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Emmerson Plc ("Emmerson" or the "Company")

Decline Design and Cost Estimates Indicates Potential for Very Low Capital Cost Access to Mineralisation

Emmerson Plc, the Moroccan focused potash development company, is pleased to announce that it has completed the preliminary design and cost estimates for the mine access component of the Scoping Study, which is being completed for its 100% owned Khemisset Potash Project, located in northern Morocco ("Khemisset" or "the Project").

Highlights

- Mining horizon proposed to be accessed by twin declines constructed using underground mining machinery, which will later be used in mining production
- Direct capital cost estimate of mine access component approximately US$35m including 30% contingency, with potential to save upfront capital by using contract miners to complete works
- Estimated capital cost saving of over 95%, or over US$1bn, relative to average Canadian potash mine development[1]
- This cost would place the Khemisset Potash Project in the lowest 10% for mine access cost for potash developments globally
- Design and estimate completed by independent engineering group, Golder Associates ("Golder"), according to AusIMM guidelines for capital cost estimates
- Enhances Management's strong belief in potential for Khemisset to be a low capital cost potash mine development
- The preliminary design and cost estimates for the mine access is the first Scoping Study deliverable for the Khemisset Potash Project, which is set to be delivered in Q1 2019

Hayden Locke, CEO of Emmerson, commented:

"In the development of a potash mine the first capital investment item on which significant cost savings can be made is the method by which the underground mining horizon is accessed from the surface facilities. For most potash projects, globally, this is an extremely technically challenging and expensive investment. The work completed by our independent engineer, Golder Associates, indicates that the mining horizon at Khemisset can be accessed via a simple decline, which involves significantly lower cost and technical risk.

"The implications of these findings are important. It is estimated that the cost of accessing the mining horizon in a typical Canadian potash mine is over US$1.1bn[1]. The estimated cost for Khemisset, at US$35m including a 30% contingency, would represent a comparative capital cost saving of over 95% and is due to both the relatively shallow nature of the ore body as well as the lack of evidence of any aquifer units. The work on the preliminary decline design and cost estimates enhances our belief that Khemisset has the potential to be a very low capital cost potash development.

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

"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."

Comparison to Peers

The Scoping Study decline design and costing for the Khemisset Project, completed by independent engineers Golder, indicates that the capital cost requirement to reach mineralisation should be far lower than the majority of potash development projects globally. A comparison to other development stage potash projects is shown in **Figure 1** below.

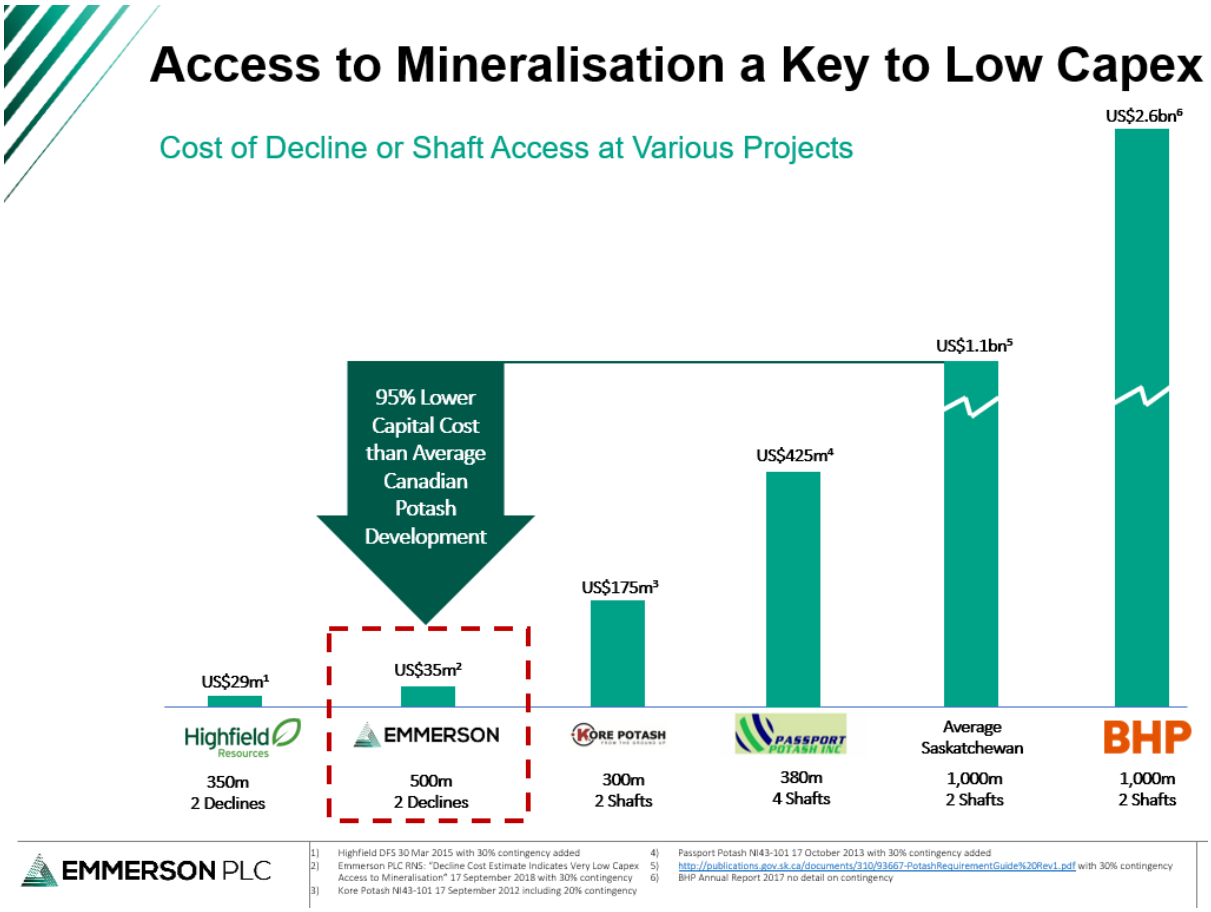

Figure 1. Capital costs to access mineralisation in selected potash projects

Summary Overview

Golder, which was appointed by the Company to manage the delivery of its Scoping Study, has completed basic design and cost estimates for decline access 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 proposed access to the main potash seam will be achieved via twin declines which will be constructed using continuous miners ("CMs"), machines which will eventually be responsible for mine production. The declines have been designed to access the primary horizon in the higher-grade eastern edge of the deposit, at a depth of approximately 610m below surface. The decline position and orientation has been selected to access the highest-grade part of the deposit at the shallowest depth while also allowing the plant site to be located as close as possible to the existing local infrastructure (roads, power, water). The initial portal location can be seen in **Figure 2** below.

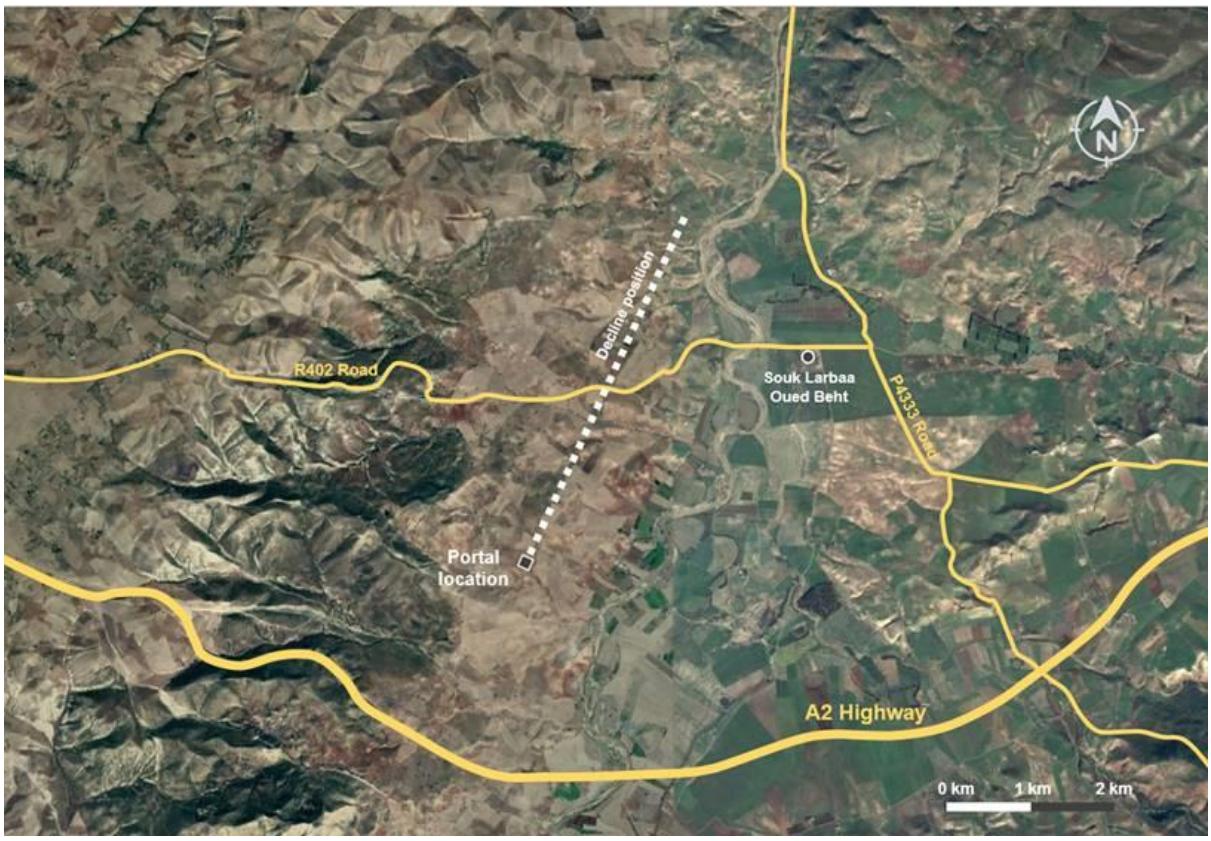

Figure 2. Indicative Location of the Portal and Declines

Geology and Stratigraphy

The decline will be driven through four key lithologies: Quaternary and Mio-Pliocene sediments (~30m thick); minor clay formation (~30m thick); primary massive salt horizon (~520m thick); and an overlying basalt unit (~60m thick).

Decline Design

The decline design has been sub-divided into four key zones based on the lithologies above, with specific geotechnical support requirements and advanced rates provided for each zone. One decline will be used for production of ore and air intake to the mine, while the other will be used for services, personnel movement and as ventilation exhaust from the mine.

Excavation of both declines will be undertaken concurrently with a proposed cross-sectional area of approximately 28m^2, which will allow sufficient airflow to ventilate the underground mine when in full operation. The current proposed decline design comprises:

- A portal constructed at the surface with the excavations supported with shotcrete, mesh and soil nailing as required. A buried steel or concrete liner will protect the entrance to the portal;
- Zone 1: through the soft soil/rock will be lined with shotcrete and mesh, with excavation carried out using conventional tunnelling techniques;
- Zone 2: through the salt horizon, will be supported with patterned bolts;
- Zone 3: through the basalt will excavated by drill and blast methods and supported with patterned bolts and mesh. Minimal water inflows are expected within the basalt strata; and
- Zone 4: will be driven laterally with the CMs and supported in a similar manner to Zone 2

The declines will be driven at a gradient of around 1:7 with a length of approximately 4,700m and will reach the potash horizon at a depth of approximately 600m below surface. A long section of the lithologies crossed by decline access is shown in Figure 3 below.

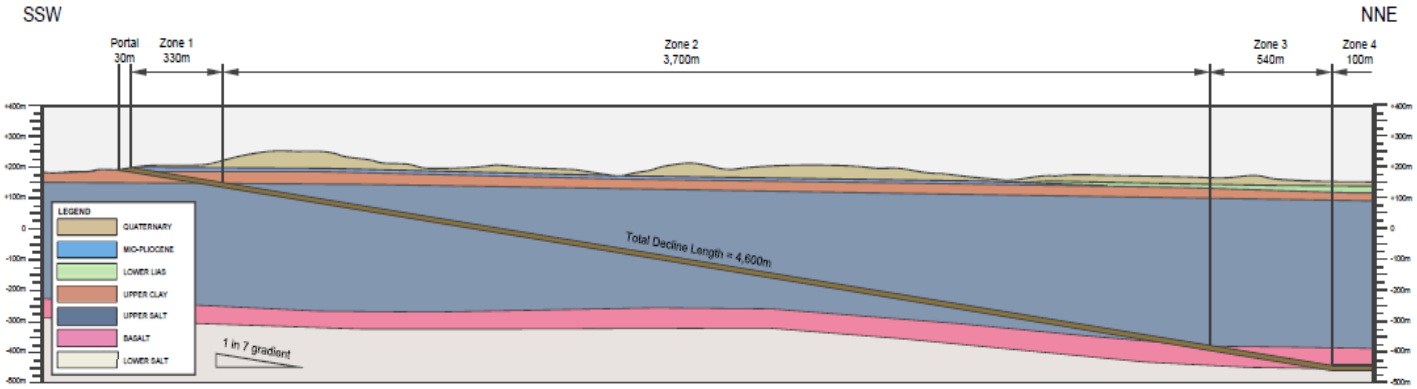

Figure 3. Schematic Longitudinal Section of the Proposed Declines

Schedule and Cost Estimation

The total programme duration of the decline construction activities is anticipated to be approximately 17 months at a direct capital cost of approximately US$35 million including a 30% contingency. Cost estimation for the decline development and construction has been conducted in line with Scoping Study levels of accuracy of approximately ±30-50%.

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

Item	US$ millions
Direct Costs	**$26.7**
Portal Construction	$0.4
Zone 1 Development	$5.4
Zone 2 Development	$9.5
Zone 3 Development	$2.5
Zone 4 Development	$0.2
Power	$3.1
Equipment purchase (vent fans, connection conveyor)	$3.0
Equipment Mobilisation / Demobilisation	$2.6
Contingency (30%)	**$8.0**
Total Direct Costs including Contingency	**$34.7**

Table 1: Summary of Direct Costs for Decline Development

A number of machines, including the continuous miners, roof bolters, decline conveyors, power infrastructure and associated machinery, will be used in the construction of the decline. The cost to purchase these items will be included as part of the capital cost estimates for the underground mine.

An overview of capital equipment purchased for the decline construction, and its relevant cost centre for the upcoming Scoping Study, is outlined in Table 2 below.

Equipment Used in Decline Construction	Number	Cost US$'000s (Excluding Contingency)	Cost Centre for Capital Cost Estimates
Continuous Miner	2	$9,362.76	Underground Mining
Feeder Breaker	1	$653.50	Underground Mining
Roofbolter	2	$1,914.77	Underground Mining
Scoop	1	$627.19	Underground Mining
Force Duct Fan, 45kW	2	$77.83	Decline construction
Exhaust Fan, 45kW	2	$77.83	Decline construction
Exhaust Duct Fan, 75kW	2	$97.85	Decline construction
Connection Conveyor	1	$2,779.70	Decline construction
Auxiliary Mining Equipment	1	$1,530.26	Underground Mining

Table 2: Summary of Capital Equipment Used in Decline Construction

ENDS

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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 311.4Mt @ 10.2% K_2O 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.