

## **NEW TENNANT CREEK STRATEGIC ALLIANCE TO DRIVE AGGRESSIVE GOLD EXPLORATION, PRODUCTION & ROYALTY STREAMS**

### **Highlights**

- Highly credentialled Tennant Consolidated Mining Group (TCMG) enters into a Strategic Alliance with Emmerson over the Northern Project Area (NPA) at Tennant Creek
- New agreement secures greater access to capital, has clearly defined project milestones and strong alignment between partners
- New Strategic Alliance with TCMG includes:
  - A \$2m equity investment in Emmerson at 13c/share
  - Exploration Earn-In and Joint Venture (managed by Emmerson) whereby TCMG provides the next \$5.5m of funding to earn a 75% interest in the NPA over 5 years
  - A Small Mines Joint Venture (SMJV) covering the NPA with Emmerson to receive:
    - 6% gold gross revenue royalty from all small mines
    - Guarantee of 6% of a minimum 30,000oz gold gross revenue royalty or cash payment of shortfall
- Major Mines JV from discovery of >250,000ozs gold with Emmerson to receive an immediate 40% contributing share
- Emmerson retains 100% ownership of the Edna Beryl, Jasper Hills and Southern Project Areas
- Upon completion of the TCMG investment, Emmerson cash on hand will exceed \$7.5m

### **Emmerson Managing Director Mr Rob Bills commented:**

*"We welcome the Tennant Consolidated Mining Group as our new strategic partner at Tennant Creek and view the new agreement as an extremely important development.*

*Our vision for a central processing mill at Tennant Creek remains unchanged and we believe we now have a partner with greater access to capital, deeper technical expertise, and stronger alignment to make this happen.*

*We have been as frustrated as our shareholders with the lack of progress over the last two years but have had to work within the confines of the legal agreements which are now terminated.*

*This recast Exploration and Mining Joint Venture has clear hurdles and minimum production levels to drive our vision of receiving multiple royalty streams across many of our mines.*

*The Exploration Earn-in and Joint Venture will combine Emmerson's experience and technical expertise with significant funding to discover new deposits and extend existing deposits.*

*The inclusion of the Major Mines JV and broadening the reach of our partnership to a 20,000km Area of Mutual Interest aligns both parties to the longer-term future of this strategic alliance.*

*In parallel, TCMG has consolidated several other projects in the Tennant Creek region and intends to unlock value through building a larger, central modern processing facility. The location and size of this new facility is the subject of current studies. Emmerson is encouraged by the diligent, long-term approach being taken by TCMG to realising full value from one of Australia's premier goldfields.*

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**Tennant Consolidated Mining Group Managing Director Mr Peter Main commented:**

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*TCMG's advisory group TransAsia Private Capital is best known for its private debt solutions including short tenor trade finance through mid to longer tenor term and project loans.*

*Emmerson has a strategic land package around Tennant Creek with clear production potential which aligns with our consolidation strategy in the Tennant Creek Mineral Field of establishing a modern processing facility to unlock value.*

*TCMG's next step is to conduct further detailed studies with the objective of establishing a pipeline of mining projects ready for production".*

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**Strategic Alliance with TCMG**

Emmerson advises that it has entered a new Strategic Alliance at Tennant Creek with Tennant Consolidated Mining Group (TCMG), a subsidiary of TA Private Capital Security Agent Ltd advised by TransAsia Private Capital (TA). The agreement is covered by a binding Heads of Agreement (HOA) with TCMG which includes the following:

- Exploration Earn-in and JV (EEJV) in the Northern Project Area (NPA)
- Delineation of an approximate 20,000km<sup>2</sup> Area of Mutual Interest centred on Tennant Creek aimed at future exploration or acquisitions
- A Small Mines JV (SMJV) with a free carried 6% gold gross revenue royalty for production from Small Mines (<250,000oz)
- A Major Mines interest whereby Emmerson retains up to a 40% interest in any Major Discovery (>250,000oz gold equivalent)

This Strategic Alliance establishes a funded pathway for the development of Emmerson's high-grade gold projects and provides substantial new funding for exploration to continue to build the resource pipeline.

TransAsia is a Hong Kong-based asset management firm which was the lender to Territory Resources Limited (Territory). TCMG has been established specifically for the purposes of making this investment and is managed by a number of senior mining industry executives who are well known to Emmerson. More information about TCMG is contained towards the end of this announcement.

As announced to ASX on 9 November 2020 Emmerson terminated the Exploration Earn-in and Joint Venture Agreement (EEJV) with Territory Resources Limited over the Southern Project Area (SPA) (Figure 1). Emmerson have been informed by Territory Resources Limited that they are considering their position and legal rights to the termination. Emmerson consider that the termination of the EEJV over the SPA was valid and will vigorously defend any claim made by Territory Resources Limited.

**Exploration Earn-in and JV – extending and advancing gold projects**

TCMG has entered an Exploration and Earn-In Joint Venture (EEJV) over Emmerson's NPA. The NPA is highly prospective for high-grade gold deposits and hosts the notable historical deposits of Warrego, White Devil, North Star and Emmerson's recent discovery at Mauretania (figure 1).

Under the terms of the earn-in, TCMG will contribute A\$5.5m of exploration expenditure in the NPA within five years to earn a 75% equity interest. The full \$5.5m of earn-in minimum expenditure must be reached by TCMG in order to fulfil the terms of both the Mining and Exploration agreements and before any direct interest in the tenements is achieved.

After the earn-in phase, a Joint Venture can be formed where Emmerson can elect to either maintain its equity position in the NPA by contributing 25% to the exploration programs or not contribute and dilute its interest.

During the earn-in period, Emmerson will remain operator and manager and apply its systematic, science-based approach to exploration which has been successful in discovering a new generation of gold and gold-copper deposits in the Tennant Creek Mineral Field. Emmerson will be paid a management fee by TCMG for this service. Both parties will work collaboratively under an Exploration Management Committee aimed at identifying and prioritising additional mines for the Mining Joint Venture.

Any major discovery or extension to an existing mine (>250,000oz of gold equivalent) will be treated as a separate Major Mine Joint Venture (MMJV) and isolated from the earn-in expenditures, with ERM receiving an immediate 40% equity interest or a 20% free carried interest to a decision to mine.

### **Mining JV – to accelerate development of further mines and gold production**

As part of the Strategic Alliance, TCMG has entered into a Mining Joint Venture over Emmerson's NPA at Tennant Creek with the aim of fast-tracking production from the existing high-grade gold projects.

Under the terms of the Mining JV, TCMG is responsible for the management and cost of the development and processing of ore from any of the mines within the NPA.

Emmerson is entitled to a 6% non-diluting gross gold revenue royalty on any Small Mines within the NPA or a 40% equity interest or 20% free carried interest to decision to mine in a Major Mine (>250,000oz). The minimum production agreed from the Mining JV within the earn-in period is 30,000oz of gold or the equivalent shortfall payable in cash.

Within six months of the signing of this HOA, TCMG must provide Emmerson with credible staffing, mining and processing plans. TCMG has advised of its intention to evaluate various options to establishing a larger, central processing facility to readily access strategically located assets.

These agreements, with funding and mining expertise from TCMG provide a low risk pathway for Emmerson shareholders to monetise our high-grade gold assets in Tennant Creek. It allows Emmerson to get on with exploration and discovery both at Tennant Creek and NSW without deployment of dilutive capital.

### **Edna Beryl and Jasper Hills – remain 100% ERM with planned high impact exploration**

These agreements with TCMG do not extend to the Edna Beryl or Jasper Hills Mining Leases.

Emmerson has constructed a new 3D geological model of both the Mauretania and Jasper Hills projects which suggest there is considerable untested potential. Drilling is planned later this month at Mauretania (weather permitting) but has been delayed at Jasper Hills until further access and verification studies are conducted by the Aboriginal Areas Protection Authority (AAPA).

The high-grade Jasper Hills gold-copper-cobalt project will continue to be advanced by Emmerson and Joint Venture partner, the Marnturla Aboriginal Corporation, under a landmark Native Title Agreement reached earlier this year (ASX: 6 August 2020).

Emmerson remain committed to undertake further delineation drilling to extend the known high-grade gold zones at Edna Beryl. Previous trial mining of ~2,100t parcel of ore from Edna Beryl was produced at a head grade of 29g/t (ASX: April 2019 ) and along with previous drilling, indicates potential to extend the mineralisation to the historic Edna Beryl West Mine. This drill program is being planned for early 2021 (after the wet season).

### **TCMG Investment in Emmerson – to align interests and fast track exploration**

As part of the TCMG Strategic Alliance and subject to the satisfaction of certain conditions, TCMG will subscribe for \$2 million of new Emmerson shares priced at 13c a share, plus an attaching unlisted option priced at 20c and expiring 31 December 2025.

These shares will be issued within Emmerson's existing placement capacity under ASX Listing Rule 7.1. Following the placement, TCMG will hold approximately 3.09% of Emmerson shares on issue.

This placement aligns the interest of both parties and acknowledges Emmerson's substantial investment in new data and intellectual property since entering the TCMF in 2007.

### **Next Steps**

The HOA with TCMG has been executed and secured with a \$200,000 non-refundable deposit. Both parties will continue to work in good faith toward accelerating programs and studies relating to the exploration, mining and processing. This includes proceeding with the planned drill program at Mauretania later this month, which will now count toward the earn-in expenditures by TCMG.

TCMG currently have a team in Tennant Creek fast tracking studies on the various mill and processing options plus are continuing with various mine and development studies.

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**About Emmerson Resources, Tennant Creek and New South Wales**

Emmerson is exploring the Tennant Creek Mineral Field (TCMF), one of Australia's highest-grade gold and copper fields producing over 5.5Moz of gold and 470,000 tonnes of copper from deposits including Warrego, White Devil, Orlando, Gecko, Chariot and Golden Forty. These high-grade deposits are highly valuable exploration targets, and to date, discoveries include high-grade gold at Edna Beryl and Mauretania, plus copper-gold at Goanna and Monitor. These are the first discoveries in the TCMF for over a decade.

Emmerson is undertaking exploration on new gold-copper projects in NSW from the application of 2D and 3D predictive targeting models – aimed at increasing the probability of discovery. The highly prospective Macquarie Arc in NSW hosts >80Moz gold and >13Mt copper with these resources heavily weighted to areas of outcrop or limited cover. Emmerson's five exploration projects contain many attributes of the known deposits within the Macquarie Arc but remain underexplored due to historical impediments, including overlying cover (farmlands) and a lack of exploration.

**About Tennant Consolidated Mining Group (TCMG)**

TCMG is a subsidiary of TA Private Capital Security Agent Ltd and advised by TransAsia Private Capital (TA) a Hong Kong headquartered assets management firm best known for its private debt solutions spanning trade finance through Mid tenor supply chain financing to mid to longer tenor term and project loans. TA has a diverse portfolio of capital deployed globally including through the Australian mining sector.

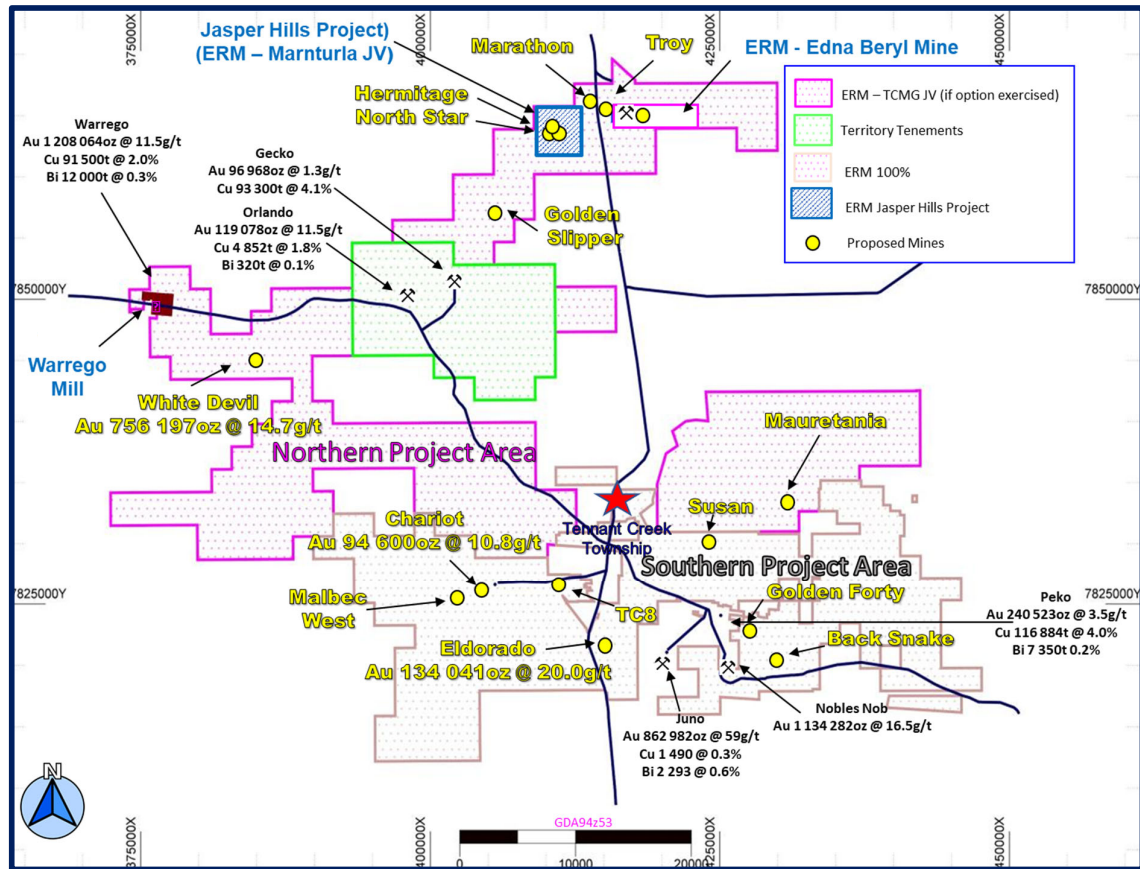
TCMG's focus is to rationalise assets in the Tennant Creek area, with the objective of undertaking detailed studies with the ultimate goal of developing a centralised processing facility effectively unlocking existing mill feed sources in and around Tennant Creek.

**Regulatory Information**

The Company does not suggest that economic mineralisation is contained in the untested areas, the information contained relating to historical drilling records have been compiled, reviewed and verified as best as the Company was able. As outlined in this announcement the Company is planning further drilling programs to understand the geology, structure and potential of the untested areas. The Company cautions investors against using this announcement solely as a basis for investment decisions without regard for this disclaimer.

**Forward-Looking Statements**

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Emmerson Resources Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Emmerson believes that its expectations reflected in these forward- looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in the estimation of a Mineral Resource.



**Figure 1.** Map of the Emmerson Tennant Creek Project showing the NPA SMJV & EEJV (purple). Also, Emmerson's portfolio of potential small mines and/or remnant resources (yellow dots).

*Note: quoted resources from historical deposits from Ahmad, M., Wygralak, A.S. and Ferenczi, P.A. (1999). Gold deposits of the Northern Territory 2<sup>nd</sup> ed. Darwin: Northern Territory Geological Survey, p.60*