

LSE-listed resources company developing the low-cost potash Khemisset Project in Northern Morocco

Overview

Attractive Project Economics

- Post-tax NPV8 of US\$1.4bn and IRR of 38.5% over initial 19-year mine life
- Peak production of 810ktpa K60 MOP and 1mtpa de-icing salt, average annual production of 735ktpa and 1mtpa respectively
- Pre-production capex of US\$387m including contingency
 - Additional US\$24m capital cost for salt plant designed to produce de-icing specification salt for sale into the east coast US
 - Bottom quartile projected all-in-sustaining delivered cost to target markets in Brazil, NW Europe, Morocco and South Africa
 - Khemisset capital intensity forecast to stand at US\$478/tonne compared to global peer average of US\$1,142/tonne
 - Project lithology makes Khemisset suitable to an access decline to 500m rather than a deep shaft through aquifer units which is frequently the reason for high potash development costs.

Geographic Transport Advantages

- Location advantage of Khemisset is worth over US\$80/tonne in delivered cost to Brazil compared to existing suppliers
- Significant unrealized potential in Africa which has over 60% of the world's uncultivated arable land and among the world's lowest fertilizer application rates
 - MOP imports to Morocco grew 120% between 2012 and 2018
 - Average global potash demand growth at 2-3% p.a.

Supportive Government in Stable Jurisdiction

- Project is located roughly 90km from Morocco's capital, Rabat, and planned bulk port of Kenitra Atlantique, and 150km from port of Mohammedia
- Key infrastructure including four lane A2 toll road and 2x 225KV powerlines already in place – results in a US\$1.2bn pre-production capital cost saving relative to average Canadian potash mine development
- Environmental and social impact assessment currently underway with no key issues currently identified
- Highly supportive mining jurisdiction with nominal royalties (<0.1%), 5-year tax holiday for new mining projects and 50% reduction in income tax for exported projects.
- The Moroccan Government is supportive of the mining industry and was ranked as the 2nd most attractive jurisdiction in MENA in 2018 by BMI Research Group (Fitch).

Reserves and Resources

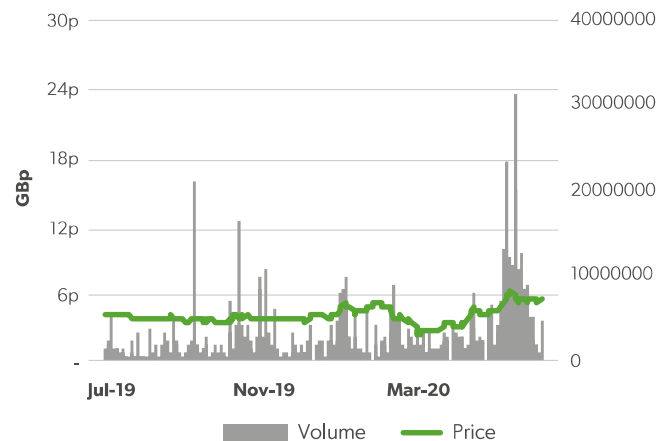
	Tonnes (Mt)	K20 (%)	K20 (Mt)
Khemisset			
Indicated	375	9.4%	35.1
Inferred	162	9.0%	14.5
Total	537	9.2%	49.6

Sites



Financial Performance

Values in US\$m unless otherwise stated	
Share Price (GBP)	4.5
Share Price (US\$)	5.7
Shares Outstanding (m)	686.1
FDSO	704.2
Market Cap	39.1
Debt	0
Cash & Equivalents	2.6
Enterprise Value	36.5



Key Shareholders and Management

Firm	Stake
Robert Wrixon	6.4%
Heshin Kim	6.0%
Keith Davidson	4.7%
Mohamed Aghmir	4.7%
Dame Ann Gloag	3.0%

Individual	Position
Graham Clarke	CEO
Mark Connelly	Chairman
Hayden Locke	Executive Director
Robert Wrixon	Executive Director
Phil Cleggett	Head of Corp. Development