

9 April 2020

Emmerson Newsletter – Q1 2020 CEO Review

We commenced 2020 with a great deal of purpose, making outstanding progress on our Feasibility Study, developing a clear plan for the future to further de-risk the Khemisset Potash Project (“Khemisset” or “the Project”), and moving us closer to becoming a potash producer in the future.

Following a rigorous site selection trade-off study, which took into consideration numerous project variables, we selected two sites - a preferred site and a secondary site - both of which provide a great result for the Project in terms of access to local infrastructure, minimising decline costs and provide optimum locations for the process plant and associated infrastructure. At the same time, we were able to provide the capital cost estimates required to connect our preferred plant site to the local road infrastructure that will be used to transport our product to the export port. This showed a cost of only US\$2 million, including a 15% contingency, a significant cost saving relative to more remote potash projects globally.

We commenced the full IFC compliant Environmental and Social Impact Assessment (“ESIA”) in January, which will be an integral component in the eventual application for a Mining Permit for the Project. Based on the initial timelines, the Company is targeting this application occurring during the second half of 2020.

As part of the ESIA programme, we also announced a scientific partnership with the Rabat Scientific Institute with the purpose of providing scholarships to students to study animal species in the local area around Khemisset. This will provide key data for the ESIA and will ensure that our commitment to retain the highest standards of corporate and social responsibility, with a target of developing the most sustainable potash mine possible, is met and exceeded.

Also, in January, we continued constructive discussions with several potential partners for the future development of the Project. These discussions covered potential financing options as well as potential technical partnerships including EPC contractors. Khemisset has the potential to be a world class potash project driven by industry leading low capital costs and, as a result of its location, very strong margins regardless of potash price. This makes Khemisset potentially one of the most strategically valuable potash projects globally and we’re pleased that the early feedback from our prospective partners has confirmed this viewpoint.

In March, with the global onset of COVID-19, we instituted several measures to protect our employees and assets. We are fortunate given the stage of our work that much of the current work programme can be completed via desktop work, so we quickly moved to restrict any unnecessary movement of our employees and consultants. Our independent engineers also moved to working from home. While this has certainly had some impact on the ability of teams to work seamlessly together, especially at

this important time in finalising the Feasibility Study, we continue to believe that we will be able to deliver the Feasibility on our original timelines.

We maintain a healthy cash position of over £1.6 million as at the end of February 2020, having moved quickly to manage our budgets and cut down expenditure where possible. Based on our updated numbers, we are confident these funds will allow us to continue to operate until late 2021, at least. If we make further cuts to our expenditure, we can almost certainly extend that timeline, giving us significant breathing room in these challenging and unprecedented market conditions. Importantly, the current budget still allows for us to continue to deliver the Feasibility Study and all associated work streams, while moving forward on the permitting work streams, and continuing our discussions with various potential strategic partners.

Notwithstanding the impact of COVID-19, 2020 will be another year of significant milestones for Emmerson as we move ever closer to our goal of becoming part of the small group of potash producers in the world. We thank our shareholders for their support and look forward to continuing to deliver on our de-risking milestones.

KEY WORKSTREAMS COMPLETED IN Q1 2020

Road Connection Capital Cost Estimates

During the period, the Company released the capital cost estimates to connect the preferred project site to the local road infrastructure, which will allow the shipment of product produced at Khemisset to its export port at Casablanca. The total budgeted cost for construction of access roads to allow product shipment via the A2 toll road is approximately US\$2.0 million, including a 15% contingency. The selected site location requires only approximately 3.2km of paved roads to be constructed to connect the Project to the existing, high-quality, A2 highway, with an additional approximately 9.6km of gravel internal roads included in the design estimate. Importantly, due to its proximity to both this road and a port, there is no requirement to construct expensive rail connections. Design and budget completed by independent engineering group, Golder Associates (“Golder”), according to AusIMM guidelines for capital cost estimates.



Figure 1: Road Connection to Export Port at Casablanca

Commencement of Environmental and Social Impact Assessment

During the early part of the year, Emmerson commenced the ESIA for the full Khemisset Potash Project. The ESIA is a key component of all future permitting workstreams, as outlined in the Emmerson’s permitting roadmap which was released on 22 May 2019.

The ESIA will be completed in partnership with Moroccan headquartered firm, Phénixa S.A.R.L. (“Phénixa”). Phénixa has been integral in all environmental and social studies carried out at Khemisset to date and has deep experience in delivering ESIA’s for mining, and other large industrial, projects in Morocco.

The ESIA will include multiple studies on the existing area, and the final report will conclude any forecast impacts from the Project, and proposed mitigation measures, on:

- Existing land uses and social settings
- Flora and fauna
- Air quality and noise
- Climate, topography & elevation
- Surface water and ground water
- Archaeology, anthropology, and cultural heritage sites

On completion of the ESIA, the Company can commence the process of moving to mine permitting. This involves several individual workstreams, which must be completed to acquire all required permits and authorisations to commence construction at Khemisset. The major workstreams include:

- Conversion of existing Research Permits to Mining Permits, governed by the Ministry of Energy and Mines

- Requires the demonstration of technical and economic feasibility, to be fulfilled by upcoming feasibility studies
- Environmental Approval, to be governed by the Moroccan Government Comité National de l’Evaluation de l’Impact sur l’Environnement (“CNEIE”). The CNEIE will require the Company deliver the ESIA which includes:
 - An Environmental and Social Monitoring Programme (“ESMP”) to formalise ongoing monitoring and management of any issues identified in the ESIA, which is included as part of the ESIA
 - A Public Enquiry period, during which relevant stakeholders can formally request information of the Company
- Water Usage Permits, governed by the relevant Water Basin Agency
- Temporary Occupation Permits for any Government land intended to be utilised
- Construction Permits for all structures and tailings facilities

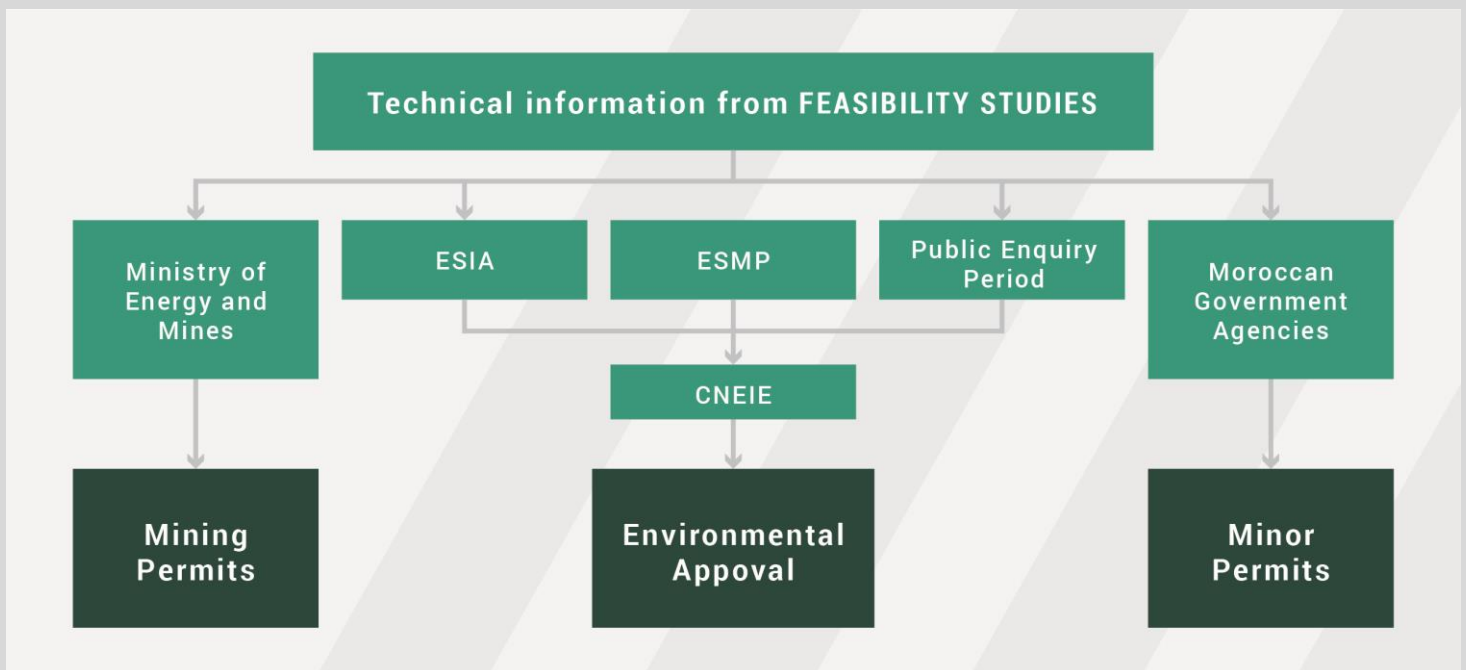


Figure 2: Permitting Roadmap for Khemisset

Scholarships Programme

In early February, the Company announced a scientific partnership with the Rabat Scientific Institute with the purpose of funding PhD scholarship studies on animal species in the area of the Project. Emerson is committed to the highest standards of corporate and social responsibility including adopting the IFC Performance Standards, which provide international best practice for the sustainable development of mining projects. These studies on the ecological aspects of the project area give us a thorough understanding of the various species of flora and fauna and will enable us to identify any potentially vulnerable species. The scientific partnership with the oldest scientific institution in Morocco has established a framework for granting honours scholarships for two students to prepare post-graduate theses.



Figure 3: December 2019 Meeting between Company representatives and the Rabat Scientific Institute



Figure 4: December 2019 Initial Site Visit with PhD Candidates

KEY WORK STREAMS FOR 2020

The Company will be focussed on delivering the following key workstreams in 2020:

- 1) Delivery of Feasibility Study in the first half of 2020
- 2) Completion of Environmental and Social Impact Assessment to IFC standards
- 3) Commencement of mine permitting process
- 4) Continuation of other strategic financing discussions
- 5) Commencement of negotiating key supply partnerships in Morocco
- 6) Commencement of final technical works prior to commencing detailed design and engineering in preparation for commencement of construction
- 7) Engagement with potential EPC / EPCM and contract mining partners

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 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 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.