

Fast Facts

ASX Code: EMR
Shares on issue: 593,500,983
Market Cap: ~A\$703 million
Cash: A\$43.0 million (at 30 June 2022)
Bullion: A15.8 million (at 30 June 2022)

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
Michael Bowen, Non-Executive Director
Jay Hughes, Non-Executive Director
Mark Clements, Non-Executive Director
and Company Secretary
Bernie Cleary, Operations Manager

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.

Registered Office

1110 Hay Street
West Perth WA 6005

T: +61 8 9286 6300



Update on Bullseye Legal Proceedings, Judicial Mediation Process and BlueCap JV

Emerald Resources NL (ASX: EMR) ("Emerald") provides the following update on litigation relating to Bullseye Mining Limited ("Bullseye") (EMR: 59.32%) and the cessation of the Blue Cap Bullseye Joint Venture (Bullseye 70%):

Matter COR 83 of 2020 (Initial Proceedings)

The trial in the Supreme Court of Western Australia ("Supreme Court") of matter COR 83 of 2020 has continued with a further block of trial dates heard in August 2022 before his Honour Justice Marcus Solomon ("Initial Proceedings"). This action was initiated against Bullseye and certain current and former directors of Bullseye¹, as part of a long running dispute with Bullseye's second largest shareholder Hongkong Xinhe International Investment Company Limited ("Xinhe"). A further final block of court dates has been scheduled in November 2022 for closing submissions and the trial is proceeding towards conclusion. Justice Solomon will then proceed to make a determination of the oppression claims in the Initial Proceedings on their merits, before dealing with the remedies claimed. Those remedies may be dealt with straight away, or following the outcome of the Second Proceedings referred to below.

Recommended Judicial Mediation of Initial Proceedings

Justice Solomon has recently recommended that the parties to the Initial Proceedings engage in a Supreme Court judicial mediation process to be presided over by his Honourable Justice Kenneth Martin ("Judicial Mediation"). All parties have agreed to proceed with the recommended Judicial Mediation process which will be held between the dates of 15 to 22 September 2022, with Bullseye ideally seeking to resolve an acceptable commercial outcome.

Matter COR 159 of 2022 (Second Proceedings)

Emerald advises that in advance of the scheduled Judicial Mediation of the Initial Proceedings, Xinhe and its related entity Au Xingao Investment Pty Limited ("Xingao") (together the "Plaintiffs") have commenced further proceedings in the Supreme Court via matter COR 159 of 2022, against Bullseye, Emerald, certain current and former directors of Bullseye² and the Australian Securities and Investments Commission (the "Second Proceedings"). The Second Proceedings have been filed in the Supreme Court and recently served on Emerald.

The Second Proceedings are in addition to the ongoing litigation brought by Xinhe against Bullseye via the Initial Proceedings. The Second Court Proceedings involve claims of oppressive conduct and alleged contraventions of the Corporations Act in relation to the affairs of Bullseye by Bullseye, Emerald and certain current and former directors of Bullseye² and contravention by Bullseye of its Constitution.

Emerald notes that a substantial number of the remedies claimed by the Plaintiffs in the Second Proceedings relate to matters which have previously been considered by the Takeovers Panel with various orders having been made and complied with by the relevant parties (Refer to Bullseye Mining Limited 03 [2022] ATP 4, Bullseye Mining Limited 04 [2022] ATP 8 and Bullseye Mining Limited 05 [2022] ATP 14).

The Second Proceedings have been launched in the wake of an unsuccessful rival takeover bid for Bullseye by Xingao, which expired last month whilst it was still subject to various defeating conditions, including Foreign Investment Review Board (FIRB) approval. Based on information publicly disclosed by Xingao, as at the close of Xingao's takeover offer, it had only received acceptances for 0.6% of the issued shares in Bullseye (which acceptances have now been unwound as the offer did not proceed).

Notes:

¹ Peter G Burns (current), Peter J Burns (former), Dariena Mullan (former)

² Peter G Burns (current), Anthony Short (current), Peter J Burns (former), Dariena Mullan (former), and Ian Ladyman (former).

Emerald is continuing to consider its rights and will seek to have the Second Proceedings dealt with efficiently and otherwise in a manner reflective and respecting of its best interests and those of its stakeholders. Emerald has appointed Murcia Pestell Hillard Lawyers to file an appearance and represent Emerald on this matter.

Matter CIV 1987 of 2020

As announced on 8 December 2021, Mr Sam Cheng has brought an action in the District Court of Western Australia, CIV 1987 of 2020, against Bullseye, alleging that Bullseye has breached a contract between Bullseye and Mr Cheng entered into around 9 October 2013, by failing or refusing to pay monthly consulting fees to Mr Cheng in the amount of \$580,000 during the period from June 2018 until May 2020. Bullseye denies that claim.

Bullseye has brought a counterclaim in CIV 1987 of 2020 against the following parties:

- (a) Sam Cheng;
- (b) Wu Qiyuan;
- (c) Xinhe;
- (d) Yiyang Qiu (Luke Huang);
- (e) Brett Clark;
- (f) Doonbeg Capital Pty Ltd
- (g) Kevin Dundo; and
- (h) Red 5 Limited

Bullseye seeks unliquidated damages against the above parties for conspiring to cause harm and injury to Bullseye. The action is in the interlocutory stages of the Court process and is awaiting judgment to be delivered by the District Court concerning applications for security for costs issued against Bullseye by six of the defendants to the counterclaim.

Once the security for costs applications have been determined, Bullseye will advance its damages claim. As the matter progresses, it is expected to be elevated to the Supreme Court commensurate with the damages to be sought in the proceeding.

Matter CIV 1989 of 2020

As announced on 8 December 2021, Mr Sam Cheng and Mr Eddy Cheng, as trustees of the NEZA Trust (the Plaintiffs) 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 \$366,000.

Bullseye has filed a defence and counterclaim in the proceedings, denying any amount is owing to the Plaintiffs, and claiming:

- (a) reimbursement of fees paid by Bullseye to the Plaintiffs in the sum of \$120,000; and
- (b) the transfer to Bullseye of 900,000 shares in Bullseye, or alternatively reimbursement of fees in the sum of \$117,000.

The trial of this matter commenced on 31 January 2022 and proceeded for four sitting days. On 4 February 2022, the trial was adjourned part-heard until 17 October 2022 for an anticipated further four trial days. This matter is not deemed material to Bullseye or Emerald.

Dispute with Inca Minerals Limited

Bullseye and Inca Minerals Limited ("Inca") are in dispute in relation to nickel rights on two of Bullseye's non-core tenements within Bullseye's North Laverton Gold Project. The parties have agreed to enter into a mediation process and look forward to resolving the matter in due course. This matter is not deemed material to Bullseye or Emerald.

Cessation of the Blue Cap Bullseye Joint Venture (Bullseye: 70%)

Consistent with Bullseye's strategy to manage the development of the North Laverton Gold Project located on Bullseye's Dingo Range greenstone belt, Bullseye has reached an in principle agreement with Blue Cap Equities Pty Ltd ATF Blue Capital Trust No.2 ("BCE") for the cessation of the Blue Cap Bullseye Joint Venture ("BCBJV") and all associated entities. The parties are proceeding to formal documentation.

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 first gold pour in June 2021 and commercial production achieved in September 2021, Emerald has now poured over 3,000kgs 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.

Emerald has a controlling interest in Bullseye Mining Limited (59.32%), an unlisted Australian public company with three Western Australian gold projects totalling in excess of 1,200km² of highly prospective gold tenure including the North Laverton Gold Project which covers in excess of 800km² of the entire Dingo Range greenstone belt.

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 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 (AIMM), 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 material 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.