal straight section of the highway to allow an appropriate safe connection. **Figure 2** below indicates the proposed location for connection to site.

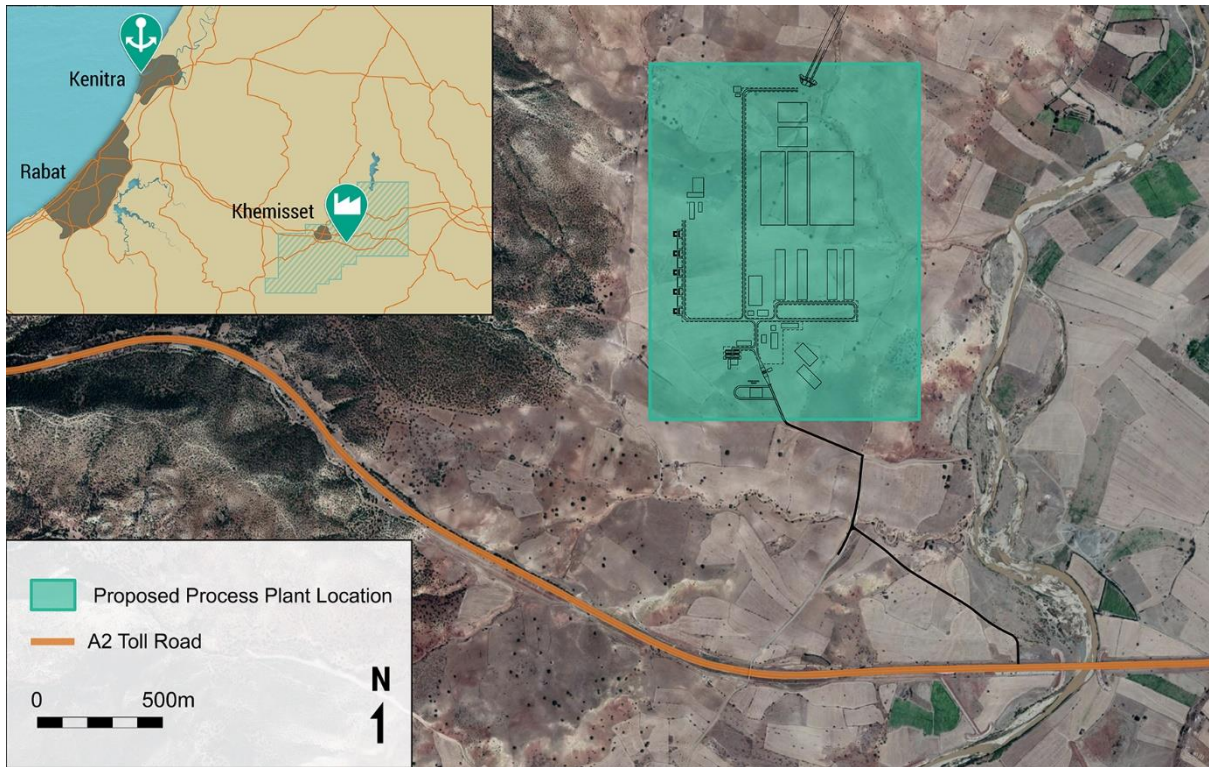


Figure 2. Proposed road connection from process plant to A2 toll road

1km of the main connection to the highway will be paved, with the remainder of site roads being unpaved gravel roads.

The proposed design of the paved road is as follows:

- 40mm AE-2 asphalt surface wearing course
- 150mm G1 base course layer works
- 150mm cement stabilised sub-base layer works
- 150mm G6 upper selected layer works
- 150mm G9 lower selected layer works

The proposed design of the unpaved roads will allow significant heavy vehicle traffic, and is as follows:

- 150mm G4 natural gravel wearing course layer works
- 150mm cement stabilised sub-base layer works
- 150mm G6 upper selected layer works
- 150mm G9 lower selected layer works

The A2 toll road is a four-lane motorway which extends from Casablanca all the way to Fez in the north east of the country. Importantly, it runs to within 10km of one of the proposed export ports at Mohammedia. **Figure 3** is photos of the road infrastructure already in place.



Figure 3. Photos of A2 Toll Road (2 lanes in each direction)

Cost Estimation

The total budgeted capital cost required to connect the Khemisset site to existing highway infrastructure is approximately US\$1.25 million including a 30% contingency. Cost estimation for the road connection construction has been conducted in line with Scoping Study levels of accuracy of approximately $\pm 30\text{-}50\%$.

A summary of the cost breakdown is presented in **Table 1** below:

Item	US\$ millions
Direct Costs	\$963,000
Earthworks, clearing and grubbing	\$350,000
Road construction	\$613,000
Contingency (30%)	\$289,000
Total Direct Costs including Contingency	\$1,252,000

Table 1: Summary of Direct Costs for Road Transport Connection

****ENDS****

For further information, please visit www.emmersonplc.com, follow us on Twitter (@emmerson_plc), or contact:

Hayden Locke	Emmerson Plc	Tel: +44 (0) 207 236 1177
Edward McDermott		
James Biddle	Beaumont Cornish Limited	Tel: +44 (0) 207 628 3396
Roland Cornish	<i>Financial Adviser</i>	
Jeremy King	Optiva Securities Limited	Tel: +44 (0) 3137 1904
	<i>Broker</i>	
Lottie Wadham	St Brides Partners Ltd	Tel: +44 (0) 20 7236 1177
Gaby Jenner	<i>Financial PR/IR</i>	

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 311.4Mt @ 10.2% K₂O 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.