EMMERSON PLC

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Emmerson Plc Announces Strategic Investment of up to US$46.75 million[1,2] for the Development of the Khemisset Potash Project

General Meeting on 6 December 2021 to approve terms of Convertible Loan Notes

Emmerson, the Moroccan focused potash development company, is pleased to announce it has secured a strategic investment of up to US$46.75 million[1,2] from a group of investors to support the development of the Khemisset Potash Project ("Khemisset" or "the Project"). The primary investor is Global Sustainable Minerals Pte Ltd, a Singapore domiciled investment vehicle backed by a significant south-east Asian investor. Defined terms used in this Announcement are set out at the end of this Announcement.

Highlights

- Strategic investment of up to US$46.75m[123] structured in two tranches comprising:
  - An immediate direct equity investment of US$6.75m at 6 pence per share[1], an 8% premium to the 30-day VWAP, under the Company's existing authority to issue shares.
  - Subscription for up to US$40m of convertible loan notes, principal and interest with a conversion price of 8.2 pence per share[13] a 48% premium to the 30-day VWAP, ("Convertible Loan Notes" or "CLN"). The Convertible Loan Notes are designed to contribute directly to the construction funding for Khemisset and are accessible by the Company once the overall funding package for the Project is in place.
  - Grant of 82,391,714 warrants pro rata to CLN subscribers, each warrant with a 12-month term and an exercise of 8.2 pence per share. Exercise of all warrants could secure additional c. US$9.3 million investment in the Company[12].
- On conversion of the CLN, the Strategic Investors, including GSM, will own up to a maximum of 29.9% of Emmerson Plc
- The US$6.75m[1] equity investment allows Emmerson to accelerate pre-construction activities at Khemisset:
  - Move into the execution phase on Project Financing discussions for debt to support project development with the aim to close in the middle of 2022
  - Immediately commence basic design and engineering for the project to prepare to commence full construction during 2022
- The Convertible Loan Notes allow Emmerson to further discussions with other providers of funding including project finance banks, sovereign wealth funds and royalty and streaming providers as the Company seeks the optimal overall funding solution for the Project
- Emmerson is well positioned to take advantage of the strongest fertiliser market in more than a decade and Morocco's emerging position as gateway to Africa
- General Meeting of shareholders on 6 December 2021 to approve terms of Convertible Loan Note and issue of conversion shares and warrants

[1] Using a USD:GBP exchange rate of 1.375

[2] Assumes further issue of ordinary shares to maintain the Strategic Investors holding at 29.9%

[3] Subject to shareholder approval and various conditions precedent including closing the remaining finance to construct the Khemisset Potash Project

[4] Based on the Feasibility Study financial model assumptions per announcement on 1 June 2020 with current Brazil spot prices

Graham Clarke, CEO of Emmerson commented:

"A major investment, at a premium to our current valuation, and long-term strategic commitment by an investment group of this calibre, is a major endorsement of the Khemisset Project. We have already formed a strong partnership with the investors who share our vision of creating a new, independent, and highly profitable and environmentally sustainable potash company. We look forward to working closely with them to achieve our shared vision.

"The whole Emmerson team and I have worked tirelessly, through an extremely rigorous due diligence process, over several months, to secure this strategic investment for the Company. It is a transformational investment for Emmerson, and it is a major step to unlocking the full potential value of the world class Khemisset Potash Project.

"The Project will be important for Morocco and will bring substantial social and economic benefits to the region of Khemisset. Our Moroccan stakeholders continue to be incredibly supportive of us as we move the Project into the execution phase and develop it for the benefit of all of our stakeholders. Emmerson expects to invest well over US$500 million over the Project's initial 19-year life of mine, creating over 2,000 direct and indirect jobs, and establishing a long-term beneficial partnership with Morocco.

"Potash markets have strengthened considerably since we released our Feasibility Study, with prices in Brazil now over US$800/tonne, effectively double the base case assumptions from our previous studies. The strength in potash clearly improves its already outstanding economics and, using current spot price assumptions, it would push our post-tax NPV_8 from a very respectable US$1.4 billion to US$3.9 billion[4] and IRR of over 85.4%, while average life of mine post tax cashflow increases to US$558 million per annum for an initial 19-year life of mine.

"Our attention now moves quickly to the task at hand, which is to get the project into production as quickly as possible. Our advisors are well advanced in their engagement with numerous potential banking partners, and we will move to mandating banks as quickly as possible. We have also engaged with our established engineering partners and will commence the basic design of the key components of the Project while, in parallel, preparing work packages for eventual tender with our EPCM partners. We have already made substantial progress in pre-qualifying the groups who will eventually partner with us in building Khemisset.

"We would like to thank our shareholders for their ongoing support through this process."

Mark Zhou, Director of GSM commented:

"The Khemisset Potash Project is clearly a standout in the development MOP space and we are excited to be partnering in its development with Emmerson Plc.

"We have been very impressed with the technical work completed by Graham and his team to date and the detailed execution plan they have presented to us, which is the basis for this significant investment.

"We look forward to being a part of the development of what will be the only producing MOP potash asset in Africa, in the dynamic Kingdom of Morocco, a global leader in fertiliser that is playing a growing role in the development of African agriculture. We believe this strategic location with developed infrastructure within close proximity makes the asset all the more valuable as Africa's importance for food production, and global food security, continues to grow in the coming decades."

Overview of the Strategic Investment

The Company has raised US$6.75 million before expenses by way of a subscription for 81,818,182 new Ordinary Shares at a price of 6 pence per share by various investors (the "**Equity Subscription**"). Global Sustainable Minerals Pte Ltd ("**GSM**") has subscribed for 48,484,848 new Ordinary Shares and Gold Quay Capital Pte Ltd ("**GQC**") has subscribed for 21,818,182 new Ordinary Shares, in aggregate investing US$5.8 million in the Company. The Subscription Shares shall be admitted to trading on AIM on 24 November 2021.

Having acquired this initial stake, GSM and GQC have committed to acquire a further strategic stake in the Company via a subscription for conditional convertible loan notes (the "**Convertible Loan Notes**"). The subscription for Convertible Loan Notes is subject to approval of Shareholders at a general meeting of shareholders to be held on 6 December 2021, further details of which are set out below. Draw-down of funds in respect of the Convertible Loan Notes is subject to satisfaction of the CLN Subscription Conditions (as defined below), subject to which GSM shall invest up to US$36 million and GQC shall invest up to US$4 million for a total of up to US$40 million. The proceeds of the Convertible Loan Notes shall be utilised at such point that the Company has all necessary project funding in place for the construction of the Khemisset Project and satisfied all other conditions precedent as described further below.

The Convertible Loan Notes shall have a two-year term from their issuance date. They will have a conversion price of 8.2 pence per share (the "**Conversion Price**") (at the Exchange Rate) and will accrue interest at a rate of 9% payable annually in arrears on the principal amount of funds drawn down, such interest to be converted into new Ordinary Shares of the Company to be issued to each holder of Convertible Loan Notes at 8.2 pence per share within 30 days after each 12-month interest period ("**Interest Shares**"). The aggregate amount outstanding under the Convertible Loan Notes including, for the avoidance of doubt, all Standard Interest (as defined below), will be satisfied by the issue of new Ordinary Shares at 8.2 pence per share. In addition, upon subscription for the Convertible Loan Notes commencing from the date on which the Resolutions are approved by shareholders, GSM and GQC will also be granted 12 month warrants to subscribe for in aggregate of up to 82,391,714 new Ordinary Shares representing a ratio of approximately 1 warrant for every US$0.485 committed under the CLN Instrument), each warrant with an exercise price of 8.2 pence per share (the "**Warrants**"). Each subscriber has the right, but not the obligation, to convert Convertible Loan Notes and all Standard Interest accrued thereunder into Ordinary Shares, at the Conversion Price, in the event of a change of control of the Company (or analogous transaction or occurrence in respect of the Khemisset Project).

The Warrants can be exercised within the 12-month period from the approval of the Resolutions and, if exercised during this period, would result in GSM and GQC (together the "**Strategic Investors**") (together with their respective affiliates) being interested in 153,694,744 Ordinary Shares representing 15.41% of the Company's issued shares.

The CLN Subscription Conditions have until 30 September 2022 to be satisfied (unless extended). On satisfaction of the CLN Subscription Conditions the Company shall draw down the maximum nominal amount of Convertible Loan Notes such that the Strategic Investors (together with their respective affiliates) will be interested in up to 29.9% of the Company's issued shares. The maximum number of shares that could be issued to the Strategic Investors is 572,320,021 Ordinary Shares, but the interest of the Strategic Investors shall always be restricted (either under the terms of the Warrant Instrument or the CLN Subscription Letter such that the shareholding of the Strategic Investors (and their affiliates) cannot exceed 29.9%.

The Conversion Price (and the exercise price for the Warrants represents a 48% premium to the volume weighted average trading price of the Company's Ordinary Shares traded on AIM over the 30-day period immediately before the date of the CLN Subscription. The Conversion Price represents a premium of approximately 45% to the closing middle market price for the Company's Ordinary Shares on 9 November 2021 (being the last practicable date prior to publication of this announcement).

Global Sustainable Minerals is a Singapore based investment vehicle managed by Mr. Mark Zhou You Chuan. Mr. Zhou is an executive director and the Chief Investment Officer of Golden Energy and Resources Limited a company listed on the Singapore Stock Exchange. GSM is funded by way of a fully committed secured financing facility (by way of a secured note) provided by Asia Star Fund Ltd, a fund controlled by Mr. Indra Widjaja.

Concurrent with the CLN Subscription, GSM will enter into a relationship agreement with the Company and Shore Capital, the Nomad, on the terms set out below.

Gold Quay Capital is an investment company based in Singapore and managed by Mr Barry Dick and Mr Martin Otway. Both have over 30 years of experience in the capital markets with much of that time spent in Asia.

GSM (and its affiliated persons) and GQC (and its affiliated persons) note that they are acting together in their investment into the Company and would therefore be deemed as acting in concert by the Panel on Takeovers and Mergers. As a result they and the Company have sought to limit their maximum collective holding in Ordinary Shares to 29.9% of the Company's issue share capital at any one time.

The Fundraising is conditional, inter alia, upon the requisite majority of Shareholders approving the Resolutions at the General Meeting that will grant the Directors the authority to allot the new Ordinary Shares and the power to disapply statutory pre-emption rights in respect of the new Ordinary Shares

Reason for the Equity Subscription, proposed issue of Conditional Convertible Loan Notes, proposed grant of Warrants, proposed issue of Interest Shares and use of proceeds of proceeds

The purpose of the Equity Subscription and the Fundraising is to provide funding for Emmerson's Khemisset Project, located in Northern Morocco.

The Company has devoted significant time to securing cornerstone funding commitments for the Khemisset project financing package, ahead of detailed negotiations with likely debt funders and industry partners, and the Directors believe the size of the proposed investment by GSM and GQC by way of the Convertible Loan Notes, the identity of the investor group, and the structure of the investment, is strategic in nature and securing this component of the project finance package has the potential to unlock the overall funding package for the Khemisset Project.

As investors will be aware, the development of the Khemisset Project has been the Company's primary focus since acquiring 100% control of the potash licenses in 2016. The recently completed Feasibility Study completed by Golder Associates in June 2020 has confirmed the findings from the 2018 Scoping Study by Golder Associates, which showed that Khemisset has the potential to be a world class, low capital cost, high margin potash mine, which is a very rare asset in the industry. The Feasibility Study is available on the Company's website at www.emmersonplc.com.

The Feasibility Study supported robust economics for the Khemisset Project with a projected post-tax NPV8 of US$1.4 billion and internal rate of return of 38.5% based on production of up to 800,000 tonnes of K60 MOP per annum during steady state operations over an estimated initial 19-year mine life, using an assumed potash price of US$360/tonne. Importantly, the Feasibility Study set out an estimated pre-production capital cost of US$387 million to bring the Khemisset Project into production, less than half of its global peer average capital intensity.

The Khemisset Project is ideally located to benefit from the expected high growth in demand for NPK fertilisers in Africa. Its location, close to a number of potential export ports with easy access to European, Brazilian and US markets, means that the project is expected to receive a premium netback price relative to many of its peers. The need to feed the world's rapidly increasing population is driving demand for potash and the Company is well placed to take full advantage of the opportunities this presents.

The Feasibility Study confirmed both the technical and economic viability of the sale of 1 million tonnes per annum (Mtpa) of salt byproduct produced from the Khemisset Project with, on average, a total of approximately 4.5Mtpa of salt by-product over the life of the mine. As a result, there is clear potential for significant increases in the tonnages of salt which could be sold into the US de-icing salt market. As the salt is a bye-product of potash production at the Khemisset Project, the operating cost associated with its production is very low and the Company expects to be a very competitive producer on a delivered cost basis to the US market.

Emmerson plans to use the net proceeds of the Equity Subscription, if exercised, the Warrants, and funds drawn-down pursuant to the Convertible Loan Notes, to:

- Fund development capital expenditure on the Khemmiset project and any growth opportunities for the Khemisset project including:
  - Completion of basic design and engineering
  - Completion of definition of work packages for tender from construction contractors
  - Examine expansion opportunities for salt and potash production
- Achieve financial close on project finance debt and other financing streams for the development of the Khemisset project
- Build-out the owners' development team across all key technical disciplines

Details of the Equity Subscription and Total Voting Rights

The Company has raised US$6.75 million (approximately £4.91 million) before expenses through the issuance of 81,818,182 new Ordinary Shares at an issue price of £0.06 (six pence) per Ordinary Share to GSM, GSQ and other unrelated investors. GSM has subscribed for 48,484,848 new Ordinary Shares at 6 pence per share and GQC has subscribed for 21,818,182 new Ordinary Shares at 6 pence per share.

The Equity Subscription is being undertaken under the Company's existing authority to issue Ordinary Shares for cash and is conditional, inter alia, upon Admission becoming effective on 24 November 2021.

The Subscription Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

Application will be made to the London Stock Exchange for the admission of the Subscription Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 24 November 2021 at which time it is also expected that the Subscription Shares will be enabled for settlement in CREST.

Following Admission of the 81,818,182 Subscription Shares, the Company's issued share capital will consist of 915,062,661 Ordinary Shares. Therefore, following Admission the total number of voting rights in Emmerson will be 915,062,661, which is the figure which should be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Ordinary Shares under the FCA's Disclosure and Transparency Rules.

CLN Subscription Letters

Subject to approval of Shareholders at the General Meeting the Company is proposing to raise up to US$40 million, before expenses, by the issuance of Conditional Convertible Loan Notes to GSM and GQC, pursuant to the terms of CLN Subscription Letters signed by the Company and each of GSM and GQC on 10 November 2021. The CLN Subscription Letters confirm the legal obligation of GSM and GQC to subscribe for Convertible Loan Notes subject to satisfaction of relevant CLN Subscription Conditions, including but not limited to the requisite majority of Shareholders approving the Resolutions at the General Meeting. GSM and GQC have conditionally subscribed for the Convertible Loan Notes set forth in the table below:

Name of Subscriber	*CLN Subscription*
GSM	Up to US$36,000,000
GQC	Up to US$4,000,000
TOTAL	**Up to US$40,000,000**

Under the terms of the CLN Subscription Letters the maximum principal amount that can be drawn down by the Company under the Convertible Loan Instrument and maximum amount of Convertible Loan Notes that will be issued to the Strategic Investors is capped at an US$ amount that, at the Exchange Rate, will result in the Strategic Investors (together with their respective affiliates) holding no more than 29.9% of the issued shares of the Company from time-to-time.

A summary of the CLN Subscription Conditions which have to be satisfied by the 30 September 2022 long-stop date (of which (ii) to (vii) below may be waived by GQC and GSM jointly and not severally) are set out below:

(i) the requisite majority of Shareholders approving the Resolutions at the General Meeting (this condition cannot be waived);

(ii) the Company confirming in writing that there are and will be no Events of Default (as that term is defined below) on the proposed date of the drawdown or will result from the proposed drawdown (the "**Issuance Date**");

(iii) the Company obtaining all requisite Government licences and approvals for the construction of its Khemisset Project and making the requisite announcements on AIM in relation thereto;

(iv) the Company announcing on AIM that it has signed definitive agreements and satisfied all conditions precedent for the draw-down of all project finance (debt, equity and other components) for the funding of the construction of the Khemisset Project ("**Project Finance**");

(v) the Company not being aware of any pending material adverse event information concerning the Khemisset Project which is inside information required to be disclosed under UK Market Abuse Regulation;

(vi) the Company having prepared a full "Definitive Feasibility Study", acceptable to the banking syndicate providing the Project Finance and providing a copy of such study to each of GQC and GSM; and

(vii) each of GQC and GSM satisfying themselves, in conjunction with the Independent Technical Expert to be appointed by the banking syndicate, of the operating and capital cost assumptions in the Definitive Feasibility Study as referred to in paragraph (vi) above.

The Convertible Loan Notes will be issued, subject to satisfaction of relevant conditions, pursuant to the terms of a convertible loan note instrument (the "**Convertible Loan Instrument**") adopted by the Company on 9 November 2021. The principal terms of the Convertible Loan Instrument are set out below:

(a) Due and payable in two years from Issuance Date (the "**Maturity Date**").

(b) The entire principal amount of the Convertible Loan Notes to be converted to the Conversion Shares, being Ordinary Shares of the Company at the Conversion Price of 8.2 pence per share at the Exchange Rate.

(c) Coupon of 9% per annum payable annually in arrears ("**Standard Interest**") on principal amount of the issued Convertible Loan Notes, with the payment of such interest to be satisfied by the issue of the Interest Shares on an annual basis within 30 calendar days after the end of each relevant interest period, being new Ordinary Shares at 8.2 pence per share. Interest will accrue on any overdue amounts at the rate of 15% per annum and interest in excess of 9% Standard Interest shall be payable in cash.

(d) Customary representations and warranties including warranty confirming the Company has no other indebtedness and a covenant that it will not incur other indebtedness other than as part of the Project Finance package required to build the Khemisset Project.

(e) Customary adjustment mechanisms in the event any reorganization of the Company's share capital occurs prior to Maturity Date.

(f) Interest payments made by the Company under the Convertible Notes shall be grossed up to offset any withholding tax on interest the Company is required to deduct.

(g) Each subscriber has the right, but not the obligation, to convert Convertible Loan Notes and all Standard Interest accrued thereunder into Ordinary Shares, at the Conversion Price, in the event of a change of control of the Company (or analogous transaction or occurrence in respect of the Khemisset Project).

(h) Upon the occurrence of certain insolvency events and/or a change in control, all of the Convertible Loan Notes then in issue will be immediately due and payable and redeemed in cash or converted to Ordinary Shares of the Company at the Conversion Price, at the sole and absolute discretion of each subscriber.

(i) The outstanding principal amount under the Convertible Loan Notes will be converted to Ordinary Shares of the Company at the Conversion Price:

    (i) if the volume weighted average price of Ordinary Shares on the AIM Market ("**VWAP**") following the Issuance Date for any 10-consecutive trading day period is above 16p; or

    (ii) on the Maturity Date; or

    (iii) prior to the Maturity Date at the election of the Noteholder in respect of some or all of the Convertible Loan Notes and Standard Interest accrued thereunder, by giving a notice in writing to the Company setting out the number of Convertible Loan Notes to be converted, plus Standard Interest that has accrued but which remains unpaid with such conversion being completed by the Company within five (5) Business Days of receipt of such written notice from such Noteholder.

(j) Ordinary Share(s) allotted and issued on conversion will be fully paid ordinary shares in the capital of the Company and will rank *pari passu* in all respects with the then existing Ordinary Shares, including in respect of any dividends, rights or other distributions.

(k) Price protection events in favour of each holder of Convertible Loan Notes, while the Convertible Loan Notes are issued and drawn, such that if the Company issues or enters into any arrangement to issue Ordinary Shares to any person at a price below 8.2 pence per share (a "**Lower Issue Price**"), the Conversion Price will be reduced provided save that that the maximum shareholding position of the Strategic Investors (together with their respective affiliates) in the Company is capped at a maximum of 29.9%.

(l) Customary events of default.

Warrants

Concurrent with the signing of the CLN Subscription Letters by GSM and GQC, the Company adopted a warrant instrument (the "**Warrant Instrument**") in respect of up to 82,391,714 new Ordinary Shares ("**Warrants**") of the Company on the terms set out below:

(a) 12-month term from date of approval of the Resolutions by Shareholders ("**Warrant Term**");

(b) exercise price £0.082 (8.2 pence) per share (subject to adjustment to match the issue price of new Shares in the event the Company issues Shares during the Warrant Term at a price lower than £0.082 (8.2 pence));

(c) customary adjustment events on share capital reorganisation or distributions by the Company during the Warrant Term;

(d) the Warrants may be assigned to affiliates of the holder but not to third parties unless the Company provides its written consent in relation thereto;

(e) grant of Warrants subject to the requisite majority of Shareholders approving the Resolutions at the General Meeting; and

(f) the Warrants may not be exercised to the extent the issue of new Ordinary Shares will result in the Strategic Investors (and their respective affiliates) holding an interest of greater than 29.9% of the Company's issued shares from time-to-time.

Pursuant to the terms of the CLN Subscription Letters, subject to the requisite majority of Shareholders approving the Resolutions at the General Meeting, the Company has granted Warrants to GSM and GQC pro rata to their respective commitment to the CLN Subscription as set out below:

Name of Warrant Holder		*Number of Warrants*
GSM		74,152,543
GQC		8,239,171
	TOTAL	**82,391,714**

Relationship Agreement with GSM

The Company, Shore Capital and GSM have entered into an agreement to regulate the relationship between the Company and GSM. The relationship agreement contains undertakings from GSM that, amongst other things, it will not seek to interfere with overall balance and independence of the Company's board, the day-to-day control of the Company and that all transactions and arrangements between the Company and GSM and members of its group will be at arm's length and on normal commercial terms. The Relationship Agreement will continue in full force and effect for so long as the Ordinary Shares are admitted to trading on AIM and GSM is interested in 20% or more of the Company's issued ordinary share capital.

Board & Investor Accountant Appointment Rights

Under the Relationship Agreement, GSM has the right to appoint and maintain in office one Director for such time any amounts remain outstanding pursuant to Convertible Loan Instrument, or it has an interest in not less than 20% of issued Ordinary Shares, and such party shall be appointed to the Board's Nominations Committee. In addition, GSM also has the right to appoint, at its cost, an accountant ("**Investor Accountant**") in an observational role, with full access to the Company's Chief Financial Officer (currently FIM Capital Limited) and Project Control Manager, to monitor the expenditure in relation to the Khemisset Project. In addition, the Company agrees to consult with GSM in relation to the termination of the Company's current Chief Executive Officer or Chief Financial Officer and/or proposed candidates to fill such roles if vacant (or to be vacated) for any reason.

Pre-emption Issue of new Shares

Under the Relationship Agreement, for such time as GSM is interested in aggregate in greater than 5% of issued Ordinary Shares of the Company, GSM shall have the right to participate in relation to any new issue of Ordinary Shares by the Company for cash (other than pursuant to exercise of options or warrants or under the terms of any employee incentive scheme) pro-rata to its interest in the Company as at the date of issue of the new shares.

General Meeting and Posting of Circular

The Company's existing share issuance authorities, are insufficient to allow the issue of the Conversion Shares, the Warrant Shares and the Interest Shares. A General Meeting will therefore be convened to seek shareholders' approval to the allotment and issue of such shares. It is currently anticipated that the General Meeting will be convened for 6 December 2021 and it is anticipated that a circular (containing notice of general meeting) will be issued on or around 11 November 2021.

The Directors have irrevocably undertaken to vote on or procure to vote in favour of the Resolutions in respect of 47,060,055 Existing Ordinary Shares, in aggregate representing approximately 5.65% of the existing issued ordinary share capital of the Company.

Expected Timetable of Principal Events

Announcement of the Proposals	10 November 2021
Publication and posting of circular to shareholders	11 November 2021
Admission of the Subscription Shares	8.00 a.m. on 24 November 2021
Latest time and date for receipt of proxy forms	11 a.m. 2 December 2021
Record Date for voting at the General Meeting	6 p.m. 2 December 2021
Latest time and date for receipt of Forms of Proxy or CREST Proxy Instructions (as applicable) for the General Meeting	11.00 a.m. on 2 December 2021
General Meeting	11.00 a.m. on 6 December 2021
Announcement of the result of the General Meeting	6 December 2021
Grant of Warrants	on or around 10 December 2021
Issue of the Convertible Loan Notes	on or before 30 September 2022

Notes

(i) Each of the times and dates set out in the above timetable and mentioned in the circular to shareholders is subject to change by the Company, in which event details of the new times and dates will be notified to the London Stock Exchange and the Company will make an appropriate announcement to a Regulatory Information Service.

(ii) References to times in this Announcement are to London time (unless otherwise stated).

ENDS

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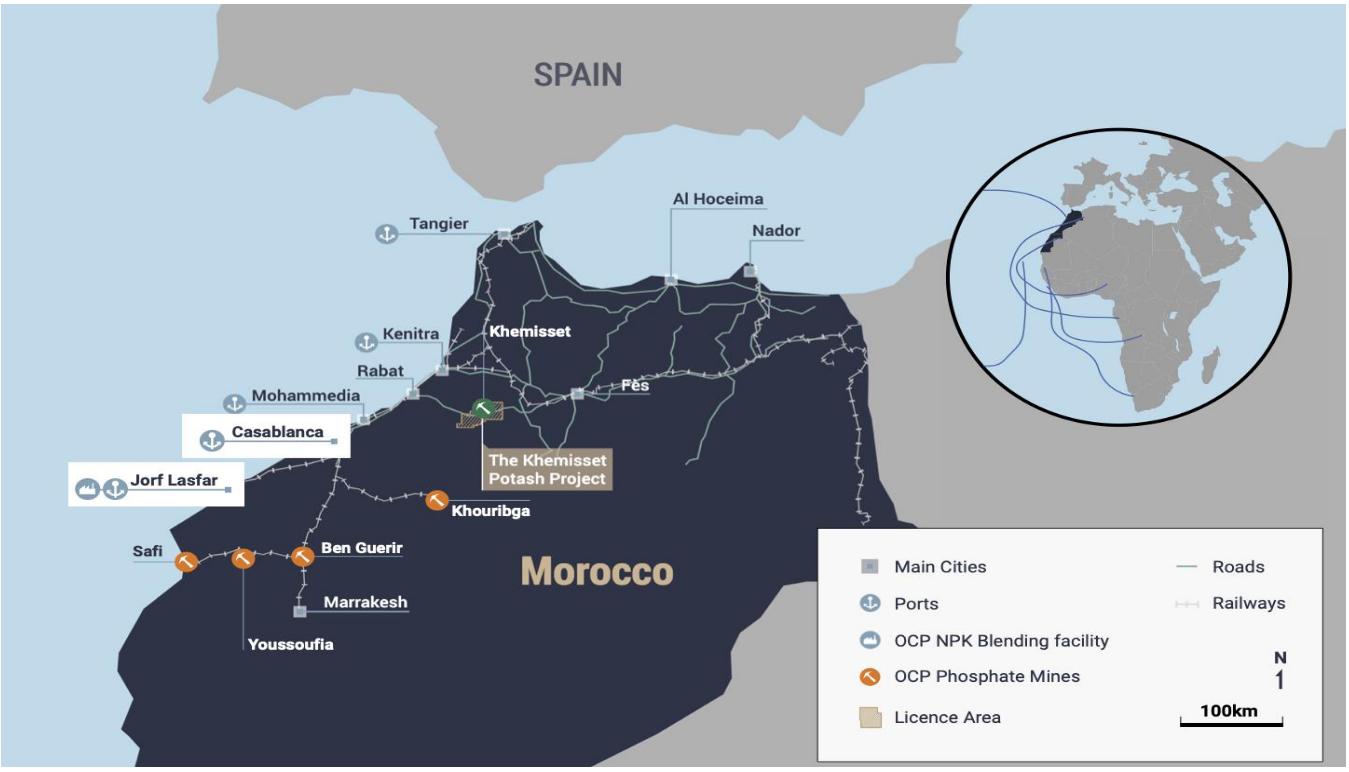
Notes to Editors

Emmerson's primary focus is on developing the Khemisset project ("Khemisset" or 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 NPV_8 of approximately US$1.4 billion using industry expert, Argus', price forecasts.

Further Information

About Emmerson

Emmerson Plc is developing the world class Khemisset Potash Project which is located in northern Morocco in between the capital of Rabat and regional centre of Fes. The Project is benefitted by Morocco's excellent infrastructure and proximity to existing export routes including ports, roads and railway lines.



Khemisset is relatively shallow, commencing from approximately 350m below surface, and is the lack of aquifer unit overlying the potash seam allows access via a low cost decline. This is one of the key capital cost savings when compared to typical potash mines.

Feasibility Study Overview

The Company released a Feasibility Study in June 2020, which highlighted the outstanding features of the Project including industry leading, low, capital expenditure to bring the Project into production, bottom quartile all-in-sustaining delivered cost to targeted customers and an initial mine life of 19 years. The Feasibility Study estimated Khemisset could be built with industry leading capital costs of just over US$400m, while projected operating costs of US$168/tonne, delivered to Brazil, put the Project in the lowest quartile on the cost curve.

The key assumption underpinning the Feasibility Study is an average annual extraction rate of approximately 6 million tonnes of ROM ore with an average grade (undiluted) over the life of mine of 9.12% K2O. The Feasibility Study is based on 43% of the JORC compliant Mineral Resource Estimate of 537Mt at an average grade of 9.24% K2O, delivering an initial mine life of 19 years. Significant potential remains to increase the mine life by including additional resources, notably in the south-west of the project area, and through further exploration work.

Processing assumes a hot leaching and crystallisation process to extract and purify the KCl in the ore into saleable grade K60 MOP. Over the life of mine, the process plant delivers an average of approximately 735,000 metric tonnes per annum of K60 product and 1 million metric tonnes of de-icing salt for sale.

The Feasibility Study assumes all MOP and salt product is exported through the Port of Casablanca, using trucks from mine site, to be sold in Emmerson’s target markets in the Atlantic corridor, which includes Morocco.

EMMERSON PLC

World Class Economics

Economic sensitivity analyses of Khemisset shows it to be a financially robust project that delivers strong NPVs and healthy cashflows through a range of potash prices. Strong cashflow generation at a variety of low potash prices is fundamental to the ability to finance the Project.

The Base Case for the Project delivered a post-tax NPV8 of US$1.4 billion and average life of mine EBITDA of US$294m per annum assuming an average potash price of US$412/tonne over the life of mine. Increasing the potash price assumption to US$680/tonne, which is an approximately 15% discount to the current spot price, increases the post-tax NPV8 to over US$3 billion with average life of mine EBITDA of US$556 million.

WORLD CLASS ECONOMICS

Spot Price is Currently US$800/ tonne in Brazil

	Consensus Case	Spot Price (All other inputs equal)
Mine life	19 years	19 years
Extraction rate (Mt/annum)	6.0	6.0
MOP price pertonne (USD)	412	680
Average Annual MOP production (tonnes/annum)	735,000	735,000
Average Salt Production (tonnes/annum)	1,000,000	1,000,000
AISC FOB Casablanca ($/tonne)	158.0	158.0
Upfront CAPEX	$411m	$411m
Payback	2.4 years	1.4 years
Average annual EBITDA LOM (USD)	$ 294m	$ 556m
EBITDA Margin	61%	74%
Post Tax Cash Flow	$4.4b	$9.1b
After-tax NPV 8%	$1.4b	$3.2b
After-tax IRR	40.6%	72.6%

Source: Emmerson Feasibility study (Argus, June 2020)

DEFINITIONS

The following definitions apply throughout this announcement unless the context otherwise requires:

Admission	means the admission of the Subscription Shares to trading on AIM in accordance with the AIM Rules
AIM	means the market of that name operated by the London Stock Exchange
Board	means the board of directors of the Company from time to time
Business Day	means any day (excluding Saturdays and Sundays) on which banks are open in London for normal banking business and

	the London Stock Exchange is open for trading
CLN Subscription	means the conditional subscription for up to US$40 million of Convertible Loan Notes by the Strategic Investors in accordance with the terms of the CLN Subscription Letters
CLN Subscription Conditions	means the conditions precedent to be satisfied by the Company before draw-down of the funds pursuant to the CLN Subscription
CLN Subscription Letters	means the subscription letters signed by the Company and each of GSM and GQC setting out their binding commitment to subscribe for up to US$40 million in respect of the CLN Subscription
Company or Emmerson	means Emmerson plc
Conversion Price	means 8.2 pence
Conversion Shares	means the new Ordinary Shares to be issued to the Strategic Investors on conversion of the principal amount of the Convertible Loan Notes in accordance with the terms of the Convertible Loan Instrument
Convertible Loan Notes	means up to US$40 million of convertible loan notes to be issued to the Strategic Investors under the terms of the Convertible Loan Instrument subject to satisfaction of the CLN Subscription Conditions
Convertible Loan Instrument	means the convertible loan instrument adopted by the Company on 9 November 2021 pursuant to which the Company will, on the terms and subject to the conditions of each CLN Subscription Letter, issue up to US$40 million in principal amount of Convertible Loan Notes
Directors	means the directors of the Company at the date of this Announcement
Equity Subscription	means the subscription by new and existing investors (including the Strategic Investors) for the Subscription Shares announced by the Company on 10 November 2021
Exchange Rate	GBP: USD 1.375
Existing Ordinary Shares	means the existing 833,244,479 Ordinary Shares in issue as

	at the date of this Announcement
FCA	means the Financial Conduct Authority of the United Kingdom
Feasibility Study	means the technical feasibility study in relation to the Khemisset Project completed by Golder Associates in June 2020 available on the Company's website at www.emmersonplc.com
Fundraising	means the proposed subscription by the Strategic Investors for the Convertible Loan Notes, issue of Interest Shares and the Warrants pursuant to which the Company will raise finance of up to US$40 million by issue of the Convertible Loan Notes
GM or General Meeting	means the general meeting of the Company convened for 11.00 a.m. on 6 December 2021 at the offices of Emmerson plc at 55 Athol Street, Douglas, IM1 ILA, Isle of Man by the Notice of GM and any adjournment thereof
GQC	means Gold Quay Capital Pte Ltd
GQC Subscription Shares	means the 21,818,182 Subscription Shares subscribed for by GQC pursuant to the Subscription Agreements
GSM	means Global Sustainable Minerals Pte Ltd
GSM Subscription Shares	means the 48,484,848 Subscription Shares subscribed for by GSM pursuant to the Subscription Agreements
Interest Rate, also defined as Standard Interest	means 9% per annum
Interest Shares	means the up to 63,858,093 new Ordinary Shares to be issued to the Strategic Investors to pay Standard Interest accrued under the Convertible Loan Notes prior to the conversion or repayment of such Convertible Loan Notes, each issued at an issue price of £0.082 (8.2 pence) per share
Issued share capital	means, except where stated to the contrary, the issued share capital of the Company excluding treasury shares
K60 MOP	means the minimum saleable grade for standard MOP for agricultural uses is 60% K20

Khemisset Project	means the Khemisset potash project in Morocco
LSE or London Stock Exchange	means London Stock Exchange plc
Maturity Date	means the date falling on the second anniversary of draw-down of funds pursuant to the Convertible Loan Instrument
MOP	means Muriate of Potash
Notice of GM	means the notice of the GM sent to shareholders with the circular setting out the proposed terms of the Fundraising
Ordinary Shares	means the issued ordinary shares of nil par value in the capital of the Company
Proposals	means the proposed issue of the Conditional Convertible Loan Notes, proposed grant of the Warrants and proposed issue of the Interest Shares
Relationship Agreement	means the relationship agreement between GSM, the Company and Shore Capital to be executed by the parties on first draw-down of funds pursuant to the Convertible Loan Instrument
Resolutions	means the following resolutions : 1. Resolution 1, which will be proposed as an ordinary resolution, to authorise the Directors to allot and issue (i) Ordinary Shares pursuant to the terms of the Convertible Loan Notes (including the Interest Shares), and (ii) the Warrant Shares, being up to a maximum amount of 501,016,991 Ordinary; and 2. Resolution 2, which will be proposed as a special resolution, to disapply the statutory pre-emption rights in respect of the Ordinary Shares allotted for cash, pursuant to the authority conferred on them by resolution 1 to allot such shares up to a maximum amount of 501,016,991 Ordinary Shares.
"SCC" or "Shore Capital & Corporate"	means Shore Capital and Corporate Limited, the Company's nominated adviser and financial adviser
"SCS" or Shore Capital Stockbrokers	means Shore Capital Stockbrokers Limited, the Company's joint broker
Shareholders	means holders of Existing Ordinary Shares

Shore Capital	means SCC and/or SCS, as the context permits
Standard Interest	Coupon of 9% per annum payable annually in arrears
Strategic Investors	means GQC and GSM.
Subscription Agreements	means the subscription agreements dated 10 November 2021 entered into by the Company and GQC, GSM and certain other unconnected investors in relation to the subscription for the Subscription Shares by GSM, GQC and the other unconnected investors
Subscription Shares	means the 81,818,182 shares comprising the GQC Subscription Shares, the GSM Subscription Shares and the 11,515,152 shares subscribed for by certain other unconnected investors
United Kingdom or UK	means the United Kingdom of Great Britain and Northern Ireland
£ or Pounds	means UK pounds sterling, being the lawful currency of the United Kingdom
Warrant Instrument	means the Warrant Instrument adopted by the Company on 9 November 2021
Warrant Shares	means up to 82,391,714 Ordinary Shares to be issued to the Strategic Investors on exercise of the Warrants at a price of 8.2 pence per share in accordance with the terms of the Warrant Instrument
Warrant Term	12-month term from date of approval of the Resolutions
Warrants	means the 12-month warrants granted to GSM and GQC to subscribe for in aggregate up to 82,391,714 new Ordinary Shares at an exercise price of 8.2 pence per share