

Fast Facts

ASX Code: EMR
Shares on issue: 537,761,407
Market Cap: ~A\$570 million
Cash: A\$17.9 million (at 31 Dec 2021)
Bullion: A\$19.5 million (at 31 Dec 2021)

Board & Management

Simon Lee AO, Non-Executive Chairman
Morgan Hart, Managing Director
Mick Evans, Executive Director
Ross Stanley, Non-Executive Director
Billie Slott, Non-Executive Director
Mark Clements, Non-Executive Director and Company Secretary
Bernie Cleary, Operations Manager
Brett Dunnachie, Chief Financial Officer

Company Highlights

- First mover in an emerging gold province in Cambodia;
- Okvau Deposit: Indicated and Inferred Mineral Resource Estimate of 1.14Moz at 2.0g/t Au;
- Project built in 2021 on time on budget and now in operation;
- Forecast economics demonstrates high grade, low cost, compelling project;
 - Ore Reserve of 14.3Mt & 2.0g/t Au for 0.9Mozs in a single open pit with waste:ore ratio of 5.8:1;
 - LOM average annual production of 106,000ozs pa;
 - AISC US\$754/oz over LOM (at a US\$1,450 gold price assumption);
- Mineral Investment Agreement governs significant tax and duty concessions for first 5 years and includes offshore arbitration process;
- Highly credentialed gold project operational and development team;
- Significant resource growth potential;
- Focussed on a net positive impact on near-mine environmental and social values by targeting strict compliance with corporate governance, international guidelines (IFC PS's) and local law by engaging and collaborating with all stakeholders.

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Quarterly Report for the period ended 31 December 2021

Highlights

Operational Activities - Okvau Gold Project

- Gold production of 26,395oz to end of Quarter with 24,260oz gold poured
- Process plant throughput 10% above 2.0Mtpa DFS targeted nameplate rate
- Okvau orebody continuing to achieve strongly positive reconciliation (+15%) to reserve
- Mining operations remain on schedule and in line with milling requirements, meeting all ore and waste feed requirements
- AISC for the Quarter of US\$740 per ounce
- AISC continues to be materially on budget with guidance for remainder of FY2022 in line with DFS forecasts at 25-30koz per Quarter at cash costs in a range of US\$720 – US\$780/oz
- 100th Gold Doré Bar produced

Exploration Activities – Memot Gold Project

- Strong early indications of significant gold mineralisation from the maiden diamond drill programme at the Memot Gold Project, which current and historical results includes:
 - 1m @ 37.20 g/t Au from 33m (DD21MMT005);
 - 1m @ 31.70g/t Au from 49m (DD21MMT010);
 - 1m @ 25.40 g/t Au from 30m (DD21MMT006); and
 - 1m @ 11.10 g/t Au from 28m (DD21MMT002).
- Confirming historical drill results that include:
 - 3.54m @ 10.3g/t Au from 0m (ZK8-1);
 - 0.3m @ 96g/t Au from 12.7m (ML7);
 - 4m @ 5.98g/t Au from 7m (ML8);
 - 0.3m @ 76.5g/t Au from 10.7m (ML6); and
 - 3.8m @ 5.46g/t Au from 0m (ZK12-7).

Corporate

- Consolidated cash at 31 December 2021 approximately A\$17.9m with an additional A\$19.5m (US\$14.2m) of gold bullion on hand
- Gold deliveries to the refinery continued with total gold sales and funds received of A\$58.7m (US\$42.8m) to end of Quarter
- Acquired 19.45% of public unlisted gold mining company Bullseye Mining Limited and launched a 1 for 3.43 script bid for the remaining shares not owned by the Company

COVID-19

- With the assistance of the Cambodian Ministry of Health, the Company continued its full site wide vaccinating of all Okvau Mine site staff with 100% of eligible workers double vaccinated and ~60% have received their booster
- Travel between Australia and Cambodia remained restricted during the Quarter but was managed through longer rosters and regional sourcing and the dedication of key employees on site at Okvau
- Travel restrictions between parts of Australia and Cambodia are easing which are expected to allow some Australian based employees to commence moving toward standard rosters over the March Quarter

Figure 1 | Gold Doré Bar No OKV0100 of 742oz Poured at the Okvau Gold Mine



Emerald’s Managing Director, Morgan Hart, said:

“The Board and management of Emerald are very pleased with the sustained progress on our 100% owned Okvau Gold Project. The operational workforce have achieved a very strong quarterly result in all aspects of safety, environment, gold production and cash costs. The result has been achieved in the Company’s first full quarter of production and despite the negative impacts of worldwide supply line delays and travel restrictions resulting from the continuation of the global Coronavirus crisis.

“The Okvau ore body continues to reconcile strongly positive to reserve and the processing plant continues to operate exceeding nameplate capacity. The only negative encountered for the Quarter was a lower than budgeted gold recovery during October and November which was attributed to elevated organic carbon in circuit and transportation delays on critical spares and wear parts for the processing plants fine grind HIG mill. Elevated organic carbon emanating from the early reclamation of processing water from the tailings dam and critical spares supply of HIG mill delays were resolved late in November with strong December production (continuing into January) enabling the Company to meet production and cash cost forecasts.”

Activities during the Quarter

Okvau Gold Mine

Operating Overview

Following commissioning activities and achieving a steady state of production in the prior Quarter, the Okvau Gold Mine achieved guidance producing 26,395 ounces for the Quarter. ASIC for the Quarter was also within guidance at \$740 per ounce. With the positive reconciliation and additional throughput as highlighted below, the operation is expected to achieve an annualised AISC per ounce of US\$720 to US\$780/oz from the remainder of the financial year into 2022.

Mining

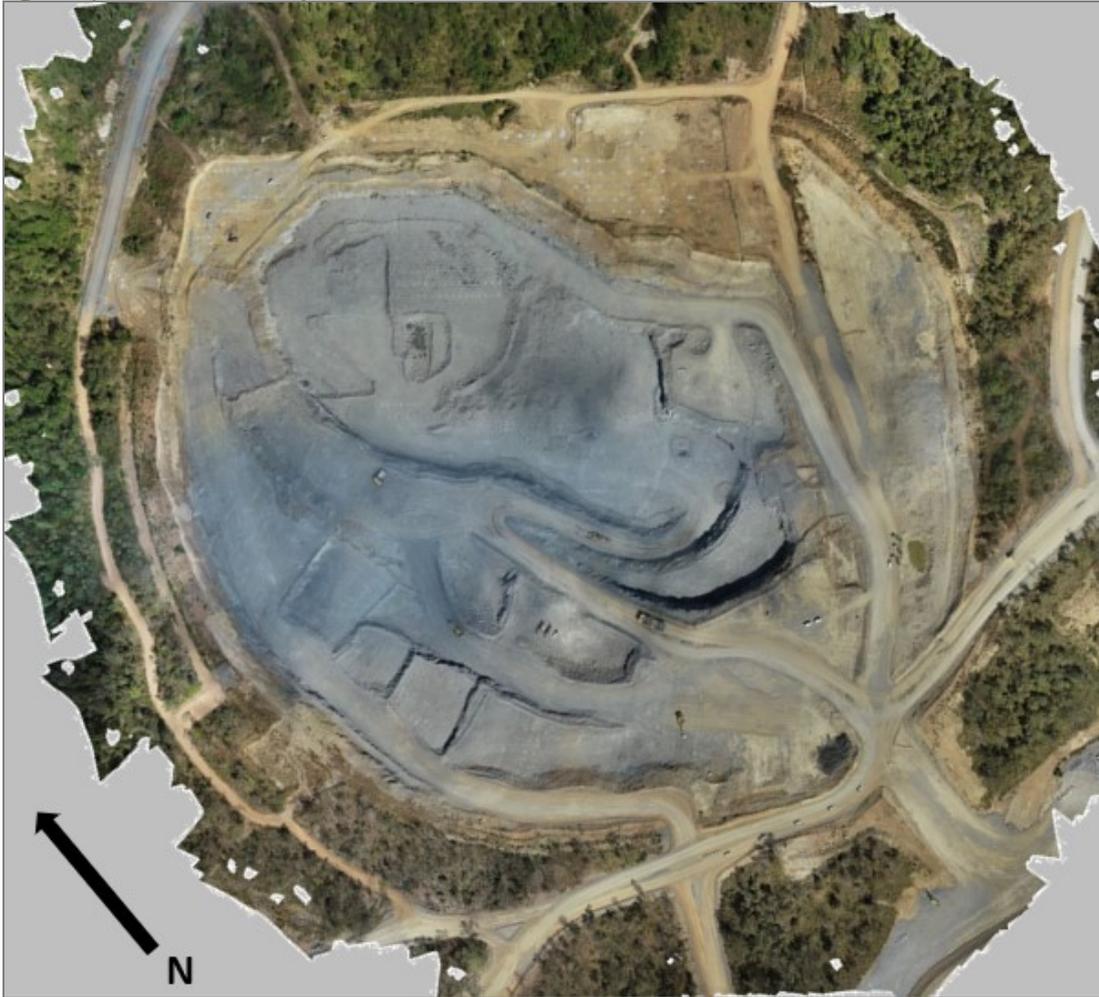
Mining operations during the Quarter continued advancing the Stage 1 Pit design, targeting fresh sulphide ore. Lesser mining of waste from Stage 2 and Stage 3 allowed for the required ancillary infrastructure to be constructed during the dry season at Okvau. Mining continues to remain marginally ahead of schedule and in line with milling requirements.

Actual fresh sulphide ore mined during the Quarter was **1,160kt @ 1.56g/t Au for 58,308oz** (lower cut 0.5g/t), reconciling positively against reserve **(+15%)** against 792kt @ 1.99g/t for 50,808oz (lower cut 0.625g/t).

Actual fresh sulphide ore mined to date of **1,687kt @ 1.66g/t for 90,158oz** (lower cut 0.5g/t), reconciles positively against reserve **(+21%)** against 1,169kt @ 1.97g/t for 74,569oz (lower cut 0.625g/t).

The positive reconciliation has continued to allow the Company the flexibility of preferentially milling the highest-grade ore zones whilst still building a substantial +1g/t stockpile **(+556kt)**. Total surveyed movement for the Quarter was 1,558,871 BCM of ore and waste against a scheduled 1,350,000 BCM with 1,510,101 BCMs blasted.

Figure 2 | Okvau Gold Mine Open Pit



Processing

Since achieving practical completion in the prior Quarter, the process plant has run consistently above nameplate of 2.0Mtpa and is now achieving a throughput rate +10% above DFS target. A summary of throughput and mill availability for the Quarter is as follows:

	October 2021	November 2021	December 2021
Ore milled annualised (DFS: 2.0Mtpa)	2,242,000t	2,204,000t	2,327,000t
Milling rate (DFS: 250tph)	266tph	264tph	273tph
Availability (DFS: 91.3%)	96.2%	95.3%	97.3%

Sulphide ore gold recoveries were compromised during the Quarter, in particular milling during October and November achieved lower than budgeted gold recoveries attributed to elevated organic carbon in circuit emanating from the early reclamation of processing water from the tailings dam and grind size compromises related to transportation delays on critical spares and wear parts for the processing plants fine grind HIG mill. In both cases, organic carbon and critical spares supply the issues were resolved late in November with strong December production (continuing into January).

The strong December production and recoveries enabling the company to meet production and cash cost forecasts for the full quarter. The organic carbon issue has been resolved in the process plant with modifications to the carbon regeneration and operating parameters and changes to the specification of HIG mill liners and advanced supply of inventory has resolved the compromised fine grind circuit performance in December.

Figure 3 | Okvau Gold Mine Processing Plant



Gold Production

Gold production since commissioning on oxide ore in June 2021 (inclusive of gold in circuit) is 49,406 ounces to the end of the Quarter. This includes production for the December Quarter of 26,395 ounces, which compares well and confirms the suitability of all plant for +100,000 ounce per annum gold production. Gold poured during the Quarter totalled 24,260 ounces.

During the Quarter, 10 shipments totalling 25,711 ounces of gold have been received by the refinery with out-turns received. Nine of the 10 shipments have been sold during the Quarter at an average price of US\$1,789 per ounce. A further 6,067 ounces of gold doré has been poured ahead of mint out-turn.

Operating Physicals

	October 2021	November 2021	December 2021
Ore mined ('000 BCM)	113	115	124
Waste mined ('000 BCM)	412	390	405
Stripping ratio (w:o)	3.65	3.41	3.28
Ore mined ('000 t)	322	399	434
Ore milled ('000 t)	190	181	197
Head grade (g/t)	1.97	1.64	2.48
Recovery (%)	66.4%	60.1%	80.4%
Gold production (ozs)	8,009	5,736	12,651

Operational Outlook

Gold production guidance at the Okvau Gold Mine remains in line with the DFS of 100,000oz to 110,000oz on an annualised basis. Production guidance for the remainder of FY2022 remains in line with DFS forecasts at 25-30,000/oz per quarter and cash costs of US\$720 – US\$780/oz.

Environment and Social

During the Quarter, the Company continued to focus on a net positive impact on near-mine environmental and social values with the Company now in the early stages of developing a climate strategy, including carbon neutrality targets and pathways, and is investigating options for a carbon offset program.

The Company continues to target strict compliance with corporate governance, international guidelines (IFC PS's) and local law by engaging and collaborating with all stakeholders in the Okvau Gold Project area. The Company has committed to Environmental, Social and Endowment funds, in accordance with its environmental obligations. These funds and other programmes implemented by the Company seek to achieve a net-gain in both biodiversity and social values.

The Environmental Management System for the Okvau Gold Project, including an Environmental Compliance Register of all ESIA and management plan actions, is implemented and maintained. An extensive monitoring program reflective of the operations phase is now underway.

Students at two schools located nearest to the mine enjoyed learning about the environment whilst preparing seeds at their nursery for the first time. Six schools are now participating in the nursery programs, earning money for school supplies. Two water bores were installed in the local community this Quarter. An opening ceremony was held at a local school, attended by students, local authorities and village elders. PWS Ranger patrols in the Biodiversity Offset sites continued throughout the Quarter, helping to protect the sites from wildlife poaching, land clearing and logging. Rangers were further supported with various supplies to enable them to safely conduct overnight patrols.

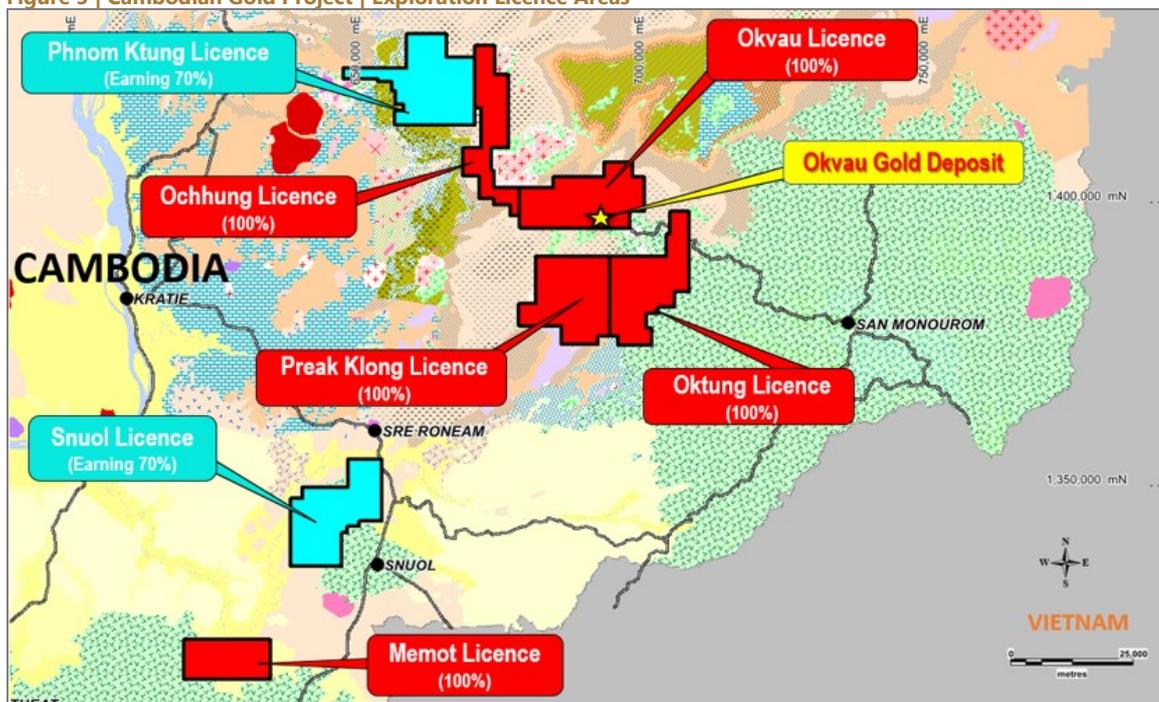
Figure 4 | Top Left: Students preparing seeds, Top Right: Rangers accepting supplies. Bottom: Water bore opening ceremony.



Regional Exploration

Emerald’s exploration tenements, which comprise of a combination of 100% owned granted licences and joint venture agreements now cover a combined area of 1,239 km².

Figure 5 | Cambodian Gold Project | Exploration Licence Areas



Memot Project (100%)

During the Quarter, a broad spaced 2,500m diamond core drill program commenced targeting regional stratigraphy and structural continuity associated with historical drilling results and local artisanal workings. The drilling also (in part) targets strong chargeability anomalies identified from the recently completed IP geophysical surveys (refer ASX Announcement on 31 January 2022).

At the date of this report, 13 diamond holes had been drilled (2,194m drilled) of which the gold results from the first ten holes have been returned (1,498 samples). The Company is awaiting multi-element assay results. Mineralised sub-horizontal quartz veins sets have been identified in all holes drilled to date at less than ~50m vertical depth including 1m @ 37.20 g/t Au from 33m (DD21MMT005), 1m @ 31.70g/t from 49m (DD21MMT010), 1m @ 25.40 g/t Au from 30m (DD21MMT006), and 1m @ 11.10 g/t Au from 28m (DD21MMT002). The mineralisation is associated with quartz veining and sulphides including arsenopyrite, chalcopyrite, pyrrhotite, pyrite and sphalerite (Figure 6).

The recent drill results confirmed the reported mineralisation in the historical diamond drilling completed by previous tenement holders. Historic reported results include 3.54m @ 10.3g/t Au from 0m (ZK8-1), 0.3m @ 96g/t Au from 12.7m (ML7), 4m @ 5.98g/t Au from 7m (ML8), 0.3m @ 76.5g/t Au from 10.7m (ML6) and 3.8m @ 5.46g/t Au from 0m (ZK12-7). This historic drilling indicates the mineralisation continues towards the NE for at least ~500m beyond the current drill program (Figure 6).

Figure 6 | Memot Artisanal Workings with Drilling completed in Q4 with the historic drill collars.

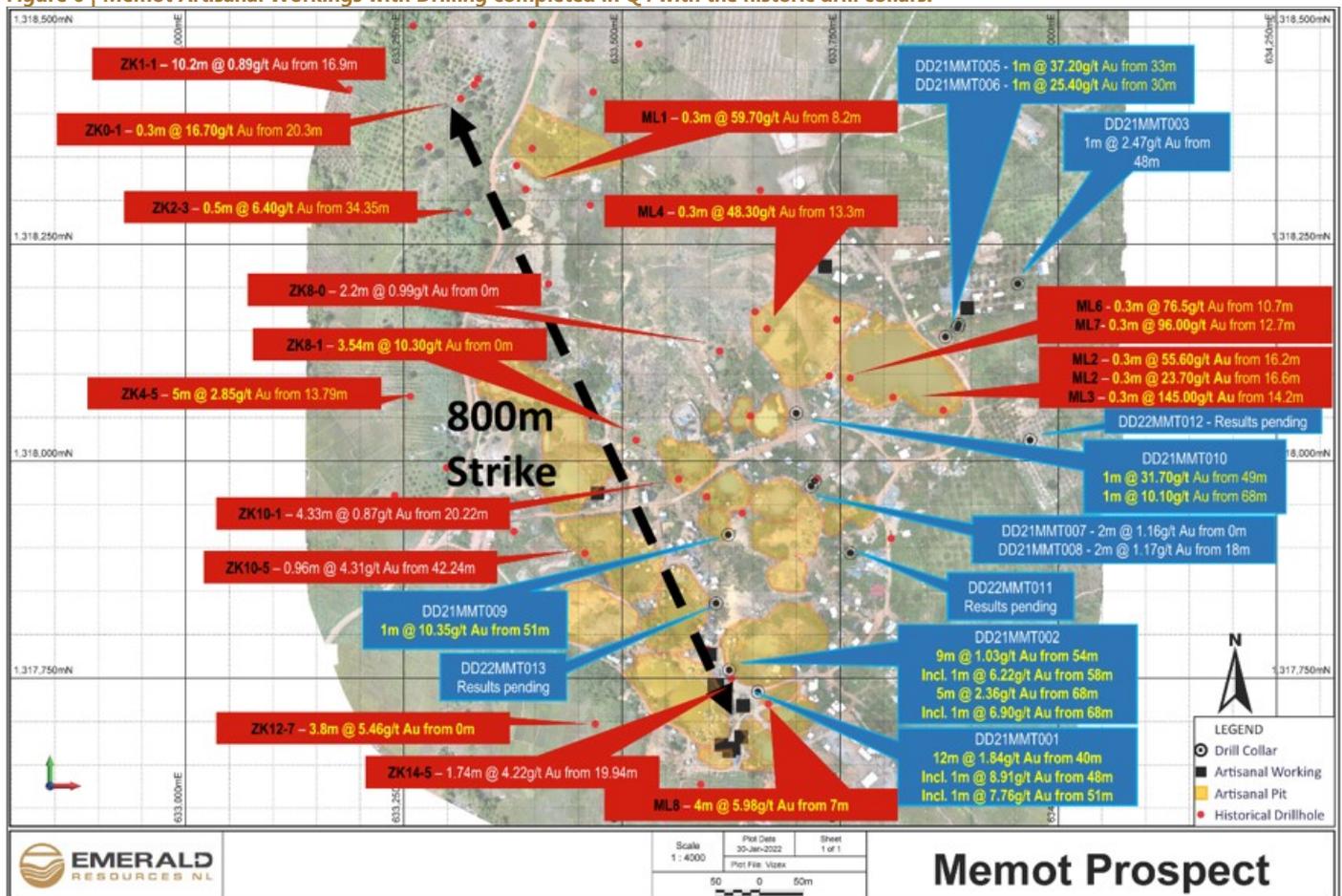


Figure 7 | Mineralised veins in Memot Diamond Core. Quartz veining with Pyrite, Arsenopyrite, Pyrrhotite, Chalcopyrite and Sphalerite sulphides. Top: DD21MMT0011m @ 7.76g/t from 51m, Bottom: DD21MMT005 1m @ 25.4g/t from 30m.



As the processing of the structural data from the core logging continues, additional drill targets at depth are being identified. Drilling will continue to investigate extensions of the known mineralisation into the next quarter.

Geochemistry sampling programs and geophysical surveys have been planned to start next quarter to identify possible regional scale extensions of the mineralisation at Memot, which has been largely untested by modern exploration techniques.

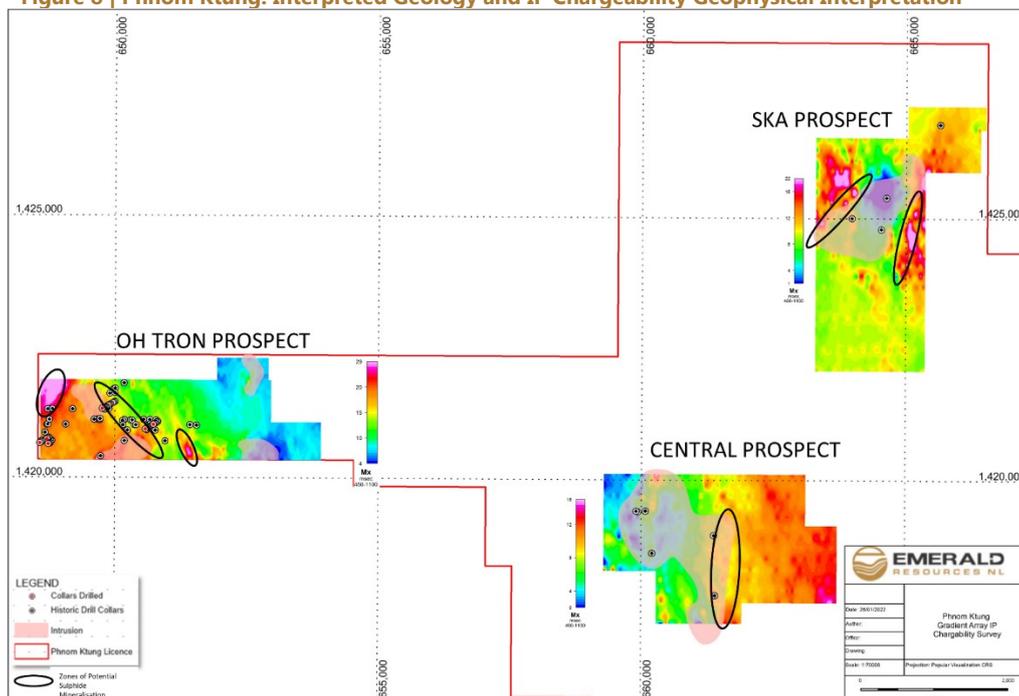
The confirmation of multiple high grade, narrow vein gold mineralization with structural continuity of circa 800m open at depth and along strike are considered highly prospective by the Company and warrant significant further investigation.

Phnom Ktung (100%)

During the quarter, the IP Gradient Array geophysical survey on Ska (57km survey lines) and Central (55km survey lines) and Oh Tron (82km survey lines) prospects were completed, processed and the results returned.

The results of the surveys show all three prospects have moderate to high chargeability signatures (see figure) often associated with zones of potential sulphide mineralisation and are coincident with the interpreted boundaries of intrusions. This is geologically similar to many of the high-grade mineralised structures within the 1.1Moz Okvau Gold Deposit. As at the date of this report, +2,000 shallow soils sampling programme targeting the geophysical anomalies has commenced on the Ska and Central prospects to assist with the targeting of a reconnaissance drill programme once results have been received.

Figure 8 | Phnom Ktung: Interpreted Geology and IP Chargeability Geophysical Interpretation



Other Exploration and Development

The Company continues to look to expand on its prospective tenure in Cambodia by seeking to make further applications for tenure when identified and advancing discussions with third parties. The Company continues to assess additional prospective gold development opportunities both in Australia and internationally with the aim to create a multi asset gold producing company.

Corporate

Recommended Takeover Offer for Bullseye Mining Limited

On 7 December 2021 the Company announced the signing of a Takeover Bid Implementation Agreement (**Implementation Agreement**) with Bullseye Mining Limited (**Bullseye**), an Australian unlisted public company. Under the Implementation Agreement, it is proposed that Emerald will acquire all of the issued shares of Bullseye in a share based transaction by way of a Bullseye Board recommended off-market takeover offer (**Offer**). The Implementation Agreement is attached as an annexure to this announcement.

Under the Offer, Bullseye shareholders will receive 1 new Emerald share for every 3.43 Bullseye shares held. The Offer values Bullseye at approximately \$117 million or A\$0.30 per share (on a non-diluted basis) (enterprise value circa \$105 million) based on Emerald's 30-day VWAP of \$1.03¹ as at 26 November 2021.

The Offer is unanimously recommended by the Directors of Bullseye, who have accepted the Offer in respect of all shares they control.

Emerald's strategy is to become a multi-gold project producing company. The transaction with Bullseye (assuming completion) creates an expanded gold exploration, development and production company, with a diversified portfolio of highly prospective gold project areas and provides an attractive investment proposition for existing and new shareholders.

Key benefits of the transaction include:

- the creation of an enlarged gold exploration, development and production company with an established, attractive and complementary portfolio of gold assets at various stages of project maturity;
- enhanced strategic, commercial, technical and financial strength to optimise exploration funding, including an increased level of liquidity and exposure to a larger global investor base giving greater funding flexibility;
- a portfolio of highly prospective tenure in excess of 2,500km² across the combined group;
- the ability to optimise exploration and development activity across the combined group's highly prospective gold portfolio, with potential synergies associated with future project development and infrastructure requirements; and
- Emerald will seek to develop Bullseye's highly prospective tenure to create an Australian gold producing asset which will allow the payment of franked dividends.

Transaction Details

The Offer will be implemented by way of an off-market takeover offer under the Australian Corporations Act. The Offer extends to any Bullseye shares that are issued as a result of the conversion of convertible notes and convertible loans during the Offer period.

Following successful implementation of the Offer, Bullseye is expected to become a wholly-owned subsidiary of Emerald, with current Emerald and Bullseye shareholders holding approximately 82% and 18% (non-diluted basis) respectively and approximately 80% and 20% (diluted basis) respectively of the enlarged Emerald capital structure.

Pre-bid Acquisition

Contemporaneously with and as part of the bid, Emerald acquired 19.45% of the current Bullseye shares on issue from existing Bullseye shareholders on the same terms as under the Offer. Following the issue of the Bidders Statement in December 2021, Emerald has received further acceptances of 38.88% of current Bullseye shares taking its current combined holding to 55.87% of issued capital of Bullseye.

¹ Based on Emerald Shares traded on the ASX for the 30 calendar days from 27 October 2021 to 26 November 2021.

Timetable and Conditions

The Offer was subject to a number of conditions including:

- a 90% minimum acceptance condition;
- no Bullseye Material Adverse Change (as defined in the Implementation Agreement) occurring in relation to Bullseye; and
- no Bullseye Prescribed Occurrence (as defined in the Implementation Agreement) occurring in relation to Bullseye.

Emerald and Bullseye have agreed to a deal protection regime including no shop and no talk rights, a right to match any superior offer and payment of an agreed break fee of \$500,000 to either party in certain circumstances.

Further details about the Offer, the conditions to the Offer and proposed timetable are set out in the Implementation Agreement, which was attached as an annexure to the announcement on 7 December 2021.

The Bidder's Statement, containing further information about the Offer was dispatched to eligible Bullseye shareholders and released to ASX on 13 December 2021.

On 6 January 2022, the Company advised that it had declared the Offer free from all the conditions in section 10.8 of Emerald's Bidder's Statement dated 8 December 2021 (Bidder's Statement). Accordingly, the Offer is now unconditional.

Subsequently a Takeovers Panel application was submitted by a minority shareholder of Bullseye. All actions and ongoing correspondence in relation to the action remain confidential as directed by the Takeovers Panel. The Company remains confident of receiving a positive outcome in the short term. The Offer has been extended until 5pm WST on 11 February 2022.

About Bullseye

Bullseye was incorporated as a public unlisted company in Western Australia in 2006. Bullseye is a gold exploration and production company with a significant portfolio of gold assets in Western Australia. Bullseye owns three Western Australian gold projects, totalling in excess of 1,200km² of highly prospective gold tenure.

Bullseye's most advanced project, the North Laverton Gold Project, which covers in excess of 800km² of tenure and captures the entire Dingo Range greenstone belt, is located in Western Australia within one of the world's richest and most established gold regions. In excess of 100 million ounces of gold has been produced or discovered in the areas surrounding the project.

Figure 9 | Bullseye Project Locations

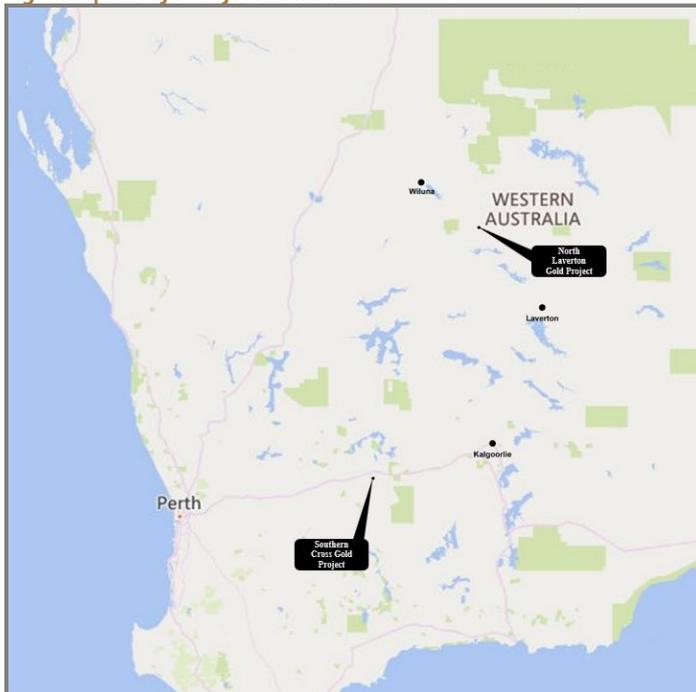
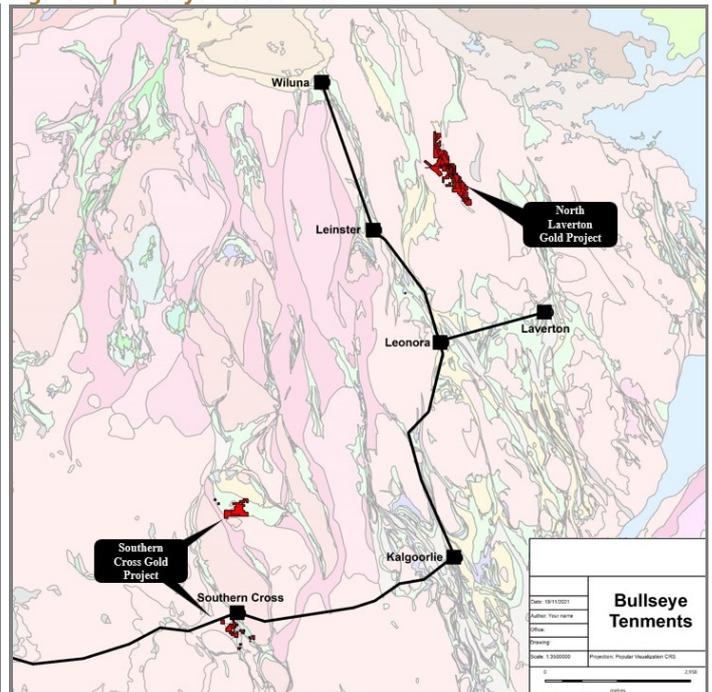


Figure 10 | Bullseye Licence Areas



In addition to the North Laverton Gold Project, Bullseye has a further two gold projects. These are the Southern Cross Gold Project and the Aurora Gold Project, which cover over 400km² of tenure.

North Laverton Gold Project

The North Laverton Gold Project consists of 32 exploration licences (including 4 applications) and 4 mining licences controlling the entire Dingo Range greenstone belt which covers in excess of 800km² of tenure (refer Figure 11 and Figure 12).

Figure 11 | North Laverton Gold Project Location

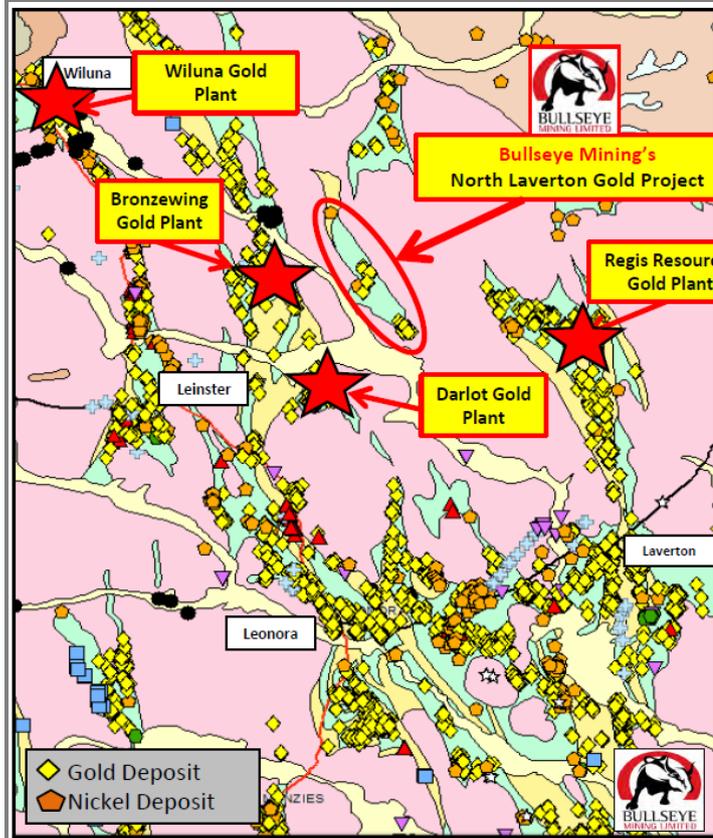
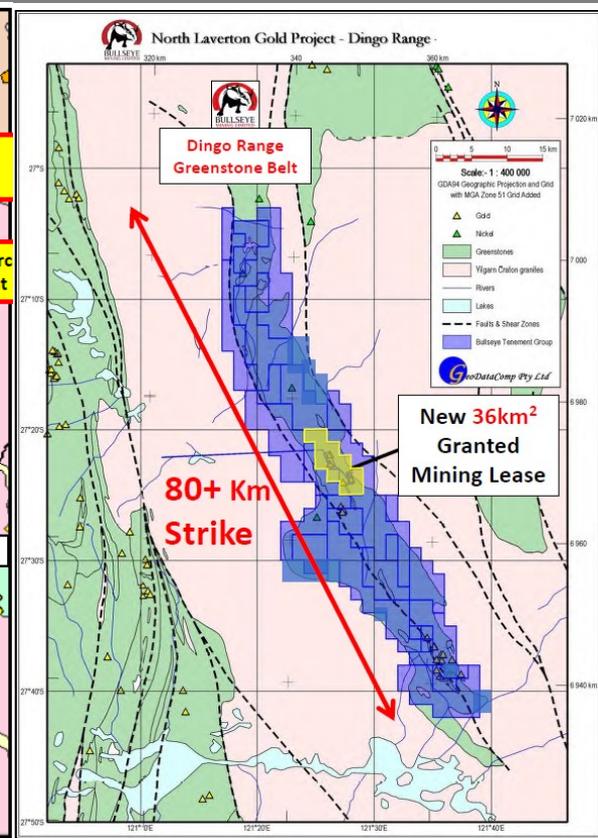


Figure 12 | North Laverton Gold Project



JORC 2012 Mineral Resource Estimate

In December 2015, Bullseye defined an Indicated and Inferred JORC compliant mineral resource of 3,414,000 tonnes at 2.51 g/t for 276,000 ounces of gold (**Maiden Resource**) at its Boundary, Stirling and Bungarra deposits, located within the North Laverton Gold Project.²

The Maiden Resource has been calculated using a lower cut of 0.6g/t, is to a depth of approximately 120 metres and comprises the following components:

Table 1 | Boundary-Bungarra Mineral Resource Estimate

Prospect	Indicated			Inferred			Total		
	Tonnes	Grade	Ozs	Tonnes	Grade	Ozs	Tonnes	Grade	Ozs
Boundary	2,540,000	2.39	195,000	241,000	2.13	17,000	2,781,000	2.34	212,000
Stirling	47,000	2.49	3,700	41,000	1.99	2,600	88,000	2.25	6,400
Bungarra	449,000	3.34	48,700	96,000	2.87	8,900	545,000	3.26	57,600
Total	3,036,000	2.53	247,400	378,000	2.30	28,500	3,414,000	2.51	276,000

² As reported by Bullseye on its website and ASX announcement on 30 April 2018.

Subsequent to the calculation of the Maiden Resource in 2015, Bullseye has completed additional drilling consisting of 242 collars for 35,000m, which is intended to form the basis of an updated resource estimate in 2022.

Regional Exploration Potential

In addition to the Maiden Resource, the North Laverton Gold Project which covers over 800km² and captures the underexplored Dingo Range greenstone belt, has the potential to host multiple standalone deposits or satellite deposits to supply additional ore.

Blue Cap Joint Venture

On 2 June 2020, Bullseye entered into a joint venture arrangement with a mining production partner, Blue Cap Mining (**Blue Cap**), to establish a joint venture mining operation, focussing on Bullseye's Bungarra Gold deposit, located at the North Laverton Gold Project, with a 70% Bullseye / 30% Blue Cap profit split.

The Blue Cap Bullseye Joint Venture subsequently commenced mining operations at the Bungarra Gold deposit in December 2020. Processing of the ore is being undertaken via a toll processing agreement at the Wiluna Gold Processing Centre, with a large fleet of up to 15 road trains hauling the ore daily from the Bungarra mine site to the Wiluna Gold Processing Centre.

The current program consists of several stages of mining and processing campaigns to produce approximately 37,000 ozs of gold for the joint venture as at the completion of the program which is expected to occur in mid-2022.

On 8 September 2021, Bullseye announced the significant milestone of pouring its maiden gold bar from the Bungarra Gold Mine, located within the North Laverton Gold Project.

Plaints on Bullseye Tenure

As disclosed in Bullseye's 2021 Annual Report, between the dates of 27 June 2019 through to 12 March 2020, Bullseye received applications for forfeiture (**Plaints**) lodged against a number of its North Laverton Gold Project tenements and its Southern Cross tenements. The Plaints have been lodged by the following parties against the following projects:

<i>Project</i>	<i>Applicant for forfeiture</i>
North Laverton Gold Project	<ul style="list-style-type: none"> ▪ Zygmund Wolski; and ▪ Golden Soak Enterprises Pty Ltd (Michael Jay Williams)
Southern Cross Gold Project	<ul style="list-style-type: none"> ▪ West Australian Prospectors Pty Ltd (Vernon Wesley Strange); and ▪ Zygmund Wolski

A total of 18 Plaints have been lodged against Bullseye's mining tenements by Golden Soak Enterprises Pty Ltd and a total of 55 Plaints have collectively been lodged by West Australian Prospectors Pty Ltd and Mr Zygmund Wolski against mining tenements held by Bullseye and its subsidiaries.

Further, 14 objections to exemption applications have been lodged by West Australian Prospectors Pty Ltd or Zygmund Wolski against 17 tenements held by Bullseye and its subsidiaries.

The 2021 Annual Report notes that the Bullseye Board is of the view that the Plaints are opportunistic and without merit and that Bullseye has engaged specialist legal counsel to assist in defending all outlined actions.

Emerald has examined the expenditure and relevant dealings in the plaintiffed tenements and is satisfied there is no expected outcome that would have a negative impact on Emerald and its acquisition of Bullseye.

Emerald notes that the main mining licence (M37/519), which contains 79% of the current JORC-compliant Indicated and Inferred mineral resources, is not under plaintiff.

Legal Matters

As disclosed in Bullseye's 2021 Annual Report, there are currently 3 matters which are the subject of legal action.

Matter COR 83 of 2020

One of Bullseye's shareholders, Hongkong Xinhe International Investment Company Limited (**Xinhe**), has brought an action in the Supreme Court of Western Australia, COR 83 of 2020, against Bullseye and its Directors, alleging that the affairs of the company have been conducted in a manner which is oppressive to or unfairly discriminatory against Xinhe and contrary to the interests of shareholders as a whole. The trial of this matter commenced on 6 September 2021 and is scheduled to continue over two more blocks of Court dates until March 2022. Bullseye and its Directors are continuing to vigorously defend this matter.

Emerald has examined the legal matter and is satisfied there is no expected outcome that would have a negative impact on Emerald and its acquisition of Bullseye.

Matter CIV 1989 of 2020

Mr Sam Cheng and Mr Eddy Cheng as trustees of the NEZA Trust have brought an action in the District Court of Western Australia, CIV 1989 of 2020, against Bullseye, seeking payment of capital raising fees from Bullseye in the amount of approximately \$366,000. Bullseye has lodged a defence and counterclaim, denying any amount owing by Bullseye and seeking to recover an amount totalling \$429,000 (or in respect of part of that amount, the transfer of shares in the company) from these parties. This matter is scheduled for trial in January 2022.

Emerald has examined the legal matter and is satisfied there is no expected outcome that would have a negative impact on Emerald and its acquisition of Bullseye.

Matter CIV 1987 of 2020

Mr Sam Cheng has brought a further action in the District Court of Western Australia, CIV 1987 of 2020, against Bullseye, seeking payment of consultancy fees from Bullseye in the amount of approximately \$580,000. Bullseye has lodged a defence and counterclaim against Mr Sam Cheng and other parties, seeking damages for conspiring to cause harm and injury to Bullseye. The matter is in the interlocutory stages of the Court process and trial dates have not yet been set.

Emerald has examined the legal matter and is satisfied there is no expected outcome that would have a negative impact on Emerald and its acquisition of Bullseye.

Advisers

Steinepreis Paganin is acting as Australian legal adviser to Emerald and Euroz Hartleys is acting as corporate adviser to Emerald.

MPH Lawyers is acting as Australian legal adviser to Bullseye.

Cash Position

Emerald's consolidated cash at 31 December 2021 was approximately A\$17.9m with an additional A\$19.5m (US\$14.2m) of gold bullion on hand.

The Okvau Project finance facility has also provided access to a US\$100m Acquisition and Development Facility to fund future development and acquisition opportunities (refer ASX announcement dated 26 June 2019). Emerald continues to assess value adding assets for subsequent developments to create a multi asset gold producing company.

In accordance with ASX Listing Rule 5.3.5 the Company advises that payments made to related parties and their associates during the period included director fees, salaries and superannuation (\$620k), rental payments to a director related party for the Company premises (\$75k) and payments to a director related party for the provision of company secretarial services (\$30k).

COVID-19 Update and Safety

The Company has prioritised the health and wellbeing of staff, contractors and stakeholders by maintaining stringent protocols to minimise the potential transmission of COVID-19.

Travel between Australia and Cambodia continues to be restricted but is being managed through longer rosters and regional sourcing and the dedication of key employees on site at Okvau. Together with the Cambodian Ministry of Health the company commenced the site wide booster vaccination program achieving 100% of eligible workers double vaccinated and ~60 triple vaccinated during the Quarter.

There were no serious incidents or injuries during the Quarter.

This ASX release was authorised on behalf of the Emerald Board by: Morgan Hart, Managing Director.

For further information please contact Emerald Resources NL

Morgan Hart
Managing Director

About Emerald Resources NL

Overview

Emerald is a developer and explorer of gold projects. In particular, Emerald has been focused on the development and commissioning of its most advanced project, the Okvau Gold Mine in Cambodia which saw first production in June 2021. Since production commenced in June 2021, Emerald has now poured over 1,000kgs of gold bullion from its operations.

Emerald also hold a number of other projects in Cambodia which are made up of a combination of granted mining licences (100% owned by Emerald), and interests joint venture agreements. Together, Emerald's interest in its Cambodian Projects covers a combined area of 1,239km².

Okvau Gold Mine

The Okvau Gold Mine Operation is the most advanced of Emerald's projects. The Okvau Gold Mine is located approximately 275km north-east of Cambodia's capital city of Phnom Penh in the province of Monduliri (refer Figures 13 and 14). The town of Kratie is located on the Mekong River approximately 90km to the west and the capital of Monduliri, Saen Monourom is located approximately 60km to the south-east.

The principal activity of the consolidated entity during the 2021 financial year was the development of Emerald’s 100% owned Okvau Gold Mine. On 26 June 2021 Emerald announced its maiden gold pour after successfully commissioning the processing plant and gold room. Subsequently, commissioning activities continued on the sulphide float regrind circuit which was successfully completed in July 2021. This marked the practical completion of the Okvau Gold Mine commissioning process and commencement of normal run of mine operations.

Following the successful commissioning of the processing plant and commencement of production, Emerald has now poured over 1,500kgs of gold bullion from its operations with a total of approximately US\$85 million of gold doré to the date. Fourteen shipments of gold bullion have now been delivered to the refinery and outturns received.

Figure 13 | Cambodian Gold Project | Location

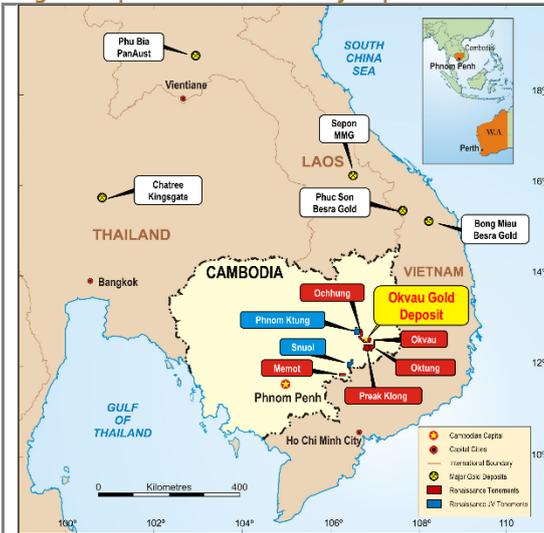


Figure 14 | Cambodian Gold Project | Exploration Licence Areas

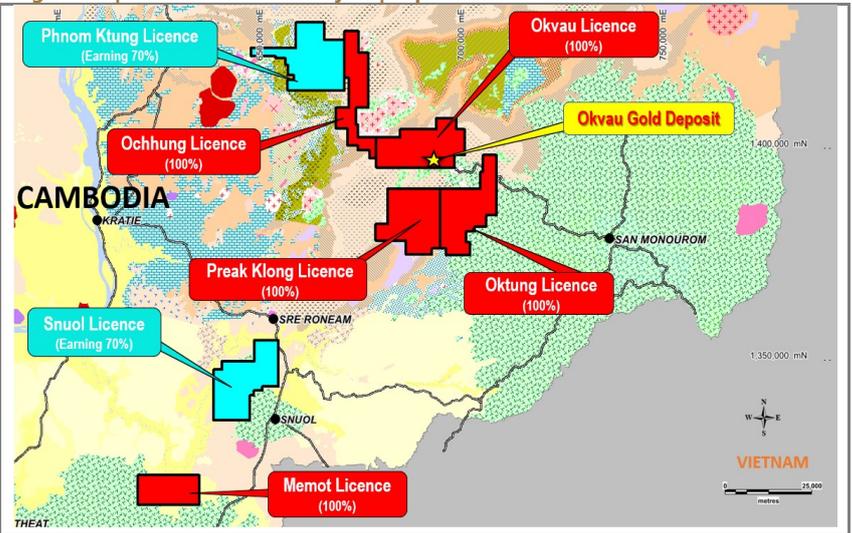


Table 1 | Okvau Mineral Resource Estimate

Okvau Mineral Resource Estimate										
Cut-off (Au g/t)	Indicated Resource			Inferred Resource			Total Resource			
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	
0.70	15.11	2.08	1,008	2.57	1.61	133	17.68	2.01	1,141	

The Project has a JORC Ore Reserve (Probable) estimate of 14.26Mt @ 1.98g/t Au for 907,000 ounces gold (refer Table 2).

Table 2 | Okvau Ore Reserve Estimate

Okvau Ore Reserve Estimate		
	Tonnage (Mt)	Grade (g/t Au)
Probable Ore Reserve	14.26Mt	1.98g/t Au
		Contained Au (Koz)
		907koz

Appendix One | Tenements

Mining and exploration tenements held at the end of December 2021 Quarter

Project	Location	Tenement	Interest at 31 December 2021
Okvau	Cambodia	Okvau Industrial Mining Licence	100%
Okvau	Cambodia	Okvau Exploration Licence	100%
O’Chhung	Cambodia	O’Chhung Exploration Licence	100%
Preak Klong	Cambodia	Preak Klong Exploration Licence	100%
O’Ktung	Cambodia	O’Ktung Exploration Licence	100%
Memot	Cambodia	Memot Exploration Licence	100%

Mining and exploration tenements and licenses acquired and disposed during the December 2021 Quarter

Project	Location	Tenement	Interest at beginning of Quarter	Interest at end of Quarter
Tenements Disposed				
Nil				
Tenements Acquired				
Nil				

Quarter Beneficial percentage interests in joint venture and earn-in agreements at the end of the December 2021 Quarter

Project	Location	Tenement	Interest at end of Quarter
Phnom Ktung	Cambodia	Phnom Ktung Exploration Licence	25.5% ^A
Snuol	Cambodia	Snuol Exploration Licence	25.5% ^A

A Emerald Resources NL is earning up to a 70% interest in the projects.

Beneficial percentage interests in joint venture and earn-in agreements acquired or disposed of during the December 2021 Quarter

Project	Location	Tenement	Interest at beginning of Quarter	Interest at end of Quarter
Joint Venture Interests Disposed				
Nil				
Joint Venture Interests Acquired				
Phnom Ktung	Cambodia	Phnom Ktung Exploration Licence	0%	25.5%
Snuol	Cambodia	Snuol Exploration Licence	0%	25.5%

Interests in royalties

The Company has a 5% overriding royalty interest in all gas production from various oil and gas interests located in Magoffin County, Kentucky. During the Quarter, there was no product recovered and sold from the Leases and the royalty received for the period was Nil.

Forward Looking Statement

This document contains certain forward looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about the industry in which Emerald Resources operates, and beliefs and assumptions regarding the Company's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known or unknown risks, uncertainties and other factors, some of which are beyond the control of the Company, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward looking statements, which reflect the view of Emerald Resources only as of the date of this announcement. The forward looking statements made in this release relate only to events as of the date on which the statements are made. Emerald Resources will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority. This document has been prepared in compliance with the current JORC Code 2012 Edition and the ASX listing Rules.

The Company believes that it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any production targets and financial estimates, based on the information contained in this announcement. Reference is made to ASX Announcements dated 1 May 2017 and 26 November 2019. All material assumptions underpinning the production target, or the forecast financial information continue to apply and have not materially changed. 100% of the production target referred to in this announcement is based on Probable Ore Reserves.

Emerald has a highly experienced management team, undoubtedly one of the best credentialed gold development teams in Australia with a proven history of developing projects successfully, quickly and cost effectively. They are a team of highly competent mining engineers and geologists who have overseen the successful development of gold projects in developing countries such as the Bonikro Gold Project in Cote d'Ivoire for Equigold NL and more recently, Regis Resources Ltd.

Competent Persons Statements

The information in this report that relates to Exploration and Drill Results is based on information compiled by Mr Keith King, who is an employee to the Company and who is a Member of The Australasian Institute of Mining & Metallurgy. Mr Keith King has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Keith King has reviewed the contents of this release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources for the Okvau Gold Deposit was prepared by EGRM Consulting Pty Ltd, Mr Brett Gossage, who is a consultant to the Company, who is a Member of the Australasian Institute of Mining & Metallurgy (AIG), and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Gossage has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

Information in this announcement that relates to Ore Reserves for the Okvau Gold Deposit is based on, and fairly represents, information and supporting documentation prepared by Mr Glenn Williamson, an independent specialist mining consultant. Mr Williamson is a Member of the Australasian Institute of Mining & Metallurgy. Mr Williamson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or 'CP') as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Williamson has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

No New Information

To the extent that announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Emerald Resources NL

ABN

72 009 795 046

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	58,686	63,544 ¹
1.2	Payments for		
	(a) exploration & evaluation	(1,075)	(1,589)
	(b) development	(72)	(256)
	(c) production	(25,186)	(26,906)
	(d) staff costs	(661)	(1,161)
	(e) administration, corporate costs and insurances	(851)	(1,695)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(535)	(662)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	1	1
1.9	Net cash from / (used in) operating activities	30,310	31,281
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(419)	(1,824)

¹ Note total gold sales for the September 2021 Quarter totalled A\$24,790k (US\$18,182k). The Okvau Gold Mine reached a steady state of production in September 2021 with gold poured prior to this date being credited against development costs.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) exploration & evaluation	-	-
mine development expenditure:		
- gold revenue during pre-production	-	19,932 ¹
- mine development	(16,758)	(40,470)
- capitalised interest	-	(1,688)
(e) investments	(56)	(56)
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(17,233)	(24,106)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	154	154
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(2,273)	(2,273)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Interest paid on borrowings	(6,178)	(8,198)
3.9 Payments for lease liabilities	(1,162)	(1,162)
3.10 Dividends paid	-	-
3.11 Other (Withholding tax)	(1,256)	(1,402)
3.12 Net cash from / (used in) financing activities	(10,715)	(12,881)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	15,422	22,761
4.2	Net cash from / (used in) operating activities (item 1.9 above)	30,310	31,281
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(17,233)	(24,106)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(10,715)	(12,881)
4.5	Effect of movement in exchange rates on cash held	69	798
4.6	Cash and cash equivalents at end of period	17,853	17,853

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	17,783	15,352
5.2	Call deposits	70	70
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	17,853	15,422

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	430
6.2	Aggregate amount of payments to related parties and their associates included in item 2	295
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <ul style="list-style-type: none"> - Directors fees, salaries and superannuation (\$620k); and - Rental payments to a Director related party for the Company premises (\$75k); and - Payments to a Director for the provision of Company secretarial services (\$30k). 		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	87,373	87,373
7.2	-	-
7.3	-	-
7.4	87,373	87,373
7.5	Unused financing facilities available at quarter end	
		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	<p>¹Credit Agreement with Sprott Private Resource Lending II ("Sprott") for US\$60.0 million plus capitalised interest. The financial close of the Sprott facility occurred on 27 April 2020 (refer to ASX announcement dated 28 April 2020). As at 31 December 2021, the Sprott facility outstanding balance is US\$63.4 million.</p> <p>Term – 5 years</p> <p>Interest - 6.5% pa plus the greater of (i) USD 3 month LIBOR, and (ii) 2.50% pa, payable monthly with 75% of the interest capitalised during construction</p> <p>Gold Price Participation Agreement – Commenced in September 2021, a gold price participation payment on 1,449oz per month to a total of 62,307oz. Payment is calculated based on the differential between the average LBMA Gold Price for the month subject to a minimum gold price of US\$1,127/oz, and a gold reference price of US\$1,100/oz</p> <p>Security – Sprott to have first ranking security over all undertakings, properties and assets of Emerald including the Okvau Gold Project, to be released upon full repayment of all obligations.</p>	
8. Estimated cash available for future operating activities	\$A'000	
8.1	Net cash from / (used in) operating activities (item 1.9)	
		30,516
8.2	Payments for exploration & evaluation classified as investing activities and mine development expenditure (item 2.1(d))	
		(16,779)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	
		13,737
8.4	Cash and cash equivalents at quarter end (item 4.6)	
		17,853
8.5	Unused finance facilities available at quarter end (item 7.5)	
		-
8.6	Total available funding (item 8.4 + item 8.5)	
		17,853
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	
		n/a
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: n/a	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: n/a

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Authorised by the Emerald Board

Mark Clements
Company Secretary
31 January 2022

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.