

17 February 2021

Emmerson Plc
("Emmerson" or "the Company")
Emmerson to Examine Phased Development and Expansion Projects for the
World Class Khemisset Potash Project

Emmerson Plc, the Moroccan focused potash development company, is pleased to announce that it is in the process of assessing a conceptual, staged, development for its 100% owned Khemisset Potash Project ("Khemisset" or "the Project"), aimed at reducing upfront capital costs and incorporating expansion options into the development plan of the Project. Emmerson recently received the Mining Licence (see RNS dated 9 February 2021) for Khemisset providing the Company with the exclusive right to develop and mine the potash deposit, in the Khemisset basin ahead of the anticipated initiation of construction by the end of 2021.

- Updated development strategy to fast-track salt sales expansion, SOP development and MOP expansion utilising the total resource at Khemisset
 - Increase salt sales to up to 4Mtpa
 - Incorporate SOP as part of the larger project development
 - Increase MOP production by up to 50%
 - Increase mine life
- Additional potential benefits include reduced financing and execution risk; operating cost, sales, marketing and logistics synergies; and increased diversification of product revenues
- Khemisset Mining Licence puts Emmerson in position to commence construction during 2021, finance permitting

Graham Clarke, Emmerson's CEO, commented:

"Khemisset is a project of enormous potential and we see several opportunities to improve upon the mine plan presented in the 2020 Feasibility Study. The most obvious is the potential to expand the Project, given it is currently based on less than 50% of our total Mineral Resource Estimate.

"We have also previously discussed the potential to increase our salt sales and our ongoing investigations into the global de-icing salt market and, in particular, the US market gives us a high level of confidence in our ability to upscale our salt production significantly.

"We have previously presented a Scoping Study for an SOP project which indicated a project that could deliver an additional US\$70m of EBITDA for the Company for minimal capital expenditure. The SOP market, especially our target US sales market, continues to show strength in pricing, which drives a strategy to accelerate the development of that project, which provides increased cashflow generation, but also diversity of end-product.

“Finally, the capital cost benefits of our project mean that we believe we can develop our project using a staged approach, which reduces upfront capital costs and equity requirements from the market and, therefore, dilution to our existing shareholders as we grow to our full potential.

“With our mining licence in hand, we see 2021 as a pivotal year for our development as we aim to become the only potash producer in Africa and the only independent potash producer globally.”

Overview of Work Programmes

Building on the Feasibility Study (refer announcement 1 June 2020), the Company will complete a concept study examining the potential to develop Khemisset using a stage approach, reducing upfront capital costs and execution risk, while also planning out additional stages of expansion for the Project to ensure that its economic value is fully developed.

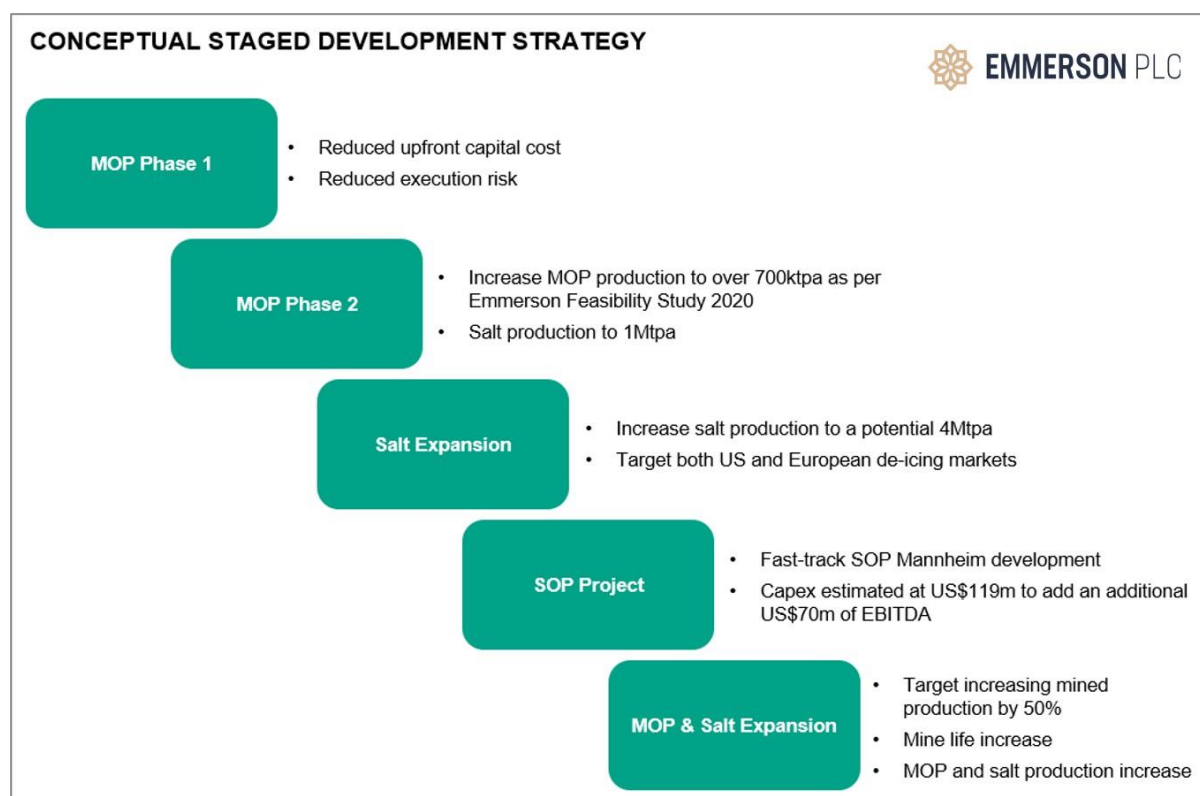


Figure 1: Conceptual View of the Staged Development and Expansion Strategy

Due to the relatively lower levels of fixed capital cost, the Company believes that Khemisset could benefit from a staged development approach. The Company will examine the technical and economic viability of initially constructing a project that mines at approximately half the rate assumed in the Feasibility Study. This could materially reduce the upfront capital cost of the Project, lowering financing and execution risk. Following this phase 1 development the project will then run through several expansion phases.

During the Feasibility Study, the Company confirmed its ability to manufacture significant quantities of de-icing salt and designed the Project to produce 1Mtpa for sale into the US market. Following the

completion of the Feasibility Study, Emmerson has continued to assess the market opportunity for de-icing salt and has concluded that there is likely to be a much larger market opportunity for this product. The Company intends to scope the cost to increase salt sales to up to 4Mtpa.

In November 2019, the Company completed a Scoping Study to assess the viability of converting 25% of its MOP to produce 240ktpa of SOP. With the continuing strength of the US SOP market, the Company is looking to accelerate the development of the SOP Project to take advantage of this strength and to improve diversity of end product and revenue.

Finally, the Feasibility Study was based on only 43% of the total Mineral Resource Estimate for the Project. Clearly, the remaining resource presents significant incremental value to the Project and the Company intends to design in an expansion project to increase production by up to 50%. This will materially improve cashflow over the life of the Project and improve the already outstanding economics.

****ENDS****

For further information, please visit 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 Project located in Northern Morocco. The Project has a large JORC Resource Estimate (2012) of 537Mt @ 9.24% 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 Feasibility Study released in June 2020 indicated Khemisset has the potential to be among the lowest capital cost development stage potash projects in the world and also, as a result of its location, one of the highest margin projects. This delivered outstanding economics including a post-tax NPV₈ of approximately US\$1.4 billion using industry expert, Argus', price forecasts.

