

ASX Announcement & Media Release

31 August 2023

Fast Facts

Fast Facts

ASX Code: EMR
Shares on issue: 596,024,468
Market Cap: ~A\$1.395 billion
Cash: A\$71.0 million (at 30 June 2023)
Bullion: A\$19.0 million (at 30 June 2023)

Board & Management

Jay Hughes, Non-Executive Chairman
Morgan Hart, Managing Director
Mick Evans, Executive Director
Simon Lee AO, Non-Executive Director
Ross Stanley, Non-Executive Director
Billie Slott, Non-Executive Director
Michael Bowen, Non-Executive Director
Mark Clements, Non-Executive Director and Company Secretary
Bernie Cleary, Operations Manager
Shannon Campbell, Chief Financial Officer

Company Highlights

Team

- Highly credentialed gold project operational and in-house development team;
- A proven history of building projects on time and on budget.

Gold Production

- Okvau Gold Mine commissioned on time on budget in 2021;
- Forecast +100,000oz gold production for 2024 at AISC US\$780-US\$850/oz;

Growth

- Significant exploration and resource growth potential in Cambodia:
 - Okvau Gold Mine reserve expansion;
 - Memot Project maiden resource expected 2023
 - 1,639km² of prospective tenure
- Significant exploration and resource growth potential in Australia (Bullseye Mining Limited (~60%):
 - North Laverton Gold Project located on the underexplored Dingo Range greenstone belt
 - Resource and reserve expected 2023
 - 1,200km² of prospective tenure

ESG

- 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 laws by engaging and collaborating with all stakeholders.
- Commitment to carbon neutral operations in Cambodia

Registered Office

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Emerald Delivers Record Profit After Tax of A\$66.2m

Emerald Resources NL (ASX: EMR) ("Emerald") are pleased to announce the results for the year ended 30 June 2023 as summarised below:

	2023	2022	Change	Change
Financial results				
Gold revenue (\$'000)	299,476	206,532	92,944	45%
Gold production (ounces)	108,866	100,988	7,878	8%
Gold sales (ounces)	108,901	95,331	13,570	14%
Sale price (US\$/oz)	1,840	1,707	133	8%
Profit before tax (\$'000)	70,915	62,708	8,207	13%
Profit after tax (\$'000)	66,281	45,366	20,915	46%

The year ended June 2023 is the Company's first full year of gold production at the Okvau Gold Mine in Cambodia. The record result was driven by strong production numbers and an increase in gold prices.

The excellent production and cost performance at Okvau resulted in 108,866 ounces of gold produced at an all-in sustaining cost (AISC) of US\$799 per ounce.

As at 30 June 2023 the Company's cash and bullion totalled A\$90.0 million.

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

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, 26 November 2019 and 31 August 2023. 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.

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.

Emerald Resources NL
Appendix 4E - Preliminary Final Report
Under ASX Listing Rule 4.3A

Reporting period	For the year ended 30 June 2023
Previous period	For the year ended 30 June 2022

Key Information

	% change		\$'000
Revenue from ordinary activities	45%	to	299,476
Profit after tax attributable to the owners of Emerald Resource NL (from continuing operations)	46%	to	66,281
Net profit attributable to equity holders of the parent entity	44%	to	68,564

The increase in revenue was a result of increased gold production and increased gold prices during the year. Gold poured during the current year was 109,298oz (2022: 94,791oz).

The current period profit includes a net loss of \$13,844,000 (30 June 2022: \$12,437,000) arising from the revaluation of Emerald's derivative liability.

The profit for the consolidated entity from continuing operations after providing for income tax amounted to \$66,281,000 (30 June 2022: \$45,366,000).

Details relating to dividends

There were no dividends paid, recommended or declared during the current financial period (2022: nil).

Net tangible assets

	Reporting period cents	Previous period cents
Net tangible assets per ordinary security	48.96	51.02

Earnings per share

	cents	cents
Basic earnings per share	12.10	8.45
Diluted earnings per share	11.99	8.38

Details of subsidiaries, associates and joint ventures
Entities where control was gained during the period:

Company	Country of Incorporation	Incorporation or Acquisition Date
Blue Cap Bullseye Joint Venture Pty Ltd	Australia	4 October 2022
Dingo Range Pty Ltd	Australia	4 October 2022
Blue Cap Bullseye Joint Venture Unit Trust	Australia	4 October 2022

Details of subsidiaries:

Company	Legal Ownership Interest as at	
	30 June 2023	30 June 2022
Renaissance Minerals Limited	100.00%	100.00%
Renaissance Cambodia Pty Ltd	100.00%	100.00%
Renaissance Minerals (Cambodia) Limited	100.00%	100.00%
Renaissance WA Pty Ltd	100.00%	100.00%
Emerald Gas USA Holdings Inc	100.00%	100.00%
Bullseye Mining Limited	60.04%	59.32%
Broken Hill Metals Pty Ltd	60.04%	59.32%
Bullseye Resources Limited	60.04%	59.32%
EGC Nickel Pty Ltd	60.04%	59.32%
Goldwinner Corporation Pty Ltd	60.04%	59.32%
Blue Cap Bullseye Joint Venture Pty Ltd	60.04%	0.00%
Dingo Range Pty Ltd	60.04%	0.00%

Details of associates and joint ventures:

Company	Legal Ownership Interest as at	
	30 June 2023	30 June 2022
Southern Gold (Asia) Pty Ltd (Santana Joint Venture)	25.50%	0.00%
Antrong Metals Co., Ltd Joint Venture	0.00%	0.00%

Audit qualification or review

The financial statements have been audited and an unmodified opinion has been issued.

Attachments

The Annual Report for the year ended 30 June 2023 of Emerald Resources NL is attached.

Signed

Signed: _____
Morgan Hart, Managing Director

Date: 31 August 2023



EMERALD

RESOURCES NL

ABN 72 009 795 046

2023 Annual Report



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Okvau Open Pit at July 2023



CORPORATE DIRECTORY

Non-Executive Chairman
Jay Hughes

Managing Director
Morgan Hart

Executive Director
Michael Evans

Non-Executive Directors
Ross Stanley
Billie Slott
Michael Bowen
Simon Lee AO
Mark Clements

Company Secretary
Mark Clements

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Securities Exchange Listing
Australian Securities Exchange
(Home Exchange: Perth, WA)
Trading Code: EMR

CHAIRMAN'S LETTER

Dear Fellow Shareholders

In this, my first report to shareholders as Chairman, I am pleased to announce that the Company has had a strong year across all aspects of operations, meeting our gold production guidance and delivering an after tax profit of A\$66.3 million, predominantly from our 100% owned Okvau Gold Mine in Cambodia. At the end of the financial year, we had cash and bullion on hand of A\$90 million.

Our operational and corporate successes are a direct result of the expertise of our outstanding teams in Cambodia and Australia. Together, with our contractors, we can reflect that their professionalism, diligence and commitment to our ESG principles place Emerald in an enviable position, with the continuing support of the Government of Cambodia, while growing our operational footprint.

During the year we poured 109,298 ounces of gold doré from our Okvau Gold Mine. Total gold production since our first gold pour in June 2021 is 209,817 ounces. We anticipate that as our operations mature and grow we will see a steady and sustainable increase in gold production.

In August 2023, our inaugural Chairman, Mr Simon Lee AO stepped down to a non-executive director role. On behalf of the Board I would like to thank Simon for the last 9 years. Under Simon's leadership we successfully transitioned from a young exploration Company to a major gold producer with projects on two continents.

I also thank our executive and management team led by Managing Director, Morgan Hart and Executive Director, Mick Evans, together with our operational teams both in Cambodia and Australia.

Our corporate strategy has been developed with an overarching focus on Emerald becoming a multi project gold production Company. Our activities during the year are clearly directed toward this. Post 30 June 2023 we announced a further bid to purchase the remaining Bullseye Mining shares, not currently held by the Company, and this bid has the support of the Independent Board Committee of the Bullseye Board as well as being accepted by Bullseye shareholders Xinhe and Au Xingao. Completing this transaction will enable us to continue to invest in the potential that we are unlocking, bringing the North Laverton project to fruition.

Our exploration activities are directed to both growing our near mine reserves as well as delivering new opportunities. Bullseye's North Laverton Gold Project (Emerald interest ~60.04% at time of writing) activities included ~35,400m of RC and diamond drilling. The results clearly demonstrate the potential of this largely underexplored area. We are confident that progress with this drilling campaign will lead to investment in production in the coming year, delivering the Company a strong and growing portfolio of productive gold mining assets.

Our activities continue to be directed towards delivering shareholder returns. We have a strong balance sheet with cash reserves available to take advantage of our growth opportunities, and we are committed to ensuring that we grow shareholder value without diluting our shareholdings. Our acquisition of Bullseye Mining could potentially provide the opportunity to pay fully-franked dividends in the future, to our Australian shareholders, which would otherwise be unavailable to us.

However, we cannot deliver these benefits to our shareholders without operating in a sustainable and responsible way both in Cambodia and Australia. Providing long-term benefits to the people of Cambodia is an abiding principle for everything we do. This includes providing meaningful employment and training opportunities that upskill our Cambodian family and ensure that they can use these skills throughout their careers.

Throughout Emerald's journey to become Cambodia's first modern, large scale mining operation, we have committed to being socially and environmentally responsible, and transparent in everything we do. Our culture is one of inclusion and diversity, and we are proud that our team in Cambodia is almost 80% local employees. We are also proud that we are providing career opportunities for female employees (22% of our Cambodian workforce), and we celebrate this annually on International Women in Mining day.

To complement existing projects, including the Biodiversity Offset, Emerald is focusing on nature-based activities such as habitat protection and creation, and biodiversity enhancement for the Company's carbon offset project. During the year we held our second Community Open day at the Okvau Gold Project, where local residents can visit the mine site and learn about the work we do. We also continued the School Nursery Project that began in 2017, where we purchase trees from five participating schools for biodiversity and site rehabilitation requirements. This is in addition to finalising the construction of a community school in Pukes Village which reflects the Company's ongoing commitment to supporting projects that improve access to education.

CHAIRMAN'S LETTER

We are unwavering in our commitment to Cambodia both socially and environmentally. Our respect is reflected through our continuing appreciation of local culture and customs which form how we do business locally.

Emerald reaffirmed our commitment to carbon-neutral operations and will accrue funds annually to dedicate to future programs aimed at achieving a carbon neutral footprint within an achievable timeframe. This followed an independent review of a range of commercially available schemes. The Board agreed that provisioning funds for activities which support the Company's climate strategy is the best approach. The Company's carbon neutral concept has been presented to the Cambodian Government and the Company is working to identify suitable locations to progress the carbon offset concept.

Our commitment to the highest governance standards remains steadfast, and the Board's diligence in this respect is paramount. Board membership is stable and diverse, though we are mindful of the need to, where appropriate, to recruit new members to the Board.

Our commitment to best practice sustainable mining operations ensures that we will continue to grow and develop, while maintaining a shareholder base that shares our values, and supports our plans for a strong, profitable future that delivers real returns to each and every community in which we operate.

I look forward to the coming year with the expectation of ongoing reserve growth at our 100% owned Okvau Gold Mine and progressing our 100% owned Memot Project to a mineable reserve. We aim to see the North Laverton Gold Project move towards development, ramping up our group's total gold production.

Yours faithfully

Jay Hughes
Chairman

REVIEW OF OPERATIONS

Cambodian Gold Projects Okvau Gold Mine

Table 1 | Okvau Operating Physicals

	Sep22 Qtr	Dec22 Qtr	Mar23 Qtr	Jun23 Qtr	Total FY23
Ore mined ('000 BCM)	213	220	261	277	971
Waste mined ('000 BCM)	1,207	1,215	1,146	1,175	4,743
Stripping ratio (waste:ore)	5.65	5.51	4.39	4.24	4.88
Ore mined ('000 t)	692	701	911	888	3,192
Ore milled ('000 t)	446*	532	515	511	2,004
Head grade (g/t)	2.03	2.14	2.16	2.13	2.13
Recovery (%)	80%	80%	80%	78%	79%
Gold production (oz)	23,217	29,640	28,764	27,245	108,866

* Throughput diminished by ~10 days due to gearbox failure and replacement

Figure 1 | Cambodian Gold Project | Location

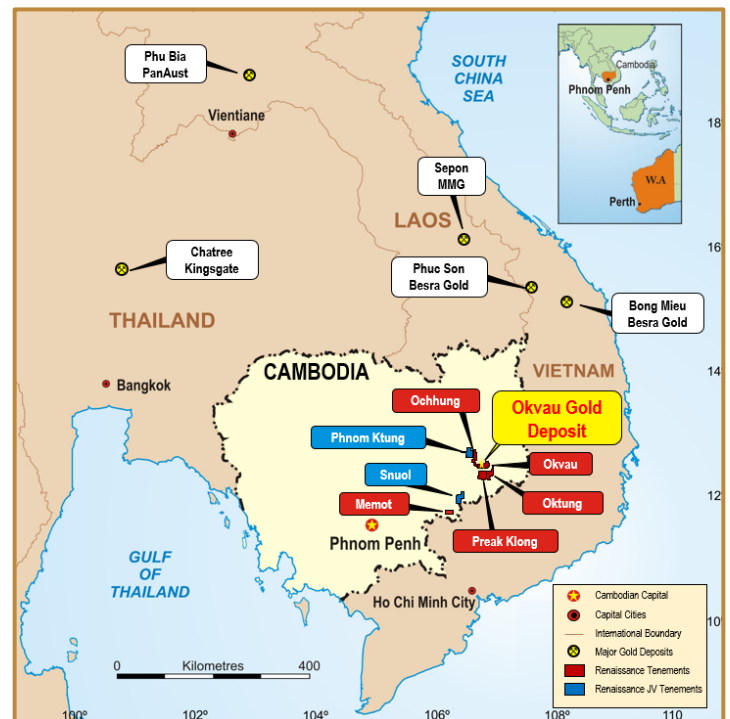
The 100% owned Okvau Gold Mine poured its first gold bar in June 2021 and has since sold over 198,000 ounces of gold to June 2023.

The Okvau Gold Mine is located approximately 275km north-east of Cambodia's capital city of Phnom Penh in the province of Mondul Kiri (refer Figure 1).

Mining

Mining operations during the year focused on the completion of Stage 1 and advancing Stages 2 and 3. Stage 1 became a large in-pit sump providing water storage for pumping during the wet season. Sulphide ore was sourced from Stages 1 and 2 and mostly waste was removed from Stage 3 in advance of future ore supplies. Total surveyed movement for the year was 5,715,384 BCM of ore and waste against a scheduled 5,400,000 BCM with 5,452,114 blasted.

Fresh sulphide ore mined during FY23 of 3,164 kt @ 1.629g/t for 165,683oz (lower cut 0.5g/t) reconciles positively against reserve (+8.3%) of 2,541kt @ 1.872g/t for 152,940oz (lower cut 0.625g/t).



The positive reconciliation has allowed the Company the flexibility of preferentially milling the highest-grade ore zones whilst maintaining a substantial +1.3g/t stockpile (+799kt), with a further 2.38Mt low-grade stockpile at +0.7g/t.

Fresh sulphide ore mined project to date of 6,488 kt @ 1.606g/t for 334,949oz (lower cut 0.5g/t) reconciles positively against reserve (+7.4%) of 5,080kt @ 1.909g/t for 311,813oz (lower cut 0.625g/t).

REVIEW OF OPERATIONS

Processing

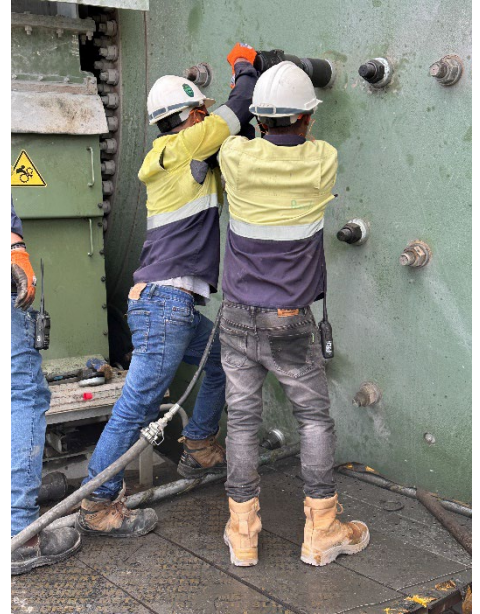
Since achieving practical completion and reaching a steady state of production in September 2021, the process plant has run consistently above nameplate of 2.0Mtpa.

Sulphide ore gold recoveries averaged 79% during the year. Operational adjustments subsequent to year end include an oxygen plant upgrade which is expected to increase recovery and decrease reagents usage, with the benefit of increased production at a marginally lower AISC.

Figure 2 | Okvau Gold Mine infrastructure



Figure 3 | Okvau Maintenance Personnel



Gold Production

Gold production during the year was 108,866 ounces. Gold poured during the year totalled 109,298 ounces.

During the year, shipments totalling 108,901 ounces of gold have been sold at an average price of US\$1,840 per ounce.

Total production numbers from commencement of operations in June 2021 to end of June 2023 (inclusive of gold in circuit) is 209,817 ounces. Total gold poured for that same period is 204,960 ounces.

Figure 4 | Okvau Mill Reline

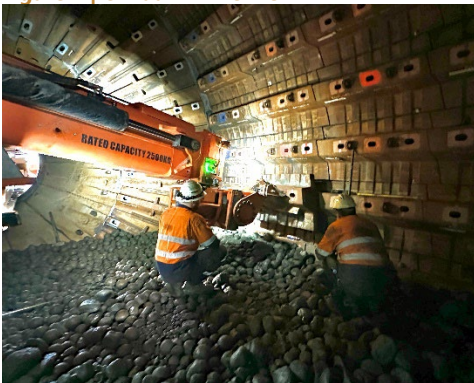


Figure 5 | Okvau Village Staff



Figure 6 | Okvau Maintenance Personnel



Operational Outlook

Gold production guidance at the Okvau Gold Mine remains in line with the DFS of 100-110,000oz on an annualised basis. Production guidance for FY24 remains in line with DFS forecasts at 25-30,000oz per quarter and cash costs are expected to increase slightly to US\$780 – US\$850/oz.

Process plant throughput continues to perform above 2.0Mtpa DFS targeted nameplate rate. The Okvau fresh rock orebody continued to achieve strongly positive reconciliation (+8%) to reserve to the end of the financial period.

REVIEW OF OPERATIONS

Okvau Gold Mine Mineral Resources and Reserves Estimates

Table 2 | Okvau Mineral Resource Estimate – March 2023

Resource Type	Measured Resources ⁽ⁱ⁾			Indicated Resources ⁽ⁱⁱ⁾			Inferred Resources ⁽ⁱⁱ⁾			Total Resources		
	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)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
Open Pit	2.81	0.89	80	8.36	2.24	601	0.7	1.71	4	11,24	1.90	685
Underground	-	-	-	0.6	6.20	120	0.91	6.35	185	1.51	6.29	305
Total	2.81	0.89	80	8.96	2.50	721	0.98	6.01	189	12.75	2.42	990

Measured (Stockpiled) Resources reported at a lower cut of 0.4g/t Au of oxide and 0.5g/t Au for fresh. Indicated and Inferred Resources reported at 0.7g/t Au lower cut.

The DFS delivered a maiden Ore Reserve (Probable) estimate of 14.26Mt @ 1.98g/t Au for 907,000 ounces gold.

The Resource and Reserve update is expected to annually updated with near mine exploration drill programmes.

Table 3 | Okvau Ore Reserve Estimate - March 2023

	Okvau March 2023 Ore Reserve Estimate		
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
Proven Ore Reserve	2.81Mt	0.89g/t Au	80koz
Probable Ore Reserve	9.14Mt	2.10g/t Au	618koz
Total Ore Reserve	11.95Mt	1.82g/t Au	698koz

Figure 7 | The 450th gold doré bar with bars 452 and 453



Figure 8 | Processing plant



REVIEW OF OPERATIONS

Okvau Gold Project | Resource Growth

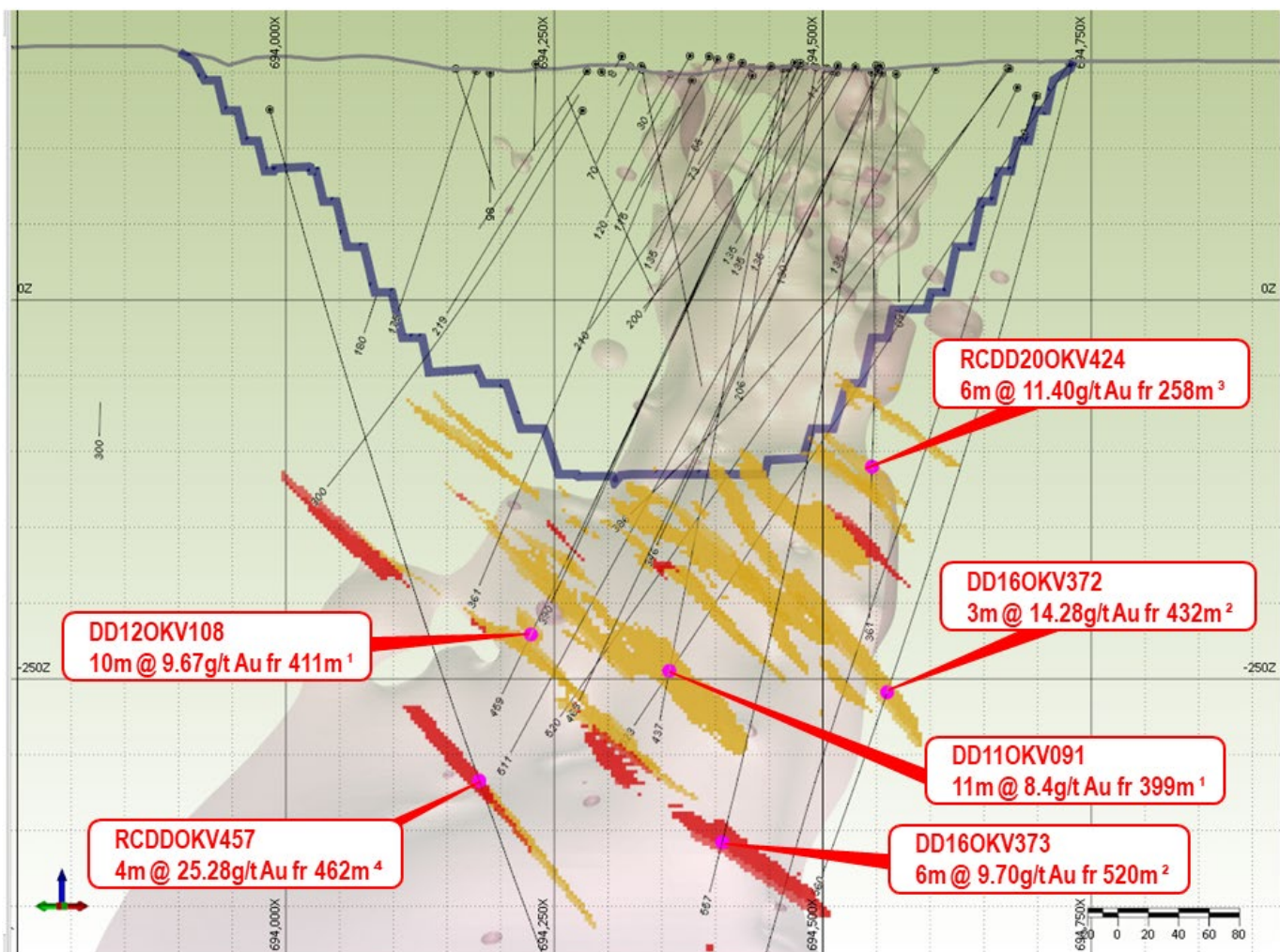
This month the Company announced its maiden underground resource estimation of 1.51Mt @ 6.29 g/t Au for 305koz along with an update to the Open Pit Reserve (refer to announcement as at 29th August 2023) of 11.95Mt @ 1.82g/t Au for 698koz. **See table 3.** Since 2017, 18,711m of RC and Diamond drilling has been completed, designed to infill the existing drill dataset and extended the mineralisation downdip and along strike. The total dataset equaling 64,342m of drilling was used to update the Resource which was split into an Open Pit and Underground estimations.

The Okvau Open Pit Inferred and Indicated Mineral Resource is reported at a 0.7g/t gold cut-off grade in the current US\$1,450/oz reserve pit shell. Stockpiled ROM ore is reported as Measured Resource using a lower cut-off grade of 0.4g/t for oxidised ore and 0.5g/t in unoxidised, fresh ore. Measured Resources is 2.81Mt at 0.89 g/t gold for 80koz, Indicated Mineral Resources is 8.36Mt at 2.24 g/t gold for 601koz and Inferred Mineral Resources of 70kt at 1.71 g/t gold for 4koz. This is fully depleted for mine depletion as of 31 March 2023.

Beneath the current US\$1,450/oz reserve pit shell, a Mineral Resource has been estimated targeting underground mining and being reported applying at 3g/t gold cut-off grade for indicated and inferred under the current US\$1,450/oz reserve pit shell. Indicated Mineral Resources is 600kt at 6.20g/t gold for 120koz and Inferred Mineral Resources of 910kt at 6.35 g/t gold for 185koz is reported.

The Okvau Deposit remains 'open' at depth with high grade shoots providing longer term underground potential. (refer Figure 9).

Figure 9 | Long Section of the Okvau Reserve Pit (blue line) with the underground resource indicated and inferred block model (red) and unclassified material (yellow). Drill traces are represented as black lines with the surface topography as a grey line. The Pink solid represents the Diorite intrusive. Previously announced significant intersections are highlighted as pink dots.

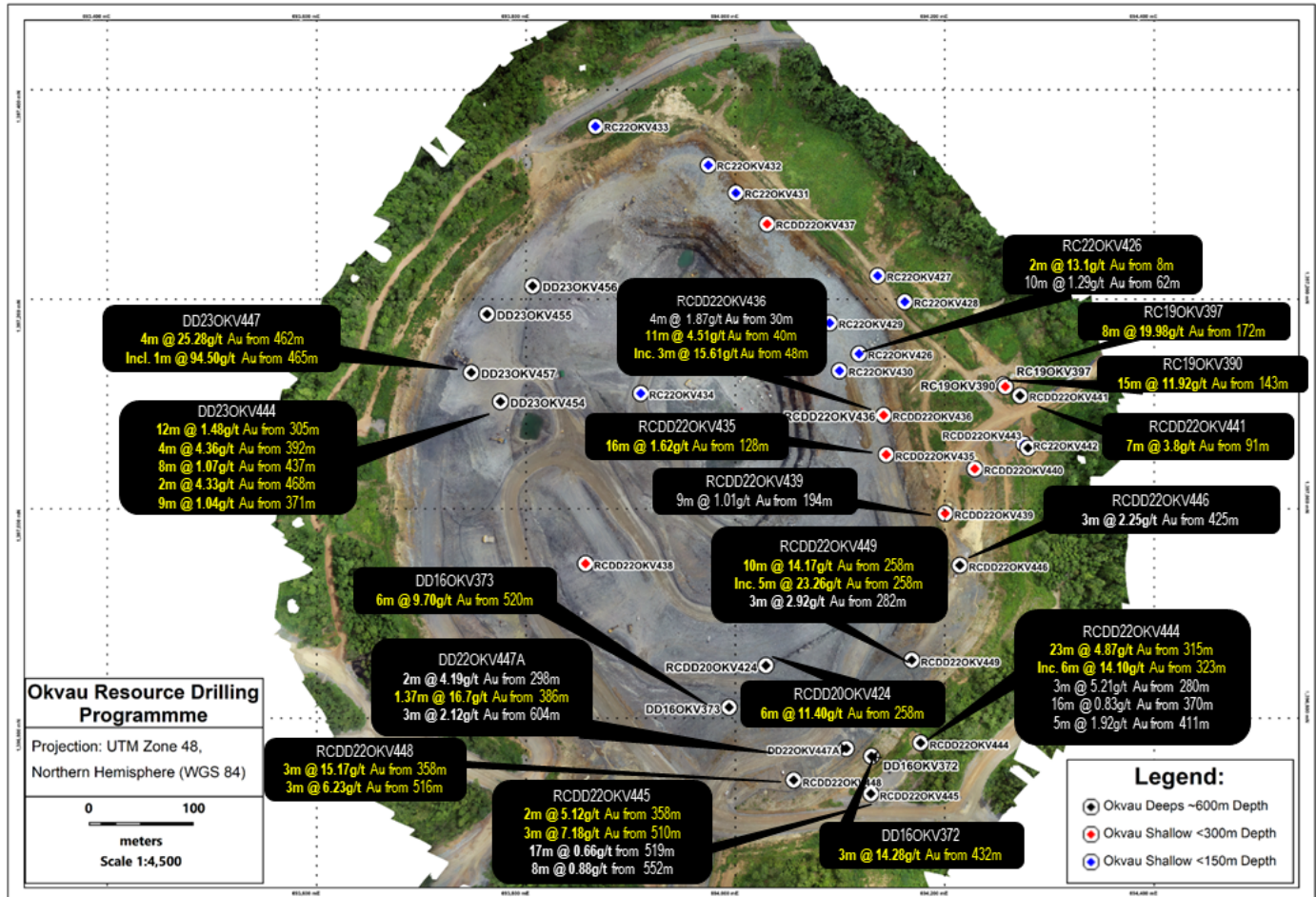


1 Reference is made to the Company's ASX release dated 26 July 2017.
 2 Reference is made to the Company's ASX release dated 28 April 2017.
 3 Reference is made to the Company's ASX release dated 29 January 2021.
 4 Reference is made to the Company's ASX release dated 28 April 2023.

REVIEW OF OPERATIONS

The resource update included 13 holes (3 RC for 379m and 5 DD for 2,341m and 5 RC holes with a diamond tail for 3,252m) completed this year. Further drill programmes have been planned to target and extend the mineralisation beyond the reserve pit shell.

Figure 10 | Significant drill intersections from Okvau Resource Drilling Programme completed after 2017 included in the resource update including the holes completed in FY23.



As previously announced, the Okvau gold Project has several nearby prospects such as Samang, Okvau North (refer Figure 11) and Preak Klong (figure 12) with the potential of becoming sources of supplement feed for the Okvau Mill. Additional drilling has been planned on all prospects to infill and extend the significant drill results listed below:

Samnang *see announcement 27 December 2017

- 9m @ 6.60g/t from 0m;
- 10m @ 2.46g/t from 36m;
- 9m @ 2.03g/t from 52m;
- 3m @ 8.93g/t from 28m; and
- 5m @ 7.48g/t from 14m.

Okvau North *see announcement 4 July 2023

- 3m @ 7.68g/t from 64m; and
- 3m @ 49.81g/t from 21m.

Preak Klong NW and Gossan *see announcement 1 April 2020

- 3m @ 31.09g/t from 65m;
- 2m @ 14.07g/t from 21m;
- 5m @ 3.11g/t from 41m;
- 2m @ 5.95g/t from 30m;
- 3m @ 8.9g/t from 73m;
- 4m @ 10.2g/t from 56m;
- 3m @ 12.9g/t from 38m;
- 3m @ 8.5g/t from 58m;
- 2m @ 13.5g/t from 89m; and
- 1m @ 16.2g/t from 74m.

REVIEW OF OPERATIONS

Figure 11 | Plan of Okvau Pit with significant intersections from Samnang and Okvau North prospects

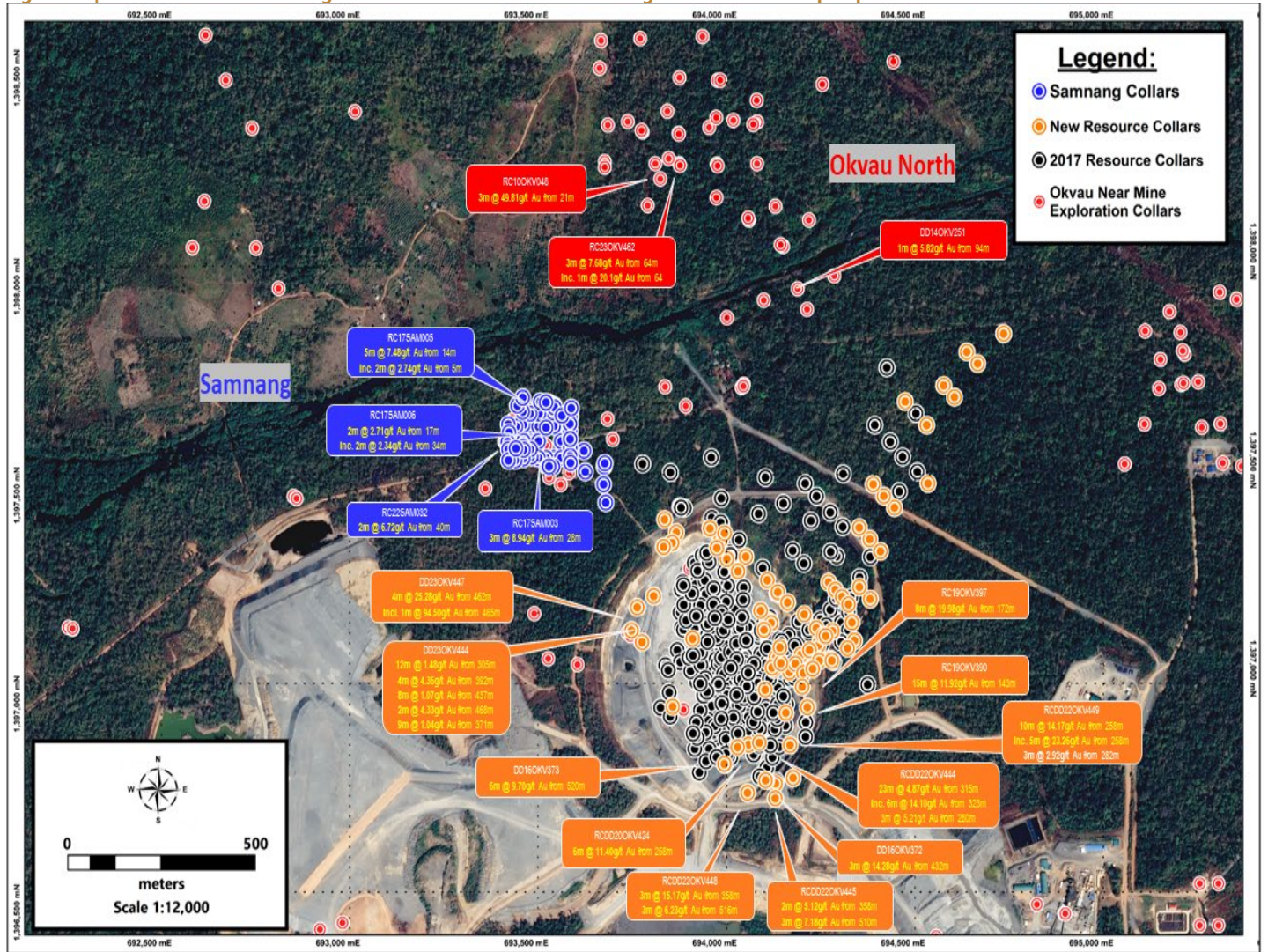
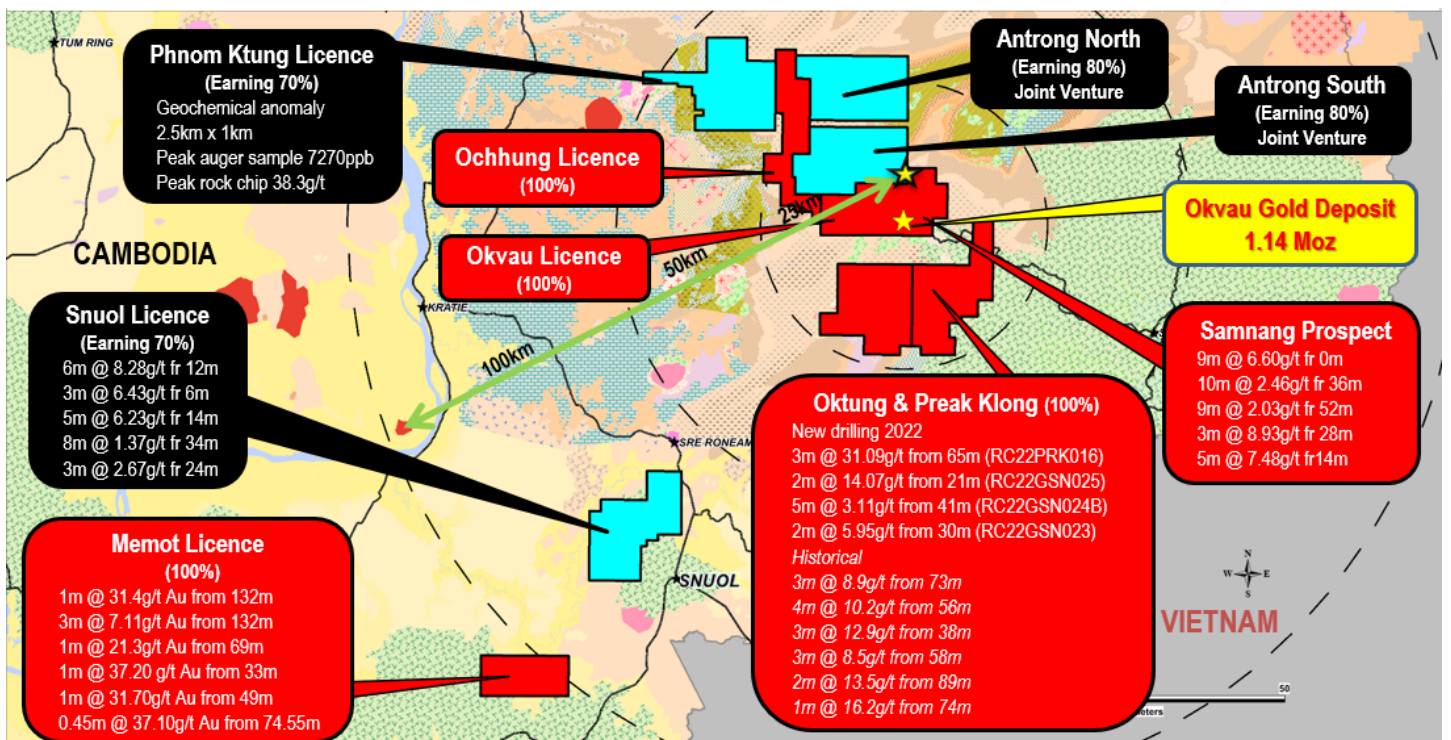


Figure 12 | Emerald Resources Cambodian licences with Okvau Gold Project highlighted



REVIEW OF OPERATIONS

North Laverton Gold Project (Bullseye, EMR 60.04%)

As announced on 19 May 2022, the Company acquired a controlling stake in Bullseye Mining Limited which owns the North Laverton Gold Project, which now consists of 37 exploration licences (including six applications) and four mining licences, controlling the entire Dingo Range greenstone belt, which covers more than 800km² of tenure (refer Figure 13) and has the potential to host multiple standalone deposits or satellite deposits to supply additional ore to a central processing mill. It includes the Boundary, Neptune, Stirling, Hurleys and Bungarra Prospects over a 6.4km greenstone strike length.

Figure 13 | North Laverton Gold Project Location

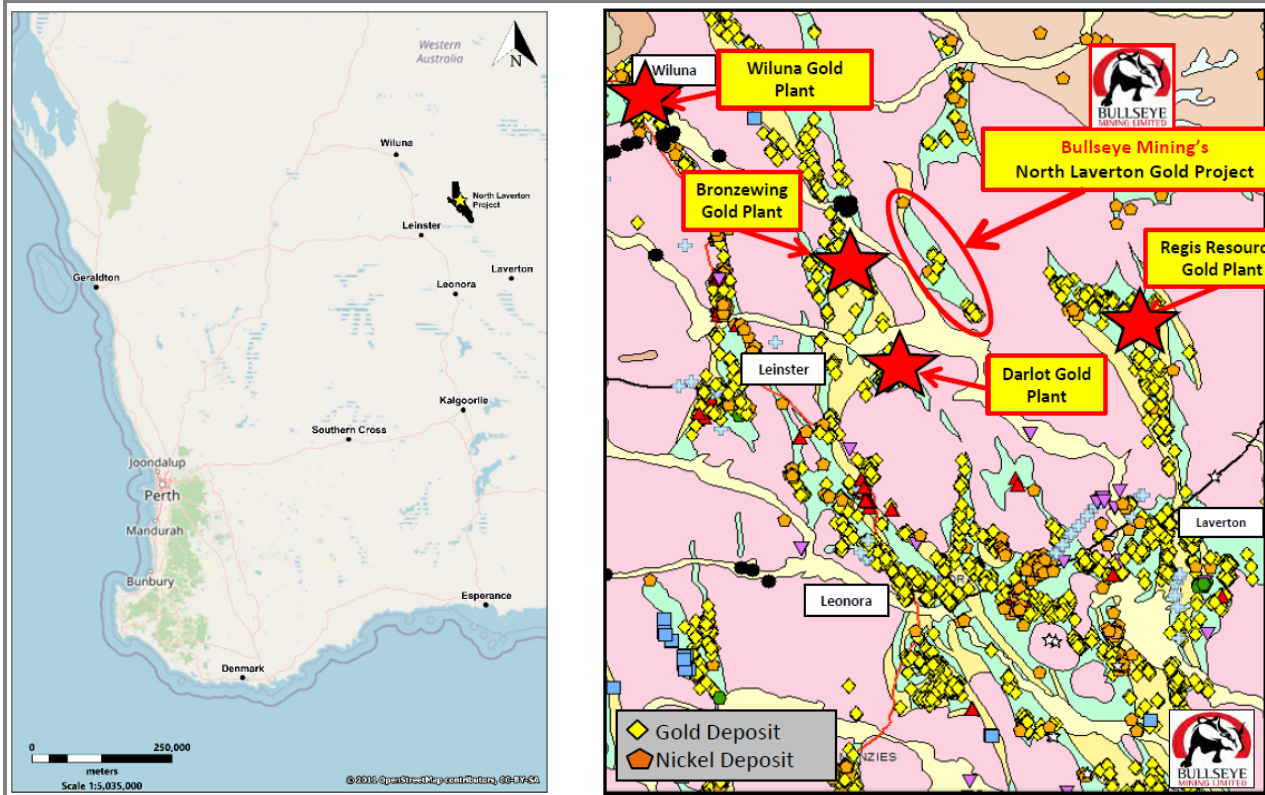


Figure 14 | Boundary project marker



During the year, the Company has completed ~35,400m of the planned ~90,000m RC and diamond resource drill program. The drill program is designed to follow up existing significant results across ~114,000m of existing drilling completed to an average depth of ~120m.

During the year the Company focused on the resource definition of the Boundary (73 collars – 12,640m RC and 3,264m diamond), Neptune (89 collars – 12,396m RC and 3,339m diamond) and Stirling (15 collars – 1,839m RC) prospects. The significant results reported by the Company during the year include:

REVIEW OF OPERATIONS

Boundary

- 13m @ 2.54g/t Au from 76m including 1m @ 19.30g/t Au from 81m (RC22BDY001)⁽¹⁾;
- 38m @ 1.65g/t Au from 56m including 1m @ 16.60g/t Au from 92m (RC22BDY009)⁽²⁾;
- 5m @ 6.33g/t Au from 100m including 2m @ 14.70g/t Au from 100m (RC22BDY016)⁽²⁾;
- 14m @ 1.98g/t Au from 49m (RC23BDY029)⁽³⁾;
- 4m @ 7.12g/t Au from 22m including 1m @ 25.97g/t Au from 25m (RC23BDY047)⁽³⁾;
- 15m @ 1.13g/t Au from 76m (RC23BDY051)⁽³⁾;
- 5m @ 3.23g/t Au from 54m including 1m @ 14.34g/t Au from 58m (RC23BDY031)⁽³⁾;
- 3m @ 5.13g/t Au from 352m including 1m @ 13.30g/t Au from 354m (RCDD23BDY041)⁽³⁾;
- 15m @ 5.91g/t Au from 291m (RCDD23BDY022)⁽⁴⁾;
- 43m @ 1.17g/t Au from 253m (RC23BDY065)⁽⁴⁾;
- 7.08m @ 6.91g/t Au from 329m (RCDD22BDY001)⁽⁴⁾; and
- 8.88m @ 5.06g/t Au from 313.12m (RCDD23BDY059)⁽⁴⁾.

Neptune

- 12m @ 4.94g/t Au from 62m including 1m @ 9.07g/t Au from 69m and 1m @ 42.90g/t Au from 72m (RC22NPT003)⁽¹⁾;
- 15m @ 2.48g/t Au from 108m including 1m @ 7.39g/t Au from 116m and 2m @ 7.79g/t Au from 118m (RC22NPT004)⁽¹⁾;
- 9m @ 7.35g/t Au from 59m including 1m @ 58.27g/t Au from 61m and 1m @ 16.02g/t Au from 73m (RC22NPT027)⁽²⁾; and
- 14m @ 2.37g/t Au from 115m including 4m @ 4.63g/t Au from 117m (RC22NPT020)⁽²⁾.

Note: (1) Refer ASX announcement 7 October 2022; (2) Refer ASX announcement 21 January 2023; (3) Refer ASX announcement 28 April 2023; (4) Refer ASX announcement 4 July 2023

Results from drilling to date continue to delineate mineralised high-grade structures. Mineralisation remains open at depth and along strike across all prospects (refer Figures 15, 16, 17 and 21).

Figure 15 | Cross section of northernmost section of the Boundary prospect showing wide, high grade zones of continuous mineralisation which is untested at depth and to the north of this section.

Black drill traces are historic drilling and Red drill traces is drilling completed by Emerald

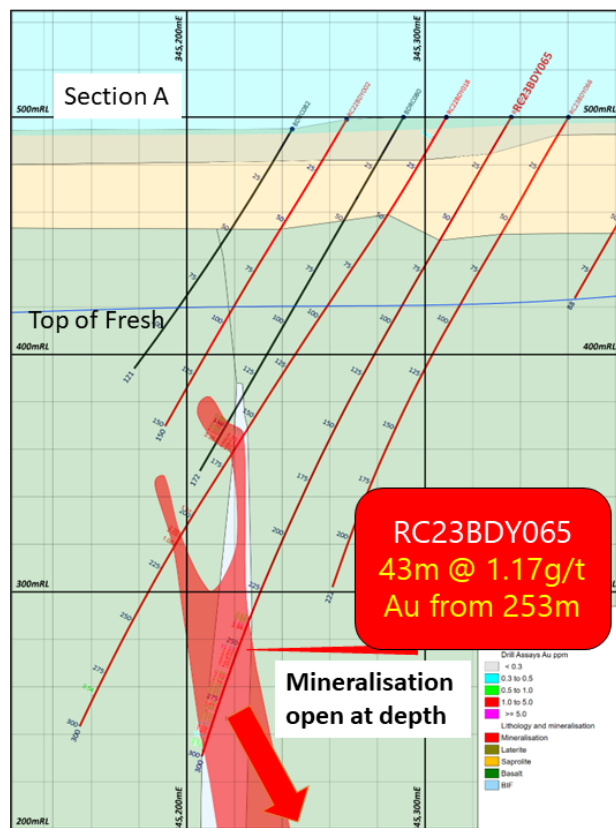
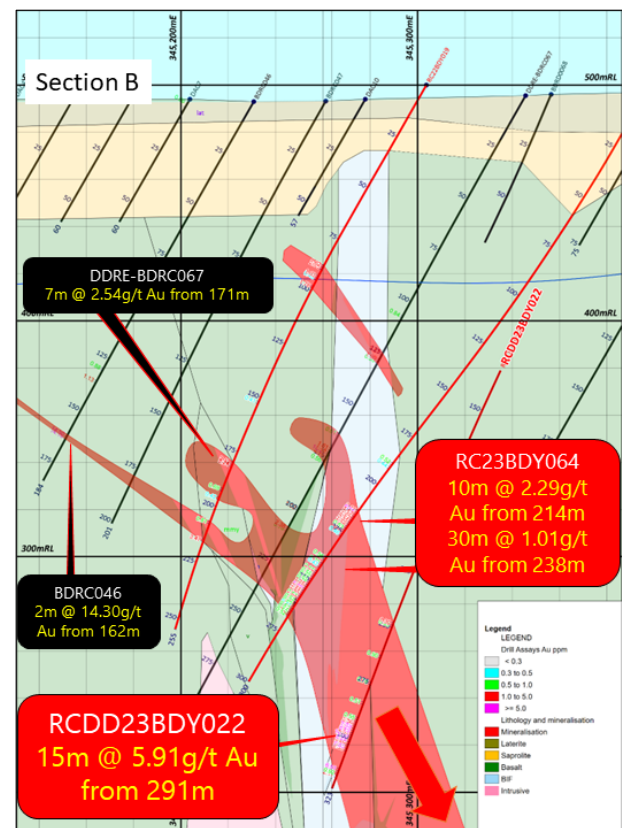


Figure 16 | Cross section 50m south of the cross section shown in Figure 15 in the Boundary prospect showing wide, high grade zones of continuous mineralisation which is untested at depth.

Black drill traces are historic drilling and Red drill traces is drilling completed by Emerald



REVIEW OF OPERATIONS

Figure 17 | Typical Cross section of Neptune prospect showing wide, high grade zones of continuous mineralisation, with existing drilling limited to ~80m depth

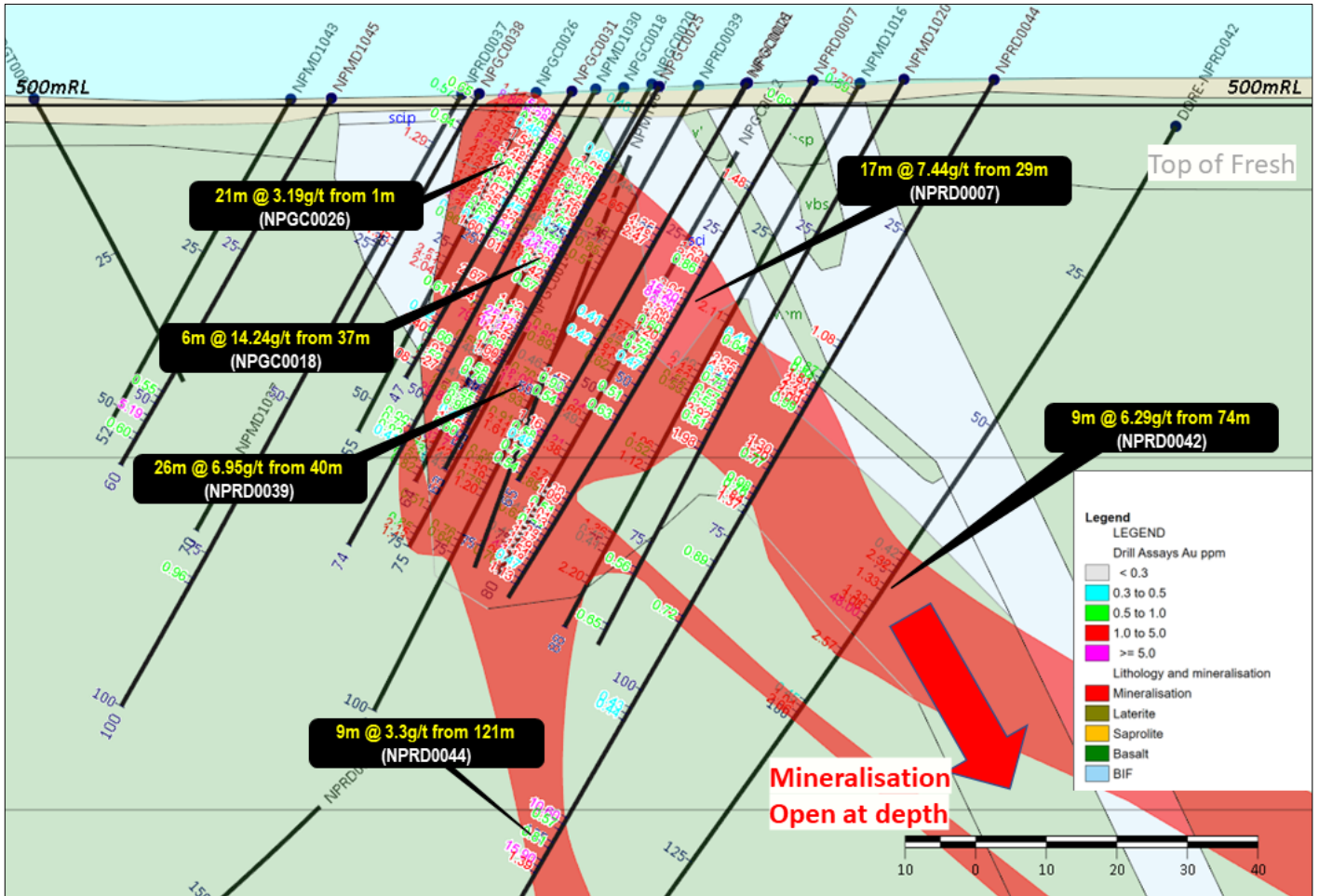


Figure 18 | Local dingoo from Dingo Range



Figure 19 | Drill rigs at Bullseye



REVIEW OF OPERATIONS

North Laverton Project Historic Significant Intersections

Bullseye's current resource drill program is designed to test the strike and down dip extension of historic significant intersections. These previous drill programs include 84,028m (80,684m RC and 3,344m diamond) completed by Bullseye since 2014 and 45,583m of drilling completed by various previous tenement holders (34,695m RC, 4,587m diamond, 432m AC and 5,869m RAB) (refer Figure 20). Drill result highlights from both programs include:

Boundary⁽¹⁾:

- 5m @ 60.25g/t Au from 171m (WDDH8);
- 45m @ 6.07g/t Au from 73m (BDRC058);
- 27m @ 9.34g/t Au from 153m (BDRC035);
- 53m @ 3.44g/t Au from 66m (WRC17) (EOH);
- 47m @ 3.42g/t Au from 93m (BDRD0025);
- 30m @ 5.16g/t Au from 151m (WDDH10);
- 19m @ 7.89g/t Au from 58m (BRC1002);
- 8m @ 17.14g/t Au from 38m (BDRC060);
- 40m @ 3.17g/t Au from 55m (BDRD0022);
- 27m @ 4.53g/t Au from 62m (BDRC014);
- 9m @ 13.55g/t Au from 42m (WDDH1);
- 30m @ 3.82g/t Au from 179m (BDRD0043);
- 9m @ 12.55g/t Au from 42m (WRC23);
- 27m @ 4.07g/t Au from 62m (BDRD0094).

Bungarra⁽¹⁾:

- 14m @ 31.46g/t Au from 33m (LAVRD0126);
- 19m @ 13.41g/t Au from 32m (DRP495);
- 17m @ 13.28g/t Au from 49m (LAVRD0132);
- 3m @ 67.37g/t Au from 30m (BFRC15);
- 5m @ 39.41g/t Au from 31m (LAVRD0133);
- 9m @ 17.02g/t Au from 33m (BFRC13);
- 6m @ 23.26g/t Au from 89m (LAVRD0054);
- 9m @ 15.45g/t Au from 39m (LAVRD0142);
- 14m @ 9.74g/t Au from 30m (LAVGW0003);
- 9m @ 14.58g/t Au from 75m (LAVRD0054);
- 6m @ 19.28g/t Au from 53m (LAVRD0135).

(1) Refer ASX announcement 7 October 2022.

(2) Refer ASX announcement 5 July 2022.

(3) Refer ASX announcement 31 January 2023.

Stirling⁽¹⁾:

- 26m @ 5.83g/t Au from 33m (STRD0016);
- 38m @ 2.62 g/t Au from 16m (SRC7);
- 31m @ 2.75g/t Au from 35m (STRD0008);
- 27m @ 2.30g/t Au from 59m (STRD0007);
- 27m @ 2.25g/t Au from 31m (STRD0019).

Hurleys⁽¹⁾:

- 12m @ 3.30g/t Au from 13m (HRRD0020);
- 12m @ 2.77g/t Au from 47m (HRRD0050);
- 3m @ 9.00g/t Au from 62m (HRRD0062);
- 9m @ 2.27g/t Au from 64m (HRRD0032).

Neptune⁽²⁾:

- 22m @ 4.87g/t Au from 17m (NPRD0056);
- 9m @ 9.44g/t Au from 82m (NPRD0078);
- 33m @ 3.82g/t Au from 37m (NPMD1019);
- 15m @ 6.60g/t Au from 67m (NPMD1007);
- 3m @ 29.85g/t Au from 45m (NPMD1026);
- 25m @ 5.24g/t Au from 0m (NPGC0053);
- 40m @ 2.98g/t Au from 14m (NPGC0025);
- 6m @ 14.24g/t Au from 37m (NPGC0018);
- 9m @ 9.36g/t Au from 7m (NPGC0045).

Neptune⁽³⁾:

- 26m @ 6.95g/t Au from 40 (NPRD0039);
- 16m @ 10.10g/t Au from 63m (NPRD0026);
- 17m @ 7.44g/t Au from 29m (NPRD0007).

REVIEW OF OPERATIONS

Figure 20 | Plan view of Bullseye prospects targeted by the resource drill program

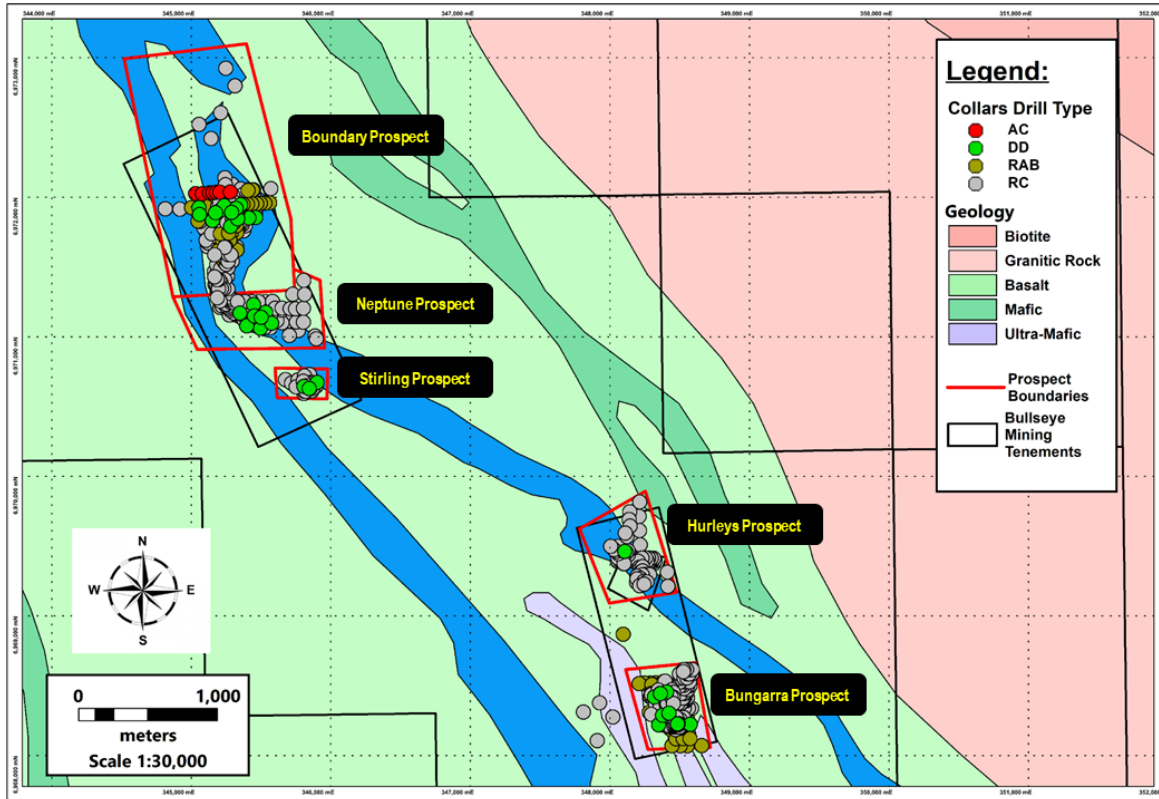
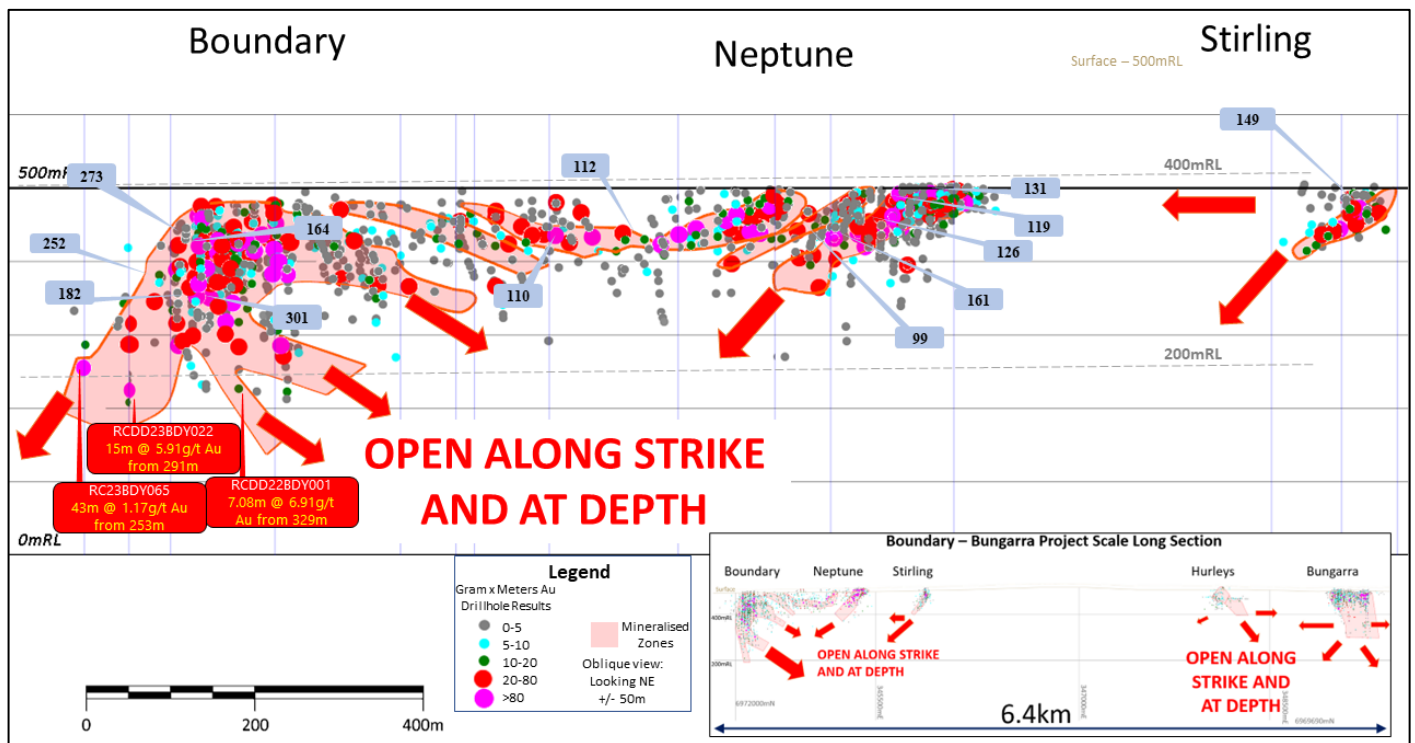


Figure 21 | Long section of North Laverton project with Au gram metre intercepts (with new drill results in red)



During the year, the Company completed two separate geochemical sampling programs across selected areas of potential mineralisation. 2,085 samples from a previously completed MMI sampling program were resubmitted for low-level multielement analysis around the current resource drill prospects. In addition, 983 control shallow soil samples were collected to test the validity of the areas with historical geochemical anomalism. At the time of writing several results were outstanding and the data set had yet to be fully assessed.

REVIEW OF OPERATIONS

The Company also engaged a contractor that provided geophysical analytical services. To date they have reprocessed and provided targeting data across 713.2 km² of Bullseye's current exploration licences.

Once all information has been collated, the Company will commence targeting regional areas for follow up exploration programs including infill geochemical surveys, geophysical surveys and drill testing.

About Bullseye

Bullseye was incorporated as a public unlisted Company in Western Australia in 2006. Bullseye is a gold exploration 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 have been produced or discovered in the areas surrounding the project.

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.

JORC 2012 Mineral Resource Estimate – North Laverton Gold Project

In 2015, a JORC compliant resource was calculated based on limited shallow (average to approximately 120m) drilling.

The defined Indicated and Inferred JORC compliant mineral resource of 3,414,000 tonnes at 2.51g/t for 276,000 ounces of gold ('Maiden Resource') is at its Boundary, Stirling and Bungarra deposits, located within the North Laverton Gold Project¹.

The Maiden Resource has been calculated using a lower cut of 0.6g/t and is to a depth of approximately 120 metres.

Table 4 | Boundary-Bungarra Mineral Resource Estimate

Prospect	Indicated Resources			Inferred Resources			Total Resources		
	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)
Boundary	2.540	2.39	195.0	0.241	2.13	17.0	2.781	2.34	212.0
Stirling	0.047	2.49	3.7	0.041	1.99	2.6	0.088	2.25	6.4
Bungarra	0.449	3.34	48.7	0.096	2.87	8.9	0.545	2.26	57.6
Total	3.036	2.53	247.4	0.378	2.30	28.5	3.414	2.51	276.0

¹ Refer Red 5 Limited (ASX: RED) ASX announcement on 30 April 2018

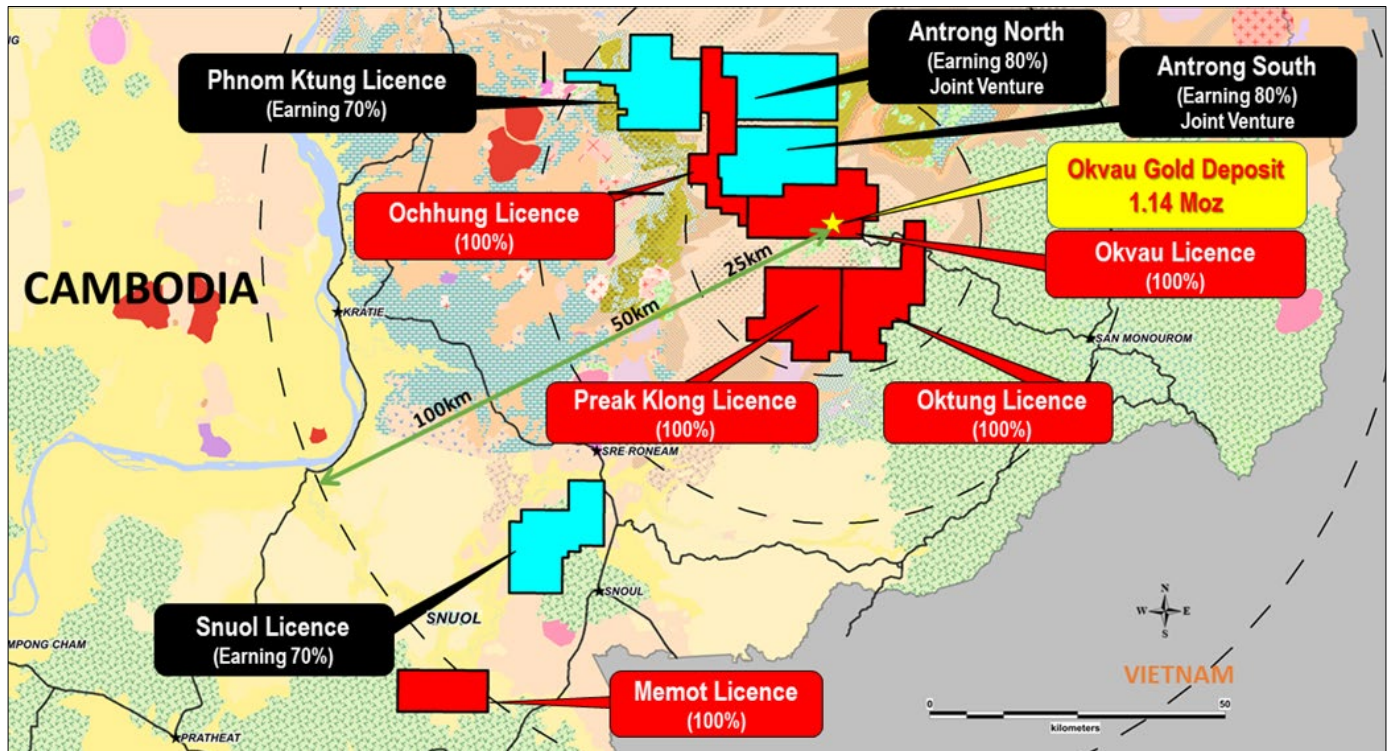
The resource is considered out of date by Emerald, as it uses A\$2,000/oz gold price and 2016 costs. Emerald expects to re-estimate the resource and reserves over the next 12 months with the benefit of a substantial increase in drilling metres and gold price and utilising updated costs.

REVIEW OF OPERATIONS

Regional Exploration in Cambodia

Emerald’s exploration tenements, which comprise of a combination of 100% owned granted licences and joint venture agreements, now cover a combined area of 1,639km².

Figure 22 | Exploration Licence Areas



Antrong Project (JV Earn in)

On 19 October 2022, the Company announced the signing of an agreement with Antrong Metals Co., Ltd to earn up to 80% in two exploration licences located between Emerald’s Ochhung and Okvau tenements, ten kilometres to the north-east of the 100% owned 1.14Moz Okvau Gold Project (refer Figure 22).

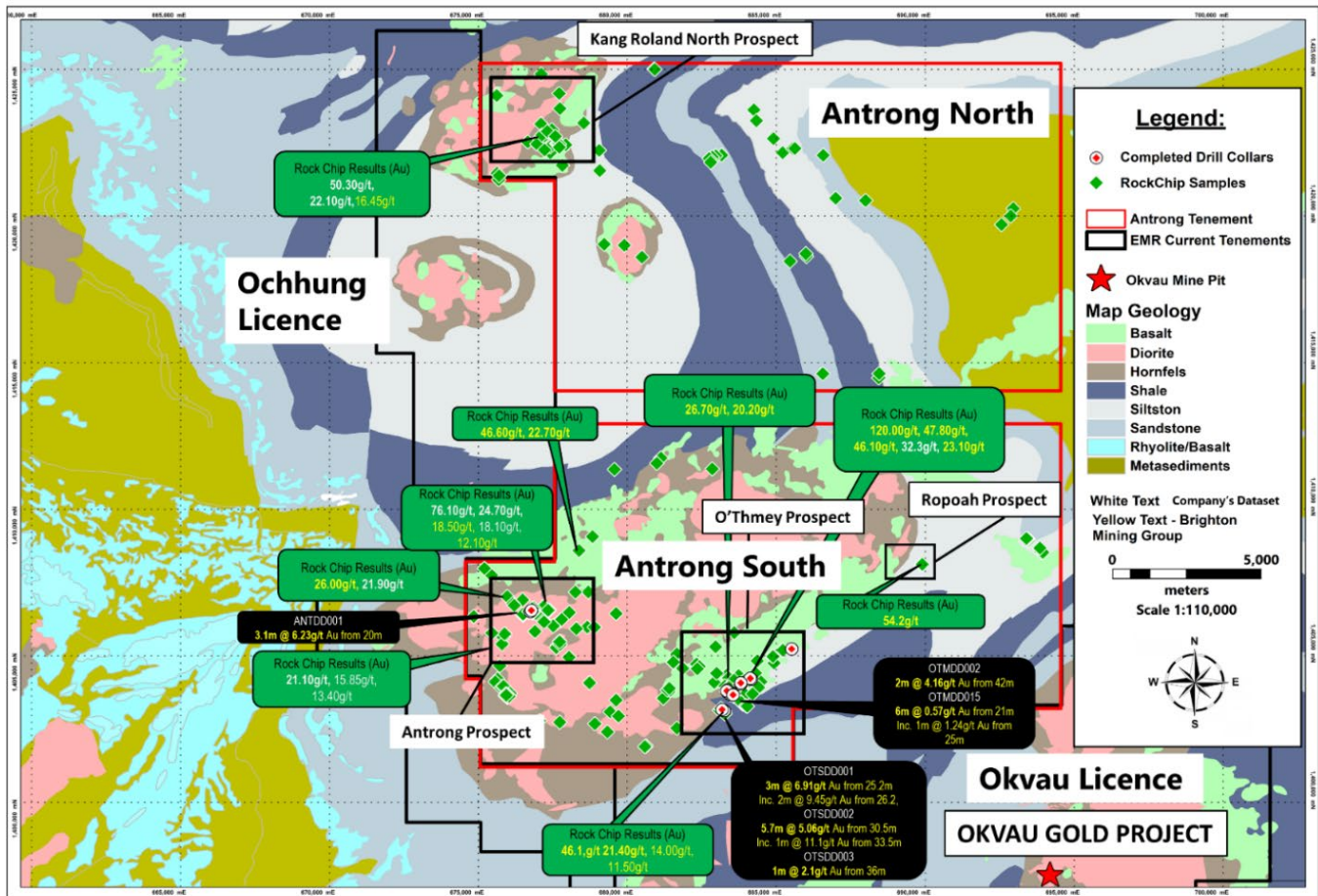
Historical drilling results within the Antrong licences, which have had limited follow up, demonstrate potential for significant new gold discoveries and include (refer ASX announcement dated 19 October 2022):

- 5.7m @ 5.06g/t Au from 30.5m (OTSDD002);
- 3m @ 6.91g/t Au from 25.2m (OTSDD001);
- 2m @ 4.16g/t Au from 42m (OTMDD002); and
- 3.1m @ 6.23g/t Au from 20m (ANTDD001).

The Antrong licences cover multiple diorite intrusions with high grade rock chip samples such as 120g/t, 76g/t, 54g/t and 50g/t Au in previous work completed. The Company has started surface geochemical sampling at both licences with all assay results pending.

REVIEW OF OPERATIONS

Figure 23 | Antrong North and South Licence historical data including significant rock chips and drill results



Memot Project (100%)

During the year, the Company completed a 105 collar (14,826.1m) RC and diamond drill program in and around existing artisanal workings on the Memot prospect. The program comprised 5,372.1m of diamond core (22 holes) and 9,454m of RC (83 holes) and was designed to infill the known mineralisation to 100m x 50m drill spacing. The mineralisation remains open at depth and along strike in all directions. The current and historical results are expected to underpin a maiden resource calculation for the Memot Gold Project in the second half of 2023.

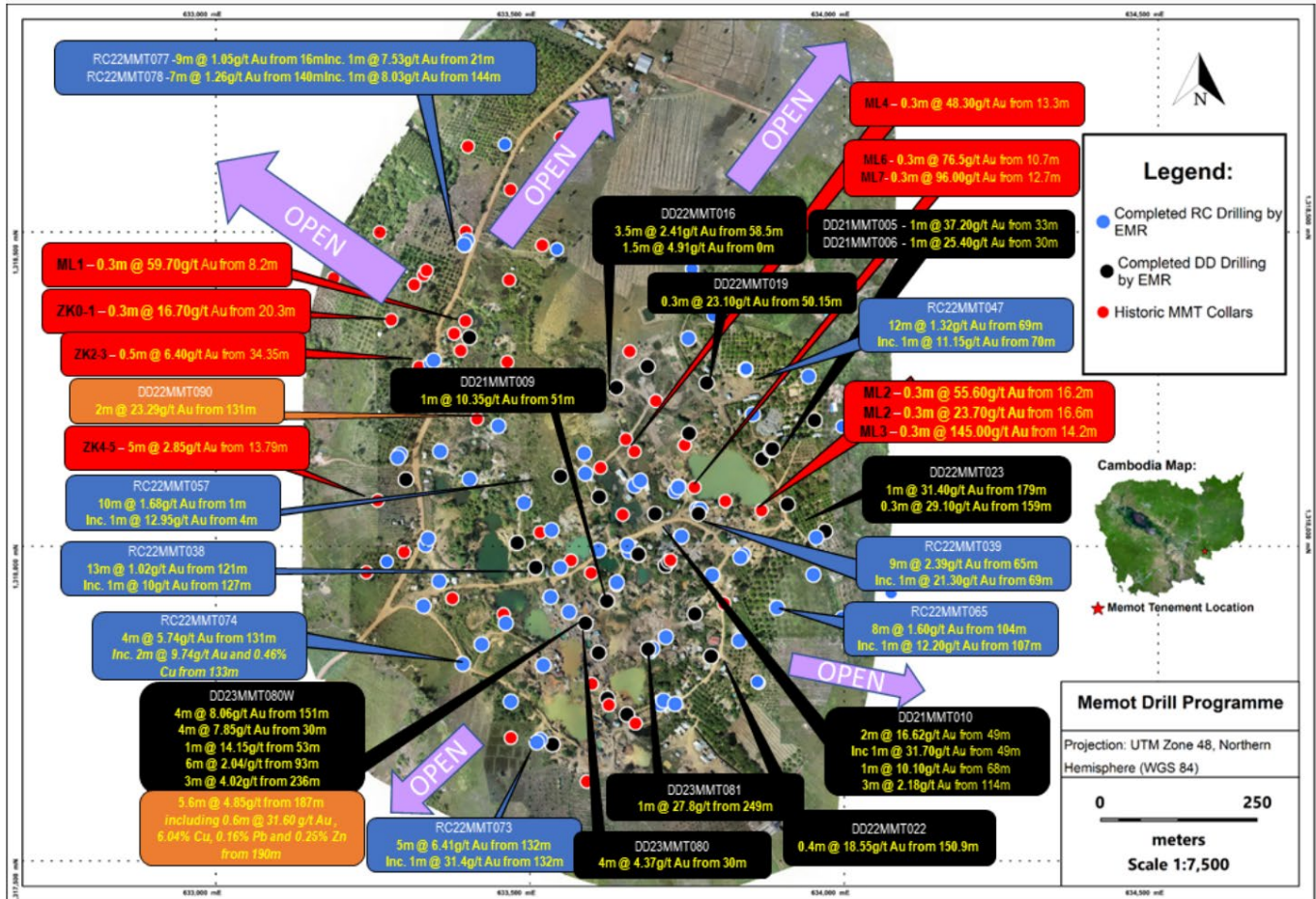
Fifteen mineralised sub-horizontal sulphide-quartz veins have been identified by the drilling. Most of the mineralisation has been intersected within ~100m of surface, but deeper mineralisation was also identified (to ~300m vertical depth). Significant assays returned include:

- 5.6m @ 4.85g/t Au and 0.67% Cu from 187m including 0.6m @ 31.60 g/t Au, 6.04% Cu, 0.16% Pb and 0.25% Zn from 192m (DD22MMT080W);
- 2m @ 23.29g/t Au from 131m (DD23MMT090);
- 1m @ 27.8g/t Au from 249m (DD23MMT081);
- 1m @ 37.20g/t Au from 33m (DD21MMT005);
- 1m @ 31.70g/t Au from 49m (DD21MMT010); and 0.45m @ 37.10g/t Au from 74.55m;
- 0.4m @ 17.70g/t Au from 190m (DD22MMT013);
- 0.3m @ 23.10g/t Au from 50.15m (DD22MMT019);
- 3.54m @ 10.3g/t Au from 0m (ZK8-1);
- 0.3m @ 145g/t Au from 14.2m (ML3);
- 0.3m @ 96g/t Au from 12.7m (ML7);
- 0.3m @ 76.5g/t Au from 10.7m (ML6);
- 1m @ 31.4g/t Au from 132m, 0.52% Cu and 0.52% Zn (RC22MMT073); and
- 1m @ 21.30g/t Au from 69m and 1.06% Cu (RC22MMT039).

(refer Figure 24 and refer ASX announcements dated 30 January 2022, 29 April 2022 and 31 July 2023).

REVIEW OF OPERATIONS

Figure 24 | Memot Artisanal Workings with previously announced significant intersections drilled by the Company and historical drilling

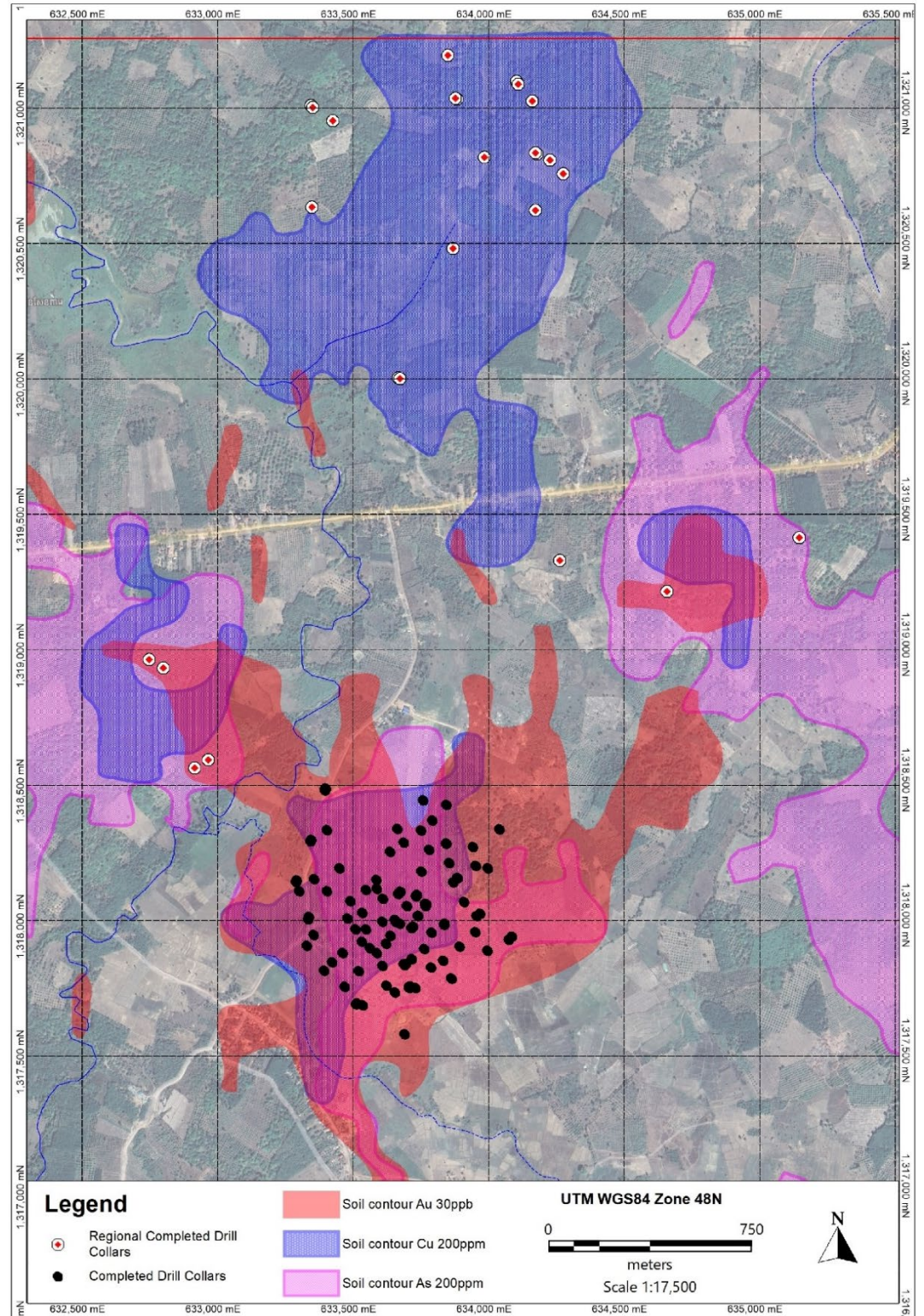


REVIEW OF OPERATIONS

The Company completed extensive geophysical surveys covering the eastern quadrant of the Memot licence area. Ground magnetics, radiometrics and Gradient Array IP covered both the artisanal mining area and further north to the licence boundary. The Gradient Array IP survey extended the previous survey completed in 2021-22 but also covered the 2km x 1km Memot North Cu-Mo surface soil geochemical anomaly generated by the 2022 soil surveys. Several chargeability anomalies defined by the GAIP survey coincide with the geochemical anomalies.

First pass exploration RC holes were completed within a ~6km radius of the Memot artisanal workings / Infill Resource area. Twenty-six RC holes (2,947m) were drilled (refer Figure 25), targeting prospective areas based on ground magnetics/radiometrics/IP geophysical surveys, and anomalous Au, Cu, Mo and As geochemical signatures (refer ASX announcement 28 July 2022). Logging identified the presence of chalcopyrite and the drill results indicate moderate zones of anomalous Cu values associated with an intrusive. Further drilling has been planned to follow up the results.

Figure 25 | Memot Regional Drillholes testing multielement geochemical anomalies and geophysical targets



REVIEW OF OPERATIONS

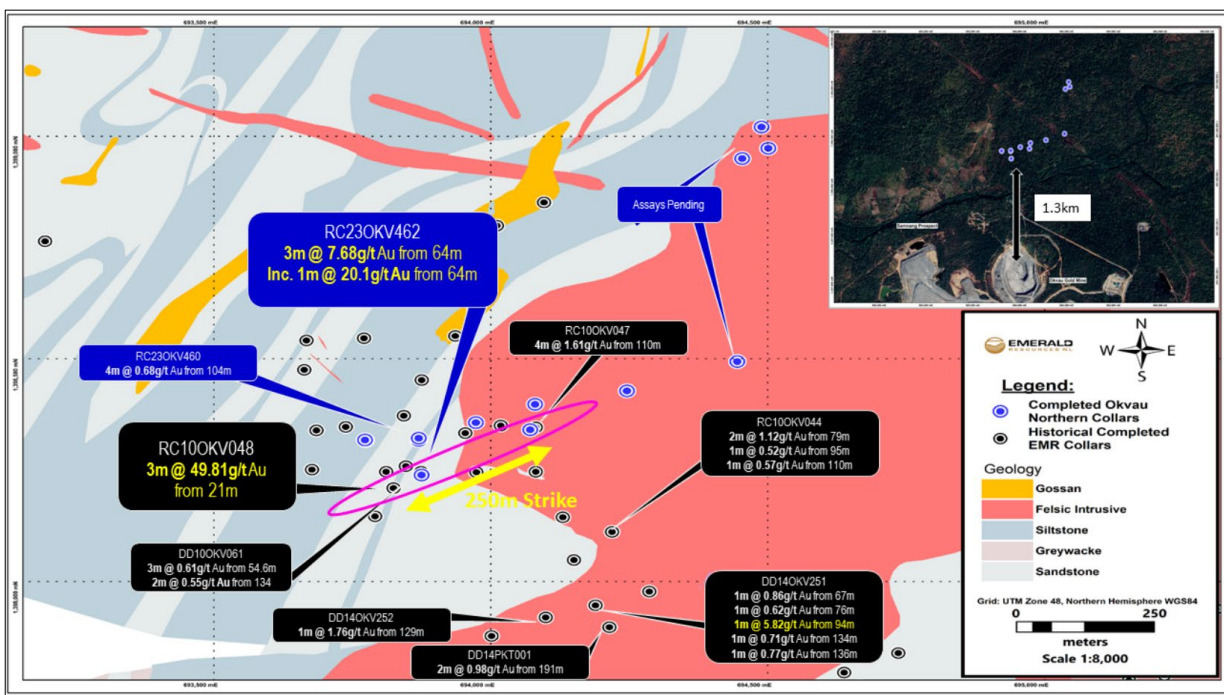
Okvau Gold Mine (100%) – Near-Mine Exploration

A near-mine exploration drill program focusing on geophysical and geochemical anomalies as well as known mineralisation from previous drilling activities was completed before the wet season. Notable historical results, within a 2km radius to the north of the mine site include:

- 8m @ 19.21g/t Au from 20m including 3m @ 49.81g/t Au from 21m (RC10OKV048); and
- 4m @ 1.62g/t Au from 110m (RC10OKV047).

Drilling totaled 28 RC drill holes for 3,257m. Significant assays include 3m @ 7.68g/t Au from 64m (RC23OKV462). This noteworthy intersection occurs within a mineralised NE-trending corridor spanning a 250m strike distance. The mineralisation remains open in all directions, as indicated in Figure 26. The discovery, along with other significant intercepts, holds the potential to serve as supplementary ore for the nearby Okvau Gold Project.

Figure 26 | Okvau Near Mine exploration drill program, plan view



Snuol Project (earning up to 70%)

The Company completed a 33 collar (4,498m) exploration RC drill program at the Anchor prospect in the Snuol Project (refer Figure 27). The program was planned to drill the untested parts of 1.5km x 1.5km (>10ppb Au) gold-in soil anomaly (refer ASX announcement 30 March 2020), investigate the gradient array IP chargeability anomalies and follow up previous significant drill results, which include:

- 4m @ 7.72g/t Au from 72m including 1m @ 16.75g/t Au, 180g/t Ag, 0.5% Cu, 0.24% Pb and 2.29% Zn from 73m (RC23SNU054);
- 13m @ 1.36g/t Au from 18m (RC23SNU048);
- 1m @ 7.97g/t Au from 46m (RC23SNU047);
- 9m @ 0.88g/t Au from 16m (RC23SNU056) including 1m @ 3.56g/t from 16m and 0.77% Zn;
- 1m @ 0.36g/t Au, 22.2g/t Ag, 0.6% Cu from 43m (RC23SNU037); and
- 1m @ 0.18g/t Au, 7.70g/t Ag, 0.55% Cu from 20m (RC23SNU044).

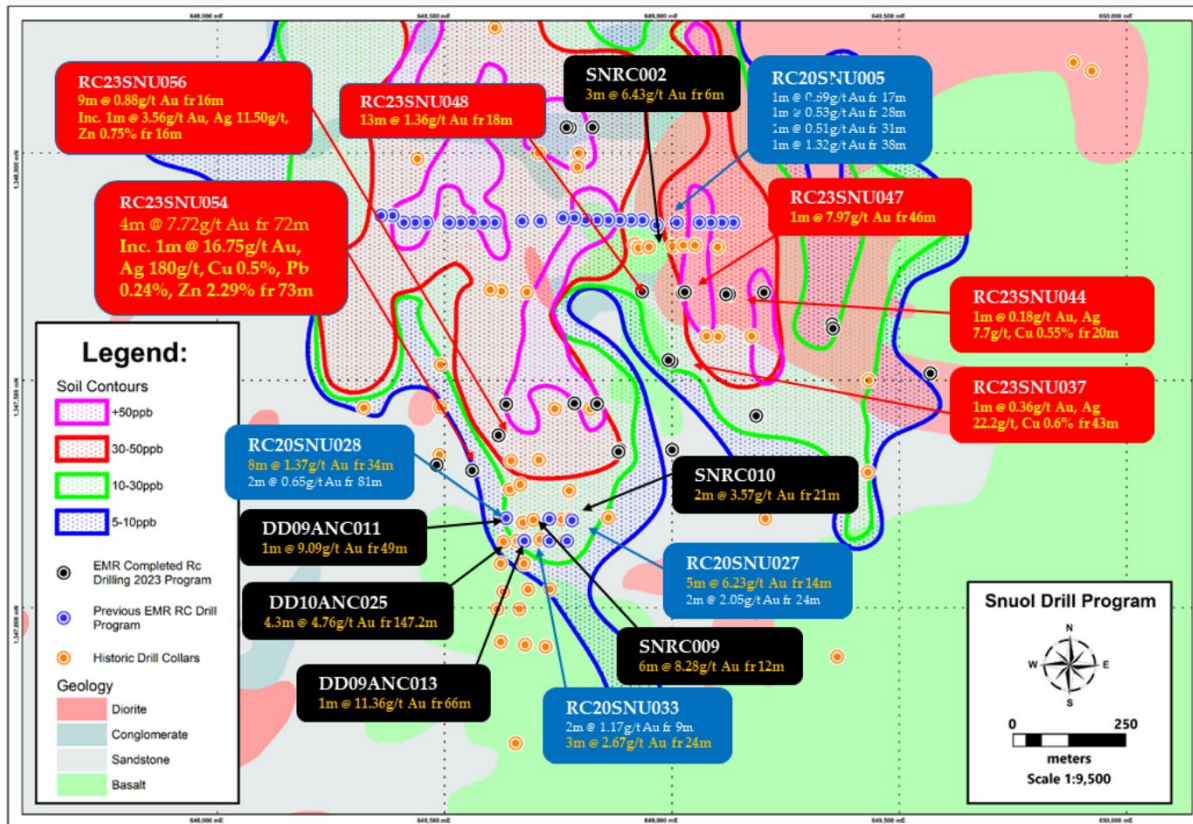
The significant intersections of precious and base metal results in RC23SNU054 and RC23SNU056 are located along a 500m structural corridor and include historical results listed below (refer ASX announcement 30 October 2020). This zone of mineralisation remains untested along strike:

- 6m @ 8.28g/t Au from 12m (SNRC009);
- 5m @ 6.23g/t Au from 14m (RC20SNU027);
- 4.3m @ 4.76g/t Au from 147.2m (DD10ANC025); and
- 1m @ 9.09g/t Au from 49m (DD09ANC011).

REVIEW OF OPERATIONS

The significant Au results in RC23SNU047 and RC23SNU048 as well as the anomalous Cu drill results in RC23SNU037 and RC23SNU044, are adjacent to the previously announced intersection 3m @ 6.43g/t Au from 6m (SNRC002) (refer ASX announcement 30 October 2020). These results are located within 250m of one another and are associated with largely underexplored felsic intrusive on the eastern side of the Anchor prospect. Additional drilling is being planned to follow up these encouraging results on the Anchor prospect and other untested anomalous gold-in-soil results on the Snuol licence.

Figure 27 | Snuol RC drill program results. Recent results in red outline



Other Cambodian Exploration

The Company continues to assess the exploration data from the geochemical survey, geophysical surveys and drill programs on the Ochung, Preak Klong, Oktung and Phnom Ktung licences.

A ~4,000m RC resource infill program has been scheduled on the Preak Klong NW and Gossan prospects which are located within 15km of the Okvau Gold Mine - on the Preak Klong licence. The program is designed to infill the previously announced intersections listed below (refer ASX announcement 29 April 2022) and is expected to commence at the completion of the wet season in the second half of 2023:

Preak Klong North West prospect

- 1m @ 16.16g/t Au from 74m (RC09PKL001);
- 3m @ 8.92g/t Au from 73m (DD10PKL002);
- 4m @ 10.25g/t Au from 56m (DD11PKL006); and
- 3m @ 31.09g/t Au from 65m (RC22PRK016).

Gossan Prospect

- 3m @ 12.94g/t Au from 38m (DD10GSN003);
- 3m @ 8.51g/t Au from 58m (DD11GSN009);
- 2m @ 13.49g/t Au from 89m (DD11GSN015); and
- 2m @ 14.07g/t Au from 21m (RC22GSN025).

At the time of writing, infill geochemical sampling programs are being planned for the Ochung and Oktung Licences to commence next year.

The Company remains vigilant on opportunities to expand its regional footprint in Cambodia by identifying prospective tenure and advancing discussions with potential joint venture partners.

REVIEW OF OPERATIONS

Corporate

In the first quarter of the financial year, the Company strengthened its Board with the appointment of Mr Michael Bowen and Mr Jay Hughes as non-executive directors.

During the year, Bullseye Mining Limited acquired Blue Cap Equities' (BCE) 30% interest in the Blue Cap Bullseye Joint Venture (BCBJV). Upon settlement, Bullseye assumed 100% ownership of all on-site Bungarra gold ore stockpiles and retained 100% rights to the Bungarra gold project and Neptune gold deposit.

Bullseye acquired BCE's 30% interest in the following:

- i) The shares of Blue Cap Bullseye Joint Venture Pty Ltd;
- ii) The units in Blue Cap Bullseye Joint Venture Trust; and
- iii) The shares in Dingo Range Pty Ltd.

Project Generation

The Company is continuously seeking to identify and review prospective opportunities and additional mineral exploration projects to satisfy the Company's objectives and offer value enhancing opportunities to its shareholders.

Matters Subsequent to the End of the Financial Year

The following material events have occurred subsequent to balance date:

- As announced on 27 July 2023, Emerald and Bullseye have entered into a Bid Implementation Agreement pursuant to which, Bullseye's Independent Board Committee recommends that Bullseye shareholders accept the Offer, in the absence of a superior proposal. Bullseye, Emerald, Xinhe, Au Xingao and others have reached an agreement for the settlement of all litigation between them. Xinhe and Au Xingao have also provided Emerald with shareholder intention statements, confirming that they intend to accept the Emerald takeover offer, in the absence of a superior proposal;
- As announced on 28 July 2023, Emerald will commit funds annually to fund future programs to achieve a carbon neutral footprint within achievable time frames. The amount committed is determined by the emissions reported for the Okvau Gold Mine and is based on the project specific determined carbon pricing for the period recommended by independent environmental consultants, Earth Systems Consulting Pty Ltd.
- As announced on 8 August 2023, after nine years in the role, Mr Simon Lee AO stepped down as Chair of the Company's Board. Mr Jay Hughes has been appointed Chair of the Board and Mr Lee will remain as a Non-Executive Director; and
- As announced on 18 August 2023, Emerald released a Bidder's Statement following the Bid Implementation Agreement that was announced on 27 July 2023. Mr Desmond Mullan subsequently made an application for interim orders to the Australian Government Takeovers Panel (Takeovers Panel). The Company awaits the completion of Takeovers Panel process.

There are no further material events subsequent to balance date.

Likely Developments and Expected Results of Operations

The Company is focused upon the operations of the Okvau Gold Mine in Cambodia, exploration at the 100% owned Memot Gold Project in Cambodia and at the 60.04% owned North Laverton Gold Project in Western Australia, as well as exploration within its current portfolio of regional tenure in Cambodia and will also continue to assess other viable gold project opportunities which may offer value enhancing opportunities for shareholders.

Material business risks that may impact the results of future operations include tenure risks, environmental risks, ore reserve and mineral resources estimates, production estimates and metallurgical recovery, sovereign risks, debt funding risks, future commodity prices, exchange rate risks, development risks, reliance on key personnel, operating risks, capital costs, operating costs, occupational health and safety, political and regulatory risks.

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in the Annual Report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

DIRECTORS' REPORT

The Directors of Emerald Resources NL ('Emerald' or 'the Company') submit herewith the consolidated financial statements of the Company and its controlled entities ('consolidated entity' or 'Group') for the year ended 30 June 2023. In order to comply with the provisions of the *Corporations Act 2001*, the Directors state as follows:

Directors

The following persons were directors of Emerald during the whole of the financial year and up to the date of this report, unless otherwise stated:

Jay Hughes	Non-Executive Chairman (appointed Non-Executive Director 13 September 2022, appointed Non-Executive Chairman 8 August 2023)
Morgan Hart	Managing Director
Michael Evans	Executive Director
Simon Lee AO	Non-Executive Director (resigned as Non-Executive Chairman on 8 August 2023)
Ross Stanley	Non-Executive Director
Mark Clements	Non-Executive Director
Billie Jean Slott	Non-Executive Director
Michael Bowen	Non-Executive Director (appointed 13 September 2022)

Principal Activities

The principal activities of the consolidated entity during the financial year were:

- the operations of the Company's 100% owned Okvau Gold Mine; and
- mineral exploration and evaluation activities at its exploration assets in Cambodia and Western Australia.

Operating Results

The profit for the year after providing for income tax amounted to \$66.3 million (2022: \$45.4 million) including a loss on revaluation of embedded derivative of \$13.8 million (2022: \$12.4 million) in relation to the Sprott debt facility. Sprott debt repayments during the financial year totalled \$19.2 million (2022: \$16.4 million).

Key financial data	2023	2022	Change	Change
	\$'000	\$'000	\$'000	%
Financial results				
Sales revenue	299,476	206,532	92,944	45%
Cost of sales (excluding D&A)	(115,941)	(69,540)	(46,401)	(67%)
Exploration and feasibility expenditure	(18,156)	(5,266)	(12,890)	(245%)
Other income	27	8	19	238%
Corporate, admin and other costs	(13,803)	(5,513)	(8,290)	(150%)
EBITDA	151,603	126,221	25,382	20%
Depreciation and amortisation (D&A)	(42,445)	(31,066)	(11,379)	(37%)
Finance income/(expenses)	(38,243)	(32,447)	(5,796)	(18%)
Profit before tax	70,915	62,708	8,207	13%
Income tax expense	(4,634)	(17,342)	12,708	73%
Profit after tax	66,281	45,366	20,915	46%

Financial Position

Operating cash flow for the year was \$110.3 million (before taxes), an increase of \$18.3 million on FY22. The consolidated entity has \$71.0 million in cash and cash equivalents as at 30 June 2023 (2022: \$43.0 million).

The outstanding principal on the Sprott debt facility at the end of the year was US\$40.6 million, with final repayment scheduled in March 2025.

DIRECTORS' REPORT

Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Business Strategies and Prospects for the Forthcoming Year

Emerald continues to operate the Okvau Gold Mine in steady state operations. Near mine exploration programs are underway to extend the life of mine.

Emerald will remain focused on the exploration drilling at the North Laverton Gold Project and the Memot Gold Project with a target of identifying mineable resources within the next six months.

Emerald will also continue to identify new opportunities within Cambodia and throughout the rest of the world for future potential acquisitions which may offer value enhancing opportunities to shareholders.

Significant Changes in the State of Affairs

Emerald has now poured over 7,400kgs of gold bullion from its operations with a total of approximately US\$389 million of gold sales to the date of this report.

The Company is now seeking to expand on the current near mine resources and reserves with a sustained exploration program funded from operational cash flows. Emerald will also continue to actively explore for gold mineralisation within its current portfolio of projects in Cambodia, in particular the 100% owned Memot Gold Project, as well as the tenure at the North Laverton Gold Project in Western Australia (EMR: 60.04%), with the object of identifying a mineral resource.

The following significant changes in the state of affairs of the consolidated entity occurred during the financial year:

- On 21 September 2022 the Company announced that it entered a binding agreement with Blue Cap Equities Pty Ltd to acquire their 30% interest in the Blue Cap Bullseye Joint Venture, which was subsequently acquired on 4 October 2022; and
- On 19 October 2022 the Company announced an Earn-In agreement was reached with Antrong Metals Co., Ltd, where Emerald may earn up to an 80% interest in two exploration licences (totalling 400km²) located between Ochhung and Okvau tenements, 10kms to the north-east of the Okvau Gold Project.

Environmental Regulation

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all appropriate regulations when carrying out any exploration or development work throughout the world. Further details of the Company's focus on operating in a safe, responsible and sustainable manner are included in the Sustainability Report in this Annual Report.

DIRECTORS' REPORT

Information on Directors and Company Secretary

Jay Hughes	Non-Executive Chairman (appointed as Chairman 8 August 2023)	
Appointed Experience	<p>Non-Executive Director 13 September 2022</p> <p>Mr Hughes started his career on the Perth Stock Exchange trading floor in 1986. In 2000 he was one of the founders of Euroz Limited and for 23 years until August 2023 was an Executive Director of Euroz Hartleys Group Limited (ASX: EZL). He is the Non-Executive Chairman of Westoz Funds Management Pty Ltd and Westoz Resources Fund Limited. He was the Non-Executive Chairman of Westoz Investment Company Limited and Ozgrowth Limited until the successful completion of their takeover schemes in April 2022.</p> <p>Mr Hughes was recognised as an Affiliate of the ASX in December 2000 and was admitted in May 2004 as a Master Practitioner Member (MSAFAA) of the SAFAA. He holds a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia (FINSIA).</p>	
Interest in securities	Fully paid ordinary shares	1,850,000
Other directorships in the last 3 years	Euroz Hartleys Group Limited – 28 November 2000 to 8 August 2023	
Morgan Hart	Managing Director	
Appointed Experience	<p>30 July 2014</p> <p>Mr Hart is a geologist and highly experienced mining executive with over 30 years' experience in the Australian and international gold mining industries. Mr Hart has been Executive Director and Chief Operating Officer at both Regis Resources Ltd and Equigold NL. Both companies were highly successful in taking gold resources through to successful operational mines.</p>	
Interest in securities	Fully paid ordinary shares	39,383,333
Other directorships in the last 3 years	Nil	
Michael Evans	Executive Director	
Appointed Experience	<p>3 October 2018</p> <p>Mr Evans has over 20 years' experience in various mining and processing industries throughout Australia and Africa. Mr Evans spent 7 years with Regis Resources Ltd, firstly as Projects Manager and subsequently as Chief Development Officer, where he was responsible for the construction of the processing plants at the Moolart Well, Garden Well and Rosemont gold mines. Prior to that, Mr Evans spent 10 years with Equigold NL where he was instrumental in the construction of the Bonikro processing plant in Cote D'Ivoire.</p>	
Interest in securities	<p>Fully paid ordinary shares</p> <p>\$0.670 options expiring 30 July 2025</p> <p>\$1.090 options expiring 29 July 2026</p> <p>\$1.370 options expiring 17 October 2027</p>	<p>2,491,677</p> <p>1,000,000</p> <p>500,000</p> <p>500,000</p>
Other directorships in the last 3 years	Nil	

DIRECTORS' REPORT

Information on Directors and Company Secretary (continued)

Billie Slott		Non-Executive Director	
Appointed Experience	4 October 2021	Ms Slott is a highly respected commercial and dispute resolution legal advisor. Over the past 16 years, Ms Slott has represented both private companies and the Royal Government of Cambodia. Ms Slott was instrumental in the establishment of the Cambodian National Commercial Arbitration Centre, under appointment by the Royal Government of Cambodia. She was also a founding member of the Cambodian mining association, CAMEC. Ms Slott has also distinguished herself by teaching Cambodian and international law in the areas of criminal law, civil procedure and environmental law at American University of Phnom Penh where she is still legal counsel. Ms Slott is a member of the California State Bar. Ms Slott is currently advising on an ICSID arbitration for the Government of Cambodia.	
Interest in securities	Fully paid ordinary shares	Nil	
Other directorships in the last 3 years	Nil		
Ross Stanley		Non-Executive Director	
Appointed Experience	20 August 2014	Mr Stanley is a well-respected mining executive with extensive experience both in Australian and African mining enterprises. Mr Stanley was formerly the majority shareholder and Managing Director of ASX listed Stanley Mining Services prior to its merger with Layne Christensen in 1997. Stanley Mining Services was the dominant drill services provider in Ghana in the 1990's. Mr Stanley also served as Non-Executive Director of Equigold NL.	
Interest in securities	Fully paid ordinary shares	36,599,695	
Other directorships in the last 3 years	Lucapa Diamond Company Limited - 26 July 2018 to current		
Simon Lee AO		Non-Executive Director (Resigned as Chairman on 8 August 2023)	
Appointed Experience	20 August 2014	Mr Lee has had extensive management experience with a diverse range of business enterprises in a career that has based him in Asia, England, Canada and Australia. Mr Lee has held a number of positions, which included Board Member of the Australian Trade Commission (AUSTRADE) and President of the Western Australian Chinese Chamber of Commerce Inc. In 1993, he received the Advance Australia Award for his contribution to commerce and industry and in 1994, he was bestowed an Officer of the Order of Australia. Mr Lee has a successful track record in the resources industry which has included building gold mining companies Great Victoria Gold NL, Samantha Gold NL and Equigold NL.	
Interest in securities	Fully paid ordinary shares	24,733,333 ^A	
Other directorships in the last 3 years	^A SHL Pty Ltd is the holder of 24,733,333 fully paid ordinary shares. Mr Simon Lee is not a director, shareholder or involved in the management of SHL Pty Ltd. Mr Lee's children, Ms Cheryl Lee and Mr Ryan Lee are Directors of SHL Pty Ltd and therefore SHL Pty Ltd is considered a related party of Mr Simon Lee under the <i>Corporations Act</i> and AASB 124.		

DIRECTORS' REPORT

Information on Directors and Company Secretary (continued)

Michael Bowen	Non-Executive Director	
Appointed Experience	13 September 2022	
	<p>Mr Bowen is a partner of the national law firm Thomson Geer. He practices primarily corporate, commercial and securities law with an emphasis on mergers, acquisitions, capital raisings and resources. Mr Bowen advises both bidders and targets in various hostile and friendly takeovers and advises on schemes of arrangements for reconstructions and mergers and also has extensive experience in negotiating the terms of joint venture arrangements for major projects.</p> <p>Mr Bowen holds a Bachelor of Laws, Jurisprudence and Commerce from the University of Western Australia. He has been admitted as a barrister and solicitor of the Supreme Court of Western Australia since 1979 and is also admitted as a solicitor of the High Court of Australia. He is a Certified Public Accountant and member of the Australian Society of Accountants.</p>	
Interest in securities	Fully paid ordinary shares	Nil
Other directorships in the last 3 years	<p>Lotus Resources Limited – 22 February 2021 to current Genesis Minerals Limited – 19 November 2021 to current Omni Bridgeway Limited – December 2001 to 30 November 2022 Trek Metals Limited – 22 February 2017 to 4 September 2020</p>	
Mark Clements	Non-Executive Director and Company Secretary	
Appointed Experience	12 June 2020	
	<p>Mr Clements has an extensive range of experience in capital management, finance, financial reporting, corporate strategy and governance across a range of industries. He was appointed Company Secretary in 2014 and is a Fellow of Chartered Accountants Australia and New Zealand, Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors. He is Company Secretary for a number of diversified ASX listed companies.</p>	
Interest in securities	Fully paid ordinary shares	555,115
Other directorships in the last 3 years	<p>Alterra Limited – February 2021 to current MSM Corporation International Limited – January 2016 to current</p>	

DIRECTORS' REPORT

Audited Remuneration Report

Remuneration structure, policy and strategy

Emerald recognises that success cannot be achieved without having a Company built on strong fundamentals, driven by a group of high achieving employees who are committed to the corporate vision and, most importantly, supported by a continuous social licence to operate.

As Emerald looks to the future, we aim to continue to grow and mature towards becoming a multi-project resource producer and employer of choice. To attract and retain competent people for the right roles, the Board has sought to ensure that the remuneration strategy for the executive team and broader staff base is progressive and consistent with the Company objectives and motivates them to grow the Company's long-term shareholder value. The Company's remuneration principles are set to align with business needs and market practice and implement a clear and consistent remuneration approach for the Company that can grow as the Company's projects increase.

How to Measure the Success of the Philosophy:

The Company measures the success of its remuneration philosophy on:

- (a) The willingness of potential employees to join the Company to be part of a successful project, to be well rewarded and, importantly, to be part of a culture representing an employer of choice; and
- (b) Zero or low staff turnover.

In previous reporting periods, the Company has engaged with independent remuneration consultants, The Reward Practice to ensure that the remuneration structure, policy and strategy for the executive team and employees were aligned with shareholder expectations and reflect the Company's strategy. The Company frequently obtains references to meaningful industry remuneration survey data, as the Company progresses toward its strategic objective of becoming a multi-project gold producer.

In the last 18 months, the Company transitioned into a resource producer. We believe that the remuneration framework is appropriate and fit-for-purpose based on the Company's growth profile to drive and deliver the outcomes desired by all shareholders.

Details regarding the remuneration framework for the Executive Directors, Non-Executive Directors, Key Management Personnel ('KMP') and staff are outlined in this report.

Remuneration Outcomes:

Details of the remuneration outcomes for the year ended 30 June 2023 are summarised below:

Executive fixed remuneration

- Fixed remuneration increased in 2023 for the Managing Director and Executive Director ('Executive Directors') following an internal review by the Remuneration Committee and references to other meaningful industry remuneration survey data.
- For other KMP; Ms Campbell was appointed Acting Chief Financial Officer on 1 September 2022 and appointed Chief Financial Officer on 14 February 2023. Mr Dunnachie transitioned from Chief Financial Officer to Executive - Corporate on 1 September 2022. Both other KMP's fixed remuneration increased in 2023 following an internal review by the Remuneration Committee considering their new positions and references to other meaningful industry remuneration survey data.

Executive incentives

- Short-term incentives ('STI'):
The STI framework which measures performance for the Executive Directors, other KMP and key staff based upon the Company's Critical Pillars and Strategic Pillars, resulted in the achievement of 87.5% of the STI opportunity.

DIRECTORS' REPORT

Audited Remuneration Report (continued)

- Long-term incentives ('LTI'): There were no options issued to Directors or other KMP during the year other than to the Executive - Corporate (Mr Brett Dunnachie), Chief Financial Officer (Ms Shannon Campbell) and to the Executive Director (Mr Michael Evans), who was critical to the success of the construction and commissioning of the Okvau Gold Mine. Mr Evans' options were issued following shareholder approval at the Company's Annual General Meeting held 24 November 2022. Details of these options were included in the Notice of Annual General Meeting announced 24 October 2022. The resolution received more than 99% of 'Yes' votes.

The vesting period of the options is three years, subject to continued employment.

Non-Executive Director remuneration

- The aggregate remuneration pool for Non-Executive Directors was increased from \$500,000 to \$1,000,000 following shareholder approval at the Company's Annual General Meeting held 24 November 2022. This represented the second request for an increase in the Non-Executive Director fee pool since 2011 to reflect the future growth of the Company and the planned increase in the number of independent Directors.

Remuneration Committee

- The composition of the Committee now includes only independent Non-Executive Directors with Mr Michael Bowen appointed as Chair subsequent to year end, following the appointment of Mr Jay Hughes as Non-Executive Chairman.

Remuneration in 2023

The Directors are pleased to present this remuneration report which sets out remuneration information for Emerald Resources NL's Non-Executive Directors, Executive Directors and other Key Management Personnel for the year ended 30 June 2023.

During the last 18 months, the Board carefully considered the Company's remuneration framework to ensure it remained appropriate and consistent with the Company's stage of growth.

The following sections are included within this report:

- Directors and other Key Management Personnel disclosed in this report;
- Remuneration governance;
- Performance evaluation;
- Use of remuneration consultants;
- Executive remuneration policy and framework;
- Relationship between remuneration and Emerald Resources NL's performance;
- Non-Executive Director remuneration policy;
- Voting and feedback on the Company's 2022 Remuneration Report;
- Details of remuneration;
- Details of share-based compensation;
- Service agreements;
- Equity instruments held by Directors and Key Management Personnel;
- Loans to Key Management Personnel;
- Other transactions with Key Management Personnel.

A. Directors and other key management personnel disclosed in this report

This report details the nature and amount of remuneration for all KMP of Emerald Resources NL and its subsidiaries. The information provided within this remuneration report has been audited as required by section 308(C) of the *Corporations Act 2001*. The individuals included in this report are:

Non-Executive Directors

Mr J Hughes	Non-Executive Chairman (appointed Non-Executive Director 13 September 2022, appointed Non-Executive Chairman 8 August 2023)
Mr R Stanley	Non-Executive Director
Mr M Clements	Non-Executive Director
Ms B Slott	Non-Executive Director
Mr M Bowen	Non-Executive Director
Mr S Lee AO	Non-Executive Director (resigned as Non-Executive Chairman 8 August 2023)

DIRECTORS' REPORT

Audited Remuneration Report (continued)

Executive Directors

Mr M Hart	Managing Director
Mr M Evans	Executive Director

Other Key Management Personnel

Mr B Dunnachie	Executive - Corporate (appointed 1 September 2022, previously Chief Financial Officer)
Ms S Campbell	Chief Financial Officer ('CFO') (appointed Acting CFO 1 September 2022 and appointed CFO 14 February 2023)

B. Remuneration governance

The Group's Remuneration Committee has consisted solely of independent Non-Executive Directors for the majority of the year:

Mr M Bowen	Remuneration Committee Chairman (appointed Committee Member 13 September 2022, appointed as Committee Chairman effective 8 August 2023)
Mr J Hughes	Remuneration Committee Member (appointed as Committee Chairman 13 September 2022, resigned as Committee Chairman effective 8 August 2023)
Mr S Lee AO	Remuneration Committee Member
Ms B Slott	Remuneration Committee Member
Mr M Clements	Remuneration Committee Member
Mr R Stanley	Resigned as Remuneration Committee Member effective 13 September 2022

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees. The Remuneration Committee is responsible for reviewing and recommending the remuneration arrangements for the Executive Directors, Non-Executive Directors and other KMP each year in accordance with the Company's remuneration policy approved by the Board. This includes an annual remuneration review and performance appraisal for the Executive Directors and other KMP, including their base salary, short-term and long-term incentives, bonuses, superannuation, termination payments and service contracts.

Further information relating to the Remuneration Committee can be found within the Corporate Governance Statement in this report or on the Company's website, refer to http://www.emeraldresources.com.au/corporate_governance.

The Remuneration Committee met three times during the year to consider, and approve where required, the FY23 annual remuneration review and performance appraisal for the Executive Directors and other KMP, including their base salary, status of achievement of Critical and Strategic Pillars as they relate to short-term incentives (STI) and long-term incentives (LTI)

C. Performance evaluation

A further role of the Remuneration Committee is to assist the Board with the review of its performance and the performance of the individual directors including the Managing Director, other committees of the Board, the Company and management on a regular basis. This is an important element of the Board's monitoring role, especially with regard to the long-term growth of the Company and shareholder value.

The Board is required to annually assess its performance as a whole and the Chair of the Board is responsible for meeting with individual directors to discuss their individual performance and contribution to the Board. As part of the performance evaluation process, all directors are expected, where applicable, to highlight areas for improvement and provide a description as to how this can be achieved. At least annually, the Board must review the performance of committees reporting to it to ensure that the committees are achieving outcomes.

The Managing Director is responsible for assessing the performance of the key executives within the organisation. This is to be performed annually with the outcomes and recommendations reported to the Remuneration Committee. The Remuneration Committee is then responsible for reviewing the recommended compensation arrangement, making adjustments if necessary and preparing a recommendation to the Board of the compensation arrangements for each individual.

The Managing Director's performance is assessed by the Remuneration Committee, and the Committee recommends a compensation arrangement for the Managing Director in line with the Committee Charter. Each manager is responsible for assessing the performance of their direct reports. With respect to performance-based remuneration and the issue of shares under the Incentive Option Plan, the options will be forfeited if, prior to completion of the vesting period, the employee commits any fraud, dishonest or grossly negligent act.

DIRECTORS' REPORT

Audited Remuneration Report (continued)

In the event that a director, key executive or employee is not performing to an acceptable level, a performance evaluation can be conducted on an as needs basis.

Annual performance reviews were undertaken for FY23.

D. Use of remuneration consultants

To ensure the Remuneration Committee is fully informed when making remuneration decisions, it seeks external remuneration advice where required. Remuneration consultants are engaged by, and report directly to, the Committee. In selecting remuneration consultants, the Committee considers potential conflicts of interest and requires independence from the Company's KMP and the Executive Director as part of their terms of engagement.

As noted earlier, the Remuneration Committee engaged independent remuneration consultants, The Reward Practice, to undertake an external review in the previous reporting period, including independent benchmarking of remuneration for the Executive Directors, other KMP and key staff as the Company moved toward its key strategic objective, which was the development of, and ultimately the production from, the Company's Okvau Gold Project in Cambodia, targeting safety, environment, sustainability and community.

Their findings, in conjunction with references to other meaningful industry remuneration survey data such as the Governance Institute of Australia's Board and Executive Remuneration Surveys and AON Human Capital's Mining Infrastructure Engineering Remuneration Report, provided a platform for the Remuneration Committee to maintain awareness of its peers when considering the Company's FY23 remuneration framework. The increase to the annual remuneration of the Company's Chairman (30 June 2023: \$108,000), Non-Executive Directors (30 June 2023: \$78,000), Managing Director (30 June 2023: \$552,500) and the Executive Director (30 June 2022: \$552,500) are representative of the 50th percentile as outlined below.

E. Executive remuneration policy and framework

Remuneration Policy

The Remuneration Policy of the Group has been designed to appropriately align the other KMP incentives with the goals and achievements of the Group. The Board recognises the importance of retaining highly skilled, qualified and motivated people to ensure the Group's performance and success. The Board believes shareholder transparency of remuneration is extremely important.

The Board endeavours to ensure that the mix of executive compensation between fixed, variable, long-term, short-term and cash versus equity is appropriate.

The remuneration policy provides a mix of fixed and variable "at risk" remuneration and a blend of short and long-term incentives. The remuneration for the Executive Directors, other KMP and staff has three components:

- Fixed remuneration (TFR), inclusive of superannuation and allowances;
- Short-term incentives (STI's), a performance-based cash bonus; and
- Long-term incentives (LTI's) which includes participation in the Company's shareholder approved Incentive Option Plan.

Total Fixed Remuneration (TFR)

TFR of the Executive Directors and other KMP is approved by the Remuneration Committee in consultation with the Managing Director and Executive Director each year and is based on market relativity and individual performance. Market relativity is benchmarked against a defined "remuneration peer group" of listed comparable companies to ensure that fixed remuneration is fair and competitive with the market in which the Company operates.

The Company aims to reward the Executive Directors and other KMP with a level and mix (proportion of fixed, short-term incentives and long-term incentives) of remuneration appropriate to the Company's stage of growth, their position, responsibilities and performance within the Company and that which is aligned with targeted market comparators.

DIRECTORS' REPORT

Audited Remuneration Report (continued)

The Managing Director and the Executive Director performed a remuneration review of other KMP and staff and provided a recommendation to the Remuneration Committee. The Remuneration Committee determined that it was appropriate to benchmark the remuneration of the Company's Executive Directors and other KMP at the 50th percentile, following the commissioning and commencement of production at the Okvau Gold Mine. The remuneration levels for other KMP and staff were considered fair and competitive with the market in which the Company operates.

The Managing Director and the Executive Director's total fixed remuneration for FY23 was increased to \$552,500 each, inclusive of superannuation. The Executive - Corporate's total fixed remuneration for FY23 was \$409,955 inclusive of superannuation. The Chief Financial Officer's total fixed remuneration upon appointment in that role, was \$316,251 inclusive of superannuation.

The Managing Director, Executive Director, other KMP and key staff hold meaningful shareholdings in the Company. Of note, the Managing Director has acquired 39,383,333 shares since his appointment in 2014 and is a substantial shareholder in the Company. None of these shares have been granted as a result of participation in the Company's equity-based incentive plan.

Further details of the shareholdings and fixed remuneration of all KMP are noted in Sections I and J of the Remuneration Report.

Variable Remuneration – short-term incentives (STI)

The Company operates an annual STI program that is available to the Executive Directors, other KMP and staff through the award of a cash bonus subject to the attainment of financial and non-financial measures such as achieving the highest standards of safety, environmental, social and stakeholder relations, operational outcomes at or above the Definitive Feasibility Study estimates and definition and growth of existing resources and progression of development activities.

The STI's are in the form of cash and are to be measured against the Company's Critical Performance Pillars of Sustainability and Safety. If these Critical Performance Pillars are met throughout the year, an assessment will be undertaken on the agreed KPI's for the remaining Strategic Pillars of the business including Production, Costs and Exploration to determine the quantum of an STI which may represent approximately 20% of the Executive Directors, other KMP and key staff's total remuneration.

The Remuneration Committee's assessment of achievement of the Critical Pillars and Strategic Pillars for FY23 are described below:

Critical Pillars	Total Weighting	FY23 STI Assessment (% Achieved)	Achieved weighting
A. Safety Demonstrate commitment to a safe working environment for employees and contractors	12.5%	90%	11.25%
B. Sustainability Demonstrate commitment to long-term sustainable value creation	12.5%	100%	12.50%
Strategic Pillars	Total Weighting	FY23 STI Assessment (% Achieved)	Achieved weighting
C. Production Production at or above targeted number of ounces per quarter	25%	90%	22.50%
D. Costs Production costs at or below targeted AISC per quarter	25%	90%	22.50%
E. Exploration Replacement of annual probable ore reserves	25%	75%	18.75%
Total	100%		87.50%

DIRECTORS' REPORT

Audited Remuneration Report (continued)

Variable Remuneration – long-term incentives (LTI)

LTI awards to the Executive Director, other KMP and key staff are made under the shareholder approved Incentive Option Plan and are delivered in the form of premium priced share options to align recipients' long-term interests with shareholders, as there exists a direct correlation between shareholder wealth and remuneration outcomes. On a regular basis, the Managing Director and the Executive Director recommend to the Remuneration Committee an appropriate level of remuneration incentive for each executive, other KMP and key staff, relative to their involvement in the management of the consolidated entity. If satisfied, the Remuneration Committee and Board then approves the recommendation and a tranche of premium priced share options is offered to recipients. In the case where a quantum of option awards is proposed for the Executive Director, the equivalent terms are offered, with the additional requirement of shareholder approval, and the Executive Director excuses himself from the decision making and approval process. The Managing Director has not historically participated in the Incentive Option Plan.

The Remuneration Committee, in conjunction with prior advice from independent remuneration consultants, The Reward Practice, considers the Company's long-term incentive plan appropriate for the Company given its remuneration philosophy.

The vesting criteria of the options is that 100% vest after a minimum three-years from invitation date.

The exercise price of the options is determined on the basis of a 20% premium to the volume weighted average price (VWAP) in the preceding 30 days prior to the date of grant. The Remuneration Committee and Board considers the vesting hurdles appropriate and reasonable for the Company's stage of growth and consistent with the Company's timeframe of becoming an established resource producer and employer of choice in accordance with the Company's remuneration philosophy.

In FY23, the quantum of options awarded was determined with consideration of the remuneration mix referencing external independent remuneration peer analysis for other KMP and staff, as recommended by the Managing Director and the Executive Director and approved by the Remuneration Committee and Board.

The premium priced options granted require significant share price growth for the LTI awards to result in tangible benefits to the Executive Director, other KMP and key staff. The exercise prices for the tranches of options granted in FY23 were between \$1.37 and \$2.17 (representing a 20% premium to the share price at the time the offer to participate in the Company's Incentive Plan is provided to the participant) (30 June 2022: \$1.09 and \$1.40). In 2023, 4,425,000 LTI awards from prior years vested (30 June 2022: 1,125,000) and 2,150,000 LTI awards were exercised (30 June 2022: 883,750).

The total options on issue under the Company's shareholder approved Incentive Option Plan is approximately 2.8% of the total issued capital of the Company (the Company has set an internal threshold not to exceed 3% of the issued capital of the Company at the time of grant, however the Incentive Plan approved by shareholders is based upon a 5% threshold).

There are no re-testing provisions under the long-term incentive structure and there are no adjustments to exercise prices, vesting conditions or term of the premium priced options once granted. Equity awards do not automatically vest in the event of a change of control or termination. On the resignation of the Executive Director, other KMP or staff, the options that have been issued as remuneration lapse within one to three months unless exercised.

The Executive Directors and other KMP are encouraged by the Board to hold shares in the Group to provide an incentive for participants to partake in the future growth of the Group and to participate in the Group's profits and dividends that may be realised in future years.

Further details of the Executive Directors' and other KMP's interests in options and shares are noted in Section J of the Remuneration Report.

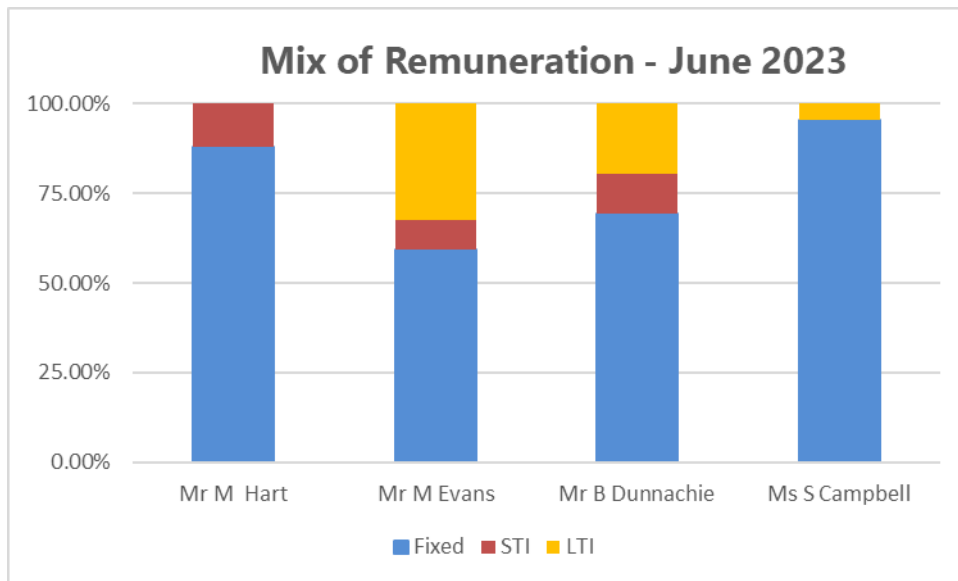
Remuneration Mix

The following table sets out the mix of remuneration for the Executive Directors and other KMP between fixed, short-term incentives and long-term incentives for the 2023 financial year.

Remuneration for Non-Executive Directors is all fixed with no variable component included.

DIRECTORS' REPORT

Audited Remuneration Report (continued)



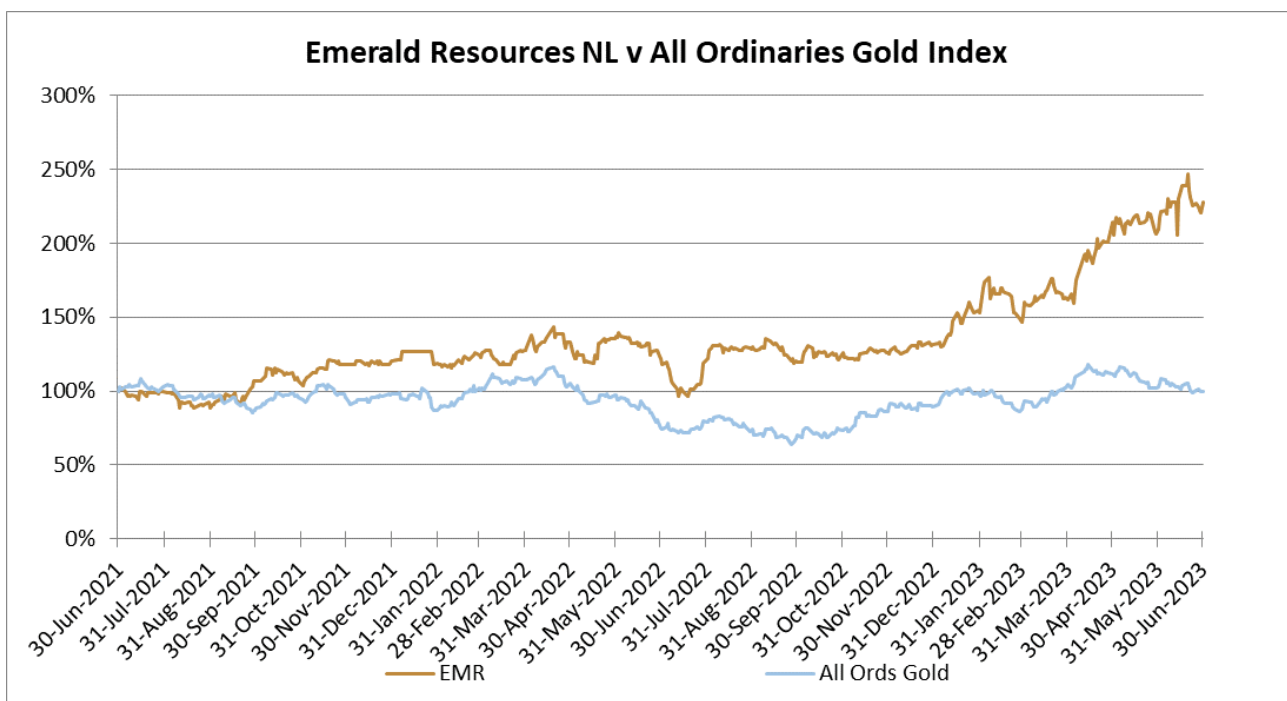
F. Relationship between remuneration and Emerald Resources NL's performance

Company Performance, Shareholder Wealth and Executive Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, the Executive Directors, other KMP and key staff. This has been achieved by the consideration of short-term incentives and the issue of long-term incentive premium priced options. This structure rewards the Executive Directors, other KMP and key staff for both short-term and long-term shareholder wealth development.

The most meaningful measure of internal performance is against goals which have a project exploration and production focus as well as in relation to safety, environment, sustainability and community. The most appropriate measure for external performance is the change in the share price.

The chart below shows the change in the Company share price since June 2021. In June 2021, the Company announced the maiden gold pour at Okvau Gold Mine. Commissioning of the flotation circuit was completed in August 2021, leading to the official commencement of production from 1 September 2021. Since that time the Company's share price has outperformed that of the ASX All Ordinaries Gold Index.



Values derived on a base of 100

DIRECTORS' REPORT

Audited Remuneration Report (continued)

		2023	2022	2021	2020	2019
Revenue	\$'000s	299,476	206,532	21	121	249
Profit/(loss) after income tax	\$'000s	66,281	45,366	(16,700)	(11,471)	(8,860)
Share price at 30 June	\$	2.05	1.10	0.90	0.54 ⁽ⁱ⁾	0.04
Basic earnings/(loss) per share	cents per share	12.10	8.45	(3.24)	(0.45)	(0.34)
Dividends	\$	Nil	Nil	Nil	Nil	Nil

(i) Shareholders approved the consolidation of capital on a 10:1 basis at the general meeting held 13 March 2020.

G. Non-Executive Director remuneration policy

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. In accordance with ASX Corporate Governance Recommendations and to safeguard the interests of shareholders, fees for Non-Executive Directors are not linked to the performance of the Group to maintain independence and impartiality. Non-Executive Directors are not incentivised by short-term or long-term incentives. The Company does not pay retirement allowances to Non-Executive Directors, and they do not currently receive separate remuneration for serving on a committee.

The Board's policy is that Non-Executive Directors should receive adequate remuneration to attract and retain competent people with appropriate skills and diverse backgrounds to make informed, well-reasoned judgements without influence.

In determining competitive remuneration rates, the Board reviews local and international trends among comparative companies and industry generally.

In the prior reporting period, the Remuneration Committee, using the outcome of the external review by independent remuneration consultants, The Reward Practice, and references to other meaningful industry remuneration survey data, compared Non-Executive remuneration to companies with similar market capitalisations and projected revenue in the exploration and resource development business group to benchmark the remuneration of the Company's Non-Executive Directors at the 50th percentile, following the recent commissioning and commencement of production at the Okvau Gold Mine. Shareholders approved an increase to the Non-Executive Director aggregate remuneration at the Company's Annual General Meeting based on the future growth of the Company and the planned increase in number of independent Directors.

Non-Executive Director fees for the year ending June 2023 were as follows:

Position	Fee ^(A)
Non-Executive Chairman	\$108,000
Non-Executive Directors	\$78,000

(A) Including superannuation where applicable

Non-Executive Directors may also be entitled to a termination benefit of up to six months of base fees, dependent upon the circumstances in which the engagement is terminated.

Further to ongoing reviews, the maximum aggregate amount of fees that can be paid to Non-Executive Directors is set within the Company's constitution and can only be increased by approval of shareholders at a general meeting. The maximum aggregate amount is currently set at \$1,000,000 per annum. The total Non-Executive Director remuneration paid during the financial year was well below this maximum aggregated amount.

Non-Executive Directors are encouraged by the Board to hold shares in the Group to partake in the future growth of the Group and, to participate in the Group's profits and dividends that may be realised in future years.

H. Voting and feedback on the Company's 2022 Remuneration Report

At the 2022 Annual General Meeting more than 99% of the votes received supported the remuneration report for the 2022 financial year and the issue of the long-term incentive to Executive Director, Mr Michael Evans, given his critical role in the construction and commissioning of the Okvau Gold Mine.

DIRECTORS' REPORT

Audited Remuneration Report (continued)

I. Details of remuneration

The remuneration of Directors and other Key Management Personnel of Emerald Resources NL and the Group for the year ended 30 June 2023 is set out in the table below:

		Short-Term Employee Benefits			Post-Employment	Long-Term Benefits	Securities	Total
		Cash Salary and Fees	Incentives	Other	Super-annuation	Annual and long service leave	Options	
		\$	\$	\$	\$	\$	\$	
<i>Non-Executive Directors</i>								
Mr Lee AO	2023	108,000	-	-	-	-	-	108,000
	2022	90,000	-	-	-	-	-	90,000
Mr Stanley	2023	70,589	-	-	7,411	-	-	78,000
	2022	60,000	-	-	6,000	-	-	66,000
Mr Clements	2023	78,000	-	-	-	-	-	78,000
	2022	66,000	-	-	-	-	-	66,000
Ms Slott ⁽ⁱ⁾	2023	122,598	-	-	-	-	-	78,000
	2022	49,500	-	-	-	-	-	49,500
Mr Bowen ⁽ⁱⁱ⁾	2023	56,742	-	-	5,958	-	-	62,700
	2022	-	-	-	-	-	-	-
Mr Hughes ⁽ⁱⁱⁱ⁾	2023	56,742	-	-	5,958	-	-	62,700
	2022	-	-	-	-	-	-	-
<i>Executive Directors</i>								
Mr Hart	2023	527,204	78,750	-	25,296	30,258	-	661,508
	2022	471,432	-	-	23,568	85,683	-	580,683
Mr Evans	2023	527,204	78,750	-	25,296	14,066	311,914	957,230
	2022	471,432	295,000	-	23,568	74,266	267,915	1,132,181
<i>Other Key Management Personnel</i>								
Mr Dunnachie ⁽ⁱⁱⁱ⁾	2023	375,782	61,250	-	25,296	(40,333)	108,987	530,982
	2022	361,432	-	-	23,568	47,227	130,265	562,492
Ms Campbell ^(iv)	2023	242,463	-	-	21,080	16,710	12,820	293,073
	2022	-	-	-	-	-	-	-
Total Remuneration	2023	2,120,726	218,750	-	116,295	20,701	433,721	2,910,193
Total Remuneration	2022	1,569,796	295,000	-	76,704	207,176	398,180	2,546,856

(i) Ms Slott also received US\$30,000 in non-executive director fees for the Company's wholly owned subsidiary, Renaissance Minerals (Cambodia) Limited, during the year.

(ii) Mr Bowen and Mr Hughes were appointed on 13 September 2022.

(iii) Mr Dunnachie's Long-Term Benefits reflect that he took a period of extended leave during the year.

(iv) Ms Campbell was appointed acting CFO on 1 September 2022 and appointed CFO on 14 February 2023.

DIRECTORS' REPORT

Audited Remuneration Report (continued)

J. Details of share-based compensation

Options on issue

The terms and conditions of each grant of options affecting remuneration in the current or future reporting periods are as follows:

Grant Date	Expiry Date	Exercise Price	Fair Value Per Option	Price of Shares on Grant Date	Estimated Volatility	Risk Free Interest Rate	Dividend Yield	% Vested
24 Nov 22	17 Oct 27	\$1.370	\$0.71	\$1.140	80%	3.340%	0.00%	0%
21 Oct 22	17 Oct 27	\$1.370	\$0.69	\$1.110	80%	3.905%	0.00%	0%
25 Nov 21	29 Jul 26	\$1.090	\$0.68	\$1.085	80%	1.475%	0.00%	0%
11 Aug 21	29 Jul 26	\$1.090	\$0.54	\$0.900	80%	0.545%	0.00%	0%
25 Nov 20	30 Jul 25	\$0.670	\$0.35	\$0.580	80%	3.000%	0.00%	0%
31 Jul 20	30 Jul 25	\$0.670	\$0.38	\$0.620	80%	4.100%	0.00%	0%

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

Options are issued to the Executive Director, Key Management Personnel and key staff as part of the LTI portion of their remuneration. The options are issued to increase goal congruence between executives and shareholders.

Options were issued to Mr Evans, Mr Dunnachie and Ms Campbell during the current year. The expense included in the current year remuneration report includes the expense for the current year grant and the expense for options issued in prior years, as the option valuation is expensed over the vesting period of the options. Details of options granted and exercised in the current year are as follows:

	Granted	Fair Value Per Option Granted	Options Forming Part of Remuneration	Total Remuneration Represented by Options	Exercised	Price of shares on exercise date	Lapsed
	No.	\$	\$	%	No.	\$	No.
30 June 2023							
<i>Other key management personnel</i>							
Mr M Evans	500,000	\$0.71	311,914	33%	(500,000)	\$1.99	-
Mr B Dunnachie	100,000	\$0.69	108,987	20%	(250,000)	\$1.99	-
Ms S Campbell ⁽ⁱ⁾	80,000	\$0.69	12,820	4%	-	-	-

(i) Ms Campbell was appointed Acting CFO on 1 September 2022 and appointed CFO on 14 February 2023.

The assessed fair value at grant date of options granted is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected share price volatility, the expected dividend yield and the risk-free rate for the term of the option, as set out in note 26 to the financial statements.

K. Service agreements

On appointment to the Board, all Non-Executive Directors enter into a service agreement in the form of a letter of appointment. The letter sets out the Company's policies and terms including compensation relevant to the director. Refer to Section G of this Remuneration Report for current fees for Non-Executive Directors.

Remuneration and other key terms of employment for the Managing Director, the Executive Director and other KMP are formalised in Executive Service Agreements. Termination benefits are within the limits set by the *Corporations Act 2001*. Major provisions of the agreements relating to remuneration for the year ended 30 June 2023 are set out below:

Name	Position	Term of agreement	Base salary (incl superannuation)	Termination benefit
Mr M Hart	Managing Director	No fixed term	\$552,500	1 to 12 months ^A
Mr M Evans	Executive Director	No fixed term	\$552,500	1 to 12 months ^A
Mr B Dunnachie	Executive - Corporate	No fixed term	\$409,955	1 month
Ms S Campbell	Chief Financial Officer	No fixed term	\$316,251	1 month

A Termination benefits range from 1 to 12 months and are dependent upon the circumstances in which the agreement is terminated.

DIRECTORS' REPORT

Audited Remuneration Report (continued)

L. Equity instruments held by Directors and key management personnel

The tables below show the number of:

- (i) options over ordinary shares in the Company that were held during the financial year by directors and other KMP of the Group, including their family members and entities related to them; and
- (ii) shares held in the Company that were held during the financial year by directors and other KMP of the Group, including their family members and entities related to them.

Options held by Key Management Personnel

2023	Balance at start of the year	Granted as remuneration	Exercised	Net change other	Balance at end of the year	Vested and exercisable
<i>Executive Directors</i>						
Mr M Evans	2,000,000	500,000	(500,000)	-	2,000,000	500,000
<i>Other key management personnel</i>						
Mr B Dunnachie	1,000,000	100,000	(250,000)	-	850,000	250,000
Ms S Campbell ⁽ⁱ⁾	-	80,000	-	625,000	705,000	375,000

(i) Ms Campbell was appointed Acting CFO on 1 September 2022 and appointed CFO on 14 February 2023. "Net change other" reflects options held prior to her appointment.

Shares held by Key Management Personnel

2023	Balance at start of the year	Received on exercise of options	Purchases of shares	Disposal of shares	Other changes, appointments, resignations	Balance at end of the year
<i>Non-Executive Directors</i>						
Mr J Hughes ⁽ⁱ⁾	-	-	-	-	1,850,000	1,850,000
Mr S Lee AO ⁽ⁱⁱ⁾	24,733,333	-	-	-	-	24,733,333
Mr R Stanley	36,599,695	-	-	-	-	36,599,695
Mr M Clements	555,115	-	-	-	-	555,115
Ms B Slott	-	-	-	-	-	-
Mr M Bowen	-	-	-	-	-	-
<i>Executive Directors</i>						
Mr M Hart	39,383,333	-	-	-	-	39,383,333
Mr M Evans	1,991,677	500,000	-	-	-	2,491,677
<i>Other key management personnel</i>						
Mr B Dunnachie	203,500	250,000	-	(337,250)	-	116,250
Ms S Campbell ⁽ⁱⁱⁱ⁾	-	-	-	-	5,500	5,500

(i) Mr Hughes was appointed on 13 September 2022. "Other changes, appointments, resignations" reflect shares held prior to his appointment.

(ii) SHL Pty Ltd is the holder of all fully paid ordinary shares held. Mr Lee is not a director, shareholder or involved in the management of SHL Pty Ltd. Mr Lee's children are directors of SHL Pty Ltd and therefore SHL Pty Ltd is considered a related party of Mr Lee under the *Corporations Act* and AASB 124.

(iii) Ms Campbell was appointed Acting CFO on 1 September 2022 and appointed CFO on 14 February 2023. "Other changes, appointments, resignations" reflects shares held prior to her appointment.

There were no shares granted during the year as compensation.

M. Loans to Key Management Personnel

There were no loans made to directors and other key management personnel of the Group, including their family members.

DIRECTORS' REPORT

Audited Remuneration Report (continued)

N. Other transactions with key management personnel

The following transactions occurred with related parties:

	Consolidated	
	2023 \$'000s	2022 \$'000s
<i>Payments to director related entities:</i>		
Payments made to Castilo Pty Ltd for office space rental ⁽ⁱ⁾	368,396	307,478
Payments made to Balion Pty Ltd for company secretarial fees ⁽ⁱⁱ⁾	211,867	120,000

(i) Castilo Pty Ltd is an entity associated with director Mr Stanley, which provides office space for the Company on normal commercial terms.

(ii) Balion Pty Ltd is an entity associated with director Mr Clements, which provides company secretarial services to both Emerald Resources NL and Bullseye Mining Ltd (EMR 60.04%), and director services to Emerald Resources NL, on normal commercial terms.

End of remuneration report.

DIRECTORS' REPORT

Shares under option

Unissued ordinary shares of Emerald under option at the date of this report are as follows:

Expiry date	Exercise price	Number under option
30 January 2024	\$0.390	350,000
21 June 2024	\$0.470	300,000
12 March 2025	\$0.510	350,000
19 May 2025	\$0.530	500,000
30 July 2025	\$0.670	5,000,000
8 October 2025	\$0.770	525,000
4 January 2026	\$0.820	600,000
23 February 2026	\$0.950	475,000
22 March 2026	\$0.940	350,000
3 May 2026	\$1.020	150,000
29 July 2026	\$1.090	3,262,500
14 March 2027	\$1.320	350,000
14 June 2027	\$1.400	250,000
17 October 2027	\$1.370	2,300,000
13 April 2028	\$1.940	1,000,000
16 May 2028	\$2.170	250,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings. Other than as detailed below, the Company was not a party to any such proceedings during the year.

Settled Matters, subsequent to year end

Bullseye, Hong Kong Xinha International Investment Company Limited (Xinha) and Au Xingao Investment Pty Ltd (Au Xingao) and various other parties have reached a final commercial settlement of the following matters:

- Hongkong Xinha International Investment Company Limited v Bullseye Mining Limited and Ors COR 83 of 2020 in the Supreme Court of Western Australia;
- Hongkong Xinha International Investment Company Limited v Bullseye Mining Limited and Ors COR 139 of 2021 in the Supreme Court of Western Australia;
- Hongkong Xinha International Investment Company Limited and Anor v Bullseye Mining Limited and Ors COR 159 of 2022 in the Supreme Court of Western Australia;
- Hongkong Xinha International Investment Company Limited and Anor v Bullseye Mining Limited and Ors COR 22 of 2023 in the Supreme Court of Western Australia;
- Cheng v Bullseye Mining Limited CIV1987 of 2020 (District Court of Western Australia)(the settlement of which is limited to the counterclaim made by Bullseye against Xinha and Mr Huang).

As consideration for the Settlement, Bullseye issued a total of 22,800,000 Bullseye shares to Au Xingao and all parties agreed to bear their own legal costs of the various matters referred to above.

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.

On 1 June 2023, judgement was ordered in favour of Mr Sam Cheng and Mr Eddy Cheng in the sum of \$518,113 (being the sum of \$366,000 plus \$152,113 in interest).

On 19 June 2023, Bullseye filed an Appeal Notice in the Supreme Court of Western Australia (Court of Appeal) appealing against part of the judgement.

DIRECTORS' REPORT

Proceedings on behalf of the Company (continued)

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 has lodged a defence and counterclaim against Mr Sam Cheng and other parties, seeking unliquidated damages for:

- conspiring to cause harm and injury to Bullseye (against all defendants by counterclaim); and
- breach of contract and fiduciary duties owed to Bullseye (against Mr Cheng only).

The matter is in the interlocutory stages of the Court process and trial dates for this action have not yet been set.

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 attended a mediation session, facilitated by his Honour Rene Le Miere KC on 6 December 2022. A resolution to the dispute was not reached and the mediation was adjourned until a further date, yet to be set. This matter is not deemed material to Bullseye or Emerald.

Applications for Forfeiture and Objections to Exemption

Bullseye has received applications for forfeiture lodged against many of the North Laverton Gold Project tenements and the Southern Cross tenements. The applications for forfeiture have been lodged by the following parties against the following projects:

Project	Application for forfeiture
North Laverton Gold Project	Zygmund Wolski
North Laverton Gold Project	Golden Soak Enterprises Pty Ltd (Michael Jay Williams)
Southern Cross Gold Project	Zygmund Wolski
Southern Cross Gold Project	West Australian Prospectors Pty Ltd (Vernon Wesley Strange)

Eighteen applications for forfeiture were lodged against Bullseye's mining and exploration tenements by Golden Soak Enterprises Pty Ltd, which were withdrawn in August 2023.

A total of 55 applications for forfeiture have collectively been lodged by West Australian Prospectors Pty Ltd (WAP) and Mr Zygmund Wolski (Wolski) against mining and exploration tenements held by Bullseye and its subsidiaries.

In addition to the above, 14 objections to exemption from expenditure applications have been lodged by WAP or Wolski against 17 mining and exploration tenements held by Bullseye and its subsidiaries. If any of the objections to exemption from expenditure applications are determined in favour of Bullseye, then any forfeiture applications in respect of those 17 tenements will fall away.

The objections to exemption applications lodged by WAP and Wolski were listed for a substantive hearing on 1 to 3 November 2022. Bullseye agreed with both WAP and Wolski that any substantive hearing of the applications for forfeiture lodged by those parties will not be heard until after the applications for exemptions have been determined. Bullseye expects that any substantive hearings of the Wolski and WAP forfeiture applications will not occur until the second half of 2023.

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

DIRECTORS' REPORT

Meetings of Directors

The number of directors' meetings held during the financial year that each director who held office during the financial year was eligible to attend and the number of meetings attended by each director were:

Director	Directors' Meetings		Audit Committee		Remuneration Committee	
	No. Eligible to Attend	Meetings Attended	No. Eligible to Attend	Meetings Attended	No. Eligible to Attend	Meetings Attended
Mr S Lee AO	8	8	2	2	3	3
Mr M Hart	8	8	n/a	n/a	n/a	n/a
Mr M Evans	8	8	n/a	n/a	n/a	n/a
Mr M Clements	8	8	2	2	3	3
Ms B Slott	8	8	2	2	3	3
Mr M Bowen ⁽ⁱ⁾	6	6	2	2	3	3
Mr J Hughes ⁽ⁱ⁾	6	6	2	2	3	3
Mr R Stanley	8	8	n/a	n/a	n/a	n/a

(i) Mr Bowen and Mr Hughes were appointed on 13 September 2022

Insurance of officers

During the financial year, Emerald paid a premium to insure the directors and secretary of the Company and its controlled entities. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

Auditor's Independence Declaration and non-audit services

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 78 of the Directors' Report. No fees were paid or payable to the auditors for non-audit services performed during the year ended 30 June 2023.

Rounding

The amounts contained in this report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Corporations Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

Signed in accordance with a resolution of the Board of Directors.

Morgan Hart
Managing Director
 Perth, 31 August 2023

SUSTAINABILITY REPORT

Sustainability Report - Background

Emerald is committed to conducting its business in a safe, responsible and sustainable way that benefits shareholders, employees and local communities. This Sustainability Report covers Emerald’s projects in Cambodia – the operating gold mine at the Okvau Gold Project, other exploration projects in the region, concluding with a summary of Bullseye Mining Limited’s environmental aspects. The Sustainability Report should be considered in conjunction with other aspects of this Annual Report.

Figure 28 | Okvau’s tailings dam and waste dumps



Emerald is guided by the following values and principles:

- Ensure safety is always the first priority;
- Work with stakeholders to improve social values near the Okvau Gold Project;
- Maintain highest environmental standards using an outcomes-based approach in all activities;
- Recruit locally and provide quality training and development;
- Utilise specialist advisors from overseas to provide technical support and upskill local workers;
- Support sustainable local businesses in Monduliri province and create new opportunities;
- Engage openly and transparently with local government and communities; and
- Zero tolerance for any activities that may lead to illegal or corrupt outcomes.

The Environmental and Social Impact Assessment (ESIA) for the Okvau Gold Project was approved by the Ministry of Environment (MoE) in November 2017. The ESIA was prepared by Cambodian and Australian consultancies: E&A Consultant Co. Ltd and Earth Systems Consulting Pty Ltd (Earth Systems) and its Executive Summary can be viewed on Emerald’s website.

Sustainable development goals












Emerald aligned its business with the United Nations Sustainable Development Goals (SDGs) in 2022. The SDGs are a global framework for ending poverty, protecting the planet and ensuring peace and prosperity for all by 2030, adopted by all UN member states in 2015. Emerald has aligned its activities with 13 of the 17 global SDGs, as well as the 18th goal specific to Cambodia, which addresses the challenges of mines and explosive remnants of war. This is the second year that Emerald has tracked its progress on these goals, and the Company is now developing key performance indicators to measure its impact and contribution to the SDGs.



Results of key achievements and outcomes are reported in Table 5. Work will continue to define internal targets for selected indicators to benchmark against and report on monitoring results.










SUSTAINABILITY REPORT

Table 5 | Key achievements aligned to Sustainable Development Goals

Theme	SDG Target	SDG	Emerald's Key Achievements and Outcomes
Climate and Biodiversity 	Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.		<ul style="list-style-type: none"> 58,400m³ of organic waste diverted from landfill; 59,474 tonnes of scrap steel recycled; 165,517 tonnes of waste hydrocarbons recycled via EcoCycle; 11Mm³ of diesel consumed; 9,107 tonnes of reagents used through the plant.
	Target 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.		<ul style="list-style-type: none"> Carbon offset concept developed and funds being accrued.
	Target 15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.		<ul style="list-style-type: none"> Zero net gain in biodiversity values.
	Target 15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species.		<ul style="list-style-type: none"> 80% of activities for the biodiversity offset program are implemented.
Fair Work and Diversity 	Target 1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.		<ul style="list-style-type: none"> 259 roles (full-time and casual) are filled by Cambodians.
	Target 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.		<ul style="list-style-type: none"> Eight women are occupying leadership roles.
	Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.		<ul style="list-style-type: none"> Two disabled employees are holding full-time roles; 100% of men and women are paid equally based on the role that they do.
	Target 10.2 By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.		<ul style="list-style-type: none"> 18% of employees in full-time employment are female; 16 indigenous people are in full-time employment.
	Target 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.		<ul style="list-style-type: none"> 100% of employees are provided a 'living wage'.
Environmental Management and Resource Efficiency (Circularity) 	Target 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.		<ul style="list-style-type: none"> 165,517 tonnes of waste hydrocarbons recycled via Ecocycle.
	Target 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.		<ul style="list-style-type: none"> 81% of plant water requirement was recycled from the TSF; Zero triggers for the Cease to Transfer Order.
	Target 6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.		<ul style="list-style-type: none"> 19.4ha of riparian zone under enhanced protection in the Biodiversity Offset.






SUSTAINABILITY REPORT

Table 5 | Key achievements aligned to Sustainable Development Goals (continued)

Theme	SDG Target	SDG	Emerald's Key Achievements and Outcomes
Social Engagement and Investment / Corporate Social Responsibility  	Target 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational, and tertiary education, including university		<ul style="list-style-type: none"> 24 university graduates are in full-time positions.
	Target 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.		<ul style="list-style-type: none"> 100% of employees received on-the-job training.
	Target 9.2 Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.		<ul style="list-style-type: none"> One industry event participated in to support best practice mining in Cambodia.
	Target 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development.		<ul style="list-style-type: none"> Two partnerships are held with local learning institutions.
	Target 11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage		<ul style="list-style-type: none"> 100% implementation of the Chance Find Procedure.
	Target 15.c Enhance global support for efforts to combat poaching and trafficking of protected species, including by increasing the capacity of local communities to pursue sustainable livelihood opportunities.		<ul style="list-style-type: none"> 10% of full-time employees originate from near-mine communities; 74 patrols conducted by Rangers in Biodiversity Offset.
	Target 16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.		<ul style="list-style-type: none"> Eight near-mine villages received training in the grievance mechanism; One public dissemination activity conducted; Four consultative visits with the 8 near-mine villages.
	Target 17.11 Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020.		<ul style="list-style-type: none"> 122,346oz of gold doré exported.
	Target 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.		<ul style="list-style-type: none"> Three knowledge exchange initiatives implemented.
	Target 18.1 To completely clear the identified mine and explosive remnants of war (ERW) areas by the year 2030.		<ul style="list-style-type: none"> 1,342ha of ERW cleared around Okvau since 2019; US\$1,000 donation to victims of de-mining.

SUSTAINABILITY REPORT

Table 5 | Key achievements aligned to Sustainable Development Goals (continued)

Theme	SDG Target	SDG	Emerald's Key Achievements and Outcomes	
Health, Safety and Wellbeing  	Target 3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents.		<ul style="list-style-type: none"> 61 employees have received driver-safety training; 67 minor road incidents were reported at the mine; 6 road incidents were reported by contractors off-site; 2 road safety initiatives were implemented in near-mine communities. 	
	Target 3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programs.			<ul style="list-style-type: none"> 100% of employees received various health awareness training; 16 initiatives supporting a social service were implemented.
	Target 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.			<ul style="list-style-type: none"> 100% of relevant employees and contractors were trained to manage hazardous materials; Zero pollution incidents; 100% of water quality monitoring is compliant with standards.
	Target 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.		<ul style="list-style-type: none"> 1 lost-time-injury occurred; 8 OHS Representatives trained and in place across operations; 100% employees trained in emergency response procedures; 54 employees received first aid training; 106 employees, contractors and visitors received a general induction and OHS training during the year; 160 incidents reported to OHS department. 	
	Target 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil, in order to minimize their adverse impacts on human health and the environment.		<ul style="list-style-type: none"> Zero occurrence of hazmat incidents or accidents. 	



SUSTAINABILITY REPORT

Climate and Biodiversity

Emerald remains focused on achieving a net positive impact wherever its projects are located. Significant investment in biodiversity and climate change activities strengthens the Company's commitment in its trajectory to positive outcomes.



2023 highlights

**Committed to Carbon Neutrality at the Okvau Gold Project.
Reconnecting Gibbons: A collaborative forest canopy bridge pilot project**



Carbon neutrality targets

In July 2023, Emerald confirmed its commitment to carbon-neutral operations in Cambodia. Initially, funds will be provisioned over successive budget years to support a carbon-neutral footprint within achievable time frames. This decision was made after reviewing commercial schemes and development of a carbon offset concept by independent environmental consultants, Earth Systems. The concept was finalised by Earth Systems in December followed by a discussion with the Ministry of Environment.

The amount accrued is determined by the emissions reported for the Okvau Gold Mine and is based on the project specific determined carbon pricing for the period, recommended by Earth Systems (FY23: US\$4.50 per tonne x 71,098 tCO_{2e}). The Board agreed that provisioning funds for activities which support the Company's climate strategy is the best approach. An estimated long-term average of ~60,000 CO₂t will be emitted each year by current operations. Focusing on nature-based activities (habitat protection, creation and biodiversity enhancement) for its carbon offset will complement existing activities. The Company is now working to identify suitable locations to progress the concept.

Carbon Neutral Operations

USD\$4.50
per tonne CO_{2e}
annually accrued
\$320K for FY23
impact

Energy use and emissions

IFC Performance Standard 3 states that, for projects that are currently or expected to produce more than 25,000 tonnes of CO₂-equivalent annually, the project will quantify its Scope 1 and Scope 2 GHG emissions. Energy use at Okvau is drawn from the national grid. Cambodia has national electricity grid emission factors and utilises coal and oil-fired power plants as well as imported electricity, hydro and biomass power plants. Energy demand at Okvau from the grid has increased slightly during FY23 due to a slight increase in demand from the plant, as well as switching the village, river pump and contractor's offices to the grid in October 2022. Fuel energy usage demand has slightly increased due to increased pumping from the decant and a sprinkler trial on the TSF. The decant pump was switched to grid power in July 2023. Renewable solar energy systems are being considered for remote generators with a trial being conducted for the security hut in coming months.

SUSTAINABILITY REPORT

Table 6 | Emissions estimation

Emissions	Unit	2019/2020	2020/2021	2021/2022	2022/2023
Direct (Scope 1) emissions	tCO ₂ e	10,884	74,656	44,292	39,438
Indirect (Scope 2) emissions	tCO ₂ e	-	528	28,705	31,660
Total emissions (Scope 1 and 2)	tCO ₂ e	10,884	75,184	72,997	71,098
Emissions intensity	CO ₂ /ounce	N/A	2.74*	0.71	0.65
Energy Consumption	GJ	9,009	216,638	696,977	718,653

Methodology and emission factors (EF) to estimate the GHG emissions are primarily based on the following: GRI 305: Emissions Standard (2016); Emission factors from the Australian Government National Greenhouse Accounts (NGA) Factors 2021; 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories; IPCC Sixth Assessment Report 100 Year Global Warming Potentials; Global Environmental Strategies, Grid Emission Factors in Cambodia, 20161
 * 1 month gold production during commissioning phase shown.

Biodiversity management

Emerald implements an IFC Performance Standard aligned Biodiversity Action Plan at the Okvau Gold Project for the best practice management of biodiversity by describing avoidance, minimising and restoring actions to limit impacts on biodiversity. Procedures are implemented to limit habitat loss and degradation including a permitting and reporting system. To date, 495ha has been progressively cleared at the site.

Observations of wildlife inside the project area from staff sightings or camera traps are recorded where possible. This information may be used to inform targeted surveys and biodiversity management measures. Six camera traps are rotated throughout the fenced Okvau project area. A variety of wildlife are observed reproducing within the fenced mining area including peafowl, leopard cat, sambar, red muntjac, long-tailed macaque, yellow-throated marten, wild pig and porcupine.

Figure 29 | Wildlife regularly captured on camera across the project area



SUSTAINABILITY REPORT

Biodiversity offset

Emerald is committed to achieving a positive impact on biodiversity through its offset program in the Phnom Prich Wildlife Sanctuary, where the Okvau Gold Project is located. The program, which started in April 2020, aims to restore or enhance biodiversity to achieve an overall net-gain in biodiversity values. The offset focuses on three offset sites that cover more than 9,000ha of land with high conservation value. Some of the main activities of the offset are:

- Offsetting vegetation losses through enhancing protection of habitat and species;
- Targeted Green Peafowl (*Pavo muticus*) conservation work;
- Beng tree planting; and
- Supporting conservation actions: financial support for the PPWS.

Earth Systems facilitated a workshop between the Company and key stakeholders in July 2022 to discuss the biodiversity monitoring results (conducted earlier in 2022). The workshop aimed to communicate and improve upon offset activities and find new ways to enhance the offset. This workshop also served to officially launch the program with all key stakeholders in attendance. Whilst there were gains in peafowl conservation, losses in habitat quality and forest cover were recorded in the northern offset site. Challenges including unplanned land-use changes and illegal logging are directly influencing progress towards biodiversity gains.

The Company agreed to strengthen the ranger program by investigating patrolling incentives, additional training and implementing conservation activity monitoring software. The Company also agreed to consider gibbon habitat-supporting species to enhance restoration activities.

Improvements recently implemented to the Biodiversity Offset include:

- Nature-based employment activities for Community Rangers from the nearby Community Protected Area;
- Implementation of SMART Conservation software including training sanctuary rangers;
- Provision of smart phones for running SMART software for the rangers;
- "Reconnecting Gibbons" pilot canopy bridge program;
- Strengthened relationship with key conservation NGO working in the sanctuary; and
- Review of Ranger program and identifying pathways to strengthen the partnership (ongoing).

The annual acoustic green peafowl survey was undertaken during February 2023 by the Company's environmental team supported by Rangers from the Phnom Prich Wildlife Sanctuary. Additional monitoring locations were added to the survey as recommended by Earth Systems, to strengthen monitoring results. Across 10 sites, each morning and evening, male peafowl calls are counted, direction and distance recorded. The data will be assessed by an acoustic monitoring expert when the biodiversity offset is next monitored.

SUSTAINABILITY REPORT

A first for Cambodia – Reconnecting Gibbons: Pilot Canopy Bridge Collaboration

Emerald has launched a collaborative pilot project with Jahoo (a gibbon ecotourism and conservation research venture working to protect endangered gibbons in Mondulkiri) with the installation of three canopy bridges within the Biodiversity Offset and at Okvau. Whilst canopy bridges are not a new concept, this is the first time they have been installed in Cambodia. Camera traps will monitor activity on the bridges with the hope that a variety of arboreal species, especially gibbons, will utilise the bridges to safely cross forest patches and access suitable habitat. If effective, canopy bridges will help gibbons cross barriers and access more habitat which is critical in ensuring the survival of a healthy gibbon population.

Jahoo, together with an experienced conservation NGO working in the region, conducted habitat assessments at Okvau to identify gibbon habitat-supporting plant species. These species will be grown in nurseries for planting within offset sites and mine restoration areas to rehabilitate and enrich degraded gibbon habitat. A gibbon habitat species identification booklet is currently being developed.

Figure 30 | Reconnecting gibbons - rope bridge in offset site



Figure 31 | Reconnecting gibbons; Jahoo tree climber



Figure 32 | Reconnecting gibbons – ladder-style canopy bridge at Okvau



School nursery initiative

Emerald's School Nursery Program aims to enrich its Biodiversity Offset and site rehabilitation obligations, while also supporting schools with income generation. The program expanded in 2022 to include two more local schools. In 2023, Emerald purchased trees from all five schools. The program also covers nursery replenishment and environmental education activities. The schools have invested the money into enhancing school facilities, sporting equipment and buildings.

Figure 33 | Students learning about the environment and how to grow trees



SUSTAINABILITY REPORT

Environmental Management and Resources Efficiency (Circularity)

Emerald is dedicated to environmental sustainability and ethical practices. Emerald acknowledges that mining inevitably affects the natural surroundings but strives to apply the highest standards of management and environmental stewardship to minimise the impacts and mitigate any long-term consequences. Emerald operates with integrity and accountability and seeks to balance the needs of its stakeholders and the environment.



2023 highlights

Compliant operations | Progressive rehabilitation of the waste rock dump.
Increased water recycling from the TSF | Additional TSF water monitoring.



Compliance

Emerald has been adhering to the environmental and social standards of the Okvau Gold Project, which include the International Finance Corporation (IFC) Performance Standards. A comprehensive environmental and social register is maintained to ensure all commitments and monitoring requirements are tracked throughout the life of the project. An extensive environmental monitoring program of physical, biological and social aspects is well established. An internal review in February 2023 verified the continuous accomplishment of environmental and social compliance.

A comprehensive surface and groundwater monitoring program has been established since 2016. Monthly samples are analysed by ALS Global in Australia, a NATA certified laboratory, with local and site-based laboratories used for daily and weekly samples. The TSF groundwater monitoring system was expanded with the installation of five duplex bores downstream of the valley-fill embankment (west wall). Total number of groundwater sample sites is 26. No cyanide and no elevation of heavy metals has been detected to date. Surface water is monitored at 12 key sites year-round, with additional sample points monitored daily/weekly during the wet season. No surface water pollution has occurred to date.

- The project regularly monitors:
- ✓ Air quality, noise and vibration
 - ✓ Surface and ground waters
 - ✓ GHG emissions and Blasting
 - ✓ In-migration and security
 - ✓ Wildlife
 - ✓ Landforms
 - ✓ Rehabilitation and offset sites
 - ✓ Meteorological conditions
 - ✓ Compliance with ESIA, IFC

The Company has invested in portable monitors for monitoring particulates, gas, noise and vibrations that are used at the mine, exploration sites and closest sensitive receptors. Results are consistently within WHO, IFC Environmental, Health and Safety or Cambodian guidelines.

SUSTAINABILITY REPORT

Water sustainability

A site water balance and tailings storage facility (TSF) water model is being maintained. Water for the plant is primarily sourced from the TSF (2,256,209m³ transferred) with raw water requirements being sourced from the nearby Prek Te River (530,886m³ abstracted). River water demand had reduced 40% by the end of the reporting period with supply increased from the TSF decant. Dry season river flow consistently exceeded the 160l/s voluntary Cease to Transfer order. Water storage and diversion facilities are regularly inspected to ensure their structural integrity. Trigger action response plans are in place for managing stormwater during the wet-season.



40% reduction in river water demand

In October 2022, a routine wet-season aquatic and macroinvertebrate study was completed by local consultancy A&E Solutions who concluded the Okvau Project was not negatively impacting fish or macro-invertebrates due to zero-discharge management practices employed at the mine. A dry-season study will be scheduled for FY24.

Improved tailings beaching in the TSF



A relatively simple solution improved the beaching of slurry along the TSF wall. Four small pipelines attached to the main slurry spigot distributes slurry discharge to achieve steeper beaching along constructed embankments.

- Reduced velocities to reduce risk of wall scouring;
- Increased consolidation of tailings; and
- Water storage pushed well-back from constructed embankments.

Resource efficiency

Waste audits are regularly conducted at the Okvau Gold Project to identify opportunities for recycling and to monitor the volume and types of wastes going to landfill. Aluminium cans, plastic water bottles, batteries and metals are collected separately for recycling and organic wastes from the camp are composted for use in the site nursery. Paper waste is collected and used to help facilitate organic mulching. Waste hydrocarbons are reused via Chip Mong Insee's EcoCycle for Sustainable Industrial Waste Management through co-processing. Resource re-use and repurposing is regularly implemented at Okvau Gold Project and a large recycling area is maintained nearby the landfill facility.

**144,000m³
hydrocarbon
waste sent to
EcoCycle**

Waste rock

Using a multidisciplinary approach waste rock is managed to reduce the risk of long-term legacy issues. The Waste Rock Management Plan was updated during the reporting period and includes classification of waste material before emplacement within designated areas of the waste rock dump. Constructed portions of the waste rock dump are currently safe, stable and non-polluting.

SUSTAINABILITY REPORT

Rehabilitation

The Company is dedicated to progressively rehabilitating available areas at the Okvau Gold Project. Progressive rehabilitation has several benefits for the environment, the community and the mining industry:

Figure 34 | Rehabilitated batter on waste dump



- Reducing the environmental impact of mining by minimising land disturbance, soil erosion, water pollution and biodiversity loss;
- Enhancing the social acceptance of mining by improving the visual appearance of the site; and
- Increasing the economic viability of mining by reducing closure costs, liabilities and risks.

Rehabilitation activities were carried out in the waste rock dump and sediment dams. The project has approximately 5.4ha of land under rehabilitation. To enhance biodiversity, three species of trees were planted within forest habitat surrounding Okvau infrastructure.

Fair Work and Diversity

Emerald values its people as the key to its success and growth, especially in establishing a new operation. Emerald's Diversity Policy supports inclusion at all levels of the organisation and fosters a culture for staff to have positive working relationships with each other.



2023 highlights

18% Women in total workforce + 22% local women in Cambodian workforce. Hosted Ministry of Mines and Energy's 9th Extractive Industry Governance Forum.



SUSTAINABILITY REPORT

People and Culture

Emerald has focused on developing the right culture across the organisation, which is strongly based on a Board, executive team and key staff who demonstrate the right attributes and qualities and share a strong belief of the benefits of our engagement and development in Cambodia for our employees and the Cambodian people in general.

High performance and open communication are strong aspects of our culture and we have been instilling this in our teams in Perth and Cambodia with regular discussions to ensure our team knows what is expected of them, both operationally and behaviourally, and are recognised for their good work.

These standards guide the recruitment strategy to ensure a strong focus on sourcing talent from across Cambodia for all levels of its workforce. This strategy targets skilled mining talent and local labour for as many internal and contract positions as possible. Emerald expects that as the Company continues to grow, its commitment to local employment and procurement will also continue to grow.

Emerald employs 247 full-time permanent staff. Cambodians account for 196 roles held, 43 (22%) of which are occupied by women. Graduates from the University of Information Technology Cambodia hold 21 roles in metallurgy, geology and engineering. Specialist skills are provided for the Okvau Gold Project by an expatriate workforce from Australia, New Zealand, Thailand, Laos, Indonesia and the Philippines. On the job training is provided to all employees. Women work across a variety of roles which include environment and community management, laboratory supervisors, mining engineers, geologists, metallurgical technicians, heavy equipment operators, administration and camp.



Community Liaison Officers engage regularly with the local ethnic minority groups and compensated affected households and peoples to ensure they have access to information and assistance to apply for employment opportunities at the Okvau Gold Project. Near-mine employees live within two communes located within 20km of the project. The casual staff pool primarily consists of near-mine local, indigenous farmers as temporary work arrangements suit their seasonal activities.

Figure 35 | Near-Okvau local employment breakdown

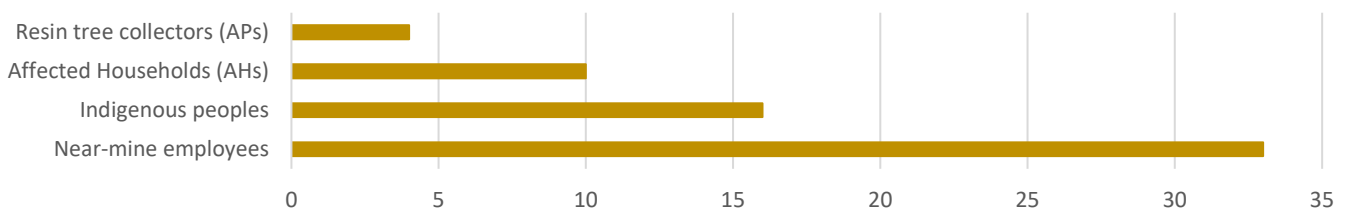


Figure 36 | International Women’s Day Forum



Women in mining

“Ladies Chat” is an initiative implemented by management to support women at the Okvau Gold Project, most who are new to living communally and working away from home. It provides a safe and united forum for women to connect, discuss issues and implement solutions that will enhance their site experience.

SUSTAINABILITY REPORT

Meetings have 100% participation and have resulted in:

- Support network with a Telegram group (social media app);
- Privacy screens around the female camp rooms;
- Priority access to gym and recreational equipment
- Discrete purchasing opportunities from the site store;
- Annual celebration;
- Female nurse and women’s health information sessions; and
- A feeling of trust and support from Management.

International Women’s Day was celebrated on 8 March 2023, a day that holds significant importance to the women at Okvau. With a focus on gender-based violence, the women bravely held their own forum sharing personal stories on this sensitive topic in an effort to raise awareness and help others break the cycle.

Human rights

Emerald takes human rights seriously and works to prevent any form of modern slavery in its activities and supply chains. The Company has established and applied policies and procedures to assess and address the risks of modern slavery in its operations. The Company’s Modern Slavery Statement is its first public report on its efforts to address modern slavery risks. It covers the financial year ending 30 June 2022 and has been prepared in compliance with the Australian *Modern Slavery Act 2018*. In June 2023, key procurement and management staff attended a one-day Modern Slavery Awareness Skills Training Session delivered by leading global procurement education and training body Chartered Institute of Procurement and Supply.

Emerald respects human rights and does not tolerate any violations in its operations or supply chain. Emerald aims to:

- Use its influence to prevent human rights abuses in or near its operations;
- Respect the culture, values and beliefs of local communities, including Indigenous Peoples;
- Ensure respect of human rights by all personnel;
- Foster a respectful and trustworthy relationship with employees based on dignity and worth;
- Avoid any forced, compulsory or child labour in its workforce or supply chain;
- Continuously improve its human rights performance;
- Provide human rights training for key stakeholders; and
- Communicate its expectations to all stakeholders.

Employee Snapshot

"I was drawn to the Company because of their commitment to human rights and women's equality. One of the main things I love about the Company is they really care about the well-being of women in the mining industry. I have been working as a junior metallurgist for a year after completing the internship and graduate program, and I have grown so much in this role. I have learned from experienced colleagues, improved my English skills, and overcome my fear of speaking in public. I enjoy solving problems, researching new methods, and testing experiments. I always try to find the root causes of issues and resolve them on time. I love my work and I am grateful for the opportunity to work in this Australian standard Company."

Raksa Heu, Junior Metallurgist (UITC Graduate)

Figure 37 | Raksa Heu, Junior Metallurgist



SUSTAINABILITY REPORT

Industry education and development

Emerald is committed to supporting the education and development of the next generation of mining professionals in Cambodia. In addition to ongoing training and development of its employees, the Company actively seeks opportunities to develop partnerships and collaborate with relevant education institutions.

Emerald’s collaboration with the University of Information Technology Cambodia (UITC) continued in FY23 with eight students (two female) from the Geological Resource and Mechanical Engineering faculties participating in a six-week internship program at the Company’s operations. The internship program exposed students to aspects of the mining industry, such as surveying, engineering, geology, environment, and metallurgy. Students gained valuable hands-on experience. Since inception of the program in 2021, 25 graduates have gained full-time employment at the Okvau Gold Project.

Emerald signed a Memorandum of Understanding with the Mondulhiri Provincial Training Centre for trainees who have completed a two-year vocational Electrician program to participate in a three-month site-based work experience program to polish their newly acquired skills. The first two trainees successfully completed the program and have recently accepted job offers to join the Okvau maintenance team as full-time Trainee Electricians.

A Cambodian researcher who works for the Ministry of Mines and Energy is pursuing a PhD on the geotechnical stability of the waste dump at the Okvau Gold Project. The PhD is being conducted through the University of Japan.

The Company was pleased to host the Extractive Industry Governance Forum of the Ministry of Mines and Energy on 14 September 2022. The Company’s Director, Operations Manager and Environment and Community Manager delivered presentations on the Okvau Gold Project, its environmental compliance and its Biodiversity Offset program. The aim was to raise awareness of the Okvau Gold Project’s high level of environmental management and compliance that should be considered routine practice among mining operators. Forum participants included Ministry of Mines and Energy staff, industry peers and local residents.

Figure 38 | Presenting at the EIGF



Football encourages healthy competition (Maintenance vs Mining)



Complementing existing facilities at the Okvau camp, a football field and volleyball area has been installed with a variety of departmental teams established. With smart uniforms the teams look great during their friendly, competitive matches.

SUSTAINABILITY REPORT

Social Engagement, Investment and Corporate Social Responsibility

Emerald upholds the highest standards of human rights, community, environmental and governance practices. Emerald adopts environmentally friendly and safe practices and mitigates risks across mining and exploration projects.



2023 highlights

| ~US\$50,000 spent on community development initiatives | CSO and local authority site visits | >290 locals toured Okvau on the Community Open Day



Funding obligations

The Environmental and Social Impact Assessment (ESIA) for the Okvau Gold Project was finalised in July 2017 and was approved by the Ministry of Environment (MoE) in November 2017. The Company has transferred US\$3.3m (of a staged US\$5.5m bonding package) for the environmental bond and has made contributions to the Environmental, Social and Endowment funds in accordance with its environmental obligations.

Reporting obligations

Emerald provides quarterly Environmental and Social Monitoring Reports for the Okvau Gold Project and exploration projects to the Ministry of Environment and Ministry of Mines and Energy. An annual Environmental and Social Monitoring Report is also prepared for the Ministry of Environment.

Stakeholder engagement

Emerald values the ongoing dialogue with its stakeholders to ensure the Okvau Gold Project operates in a socially responsible manner. The Company regularly communicates with various stakeholder groups, such as affected households and peoples, nearby communes, local authorities, local NGO's and relevant ministries. Community Liaison Officers meet with local authorities from the two adjacent communes on a quarterly basis to share project updates, discuss community needs, explain the grievance mechanism and address any concerns they may have. This includes visiting each village in the area, consulting with village chiefs and collecting census data. Authorities have been happy with the Company's conduct, with no grievances being reported to date.

In June 2023, the Company took the opportunity to welcome more than 290 local community members on a tour through the Okvau Gold Project to demonstrate mining activities and the high level of safety and environmental compliance at the site. A bag containing lunch, a branded gift and information regarding the Biodiversity Offset, grievance mechanism and Mineral Fund was provided to all guests. Children also received school supplies.

SUSTAINABILITY REPORT

Local Putung Village Chief said: *"I'm very happy that the Company hosted another open day for the villagers to come and visit and understand the project. They were very impressed with the mine and how organised the site was, they have never seen a mine like that before. Thank you."*

The visit was thoroughly enjoyed by all and marked the second Annual Community Open Day held by the Company.

Figure 39 | Community members visiting the Okvau pit



Figure 40 | Renaissance Minerals display at Community Open Day



Figure 41 | Consulting with local authorities



Figure 42 | Consulting with private landowners for exploration activities



Capacity building

A group of masters students from the Royal University of Phnom Penh's Environmental Impact Assessment program visited the Okvau Gold Project on 12 February 2023. They learned about the ESIA process and how the project is managing and monitoring its environmental and social impacts. The students were curious about the project and had a chance to tour the site after the presentations.

Figure 43 | Royal University of Phnom Penh masters students



Community development

Since early 2021, more than US\$150,000 has been spent on community development projects focusing on health, education, road safety, water and sanitation and community security. In addition to this, a further US\$150,000 has been provided to the Mineral Fund for Community Development since its inception. The Ministry of Mines and Energy issued the Mineral Fund procedures in May 2023 enabling the Company to officially advertise the Mineral Fund for the benefit of community. Emerald's Community Liaison Officers distributed information packs including the procedures, application forms and informational fliers with local leaders and encouraged important community projects to be brought forward to the Mineral Fund Committee.

Other direct and incidental benefits delivered by the Okvau Gold Project include:

- Improved access to health care, markets and education;
- Safer roads;
- Environmental benefits including more than 8,000 trees planted in Cambodia to date; and
- Employment and training opportunities for Cambodian people near and far.

In FY23, USD\$118,000 was spent on community initiatives. Some of the activities are shown in Table 7.

SUSTAINABILITY REPORT

Figure 44 | New school at Pukes Village



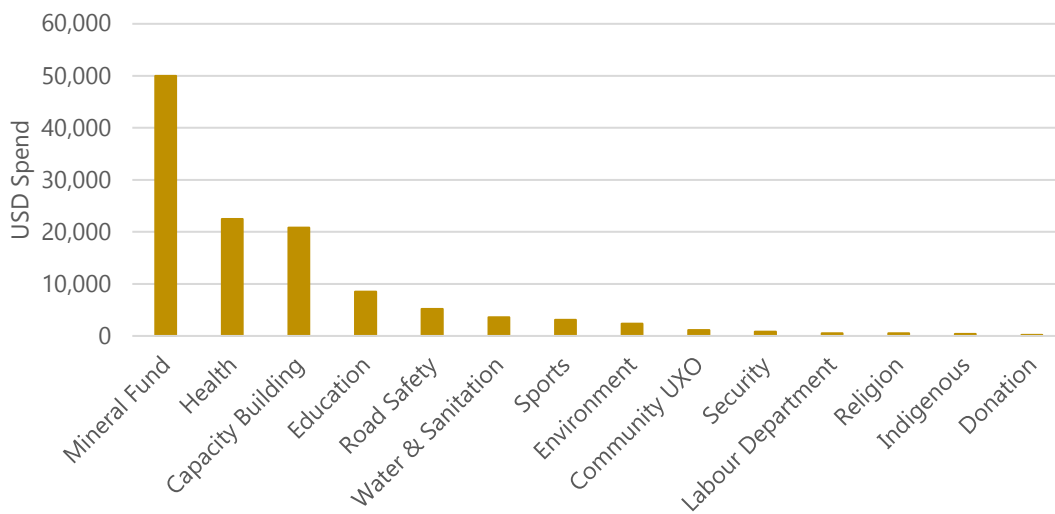
Figure 45 | Ranger planting trees



Figure 46 | Chong Plas Commune Police uniforms



Figure 47 | FY23 Community initiatives expenditure



US\$
118,000
Community Initiative Spend FY23

Cultural heritage

Emerald conducts archaeological and cultural heritage surveys and consults with local stakeholders as part of the ESIA and also prior to accessing new exploration areas. However, during certain work activities, it is possible to uncover a previously unidentified cultural resource. To address this, Emerald has implemented and trained its key staff within the mining and exploration teams on the Chance Find Procedure to help identify and protect sites of archaeological or spiritual significance for Indigenous peoples.

Resettlement and compensation

The resettlement process for 62 Affected Households (AH's) saw them compensated in December 2018 with all families moving out of the project development area in mid-February 2019. An independent review of resettlement implementation completed by Young Consultants in August 2019 found that the process was undertaken in line with IFC Performance Standard 5. In April 2020 a Post-Compensation Evaluation on Socio-Economic Status of AH's was completed by Cambodian consultancy A&E Solutions. Monitoring formed part of the Company's commitment within the Resettlement Action Plan and IFC to monitor socio-economic status to determine how AH's are tracking towards same or better living conditions to pre-compensation with positive results received. This preceded the final contractual payments made to the 44 of 62 eligible AH's (those that relocated outside of the protected area) completed at the end of June 2021. Whilst the resettlement process has concluded, Emerald continues to actively reach-out to affected households to offer employment opportunities.

The indigenous Bunong people of Mondulkiri province in Cambodia have a long tradition of collecting resin from Dipterocarp trees in the forest. Resin is a valuable natural product that they use for various purposes, such as making torches, varnish, sealant and soap. They also sell resin to traders who supply it to manufacturers. The Bunong have customary rights over the resin trees, which they inherit from their ancestors and pass on to their descendants. The development of the Okvau Gold Project meant that a number of resin trees would directly and indirectly be impacted. The Company successfully negotiated compensation for the six affected peoples with the process concluding in 2021. The collectors or their families can access priority employment opportunities at Okvau.

SUSTAINABILITY REPORT

Table 7 | Emerald Supported Community and Environmental Initiatives

Focus Area	SDG Target
Capacity Building	
Capacity building mining fund	Target 9.2 + 9.5
Extractive Industry Governance Forum sponsorship	
Donation	
Donation to local villager to repair roof after storm	Target 1.1
Education	
Geo-resources and geotechnical engineering graduates (UITC)	Target 4.3 + 4.2
Replace school building (timber and tin). Pukes Village, Memang Commune	
School stationary items for Chong Plas Primary School	
Environment	
Environment Day held in Sen Monoroum	Target 12.4 + 15.c
Rangers – supplied two-way radios, boots, hammocks to Rangers	
950 Beng Trees planted in forest habitat, >7,000 planted to date	
Health	
Cambodia Red Cross Phnom Penh donation (\$15,000/year)	Target 1.1 + 3.7
Cambodian Red Cross Mondulkiri donation (\$5,000/year)	
The 2H Project: support for training programs in maternal health care	
Indigenous	
Purchased local honey for camp from Bunong ethnic honey collectors	Target 15.c
Labour	
International Labour Day financial Support – Mondulkiri	Target 8.8
Mineral Fund	
Mineral Fund for Community Development (\$50,000/year)	SDG's 2-15
Religion	
Buddhist Festival Day Chong Plas Pagoda Donation	Target 11.4
Road Safety	
Community road Prek Te River crossing safety delineators	Target 3.6
Contribution for solar light and flags for road between Keo Seima and Snuol	
Road safety signage for Chong Plas and Memang Communes	
Upgraded the community access road to the Prek Te - 2023	
Security	
Uniforms and radios for Antrong community security team	Target 10.2
Sports	
AFL League Cambodian Eagles Football Club silver level sponsorship	Target 10.2
Donation to Mondulkiri inter-department soccer day	
Jersey sponsorship for the Cambodia 10's tour	
Water and Sanitation	
Water Bore - community use Chong Plas Primary	Target 6.b
Water Bore - community use Ranger Hut	

SUSTAINABILITY REPORT

Health, Safety and Wellbeing

The health, safety and wellbeing of employees and local communities are of utmost importance to Emerald. Maintaining a safe environment for all employees, contractors and visitors is at the forefront of its operations.



2023 highlights

| 0.58 LTIFR | Training in first aid management and fire response | Emergency Response Team members established – training to commence FY24

Figure 48 | Fire response training



Occupational health, safety and wellbeing

Emerald is committed to ensuring the health and safety of its contractors and employees as its top priority. The Company aims to provide a work environment that prevents serious injuries. As the Okvau Gold Project progresses, the Company adapts its health and safety practices and procedures accordingly. By empowering employees and fostering a culture that proactively detects and reduces risk, as well as striving for continuous safety improvement, Emerald believes it can achieve a zero-harm workplace. As at 30 June 2023, the Company recorded a Lost Time Injury Frequency Rate ("LTIFR") of 0.58 per million hours worked ("LTI"s). These statistics include both contractors and employees (1 LTI for FY23).

A Safety Management System is well-established and maintained. Health topics are selected based on issues presented to the medical team and an educational campaign undertaken to provide guidance in preventative health measures. Emergency evacuation training drills are held throughout the year. An emergency response team has been established with training set to commence in FY24. Safety topics and training sessions are held weekly. Numerous safety inspections are conducted throughout the year to identify areas for improvement.

Figure 49 | Cyanide and first aid training



Figure 50 | Site induction



SUSTAINABILITY REPORT

Community safety

Emerald continues to consult closely with affected communities to ensure they are not interfered with by the mining operation. The operation is fully fenced and secured to prevent accidental entry into an active mining area. Exploration projects are well sign-posted and nearby villages are consulted in advance to advise of the safety risks associated with activities. Local authorities are regularly consulted about all project activities. Improvements are continually made along the access road to enhance road safety by improving the integrity of drainage and road surfaces, installation of road safety signage and working with transport contractors to ensure safe driving behaviour. Employees are accommodated on site for the duration of their shift to minimise any unnecessary interactions with local communities, reducing the risk of in migration, potential disease transmission and anti-social behaviour.

Managing Geotechnical Risk



Okvau Gold Project is the first hard-rock open pit in the world to install a Sencieve system to monitor geotechnically susceptible areas. This network of tilt sensors captures and reports data in real-time, providing an early warning system of a potential geotechnical event. Any movement detected outside predefined limits initiates a Trigger Action Response Plan. Each sensor can read sub-millimeter accuracy and can communicate with other sensors, removing the need for line of sight, giving the Sencieve system a distinct advantage over traditional prisms.

Bullseye Mining Limited (EMR 60.04%)

Located in Western Australia, Bullseye Mining Limited have the North Laverton Gold Project and the Hopes Hill legacy site, which ceased mining in the late 1990's. Emerald took charge of compliance reporting for all tenements after gaining control of Bullseye.

Key activities undertaken in FY23 include:

- Submission of Annual Environmental Reports and Mining Rehabilitation Funds to Department of Mines, Industry and Regulation for assessment;
- Understanding environmental, social and safety compliance across all operations;
- Conducting heritage surveys in advance of exploration activities;
- Monitoring clearing activities against approvals;
- Commencement of groundwater monitoring at North Laverton Gold Project;
- Acquiring detailed aerial survey of North Laverton Gold Project;
- Development of key environmental and safety documents; and
- Implementation of a Safety Management System.

Figure 51 | North Laverton Gold Project view towards Bungarra pit ROM waste rock dump



CORPORATE GOVERNANCE STATEMENT

In fulfilling its obligations and responsibilities to its various stakeholders, the Board of Emerald Resources NL is a strong advocate of corporate governance. The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" (Recommendations) where considered appropriate for a Company of Emerald's size and complexity.

Emerald has implemented the ASX Corporate Governance Council's Fourth Edition Corporate Principles (4th Edition) and Recommendations. Accordingly, this Corporate Governance Statement has been prepared on the basis of disclosure under the 4th Edition of these principles. Details of the Company's compliance with these principles are summarised in the Appendix 4G announced to ASX in conjunction with the Annual Report. This statement describes how Emerald has addressed the Council's guidelines and eight corporate governance principles and where the Company's corporate governance practices depart from a recommendation, the Company discloses the reason for adoption of its own practices on an "if not, why not" basis.

Given the size and stage of development of the Company and the cost of strict compliance with all the recommendations, the Board has adopted a range of modified procedures and practices which it considers appropriate to enable it to meet the principles of good corporate governance. The information in this statement is current as at 30 June 2023.

Background

Emerald has a highly experienced Board and 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, in a corporately responsible manner.

Emerald recognises the importance of its people in building a strong and successful organisation, particularly in developing a new operation. To achieve this, Emerald has focused on developing the right culture across the organisation, which is strongly based on a Board, executive team and key staff who demonstrate the right attributes, qualities and share a strong belief of the benefits of our engagement and development in Cambodia for our employees and the Cambodian people in general.

High performance and open communication are strong aspects of our culture and we have been instilling this in our teams in Perth and Cambodia with regular discussions to ensure our team know what is expected of them, both operationally and behaviourally, and are recognised for their good work.

Emerald's purpose is to create long-term stakeholder and shareholder value through the sustainable discovery, acquisition and development of natural resources, primarily in the gold mining field. The Board is targeting the highest standards of corporate governance to continue their track record of delivering this value.

The following governance-related documents can be found on the Company's website at www.emeraldresources.com.au under the section marked "Corporate Governance".

Charters, Policies and Procedures include, but are not limited to, the following:

- Board Charter;
- Audit Committee Charter;
- Remuneration Committee Charter;
- Anti-Corruption and Bribery Policy;
- Code of Conduct;
- Diversity Policy;
- Policy and Procedure for Selection and (Re)Appointment of Directors;
- Policy on Assessing the Independence of Directors;
- Performance Evaluation Policy;
- Procedure for the Selection, Appointment and Rotation of External Auditor;
- Policy on Continuous Disclosure;
- Risk Management Policy;
- Securities Trading Policy;
- Shareholder Communication Policy; and
- Whistleblower Policy.

CORPORATE GOVERNANCE STATEMENT

1. Principle 1 | Lay solid foundations for management and oversight

The main function of the Board is to lead and oversee the management and strategic direction of the Company. The Board regularly measures the performance of management in implementation of the strategy through regular Board meetings.

Emerald has adopted a formal Board Charter delineating the roles, responsibilities, practices and expectations of the Board collectively, the individual Directors and management.

The Board of Emerald ensures that each member understands its roles and responsibilities and ensures regular meetings to retain full and effective control of the Company.

1.1 Role of the Board

The Board responsibilities are as follows:

- Setting the strategic aims of Emerald and overseeing management's performance within that framework;
- Making sure that the necessary resources (financial and human) are available to the Company and management to meet its objectives;
- Overseeing and measuring management's performance of the Company's strategic plan;
- Selecting and appointing a Managing Director (or equivalent) with the appropriate skills to help the Company in the pursuit of its objectives;
- Controlling and approving financial reporting, capital structures and material contracts;
- Ensuring that a sound system of risk management and internal controls is in place;
- Setting the Company's values and standards;
- Undertaking a formal and rigorous review of the Corporate Governance policies to ensure adherence to the ASX Corporate Governance Council principles;
- Ensuring that the Company's obligations to shareholders are understood and met;
- Ensuring the health, safety and well-being of employees in conjunction with management, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to assure the well-being of all employees;
- Ensuring an adequate system is in place for the proper delegation of duties for the effective day to day running of the Company without the Board losing sight of the direction that the Company is taking; and
- Establishing a diversity policy and setting objectives for achieving diversity.

1.2 Delegation to Management

Other than matters specifically reserved for the Board, responsibility for the operation and administration of the Company has been delegated to the Managing Director. This responsibility is subject to an approved delegation of authority which is reviewed regularly and at least annually.

Internal control processes are designed to allow management to operate within the parameters approved by the Board and the Managing Director cannot commit the Company to additional activities or obligations in excess of these delegated authorities without specific approval of the Board.

1.3 Election of Directors

The Board is responsible for overseeing the selection process of new directors and will undertake appropriate checks before appointing a new director or putting forward a candidate for election as a director.

All relevant information is to be provided in the Notice of Meeting seeking the election or re-election of a director including:

- biographical details including qualifications and experience;
- other directorships and material interests;
- term of office;
- statement by the Board on independence of the director;
- statement by the Board as to whether it supports the election or re-election; and
- any other material information.

CORPORATE GOVERNANCE STATEMENT

1.4 Terms of Appointment

1.4.1 Non-Executive Directors

To facilitate a clear understanding of roles and responsibilities all Non-Executive Directors have signed a letter of appointment. This letter of appointment includes acknowledgement of:

- director responsibilities under the Corporations Act, Listing Rules, the Company's Constitution and other applicable laws;
- corporate governance processes and Company policies;
- Board and Board Committee meeting obligations;
- conflicts and confidentiality procedures;
- securities trading and required disclosures;
- access to independent advice and employees;
- confidentiality obligations;
- directors' fees;
- expense reimbursements;
- directors and officer's insurance arrangements;
- other directorships and time commitments; and
- board performance review.

1.4.2 Managing Director and Executive Director

The Managing Director and Executive Director have signed executive services agreements. For further information in relation to the terms of these agreements, refer to the Remuneration Report included in the Annual Report for the year ended 30 June 2023.

1.5 Role of Company Secretary

The Company Secretary is accountable to the Board for:

- advising the Board and committees on corporate governance matters;
- the completion and distribution of Board and committee papers;
- completion of Board and committee minutes; and
- the facilitation of director induction processes and ongoing professional development of directors.

The Company Secretary is Mr Mark Clements (appointed 20 August 2014). Mr Clements has an extensive range of experience in capital management, finance, financial reporting, corporate strategy and governance across a range of industries. He is a Fellow of the Chartered Accountants Australia and New Zealand, Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors. He is company secretary for a number of diversified ASX listed companies.

Mr Clements was appointed to the Board in 2020 and his extensive corporate experience has strengthened the independence on the Board. He was appointed as Chair of the Audit Committee and serves as a member of the Company's Remuneration Committee.

All directors have access to the Company Secretary who has a direct reporting line to the Chairman.

1.6 Diversity

The Board values diversity in all aspects of its business and is committed to creating a working environment that recognises and utilises the contribution of its employees. The purpose of this policy is to provide diversity and equality relating to all employment matters. The Company's policy is to recruit and manage on the basis of ability and qualification for the position and performance, irrespective of gender, age, marital status, sexuality, nationality, race/cultural background, religious or political opinions, family responsibilities or disability. The Company opposes all forms of unlawful and unfair discrimination.

The Company's wholly owned subsidiary, Renaissance Minerals (Cambodia) Limited employs 43 women working across a variety of roles which include environment and community management, laboratory supervisors, mining engineers, geologists, metallurgical technicians, administration and camp.

Ms Billie Jean Slott is a Non-Executive Director of the Company and is also on the Board of the Company's wholly owned subsidiary in Cambodia. Ms Shannon Campbell is Chief Financial Officer of the Company. The Company is also well represented by females in managerial roles in finance and administration and environment.

The Board acknowledges that some corporate governance guidelines expect a minimum of two female representatives on a Board of our size. The Board has determined that the composition of the current Board represents the best mix of directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management.

CORPORATE GOVERNANCE STATEMENT

The Board acknowledges the ACSI policy proposal calling for listed companies to set a timeframe for achieving gender balanced boards. However, due to the size of the Company and stage of growth, the Board does not deem it practical to limit the Company to specific targets for gender diversity as it operates in a very competitive labour market where positions are sometimes difficult to fill. However, every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity or cultural background.

The Company has not set or disclosed a measurable objective for achieving at least 30% of directors of each gender on the Board. However, in principle, the Company is committed to:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- improved employment and career development opportunities for women;
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect of diversity.

Table 8 | Diversity Table as at 30 June 2023

	Total workforce	Senior Management	Board
Full time males	215	12	2
Full time females	48	3	-
Part time males	6	-	5
Part time females	1	-	1
	270	15	8
% of females	18.1%	20.0%	12.5%

The following senior positions within the Company are currently held by female employees:

- Non-Executive Director – Emerald Resources NL;
- Chief Financial Officer – Emerald Resources NL;
- Finance and Administration Manager – Renaissance Minerals (Cambodia) Ltd; and
- Environmental Manager – Renaissance Minerals (Cambodia) Ltd.

The Board is aware that many studies suggest that greater gender diversity at Board and management level creates a positive force for driving corporate performance as qualified and committed directors with different backgrounds, experiences and knowledge will likely enhance corporate performance. In that regard, the Board remains focused on resolving the gender imbalance on the Board by continuing to identify a pipeline of suitably qualified candidates with careful consideration of those who strengthen the Board skills matrix noting that in the past, when seeking to identify suitable independent Non-Executive Directors, several female candidates were considered as part of the Board competencies analysis. However, these candidates were not selected due to their existing commitments, conflicts of interest or concerns in relation to over-boarding.

CORPORATE GOVERNANCE STATEMENT

1.7 Performance Review

1.7.1 Board and Board Committees

A performance review of the Board, individual directors (including the Managing Director), committees of the Board, the Company and management is conducted annually, and the performance of individual directors is undertaken regularly. The Board has the discretion for these reviews to be conducted either independently or on a self-assessment basis.

The review focuses on:

- strategic alignment and engagement;
- Board composition and structure;
- processes and practices;
- culture and dynamics;
- relationship with management; and
- personal effectiveness.

A formal review of the Board's performance and effectiveness in respect of the year ended 30 June 2023 was conducted in accordance with the Performance Evaluation Policy.

1.7.2 Managing Director and Senior Executives

Performance evaluation of the Managing Director and Executive Director, senior executives and employees is undertaken annually through a performance appraisal process which involves reviewing and assessment of performance against agreed corporate and individual key performance indicators and deliverables.

A formal review of the Managing Director, Executive Director and senior executives' performance and effectiveness was conducted in the year ended 30 June 2023.

For further information in relation to the respective remuneration of the Managing Director, Executive Director and other KMP, refer to the Remuneration Report included in the Directors' Report for the current financial year.

1.8 Retirement and Rotation of Directors

Retirement and rotation of directors are governed by the *Corporations Act 2001* and the Constitution of the Company. Each year, one third of directors must retire and may offer themselves for re-election. Any casual vacancy filled will be subject to shareholder vote at the next Annual General Meeting of the Company. It is intended that Non-Executive Directors, Mr Simon Lee AO (last re-elected in November 2020), Ms Billie Slott (last re-elected in November 2021) and Mr Mark Clements (last re-elected in November 2020) will stand for re-election by rotation at the Company's Annual General Meeting.

The remaining directors who have previously offered themselves for re-election, excluding the Managing Director, are Executive Director, Mr Michael Evans (last re-elected in November 2021), Non-Executive Director, Mr Michael Bowen (elected in November 2022), Non-Executive Director, Mr Ross Stanley (last re-elected in November 2022) and independent Non-Executive Chairman, Mr Jay Hughes (elected in November 2022).

1.9 Independent Professional Advice

Each director of the Company or controlled entity has the right to seek independent professional advice at the expense of the Company or the controlled entity. However prior approval of the Chairman is required which will not be unreasonably withheld.

1.10 Access to employees

Directors have the right of access to any employee. Any employee shall report any breach of corporate governance principles or Company policies to the Managing Director who shall remedy the breach. If the breach is not rectified to the satisfaction of the employee, they shall have the right to report any breach to an independent director without further reference to senior executives of the Company.

1.11 Directors' and officers' liability insurance

Directors' and officers' liability insurance is maintained by the Company for the directors and senior executives at the Company's expense.

CORPORATE GOVERNANCE STATEMENT

1.12 Board meetings

The frequency of Board meetings and the extent of reporting from management at board meetings are as follows:

- a minimum of four scheduled meetings are to be held per year;
- other meetings will be held as required;
- meetings can be held where practicable by electronic means;
- information provided to the Board includes all material information related to the operations of the Company including exploration, development and production operations, budgets, forecasts, cash flows, funding requirements, investment and divestment proposals, business development activities, investor relations, financial accounts, taxation, external audits, internal controls, risk assessments, people and health, safety and environmental reports and statistics;
- once established, the Chairman of the appropriate Board committee will report to the next subsequent Board meeting the outcomes of that meeting, and the minutes of those committee meetings are also tabled.

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year are set out in the Directors' Report for the current financial year.

2. Principle 2 | Structure the Board to be effective and add value

2.1 Composition of the Board

The Board members as at the date of this report are:

Table 9 | Board Composition

Name	Position	Length of service	Independent
Mr Jay Hughes	Non-Executive Chairman	0.9 years	Yes
Mr Morgan Hart	Managing director	9.1 years	No
Mr Michael Evans	Executive Director	4.9 years	No
Mr Simon Lee AO	Non-Executive Director	9.0 years	Yes
Mr Ross Stanley	Non-Executive Director	9.0 years	No
Ms Billie Jean Slott	Non-Executive Director	1.9 years	Yes
Mr Michael Bowen	Non-Executive Director	0.9 years	Yes
Mr Mark Clements	Non-Executive Director and Company Secretary	3.2 years	Yes

The ASX guidance requires a majority of the Board to be independent directors. The ASX guidance on factors relevant to an assessment of independence includes interest, positions, associations or relationships which might interfere with, or be reasonably seen to interfere with, a director's capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders generally.

In accordance with this guidance, five of the eight directors are considered independent, being Mr Jay Hughes (Non-Executive Chairman – appointed 13 September 2022, appointed Non-Executive Chairman 8 August 2023) Mr Lee AO (Non-Executive Director – appointed 20 August 2014, resigned as Non-Executive Chairman 8 August 2023), Ms Billie Jean Slott (Non-Executive Director – appointed 4 October 2021), Mr Michael Bowen (Non-Executive Director – appointed 13 September 2022) and Mr Mark Clements (Non-Executive Director - appointed 12 June 2020). Mr Simon Lee AO is considered independent as he is not a director, shareholder or involved in the management of SHL Pty Ltd which is a substantial holder associated with Realee Pty Ltd. The Board is of the opinion that this relationship does not materially influence or could reasonably be perceived to materially influence his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders generally. Mr Clements is a director of Balion Pty Ltd which provides Company Secretarial services to the Company on a commercial arms-length basis. He also provides Company Secretarial services to a number of other ASX listed companies via Services Agreements with Balion Pty Ltd. The Board is of the opinion that this relationship does not materially influence or could reasonably be perceived to materially influence his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders generally. Mr Ross Stanley (appointed 20 August 2014) is not considered to be independent due to his substantial shareholding in the Company. Mr Morgan Hart (appointed as a director on 30 July 2014 and Managing Director on 20 August 2014) and Mr Michael Evans (appointed as Executive Director on 3 October 2018) do not meet the criteria for an independent director due to their executive roles.

The composition of the Board has been structured so as to provide Emerald with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with the integrity and judgment considered necessary to represent shareholders and fulfill the business objectives of the Company.

CORPORATE GOVERNANCE STATEMENT

The Board has sought to address its composition as the Company transitioned from an explorer to producer. The Board set about identifying and assessing suitable independent Non-Executive Director candidates who each have extensive technical, financial and commercial expertise to complement the existing competencies of the Board to drive performance, create shareholder value and lead ethically by example. Since the end of the last reporting period, the Company has appointed two independent Non-Executive Directors such that the Board is now comprised by a majority of independent directors. The Board’s two sub-committees have also been reconfigured such that they now comprise only independent Non-Executive Directors, with Mr Stanley resigning from both sub-committees upon the appointment of the two independent Non-Executive Directors.

The names of the directors of the Company and their qualifications are set out in the section headed “Information on Directors” in the current financial year’s Directors’ Report.

2.2 Board Competencies

The Board have agreed upon a number of competencies that can be applied to the Company’s industry and current stage of growth. The Board periodically assesses individual competencies via a Board Skills Matrix to highlight the importance of various Board competencies and current capabilities of the Board and ensure those skill sets are complemented by additional industry expertise in the sector pursued, as well as to consider future competencies that may be required for a potential future board composition.

The Board Skills Matrix is an important driver to formalise the director nomination processes. It has been applied each time independent Non-Executive Director candidates have been considered.

The skills assessment of the current Board is judged below:

Table 10 | Board Skills Matrix

Skill	Number of directors holding this skill
Resource industry experience	8
Mineral industry experience	8
Strategy	8
Mergers and acquisitions	8
Finance	8
Risk management	8
International relations	8
Capital management/project financing	8
Sustainable development	8
Previous board experience	8
Governance	8
Policy	8
Executive leadership	8
Remuneration	8

The competencies that the current Board members have formulated their analysis on, are based upon the criteria judged as important by the Board given the Company’s current stage of growth, in conjunction with independent industry guidance as follows:

CORPORATE GOVERNANCE STATEMENT

Skill	Criteria
Resource industry experience	Experience in the resources industry, including broad knowledge of exploration, operations, project development, markets, shipping and competition.
Mineral industry experience	Specific experience in the gold industry, including an in-depth knowledge of exploration, operations, project development, markets, shipping, competitors and relevant technology.
Strategy	Identifying and critically assessing the strategic opportunities and threats to the organisation and developing and implementing successful strategies in context to an organisation's policies and business objectives.
Mergers and acquisitions	Experience managing, directing or advising on mergers, acquisitions, divestments and portfolio optimisations.
Finance	Senior executive or other experience in financial accounting and reporting, internal financial and risk controls, corporate finance and restructuring corporate transactions.
Risk management	Experience working with and applying broad risk management frameworks in various countries, regulatory or business environments, identifying key risks to an organisation, monitoring risks and compliance and knowledge of legal and regulatory requirements.
International relations	Senior management or equivalent experience (particularly transactional) working in politically, culturally and regulatory diverse business environments.
Capital management/ project financing	Experience with projects involving contractual negotiations, significant capital outlays, procuring project investment and securing partners with long investment horizons.
Sustainable development	Senior management or equivalent experience in economic, social and environmental sustainability and workplace health and safety practices.
Previous board experience	Serving on boards of varying size and composition in varying industries and for a range of organisations. Awareness of global practices, benchmarking, some international experience.
Governance	Implementing the high standards of governance in a major organisation that is subject to rigorous governance standards and assessing the effectiveness of senior management.
Policy	Identifying key issues for an organisation and developing appropriate policy parameters within which the organisation should operate.
Executive leadership	Experience in corporate structuring, overseeing strategic human capital planning, evaluating the performance of senior management, industrial relations, organisational change management and sustainable success in business at senior level.
Remuneration	Experience in remuneration strategy, remuneration governance frameworks, <i>Corporations Act</i> and employment law, performance and incentive schemes.

2.3 Nomination of other Board Members

Membership of the Board of Directors is reviewed on an on-going basis by the Chair of the Board to determine if additional core strengths are required to be added to the Board in light of the nature of the Company's businesses and its objectives.

As the Company transitioned to become a producer, the Board focused on a measured process to ensure it maintained a strong, well-credentialed Board to oversee the Company's next growth phase as it moves towards its goal of becoming a multi project gold producer.

CORPORATE GOVERNANCE STATEMENT

The Board Skills Matrix forms an integral basis in the identification and assessment of suitable candidates based on readily available information on respective backgrounds, current Board positions and visible competencies. The Board currently performs the role of a Nomination Committee given the Company's size and stage of growth. However, this will be reviewed to ensure there is a continued emphasis on Board membership which aligns with the Company's corporate culture and addresses independence and diversity.

2.4 Director induction and ongoing professional development

The Company has a formal induction program for directors detailing policies, corporate governance and various other corporate requirements of being a director of an ASX Listed Company. Due to the size and nature of the Company, directors are expected to already possess a level of industry and commercial expertise before being considered for a directorship.

Directors are provided with the opportunity to:

- undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively;
- access employees of the business; and
- access any information they require about the business, including regular news articles and publications, where considered relevant.

3. Principle 3 | Instil a culture of acting lawfully, ethically and responsibly

Directors, officers, employees and consultants to the Company are required to observe high standards of behaviour and business ethics in conducting business on behalf of the Company and they are required to maintain a reputation of integrity on the part of both the Company and themselves. The Company does not contract with or otherwise engage any person or party where it considers integrity may be compromised.

Emerald recognises the importance of its people in building a strong and successful organisation, particularly in developing a new operation.

To achieve this, Emerald has focused on developing the right culture across the organisation, which is strongly based on a Board, executive team and key staff who demonstrate the right attributes and qualities and share a strong belief of the benefits of our engagement and development in Cambodia for our employees and the Cambodian people in general.

3.1 Code of Conduct

The Company's Code of Conduct Policy has been endorsed by the Board and applies to all directors and employees. The Code may be viewed at the Company's website, and it covers the following:

- the pursuit of the highest standards of ethical conduct in the interests of shareholders and other stakeholders;
- usefulness of financial information by maintaining appropriate accounting policies, practices and disclosure;
- employment practices such as employment opportunity, the level and structure of remuneration and conflict resolution;
- responsibilities to the community;
- compliance with all legislation affecting the operations and activities of the consolidated entity, both in Australia and overseas;
- conflicts of interest;
- corporate opportunities such as preventing directors and key executives from taking advantage of property, information or position for personal gain;
- confidentiality of corporate information;
- protection and proper use of the Company's assets;
- compliance with laws; and
- reporting of unethical behaviours.

3.2 Whistleblower Policy

In line with the Code of Conduct, the Company has a Whistleblower Policy which has been endorsed by the Board and ensures that persons who make a report in good faith can do so without fear of intimidation, disadvantage or reprisal. The Whistleblower Policy assists to create a culture within the Company that encourages our people to speak up and raise concerns regarding breaches of internal rules or policy, or conduct that is illegal, unacceptable or undesirable, or concealment of such conduct relating to the Company, its branches, directors, officers, and employees. It encourages the reporting of behaviour that may result in financial or non-financial loss, or reputational damage to the Company and plays a key role in detecting reportable conduct and maintaining good corporate governance.

CORPORATE GOVERNANCE STATEMENT

3.3 Anti-Bribery and Corruption Policy

The Company's Anti-Bribery and Corruption Policy has been endorsed by the Board and applies to directors, officers, employees and consultants to the Company requiring all business to be conducted in an honest and ethical manner and in accordance with all applicable laws, rules and regulations in all jurisdictions in which Emerald operates.

Emerald recognises the importance of ethical conduct and protecting human rights and the Company's impact on the environment. The Company is committed to adhering to internationally recognised and accepted standards and responsible business conduct such as the UN Guiding Principles on Business and Human Rights, the UN Sustainable Development Goals, the International Finance Corporation ("IFC") Performance Standards and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

3.4 Conflicts of Interest

Directors are required to disclose to the Board actual or potential conflicts of interest that may, or might reasonably be thought to, exist between the interests of the director and the interests of any other party in so far as it affects the activities of the Company, and to act in accordance with the *Corporations Act* if conflict cannot be removed or if it persists. That involves taking no part in the decision-making process or discussions where that conflict does arise.

3.5 Trading in Company Securities

Directors are required to make disclosure of any share trading. The Company policy in relation to share trading is that officers are prohibited to trade whilst in possession of unpublished price sensitive information concerning the Company or within a period of the release of results i.e. the blackout period. That is information which a reasonable person would expect to have a material effect on the price or value of the Company's shares. An officer must receive authority to acquire or sell shares with the directors or the Company Secretary prior to doing so to ensure that there is no price sensitive information of which that officer might not be aware. The undertaking of any trading in shares must be notified to the ASX.

4. Principle 4 | Safeguard the integrity of corporate reports

Emerald has a financial reporting process which includes quarterly, half year and full-year reports which are signed off by the Board before they are released to the market.

The Board receives a declaration from the Managing Director and Chief Financial Officer in relation to these corporate reports on the propriety of compliance on internal controls and reporting systems and ensures that they are working efficiently and effectively in all material respects.

4.1 Audit Committee

The Board has a separate Audit Committee to manage the financial oversight as well as advise on the modification and maintenance of the Company's financial reporting, internal control structure, external audit functions, and appropriate ethical standards for the management of the Company.

The responsibilities of the Committee are set out in a formal Charter approved by the Board. The Charter sets out the purpose, membership, responsibilities, authority and reporting requirements of the Committee.

The Audit Committee consists of five members, all of which are considered independent, including independent Non-Executive Director, Mr Mark Clements (Chair), independent Non-Executive Director, Mr Simon Lee AO, independent Non-Executive Director, Ms Billie Jean Slott, independent Non-Executive Director, Mr Michael Bowen and independent Non-Executive Chairman, Mr Jay Hughes. Non-Executive Director, Mr Ross Stanley rescinded his membership of this Committee in September 2022.

Mr Clements is a Fellow of the Chartered Accountants Australia and New Zealand and has significant experience in relation to managing external audit processes, liaising with and assessing the performance of external auditors, liaising with management on financial matters and understanding the regulatory framework governing financial reporting, compliance and disclosure. He previously worked for an international accounting firm. Non-Executive Director, Mr Bowen is a Certified Public Accountant and member of the Australian Society of Accountants. All members of the Committee have an extensive range of experience in capital management, finance, financial reporting, corporate strategy and governance across a range of industries.

CORPORATE GOVERNANCE STATEMENT

In discharging its oversight role, the Audit Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the authority to engage independent counsel and other advisers it determines necessary to carry out its duties.

There were two Audit Committee meetings held during the year ended 30 June 2023 which were attended by all members of the Committee.

4.2 Selection, Appointment and Rotation of External Auditor

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Audit Committee is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee. Candidates for the position of external auditor must demonstrate complete independence from the Company throughout the engagement period.

The Audit Committee may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee.

The Company's external auditor attends each Annual General meeting and is available to answer questions from shareholders relevant to the conduct of the external audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the auditor.

5. Principle 5 | Make timely and balanced disclosure

Emerald has adopted a formal policy dealing with its disclosure responsibilities. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules, the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The policy also addresses the Company's obligations to prevent the creation of a false market in its securities. Emerald ensures that all information necessary for investors to make an informed decision is available on its website.

The Managing Director has ultimate authority and responsibility for approving market disclosure which, in practice, is exercised in consultation with the Board and Company Secretary.

In addition, the Board will also consider whether there are any matters requiring continuous disclosure in respect of each and every item of business that it considers.

6. Principle 6 | Respect the rights of security holders

The Board's fundamental responsibility to shareholders is to work towards meeting the Company's objectives so as to add value for them. The Board maintains an investor relation program which will inform shareholders of all major developments affecting the Company by:

- preparing half yearly and yearly financial reports;
- preparing quarterly activity reports;
- making announcements in accordance with the listing rules and the continuous disclosure obligations;
- posting all of the above on the Company's website;
- annually, and more regularly if required, holding a general meeting of shareholders and forwarding to them the annual report, if requested, together with notice of meeting and proxy form; and
- voluntarily releasing other information which it believes is in the interest of shareholders.

The Annual General Meeting enables shareholders to discuss the Annual Report and participate in the meetings either by attendance or by written communication. The Notice of Meeting is published and available on the Company website so all shareholders can be fully informed. The Company provides all shareholders with a proxy form so they are able to vote on all resolutions at the Annual General Meeting. Shareholders are able to discuss any matter with the directors and/or the auditor of the Company, who is also invited to attend the Annual General Meeting.

CORPORATE GOVERNANCE STATEMENT

Shareholders have the option to receive all Company and share registry communications electronically and may also communicate with the Company by emailing the Company via its website. All shareholders can request copies of ASX releases, all of which are published and available on the Company's website immediately after they are released to ASX.

The Company regularly reviews its stakeholder communication policy and endeavours to maintain a program appropriate for a Company of its size and stage of growth.

7. Principle 7 | Recognise and Manage Risk

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the Managing Director and Executive Director, who are responsible for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for updating the Company's material business risks register to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Managing Director and Executive Director may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

The Board does not have a separate Risk Management Committee as the Board monitors and reviews the integrity of financial reporting and the Company's internal financial control systems. Management assess the effectiveness of the internal financial controls on an annual basis and table concerns and recommendations at Board meetings where required.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- Establishment of financial control procedures and authority limits for management;
- Approval of an annual budget;
- Adoption of a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations;
- Adoption of a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices; and
- Maintenance and review of a risk register to identify the Company's material business risks and risk management strategies for these risks. The risk register is reviewed regularly and updated as required. Management reports to the Board on material business risks at each Board meeting.

The Board has required management to design, implement and maintain risk management and internal control systems to manage the material business risks of the Company. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received a report from management as to the effectiveness of the Company's management of its material business risks for the reporting period.

The Managing Director and Chief Financial Officer (or equivalent) provide a declaration to the Board in accordance with Section 295A of the *Corporations Act* and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risks.

The Board monitors the adequacy of its risk management framework annually to ensure that it continues to be sound and deals adequately with contemporary and emerging risks and that Emerald is operating with due regard to the risk appetite set by the Board and discloses that reviews have taken place at the end of each reporting period. All members of the Board have an extensive range of experience in mining, human resource and capital management, finance, financial reporting, corporate strategy and governance across a range of industries to apply to the risk evaluation process.

7.1 Internal Audit

The Company does not have an internal audit function as the Board believes the business is neither the size nor complexity that requires such a function. The Board is currently responsible for monitoring the effectiveness of internal controls, risk management procedures and governance. Non-Executive Director, Mr Clements is a Fellow of the Chartered Accountants Australia and New Zealand and previously worked in an international accounting firm, Non-Executive Director, Mr Bowen is a Certified Public Accountant and member of the Australian Society of Accountants, and all members of the Board have an extensive range of experience in capital management, finance, financial reporting, corporate strategy and governance across a range of industries.

CORPORATE GOVERNANCE STATEMENT

7.2 Sustainability Risks

The Company has a detailed risk matrix which it regularly reviews; which highlights critical risk factors the Company faces at any particular time. The principal risks highlighted are what would typically be expected for a gold production and exploration/development Company and includes:

- Reliance on key executives;
- Environmental risks;
- Ore reserve and mineral resources estimates;
- Production estimates and metallurgical recovery;
- Operating costs;
- Volatility in gold prices and applicable exchange rates (mainly USD);
- Delays in equipment fabrication or mobilisation to site;
- Failing to appropriately manage local stakeholder relations;
- Unsuccessful exploration results; and
- Legislature changes in jurisdictions in which the Company operates.

As the Company expands its activities either within the Okvau Gold Project or with the addition of new projects, it is expected that the sustainability risks will change accordingly. The Board reviews the overall sustainability of both the gold industry and more specifically, the Company, in its normal course of business. All members of the Board have an extensive range of experience in mining, human resource and capital management, finance, financial reporting, corporate strategy and governance across a range of industries to apply to the risk evaluation process.

Details of the Company's sustainability activities are set out in the "Sustainability Report" in the Annual Report.

7.3 Environmental and Social Risks

The Company strives to operate in accordance with the highest standards of environmental practice and comply in all material respects with applicable environmental laws and regulations. Such regulations typically cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations.

The Environmental Management System for the Okvau Gold Project is well developed and has been fully implemented. An Environmental Compliance Register of all ESIA and management plan commitments, monitoring and mitigation actions are being continually reviewed and maintained.

The Company has adopted a Human Rights Policy which applies to all directors, officers, employees and consultants that work with the Company. The policy seeks to ensure that the Company operates in an ethical and transparent manner in all business dealings and that the Company has a mechanism for staff to alert management should any issues or incidents occur.

The Board monitors the adequacy of its environmental and social risk management to ensure that it continues to be sound and deals adequately with contemporary and emerging risks. All members of the Board have an extensive range of experience in mining, human resource and capital management, finance, financial reporting, corporate strategy and governance across a range of industries to apply to the risk evaluation process.

Details of the Company's environmental activities and commitment to human rights are set out in the "Sustainability Report" within the Annual Report.

8. Principle 8 | Remunerate fairly and responsibly

The Company has a Remuneration Committee to monitor and review the remuneration policy of the Company. The Remuneration Committee consists of five members, all of which are considered independent: Non-Executive Director, Mr Michael Bowen (Chair), Non-Executive Chairman, Mr Jay Hughes, Non-Executive Director, Ms Billie Jean Slott, Non-Executive Director, Mr Simon Lee AO and Non-Executive Director, Mr Mark Clements. Non-Executive Director, Mr Ross Stanley rescinded his membership of this Committee in September 2022. In the previous reporting period, the Remuneration Committee engaged independent remuneration consultants, The Reward Practice, to undertake an external review, including independent benchmarking of remuneration for the Executive Directors, other KMP and key staff as the Company moved toward its key strategic objective, which was the development of, and ultimately the production from, the Company's Okvau Gold Project in Cambodia targeting safety, environment, sustainability and community.

Details of the remuneration review are contained in the Remuneration Report included in the Directors' Report for the current financial year.

CORPORATE GOVERNANCE STATEMENT

The responsibilities of the Committee are set out in a formal Charter approved by the Board. The Charter sets out the purpose, membership, responsibilities, authority and reporting requirements of the Committee.

Details of the remuneration policy are contained in the Remuneration Report included in the Directors' Report for the current financial year.

In relation to the remuneration of Non-Executive Directors, the Company's policy is to pay at market rates for comparable companies for time, commitment and responsibilities. In accordance with ASX Corporate Governance Recommendations and to safeguard the interests of shareholders, fees for Non-Executive Directors are not linked to the performance of the Company to maintain independence and impartiality. Non-Executive Directors are not incentivised by short term or long-term incentives. The Company does not pay retirement allowances to Non-Executive Directors and Non-Executive Directors do not currently receive separate remuneration for serving on a committee.

The maximum aggregate amount of fees (including superannuation payments) that can be paid to Non-Executive Directors is subject to approval by the shareholders at general meeting. Non-Executive Directors may be entitled to a termination benefit of up to 6 months of base fees dependent upon circumstances when the engagement is terminated.

There were three Remuneration Committee meetings held during the year ended 30 June 2023 which were attended by all members of the committee, at the time of the meetings.

With regard to the remuneration of executives, pay and rewards for the Executive Director and senior executives consists of a base salary and performance incentives. Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness. Short term performance incentives may include a cash bonus payable upon achievement of agreed upon key performance indicators on financial and non-financial metrics relating to the key drivers of the Company. Long term performance incentives may include premium priced options granted to senior executives and key staff in accordance with an agreed upon remuneration mix following a recommendation from the Managing Director and Executive Director and approval of the Remuneration Committee and Board. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and are subject to vesting conditions and employment retention.

The Company is entering an important phase and the Board believes that the remuneration framework is appropriate and fit-for-purpose based on the Company's development and growth profile and to drive and deliver the outcomes desired by all shareholders.

In FY23, the Company produced 108,866 ounces of gold from the Okvau Gold Mine and is investigating the potential for substantial increases in resources and reserves at and around Okvau and is also seeking to discover further economic resources at the Company's 100% owned Memot Project and large regional exploration licences in Cambodia and at the Dingo Range Project in Western Australia (EMR: 60.04%).

Given the Company's size and recent transition from explorer to producer, the Remuneration Committee has utilised the Company's Incentive Option Plan, previously approved by shareholders, to provide long-term equity incentives and short-term cash incentives tied to performance against relevant targets, for the key management personnel and senior management to drive alignment of the Company's critical and strategic pillars. The Company intends to seek shareholder approval for a similar Incentive Plan to replace the soon to be expired current plan at the Company's annual general meeting in November 2023.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Emerald Resources NL for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
31 August 2023



L Di Giallonardo
Partner

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FINANCIAL STATEMENTS

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These financial statements are the consolidated financial statements of the consolidated entity consisting of Emerald Resources NL and its subsidiaries. The financial statements are presented in Australian dollars.

Emerald Resources NL is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Emerald Resources NL
Ground Floor, 1110 Hay Street
West Perth WA 6005

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities on pages 5 to 43 in the Directors' Report, both of which are not part of these financial statements.

The financial statements were authorised for issue by the directors on 31 August 2023. The Company has the power to amend and reissue the financial statements.

Through the use of the internet, the Company has ensured that its corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial statements and other information are available on our website: www.emeraldresources.com.au.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	Consolidated	
		2023 \$'000s	2022 \$'000s
Revenue from continuing operations	3	299,476	206,532
Cost of sales	5	(158,130)	(100,556)
Gross profit		141,346	105,976
Other income	4	27	8
Net gain on foreign exchange		1,951	5,170
Administrative expenses	6(a)	(8,964)	(3,593)
Employee benefits expense	6(b)	(3,770)	(3,485)
Share-based payment expense	26(a)	(2,330)	(2,166)
Depreciation expense		(256)	(50)
Finance costs	6(c)	(24,399)	(20,010)
Fair value loss on financial assets		-	(12)
Fair value loss on financial liabilities	19	(13,844)	(12,437)
Exploration and feasibility expenditure expensed		(18,156)	(5,266)
Development expenditure		(254)	(1,156)
Other expenditure		(436)	(271)
Profit before income tax		70,915	62,708
Income tax expense	8	(4,634)	(17,342)
Profit for the year		66,281	45,366
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
- Exchange differences on translation of foreign operations		2,283	2,219
Total other comprehensive income for the year		2,283	2,219
Total comprehensive income for the year		68,564	47,585
Profit for the period is attributable to:			
Members of the parent		71,863	45,366
Non-controlling interest	23	(5,582)	-
		66,281	45,366
Total comprehensive income for the period is attributable to:			
Members of the parent		74,146	47,585
Non-controlling interest	23	(5,582)	-
		68,564	47,585
<i>Earnings per share</i>			
Basic earnings per share (cents per share)	28	12.10	8.45
Diluted earnings per share (cents per share)	28	11.99	8.38

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	Consolidated	
		2023 \$'000s	2022 \$'000s
Current assets			
Cash and cash equivalents	9	70,963	43,047
Trade and other receivables	10	17,893	15,780
Inventory	11	38,141	32,870
Financial assets at fair value through profit or loss	12(a)	502	191
Other financial assets	12(b)	180	4,279
Total current assets		127,679	96,167
Non-current assets			
Property, plant and equipment	13	81,504	88,884
Right-of-use assets	14	29,938	35,693
Mine properties	15	80,934	109,766
Exploration and evaluation assets	16	96,303	87,150
Inventory	11	54,805	24,386
Deferred tax asset	8(c)	17,684	-
Assets held for sale		825	756
Other financial assets	12(b)	3,318	-
Total non-current assets		365,311	346,635
Total assets		492,990	442,802
Current liabilities			
Trade and other payables	17	23,815	25,857
Interest-bearing liabilities	18	37,254	35,496
Other financial liabilities	19	19,820	15,571
Provisions	20	17,243	14,760
Total current liabilities		98,132	91,684
Non-current liabilities			
Interest-bearing liabilities	18	42,655	58,705
Other financial liabilities	19	11,753	18,876
Other non-current liabilities		1,245	599
Provisions	20	15,223	23,815
Total non-current liabilities		70,876	101,995
Total liabilities		169,008	193,679
Net assets		323,982	249,123
Equity			
Share capital	21	286,769	286,156
Reserves	22(a)	10,270	5,857
Retained profits / (accumulated losses)		23,084	(47,369)
Equity attributable to equity holders of the parent		320,123	244,644
Non-controlling interests	23	3,859	4,479
Total equity		323,982	249,123

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

Consolidated	Issued Capital	Option Reserve	Foreign Currency Translation Reserve	Retained Profits / (Accumulated Losses)	Total	Non-controlling Interests	Total Equity
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Balance at 1 July 2021	195,352	2,536	(1,064)	(91,756)	105,068	-	105,068
Net profit for the year	-	-	-	45,366	45,366	-	45,366
Exchange differences on translation of foreign operations	-	-	2,219	-	2,219	-	2,219
Total comprehensive loss for the year	-	-	2,219	45,366	47,585	-	47,585
Transactions with owners in their capacity as owners:							
Contributions of equity	90,809	-	-	-	90,809	-	90,809
Transaction costs of issuing capital	(5)	-	-	-	(5)	-	(5)
Share-based payment transactions	-	2,166	-	-	2,166	-	2,166
Changes to accumulated losses	-	-	-	(979)	(979)	-	(979)
	90,804	2,166	-	(979)	91,991	-	91,991
Acquisition of non-controlling interest	-	-	-	-	-	4,479	4,479
Balance at 30 June 2022	286,156	4,702	1,155	(47,369)	244,644	4,479	249,123
Balance at 1 July 2022	286,156	4,702	1,155	(47,369)	244,644	4,479	249,123
Net profit for the year	-	-	-	71,863	71,863	(5,582)	66,281
Exchange differences on translation of foreign operations	-	-	2,283	-	2,283	-	2,283
Total comprehensive income for the year	-	-	2,283	71,863	74,146	(5,582)	68,564
Transactions with owners in their capacity as owners:							
Contributions of equity	1,014	-	-	-	1,014	3,552	4,566
Transaction costs of issuing capital	(401)	-	-	-	(401)	-	(401)
Share-based payment transactions	-	2,130	-	-	2,130	-	2,130
Changes to accumulated losses	-	-	-	-	-	-	-
	613	2,130	-	-	2,743	3,552	6,295
Transfer to non-controlling interest	-	-	-	(1,410)	(1,410)	1,410	-
Balance at 30 June 2023	286,769	6,832	3,438	23,084	320,123	3,859	323,982

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	Consolidated	
		2023 \$'000s	2022 \$'000s
Cash flows from operating activities			
Receipts from customers		297,572	206,567
Payments to suppliers and employees		(169,104)	(108,992)
Interest received		1,477	18
Payments for exploration and evaluation		(19,662)	(5,594)
Income tax paid		(21,152)	(3,041)
VAT refunded		6,342	-
Net cash provided by operating activities	29	95,473	88,958
Cash flows from investing activities			
Payments for investments		(1,069)	(740)
Gold sales revenue during pre-production		-	19,932
Payments for development		-	(43,017)
Interest and other costs of finance during pre-production		-	(1,688)
Purchase of property, plant and equipment		(8,606)	(4,418)
Payments for acquisition of remaining 30% interest in Blue Cap Bullseye Joint Venture		(3,792)	-
Payments for other financial assets		(1,591)	(1,560)
Cash received upon acquisition of Bullseye Mining Limited	25(b)	-	3,022
Net cash used in investing activities		(15,058)	(28,469)
Cash flows from financing activities			
Proceeds from issue of Emerald Resources NL shares		1,072	468
Proceeds from issue of Bullseye Mining Limited shares		3,574	-
Share issue transaction costs		(37)	(4)
Repayment of borrowings		(19,227)	(15,878)
Interest paid on borrowings		(26,641)	(21,167)
Payments for lease liabilities		(10,097)	(6,041)
Transaction costs related to loans and borrowings		(4,586)	(3,627)
Proceeds from Blue Cap Bullseye Joint Venture loan		-	3,471
Net cash used in financing activities		(55,942)	(42,778)
Net increase in cash and cash equivalents		24,473	17,711
Cash and cash equivalents at the start of the year		43,047	22,761
Effect of exchange rates on cash holdings in foreign currencies		3,443	2,575
Cash and cash equivalents at the end of the year	9	70,963	43,047

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the financial years presented, unless otherwise stated. These financial statements cover Emerald Resources NL as a consolidated entity consisting of Emerald Resources NL and its subsidiaries ('the consolidated entity' or 'the Group').

a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and the Corporations Act 2.

(i) Compliance with IFRS

The consolidated financial statements of Emerald Resources NL also comply with Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes as presented comply with International Financial Reporting Standards ('IFRS'). For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets at fair value through profit or loss and derivative liabilities.

b. Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Emerald Resources NL as at 30 June 2023 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations of the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies of the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of changes in equity and statement of financial position.

(ii) Joint venture entities

A joint venture entity is an entity in which the Group holds a long-term interest, and which is jointly controlled by the consolidated entity and one or more other venturers. Decisions regarding the financial and operating policies essential to the activities, economic performance and financial position of that venture require the consent of each of the venturers that together jointly control the entity.

(iii) Jointly controlled assets

The Group has certain contractual arrangements with other participants to engage in joint activities where all significant matters of operating and financial policy are determined by the participants such that the operation itself has no significant independence to pursue its own commercial strategy. These contractual arrangements do not create a joint venture entity due to the fact that the policies are those of the participants, not a separate entity carrying on a trade or a business of its own. The financial statements of the Group include its share of the assets, liabilities and cash flows in such joint venture operations, measured in accordance with the terms of each arrangement, which is usually pro-rata to the Group's interest in the joint venture operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

c. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

d. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the business activities as follows:

Interest income

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Gold income

The Group primarily generates revenue from the sale of gold bullion. This sales revenue is recognised when ownership of the metal is transferred to the buyer. This typically occurs when physical bullion, from a contracted sale, is transferred from the Group's metal account to the metal account of the buyer.

Where the Group receives provisional payments from buyers in advance of transfer of ownership, the Group classifies the provisional payment as deferred revenue liability until ownership is transferred and associated revenue is recognised.

e. Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

f. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the assets.

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an assets are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

g. Impairment of assets

At each reporting date the Group assesses whether there is any indication that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

h. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

i. Trade receivables, other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

The Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics that have been grouped based on the days past due.

j. Inventories

Ore stockpiles, gold in circuit and bullion on hand inventories are valued at the lower of weighted average cost and net realisable value. Costs include direct production costs and an appropriate allocation of attributable overheads. Depreciation and amortisation attributable to production of inventory are also included in the cost of inventory.

Consumable stores are valued at the lower of cost and net realisable value. The cost of consumable stores is measured on an average cost basis.

k. Exploration and evaluation expenditure

The exploration and evaluation expenditure accounting policy is to expense expenditure as incurred except for the capitalisation of acquisition costs. Expenditure is carried forward in areas for which the Group has rights of tenure and where economic mineralisation is indicated, but activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine properties under development. No amortisation is charged during the exploration and evaluation phase.

l. Mine properties

(i) Mines under development

"Mines under development" comprises of expenditure transferred from 'exploration and evaluation assets' once the work completed to date supports the future development of the property and such development receives appropriate approvals. After transfer of the exploration and evaluation expenditure, all subsequent expenditure incurred in construction, drilling costs, removal of overburden to gain access to the ore and installation or completion of infrastructure facilities is capitalised in mines under development, net of proceeds from the sale of ore extracted during the development phase. Accumulated expenditure is carried separately for each area of interest in which economically recoverable reserves and resources have been identified.

Once commercial production rates have been established, all aggregated expenditure is transferred to non-current assets as either mine development (a separate category within Mine properties) or an appropriate class of property, plant and equipment.

(ii) Mine development

"Mine development" represents expenditure transferred from 'mines under development' previously accumulated and carried forward in relation to areas of interest in which mining has now commenced. When further development expenditure is incurred in respect of an area of interest after commencement of commercial production, such expenditure is carried forward as part of the cost of the mine property only when future economic benefits are reasonably assured, otherwise the expenditure is classified as part of the cost of production and expensed as incurred. Such capitalised development expenditure is added to the total carrying value of mine development being amortised.

Mine development costs are amortised on a units-of-production basis over the life of mine to which they relate. In applying the units of production method, amortisation is calculated using the expected total processed tonnes as determined by the life of mine plan specific to that mine property. For development expenditure undertaken during production, the amortisation rate is based on the ratio of total development expenditure (incurred and anticipated) over the expected total processed tonnes as estimated by the relevant life of mine plan to achieve a consistent amortisation rate per tonne. The rate per tonne is typically updated upon a revised life of mine.

m. Investments and other financial assets

(i) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(ii) Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL);
- equity instruments at fair value through other comprehensive income (FVOCI); and
- debt instruments at fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

(iii) Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss.

Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139. Any gains or losses recognised in other comprehensive income (OCI) are not recycled upon derecognition of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI.

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is to “hold to collect” the associated cash flows and sell financial assets; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

(iv) Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the ‘expected credit loss (ECL) model’. This replaced AASB 139's ‘incurred loss model’.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Level 1’);
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (‘Level 2’);
- ‘Level 3’ would cover financial assets that have objective evidence of impairment at the reporting date; and
- ‘12-month expected credit losses’ are recognised for the first category while ‘lifetime expected credit losses’ are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

n. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are initially recorded at fair value and then subsequently at amortised cost.

o. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

p. Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on the nature of the derivative.

Derivatives are classified as current or non-current depending on the expected period of realisation.

q. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

r. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave liability and all other short-term employee benefit obligations are presented in les.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as present value of expected future wage payments to be made. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

The Company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of shares of Emerald Resources NL ('market conditions').

s. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

t. Earnings share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

u. Value added tax ('VAT')

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Australian goods and services tax ('GST') is a type of VAT.

v. Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

w. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Emerald Resources NL's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale financial assets are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for the statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

x. New accounting standards and interpretations

In the year ended 30 June 2023, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the reporting period beginning on or after 1 July 2022. As a result of this review, the directors have determined that there is no material impact of the Standards and Interpretations issued on the Group and, therefore, no change is necessary to its accounting policies.

Other standards not yet applicable

The directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2023. As a result of this review, the directors have determined that there is no material impact of the Standards and Interpretations on issue not yet adopted on the Group and, therefore, no change is necessary to its accounting policies.

No other new standards, amendments to standards or interpretations are expected to affect the Group's financial statements.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amount of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Taxation

Balances disclosed in the financial statements related to taxation, are based on best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income tax legislation and the Directors' understanding thereto.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

2. Critical accounting estimates and judgement (continued)

b. Derivative financial instrument

The Group measures the fair value of the derivative financial instrument based on the forward gold price over the term of the repayments, discounted to present value. The instrument is re-assessed at each reporting date.

c. Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 26.

d. Accounting for leases

- Assessing contracts to determine whether they contain a lease and if so, whether they also contain non-lease components.
- Estimating the useful lives and depreciation rates of right-of-use assets.
- Setting the discount rate of the lease contracts, which is used in the calculation of lease liabilities.

e. Value added tax receivable

Estimating the amount recoverable and timing of recovery of VAT receivable from the Cambodian government.

f. Valuation of rehabilitation provision

Estimating the future cash flows to settle mine restoration obligations and setting the discount rate used in the calculation of the rehabilitation provision.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

		Consolidated	
		2023 \$'000s	2022 \$'000s
3.	Revenue from continuing operations		
	Gold sales	297,613	206,451
	Other sales	53	18
	Interest received	1,810	63
	Total revenue from continuing operations	299,476	206,532
4.	Other income		
	Profit on disposal of assets	17	-
	Other	10	8
	Total other income	27	8
5.	Cost of sales		
	Production expenses	132,430	98,283
	Royalties and other selling costs	13,947	9,785
	Depreciation and amortisation	42,189	31,016
	Changes in inventory	(30,436)	(38,528)
	Total cost of sales	158,130	100,556
6.	Expenses		
(a)	Administrative expenses		
	Administrative costs	2,053	596
	Consultancy expenses	4,238	616
	Occupancy expenses	365	284
	Compliance and regulatory expenses	489	320
	Insurance expenses	1,819	1,777
	Total administrative expenses	8,964	3,593
(b)	Employee benefits expense		
	Salaries and wages expense	3,074	3,120
	Defined contribution superannuation expense	197	147
	Other employee benefit expenses	499	218
	Total employee benefits expense	3,770	3,485
(c)	Finance costs		
	Interest on Sprott secured loan	8,008	6,448
	Interest on right-of-use assets	2,920	2,887
	Interest on other liabilities	194	-
	Borrowing costs	13,277	10,675
	Total finance costs	24,399	20,010
7.	Auditor's remuneration		
	Auditing or reviewing the financial statements	100,000	105,000
	Non-assurance services	-	-
	Total auditor remuneration	100,000	105,000
8.	Income tax expense		
(a)	Income tax expense		
	Current tax expense	22,318	17,342
	Deferred tax expense	(17,684)	-
	Total income tax expense	4,634	17,342

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

		Consolidated	
		2023	2022
		\$'000s	\$'000s
8.	Income tax expense (continued)		
(b)	Reconciliation of income tax expense to profit before tax		
	Profit before income tax	70,915	64,045
	Prima facie income tax at the Group's tax rate of 30% (2022: 30%)	21,275	19,213
	Increase/(decrease) in income tax due to tax effect of:		
	Share-based payments	639	649
	Other non-deductible expenses	2,152	5,046
	Tax rate differential on foreign income	(4,940)	(3,734)
	Other assessable income	1,474	-
	Utilisation of previously unrecognised losses	-	(321)
	Movement in unrecognised tax losses and temporary differences	(15,902)	(3,474)
	Deductible equity raising costs	(64)	(37)
	Income tax expense	4,634	17,342
(c)	Recognised deferred tax assets and liabilities		
	Deferred tax assets		
	Employee provisions	559	27
	Other provisions and accruals	225	88
	Interest-bearing liabilities	4,790	-
	Rehabilitation assets and liabilities	84	-
	Plant and equipment	14	-
	Exploration and mine properties	12,587	-
	Blackhole – previously expensed	1,100	-
	Tax losses	565	5,119
	Other	3	-
		19,927	5,234
	Set-off of deferred tax liabilities	(2,243)	(5,234)
	Net deferred tax assets	17,684	-
	Deferred tax liabilities		
	Prepayments	(1)	(1)
	Exploration and mine properties	(1,212)	(5,233)
	Other	(1,030)	-
		(2,243)	(5,234)
	Set-off of deferred tax assets	2,243	5,234
	Net deferred tax liabilities	-	-
	Reconciliation of net deferred tax assets		
	Opening balance	-	-
	Recognised in profit or loss	17,684	-
	Recognised in equity	-	-
	Closing balance	17,684	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

		Consolidated	
		2023	2022
		\$'000s	\$'000s
8.	Income tax expense (continued)		
(d)	Unused tax losses and temporary differences for which no deferred tax asset has been recognised		
	Deferred tax assets have not been recognised in respect of the following using applicable corporate tax rates for each jurisdiction:		
	Deductible temporary differences	1,194	6,717
	Tax revenue losses	22,955	12,319
	Tax capital losses	11,957	11,957
	Total unrecognised deferred tax assets	36,106	30,993
	The corporate tax rates on both recognised and unrecognised deferred tax assets and deferred tax liabilities have been calculated with respect to the tax rate that is expected to apply in the year the deferred tax asset is realised or the liability is settled.		
9.	Cash and cash equivalents		
(a)	Total cash and cash equivalents		
	Cash at bank	70,893	42,977
	Deposits	70	70
	Total cash and cash equivalents	70,963	43,047
(b)	Cash at bank		
	Cash at bank bears interest rates between 0.00% and 4.86% (2022: 0.00% and 0.01%).		
(c)	Deposits		
	Deposits bear an interest rate of 4.44% (2022: 1.36%).		
10.	Trade and other receivables		
(a)	Total trade and other receivables		
	VAT receivable	15,024	13,968
	Prepayments	1,974	1,446
	Other receivables	895	366
	Total trade and other receivables	17,893	15,780
(b)	Past due and impaired receivables		
	As at 30 June 2023, there were no receivables that were past due or impaired (2022: nil)		
(c)	Effective interest rates and credit risk		
	Information concerning effective interest rates and credit risk of trade and other receivables is set out in note 27.		
11.	Inventory		
	<i>Current</i>		
	Ore stockpiles	18,691	13,693
	Gold in circuit	5,498	6,072
	Gold on hand	7,446	7,393
	Inventory consumables	6,506	5,712
	Total current inventory	38,141	32,870
	<i>Non-current</i>		
	Ore stockpiles	54,805	24,386

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

		Consolidated	
		2023 \$'000s	2022 \$'000s
12.	Financial assets		
(a)	Financial assets at fair value through profit or loss		
	Investments	502	191
(b)	Other financial assets		
	<i>Current</i>		
	Security deposit held for rehabilitation funds	-	1,597
	Other deposits	180	182
	Loan receivable from Blue Cap Bullseye JV	-	2,500
	Total current other financial assets	180	4,279
	<i>Non-current</i>		
	Security deposit held for rehabilitation funds	3,318	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

	Furniture and Fittings	Plant and Equipment	Motor Vehicles	Leasehold Improvements	Buildings and Infrastructure	Tailings Dam	Mill Liners	Capital Work in Progress	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
13. Property, plant and equipment									
Year ended 30 June 2022									
Opening net book amount	29	33	18	45	-	-	1,393	3	1,521
Additions	8	211	22	11	-	-	516	863	1,631
Transfer between classes	103	243	-	-	107	1,419	-	(1,872)	-
Transfer from Mine Properties	850	53,702	512	-	38,556	3,502	1,263	-	98,385
Disposals/write-offs	-	(1)	-	-	-	-	-	-	(1)
Depreciation charge	(104)	(6,932)	(53)	(3)	(5,020)	(469)	(1,825)	-	(14,406)
Effect of exchange rates	(29)	(293)	(35)	-	621	(19)	151	1,358	1,754
Closing net book amount	857	46,963	464	53	34,264	4,433	1,498	352	88,884
At 30 June 2022									
Cost or fair value	1,199	54,698	1,054	65	39,623	4,921	3,435	352	105,347
Accumulated depreciation	(342)	(7,735)	(590)	(12)	(5,359)	(488)	(1,937)	-	(16,463)
Net book amount	857	46,963	464	53	34,264	4,433	1,498	352	88,884
Year ended 30 June 2023									
Opening net book amount	857	46,963	464	53	34,264	4,433	1,498	352	88,884
Additions	-	2	1	-	-	-	3,642	2,577	6,222
Transfer between classes	204	13,411	420	521	(12,740)	134	-	(1,950)	-
Transfer from Mine Properties	-	-	-	-	1,422	-	-	-	1,422
Disposals/write-offs	-	(12)	(2)	-	-	-	-	-	(14)
Depreciation charge	(198)	(11,765)	(150)	(31)	(2,530)	(752)	(2,861)	-	(18,287)
Effect of exchange rates	31	1,850	19	2	1,120	163	71	21	3,277
Closing net book amount	894	50,449	752	545	21,536	3,978	2,350	1,000	81,504
At 30 June 2023									
Cost or fair value	1,380	70,256	1,427	588	29,674	5,249	7,269	1,000	116,843
Accumulated depreciation	(486)	(19,807)	(675)	(43)	(8,138)	(1,271)	(4,919)	-	(35,339)
Net book amount	894	50,449	752	545	21,536	3,978	2,350	1,000	81,504

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

	Note	Consolidated	
		2023 \$'000s	2022 \$'000s
14. Right-of-use assets			
Opening balance		35,693	33,514
Additions		608	6,111
Depreciation capitalised to mine properties		-	(1,202)
Depreciation expensed		(7,636)	(6,081)
Effect of exchange rates		1,273	3,351
Closing balance		29,938	35,693
15. Mine properties			
Opening balance		109,766	183,440
Additions		1,635	37,055
Adjustments to rehabilitation provision	20	(9,290)	-
Transferred to inventory		-	(11,607)
Transferred to property, plant and equipment	13	(1,422)	(99,346)
Transferred to exploration and evaluation assets	16	(2,866)	-
Less amortisation		(19,661)	(12,335)
Effect of exchange rates		2,772	12,559
Closing balance		80,934	109,766
16. Exploration and evaluation assets			
Opening balance		87,150	-
Exploration interests acquired during the year		6,287	87,150
Transferred from mine properties	15	2,866	-
Closing balance		96,303	87,150
<p>The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on successful development and commercial exploitation or sale of respective areas.</p>			
17. Trade and other payables			
Trade payables		13,309	14,761
Accruals		6,118	6,605
Other payables		4,388	4,491
Total trade and other payables		23,815	25,857
<p>No trade or other payables are considered past due.</p>			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

		Consolidated	
		2023 \$'000s	2022 \$'000s
18.	Interest-bearing liabilities		
(a)	Secured loan – Sprott		
	Opening balance	56,066	58,994
	Amortisation of borrowing costs	7,627	8,198
	Repayments	(19,196)	(16,370)
	Effect of exchange rates	2,415	5,244
	Closing balance	46,912	56,066
	Current liability	29,422	28,316
	Non-current liability	17,490	27,750
	Total secured loan liability	46,912	56,066
	<p>The Group holds a debt facility with Sprott Private Resource Lending II (Collector) L.P (“Sprott”) with a face value of US\$60.0 million, having a maturity repayment date of 31 March 2025, secured against the Group’s assets. The facility attracts an interest rate of 6.5% per annum plus the greater of Term SOFR (previously LIBOR) or 2.50% per annum. 75% of monthly interest was capitalised up to May 2021 and forms part of the principal amount at 30 June 2023. No additional drawings are available. The outstanding balance at 30 June 2023 is US\$40.6 million.</p> <p>The Group has entered into an “all-assets” general security deed to secure the Group’s obligations under the relevant documents encompassing the Sprott debt facility. The securities granted to Sprott are first ranking.</p>		
(b)	Finance lease liabilities on right-of-use assets		
	Current liability	7,832	7,129
	Non-current liability	25,165	30,955
	Total finance lease liabilities	32,997	38,084
(c)	Other finance lease liabilities		
	Current liability	-	51
(d)	Total interest-bearing liabilities		
	Current liability	37,254	35,496
	Non-current liability	42,655	58,705
	Total interest-bearing liabilities	79,909	94,201
19.	Other financial liabilities		
	Opening balance	34,447	33,464
	Payment of derivative liability	(17,935)	(14,179)
	Revaluation of derivative liability	13,844	12,437
	Effect of exchange rates	1,217	2,725
	Closing balance	31,573	34,447
	Current liability	19,820	15,571
	Non-current liability	11,753	18,876
	Total other financial liabilities	31,573	34,447
	<p>As part of the Sprott debt facility, additional interest is payable based on the differential between the average USD LBMA PM gold price per ounce (of the prior month) and US\$1,100 per ounce (multiplied by 1,449oz per month for 43 months to a total of 62,307oz). Additional interest payments commenced in September 2021.</p>		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

	Note	Consolidated	
		2023 \$'000s	2022 \$'000s
20. Provisions			
(a) Total provisions			
<i>Current</i>			
Rehabilitation provision		329	-
Income tax provision		16,907	14,753
Employee provisions		7	7
Total current provisions		17,243	14,760
<i>Non-current</i>			
Rehabilitation provision		14,872	23,553
Employee provisions		351	262
Total non-current provisions		15,223	23,815
(b) Rehabilitation provision			
Opening balance		23,553	100
Provision recognised during the year		278	22,313
Provision used during the year		(704)	-
Remeasurement of provision	15	(9,290)	-
Unwinding of discount		623	270
Effect of exchange rates		741	870
Closing balance		15,201	23,553
<p>During the year, costs of rehabilitation were revised which, when combined with an increase in discount rate caused by rising interest rates, resulted in a reduction in the rehabilitation provision of \$9.3 million.</p>			

	Consolidated			
	2023 No. of shares	2022 No. of shares	2023 \$'000s	2022 \$'000s
21. Share Capital				
(a) Issued capital				
Ordinary shares (fully paid)	595,461,968	593,350,983	286,769	286,156
Total contributed equity	595,461,968	593,350,983	286,769	286,156
(b) Ordinary Shares				
<p>Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders meetings each ordinary share is entitled to one vote in proportion to the paid-up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.</p>				
(c) Options				
<p>Information relating to options including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 26.</p>				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

	Date	Shares	Issue Price	Total
		No.	\$/share	\$'000s
21. Share Capital (continued)				
Opening Balance 1 July 2021		515,397,207		195,352
Issue of securities	7 Dec 2021	22,067,700	\$1.065	23,502
Option exercise	23 Dec 2021	250,000	\$0.520	130
Option exercise	23 Dec 2021	46,500	\$0.510	24
Option exercise	22 Mar 2022	337,250	\$0.570	192
Issue of securities	14 Apr – 1 Jun 2022	54,302,841	\$1.10 - \$1.29	66,006
Option exercise	7 Jun 2022	250,000	\$0.490	123
Issue of securities	17 Jun 2022	699,485	\$1.190	832
Less: Transaction costs				(5)
Closing balance at 30 June 2022		593,350,983		286,156
Opening Balance 1 July 2022		593,350,983		286,156
Option exercise	24 Aug 2022	75,000	\$0.530	40
Option exercise	24 Aug 2022	75,000	\$0.670	50
Option exercise	30 Nov 2022	175,000	\$0.530	93
Option exercise	22 Dec 2022	125,000	\$0.770	96
Option exercise	8 May 2023	35,985	\$0.950	-*
Option exercise	2 Jun 2023	125,000	\$0.670	84
Option exercise	2 Jun 2023	1,500,000	\$0.434	651
Less: Transaction costs				(401)
Closing balance at 30 June 2023		595,461,968		286,769

*Option exercised using the cashless exercise facility provided for under the Company's Incentive Plan.

	Consolidated	
	2023 \$'000s	2022 \$'000s
22. Reserves		
(a) Total reserves		
Option reserve	6,832	4,702
Foreign currency translation reserve	3,438	1,155
Total reserves	10,270	5,857
(b) Option reserve		
Opening balance	4,702	2,536
Share-based payments expense	2,152	2,166
Reversal for forfeiture of options	(22)	-
Closing balance	6,832	4,702
<p>The Option Reserve records items recognised on valuation of director, employee and contractor share options, as well as options issued as consideration for acquisitions. Information relating to options issued, exercised and lapsed during the financial year, and options outstanding at the end of the financial year, is set out note 26.</p>		
(c) Foreign currency translation reserve		
Opening balance	1,155	(1,064)
Exchange differences arising on translation of foreign operations	2,283	2,219
Closing balance	3,438	1,155

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in the profit or loss when the net investment is disposed of.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

	Bullseye Mining Limited	Bullseye Mining Limited
	2023 \$'000s	2022 \$'000s
23. Non-controlling interest		
NCI percentage	39.96%	40.68%
Summarised comprehensive income		
Revenue	108	1,227
Loss for the year attributable to:		
Members of the parent	8,388	9,957
Non-controlling interest	5,582	-
	<u>13,970</u>	<u>9,957</u>
Summarised financial position		
Current assets	1,442	9,648
Non-current assets	12,155	3,804
Total assets	<u>13,597</u>	<u>13,452</u>
Current liabilities	3,657	2,441
Non-current liabilities	284	-
Total liabilities	<u>3,941</u>	<u>2,441</u>
Net assets	9,656	11,011
Accumulated NCI	3,859	4,479
Summarised cash flows		
Net cash used in operating activities	(13,377)	(8,134)
Net cash (used in) / provided by investing activities	(4,301)	351
Net cash provided by financing activities	12,861	10,342
	<u>(4,817)</u>	<u>2,559</u>
For more information on the acquisition of Bullseye Mining Limited, refer to note 25.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

		Bullseye Mining Limited 2023 \$'000s	Bullseye Mining Limited 2022 \$'000s
24.	Blue Cap Bullseye Joint Venture Acquisition		
	On 19 September 2022, Bullseye Mining Limited ("Bullseye") entered into an agreement with Blue Cap Equities Pty Ltd ATF Blue Capital Trust No.2 to acquire their 30% interest in the Blue Cap Bullseye Joint Venture, giving Bullseye 100% ownership of the joint venture and associated entities.		
(a)	Value of investment		
	Initial investment for 70% interest already held	7	-
	Purchase cost to acquire remaining 30% interest	3	-
	Total value of investment	10	-
	The Group determined that the transaction did not constitute a business combination in accordance with AASB 3 Business Combinations. The acquisition of the net assets has therefore been accounted for as an asset acquisition. When an asset acquisition does not constitute a business combination, the assets and liabilities acquired are allocated a carrying amount, based on their relative fair values.		
	The value of the assets acquired, and liabilities assumed has been allocated on a fair value basis. Details of the purchase consideration and the net liabilities assumed are as follows:		
(b)	Net liabilities assumed		
	Cash and cash equivalents	38	-
	Trade and other receivables	23	-
	Inventory	1,561	-
	Development asset	2,259	-
	Total assets	3,881	-
	Trade and other payables	1,632	-
	Other payables	4,893	-
	Provisions	278	-
	Total liabilities	6,803	-
	Net liabilities assumed	2,922	-
	Total value of investment	10	-
	Net liabilities assumed	2,922	-
(c)	Capitalised exploration asset	2,932	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

	Consolidated	
	2023 \$'000s	2022 \$'000s
25. Bullseye Mining Limited Acquisition		
On 7 December 2021 Emerald lodged a takeover offer of Bullseye Mining Limited ('Bullseye'). Under the offer, Bullseye shareholders received 1 new Emerald share for every 3.43 Bullseye shares held.		
On 19 May 2022, Emerald had acquired 50.56% of Bullseye shares with 65,680,575 new shares to existing Bullseye shareholders. A further 8.76% was acquired up to 17 June 2022, by issuing a further 11,389,451 new shares, bringing Emerald's interest in Bullseye to 59.32% at 30 June 2022. Emerald's interest in Bullseye at 30 June 2023 was 60.04%.		
(a) Value of investment		
Issue of share capital	-	90,340
Fees in relation to acquisition	-	3,342
Total investment in Bullseye Mining	-	93,682
Non-controlling interest	-	4,479
Total value of investment	-	98,161
The Group determined that the transaction did not constitute a business combination in accordance with AASB 3 Business Combinations. The acquisition of the net assets has therefore been accounted for as an asset acquisition. When an asset acquisition does not constitute a business combination, the assets and liabilities acquired are allocated a carrying amount, based on their relative fair values.		
The value of the assets acquired, and liabilities assumed has been allocated on a fair value basis. Details of the purchase consideration and the net assets acquired are as follows:		
(b) Net assets acquired		
Cash and cash equivalents	-	3,022
Trade and other receivables	-	626
Loan receivable	-	6,000
Property, plant and equipment	-	257
Development asset	-	2,791
Non-current asset held for sale	-	756
Total assets	-	13,452
Trade and other payables	-	1,026
Other payables	-	1,226
Lease liability	-	79
Right-of-use asset	-	110
Total liabilities	-	2,441
Net assets acquired	-	11,011
Total value of investment	-	98,161
Less net assets acquired	-	(11,011)
(c) Capitalised exploration asset	-	87,150
26. Share-based payments		
(a) Total share-based payments expense		
Options issued to directors, management, employees and consultants	2,330	2,166
The fair value of the options issued is expensed over the vesting period of the options.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

26. Share-based payments (continued)

(b) Summary of options granted

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year:

	2023		2022	
	No.	WAEP	No.	WAEP
Balance at the start of the year	15,225,000	\$0.747	12,133,750	\$0.605
Granted during the year	3,550,000	\$1.587	3,975,000	\$1.130
Exercised during the year	(2,150,000)	\$0.505	(883,750)	\$0.530
Forfeited during the year	(50,000)	\$1.090	-	-
Balance at the end of the year	16,575,000	\$0.977	15,225,000	\$0.747
Exercisable at the end of the year	5,425,000	\$0.637	3,075,000	\$0.448

		2023	2022
Other information			
Weighted average remaining contractual life	Years	2.80	3.10
Range of exercise prices	\$	\$0.39 - \$2.17	\$0.39 - \$1.40
Weighted average fair value of options granted during the year	\$	\$0.903	\$0.579

Option pricing model

The fair value of the share-based options granted under the Incentive Option Plan is estimated as at the date of grant, using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model for options granted during the year:

		Expiry dates			
		17 Oct 2027	17 Oct 2027	13 Apr 2028	16 May 2028
Number	%	1,800,000	500,000	1,000,000	250,000
Expected share price volatility	%	80.00	80.00	80.00	80.00
Risk-free interest rate	\$	3.91	3.34	3.15	3.16
Exercise price	Yrs	\$1.37	\$1.37	\$1.94	\$2.17
Life of the option	\$	5.0	4.9	4.9	5.0
Weighted average underlying share price	\$	\$1.11	\$1.14	\$1.96	\$1.98
Fair value per option at grant date	\$	\$0.69	\$0.71	\$1.28	\$1.27

All options were issued as part of the incentive component of the recipients' remuneration packages. The options will vest 36 months from the date of issue. Assumptions have been made for share price volatility and the life of the options which may not eventuate in the future.

27. Financial Instruments, Risk Management Objectives and Policies

The consolidated entity's principal financial instruments comprise cash and cash equivalents. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Group. The consolidated entity also has other financial instruments such as trade and other receivables and trade and other payables which arise directly from its operations. For the year under review, it has been the consolidated entity's policy not to trade in financial instruments.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

27. Financial Instruments, Risk Management Objectives and Policies (continued)

Consolidated 2023	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest	Non- interest Bearing	Total
	%	\$'000s	\$'000s	\$'000s	\$'000s
<i>Financial assets</i>					
Cash and cash equivalents	4.52	66,526	70	4,367	70,963
Trade and other receivables	0.00	-	-	17,893	17,893
Financial assets at fair value through profit or loss ⁽ⁱ⁾	0.00	-	-	502	502
Other financial assets	4.03	-	3,318	180	3,498
		66,526	3,388	22,942	92,856
<i>Financial liabilities</i>					
Trade and other payables	0.00	-	-	23,815	23,815
Interest-bearing liabilities	10.83	46,912	32,997	-	79,909
Other financial liabilities	0.00	-	-	31,573	31,573
Other non-current liabilities	0.00	-	-	1,245	1,245
		46,912	32,997	56,633	136,542

Consolidated 2022	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest	Non- interest Bearing	Total
	%	\$'000s	\$'000s	\$'000s	\$'000s
<i>Financial assets</i>					
Cash and cash equivalents	0.01	39,457	70	3,520	43,047
Trade and other receivables	0.00	-	-	15,780	15,780
Financial assets at fair value through profit or loss ⁽ⁱ⁾	0.00	-	-	191	191
Other financial assets	8.69	-	4,097	182	4,279
		39,457	4,167	19,673	63,297
<i>Financial liabilities</i>					
Trade and other payables	0.00	-	-	25,857	25,857
Interest-bearing liabilities	9.00	56,066	38,101	34	94,201
Other financial liabilities	0.00	-	-	34,447	34,447
Other non-current liabilities	0.00	-	-	599	599
		56,066	38,101	60,937	155,104

- (i) These financial assets are equity investments and are all classed as held for trading. The market value of equity investments represent the fair value based on either quoted prices on active markets (ASX) or using other valuation techniques, as at the reporting date without any deduction for transaction costs. These investments are classified as Level 1 financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

27. Financial Instruments, Risk Management Objectives and Policies (continued)

(a) Interest Rate Risk (continued)

The maturity date for all cash, trade and other receivable and trade and other payable financial instruments included in the above tables is one year or less from balance date.

Group sensitivity analysis

The Group's main interest rate risk arises from cash and cash equivalents with variable and fixed interest rates, as well as the SOFR (previously LIBOR) component of the Sprott secured debt facility (note 18). At 30 June 2023 the Group's exposure to interest rate risk is considered material.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the Group aims at ensuring flexibility in its liquidity profile by managing its cash requirements and will have the ability to seek additional funding via credit facility or undertake capital raisings. Funds in excess of short-term operational cash requirements are generally only invested in short-term bank bills.

Consolidated 2023	Carrying amount \$'000s	Contractual cashflows \$'000s	Less than 6 months \$'000s	6 to 12 months \$'000s	1 to 5 years \$'000s	Total \$'000s
Trade and other payables	23,815	23,815	23,815	-	-	23,815
Interest-bearing liabilities	79,909	95,096	21,997	21,236	50,416	93,649
Derivative liability	31,573	33,840	10,285	9,535	14,020	33,840
Total	135,297	152,751	56,097	30,771	64,436	151,304

Consolidated 2022	Carrying amount \$'000s	Contractual cashflows \$'000s	Less than 6 months \$'000s	6 to 12 months \$'000s	1 to 5 years \$'000s	Total \$'000s
Trade and other payables	25,857	25,857	25,857	-	-	25,857
Interest-bearing liabilities	94,201	154,985	22,603	21,906	110,476	154,985
Derivative liability	34,447	38,338	8,964	6,607	22,767	38,338
Total	154,505	219,180	57,424	28,513	133,243	219,180

(d) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk primarily arising from costs denominated in USD, and loans and borrowings denominated in USD.

The Group also has transactional currency exposures. Such exposure arises from purchases by an operating entity in currencies other than the functional currency.

The Group does not have a policy to enter into forward contracts or other hedge derivatives.

At 30 June 2023, the Group had the following exposure to USD foreign currency expressed in AUD equivalents:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

27. Financial Instruments, Risk Management Objectives and Policies (continued)

(d) Foreign currency risk (continued)

	Consolidated	
	2023 \$'000s	2022 \$'000s
Financial assets		
Cash and cash equivalents	70,138	37,367
Trade and other receivables	15,944	14,258
Other financial assets	3,498	1,597
	<u>89,580</u>	<u>53,222</u>
Financial liabilities		
Trade and other payables	16,025	19,535
Interest-bearing liabilities	79,154	99,170
Other financial liabilities	31,574	34,447
	<u>126,753</u>	<u>153,152</u>

A 10 per cent strengthening or weakening of the AUD against the following currencies at 30 June 2023 would have increased/(decreased) net assets by the amounts shown in the below table. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for the year ended 30 June 2022.

	+10%		-10%	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
USD	18,092	7,725	(22,112)	(9,442)

(e) **Price risk**

The Group is exposed to commodity price risk on its future gold production. This risk is estimated by management using forecasts of the quantity and cost of future gold production. While the Group's price risk could be partially managed using a range of different types of hedging instruments, the Group did not have any open hedge instruments at 30 June 2023 (2022: nil).

(f) **Fair value measurements**

Carrying amounts of financial assets and financial liabilities at balance date approximate their fair value.

For all fair value measurement and disclosures, the Group uses the following to categorise the method used:

- Level 1: the fair value is calculated using quoted prices in active markets for identical assets or liabilities;
- Level 2: the fair value is estimated using inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The Group's derivative liabilities are classified as Level 2, as they were valued using valuation techniques that employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, and spot and forward rate curves of the underlying commodity; and
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data. The group does not have any financial assets or liabilities in this category.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

		Consolidated	
		2023 \$'000s	2022 \$'000s
28.	Earnings per share		
(a)	Earnings		
	Profit used in the calculation of basic earnings per share	71,863	45,366
(b)	Weighted average number of ordinary shares ('WANOS')		
	WANOS used in the calculation of basic earnings per share ('00):	593,772	537,152
(c)	Weighted average number of ordinary shares ('WANOS')		
	WANOS used in the calculation of diluted earnings per share ('000s):	599,170	541,480
29.	Cash flow information		
	Reconciliation of cash flows from operating activities with profit after tax:		
	Profit after income tax	66,281	45,366
	<i>Adjustments for:</i>		
	Depreciation and amortisation	42,445	32,293
	Share-based payments	2,330	2,167
	Fair value loss on financial assets	-	12
	Fair value loss on financial liabilities	13,844	12,437
	(Gain)/loss on disposal of fixed assets	(17)	1
	Finance costs	24,399	20,003
	Net gain on foreign exchange	(1,951)	(5,170)
	Other non-cash expenditure	619	270
	<i>Changes in assets and liabilities:</i>		
	- Increase in trade and other receivables	(1,921)	(8,676)
	- Increase in inventory	(31,356)	(39,950)
	- Increase in deferred tax assets	(17,684)	-
	- (Decrease)/increase in trade and other payables	(3,160)	16,026
	- Increase in provisions	1,644	14,179
	Net cash inflows from operating activities	95,473	88,958
30.	Commitments		
(a)	Exploration and mining license commitments		
	In order to maintain rights to tenure of mineral tenements, the Group has the discretionary exploration expenditure requirements below up until expiry of leases or in accordance with Joint Venture or Earn-In Agreements. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable per the maturities below. If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.		
	The Group has additional commitments under its Environmental Contract with the Cambodian Ministry of Environment. These amounts relate to US\$2,200,000 as a remaining bond for rehabilitation commitments over a two year period (from December 2023 to December 2024) and a further annual contribution of US\$368,889 for a further six year period with funds applied to Environmental and Social initiatives.		
	Within one year	2,216	2,132
	Between one and five years	3,885	5,335
	Longer than five years	556	1,071
	Total exploration and mining licence commitments	6,657	8,538

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

		Consolidated	
		2023 \$'000s	2022 \$'000s
30. Commitments (continued)			
(b) Okvau Gold Mine capital expenditure commitments	The outstanding capital commitments relating to the Okvau Gold Mine at 30 June are:		
	Within one year	1,055 ¹	559
	Total capital commitments	1,055	559

¹Relates to modifications to the plant oxygen circuit

31. Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For the purposes of segment reporting the chief operating decision maker has been determined as the Board of Directors. The Board monitors the entity primarily from a geographical perspective, and has identified three operating segments, being exploration and development of mineral reserves within Cambodia, Australia and the corporate/head office function in Australia.

(b) Segment information provided to the Board of Directors

The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2023 is as follows:

Consolidated 2023 By Operating Segment	Mine Operations \$'000s	Exploration \$'000s	Other \$'000s	Total \$'000s
Total segment revenue	297,667	-	1,836	299,503
Interest revenue	-	-	1,810	1,810
Depreciation and amortisation expense	(42,189)	(88)	(168)	(42,445)
Total segment profit/(loss) after income tax	131,323	(18,226)	(46,816)	66,281
Total segment assets	318,758	98,176	76,056	492,990
Total segment liabilities	(79,390)	(2,004)	(87,614)	(169,008)
Capital expenditure for the year	6,040	475	1,950	8,465
Consolidated 2023 By Geographical Segment	Cambodia \$'000s	Western Australia \$'000s	Total \$'000s	
Total segment revenue	299,351	152	299,503	
Total segment non-current assets	265,984	99,327	365,311	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

31. Segment information (continued)

(b) Segment information provided to the Board of Directors (continued)

Consolidated 2022 By Operating Segment	Mine Operations \$'000s	Exploration \$'000s	Other \$'000s	Total \$'000s
Total segment revenue	206,469	-	71	206,540
Interest revenue	-	-	63	63
Depreciation and amortisation expense	(31,016)	(24)	(24)	(31,064)
Total segment profit/(loss) after income tax	54,540	(5,290)	(3,881)	45,369
Total segment assets	338,398	87,415	16,690	442,503
Total segment liabilities	(186,925)	(212)	(6,542)	(193,679)
Capital expenditure for the year	42,842	-	-	42,842
Consolidated 2022 By Geographical Segment	Cambodia \$'000s	Western Australia \$'000s	Total \$'000s	
Total segment revenue	206,494	46	206,540	
Total segment non-current assets	258,282	88,353	346,635	

(c) **Measurement of segment information**

All information presented in part (b) above is measured in a manner consistent with in the financial statements.

(d) **Segment revenue**

No inter-segment sales occurred during the current financial year. The entity is domiciled in Australia. No revenue was derived from external customers in countries other than the country of domicile. Revenues consisted primarily of gold sales revenue of \$297,613,000 (2022: \$206,451,000). Interest revenue of \$1,810,000 (2022: \$63,000) were derived primarily from Australian financial institutions. These revenues are attributable to the corporate segment.

(e) **Reconciliation of segment information**

Total segment revenue, total segment profit/(loss) before income tax, total segment assets and total segment liabilities, as presented in part (b) above, equal total entity revenue, total entity profit/(loss) before income tax, total entity assets and total entity liabilities respectively, as reported within the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

32. Subsequent events

The following material events have occurred subsequent to balance date:

- As announced on 27 July 2023, Emerald and Bullseye have entered into a Bid Implementation Agreement pursuant to which, Bullseye's Independent Board Committee recommend that Bullseye shareholders accept the Offer, in the absence of a superior proposal. Bullseye, Emerald, Xinhe, Au Xingao and others have reached an agreement for the settlement of all litigation between them. Xinhe and Au Xingao have also provided Emerald with shareholder intention statements, confirming that they intend to accept the Emerald takeover offer, in the absence of a superior proposal.
- As announced on 28 July 2023, Emerald will commit funds annually to fund future programs to achieve carbon neutral footprint within achievable time frames. The amount committed is determined by the emissions reported for the Okvau Gold Mine and is based on the project specific determined carbon pricing for the period recommended by independent environmental consultant Earth Systems Consulting Pty Ltd.
- As announced on 8 August 2023, after nine years in the role, Mr Simon Lee AO stepped down as Chair of the Company's Board. Mr Jay Hughes has been appointed Chair of the Board and Mr Lee will remain as a Non-Executive Director.
- As announced on 18 August 2023, Emerald released a Bidder's Statement following the Bid Implementation Agreement that was announced on 27 July 2023. Mr Desmond Mullan subsequently made an application for interim orders to the Australian Government Takeovers Panel (Takeovers Panel). The Company awaits the completion of Takeovers Panel process.

There are no further material events subsequent to balance date.

33. Related party transactions

(a) Parent entity

The ultimate parent entity within the Group is Emerald Resources NL.

(b) Subsidiaries

Interests in subsidiaries are set out in note 35.

	Consolidated	
	2023	2022
	\$	\$
(c) Key management personnel compensation		
Short-term employee benefits	2,339,476	1,864,796
Post-employment benefits	116,296	76,704
Long term benefits	42,786	207,176
Share-based payments	433,721	398,180
Total key management personnel compensation	2,932,279	2,546,856
Detailed remuneration disclosures are provided within the audited remuneration report which can be found on pages 29 to 40 of the Directors' Report.		
(d) Transactions with director related parties		
The following transactions occurred with related parties:		
<i>Payments to director related entities:</i>		
Payments to Castilo Pty Ltd for office space rental ⁽ⁱ⁾	368,396	307,478
Payments made to Balion Pty Ltd for company secretarial fees ⁽ⁱⁱ⁾	211,866	120,000

(i) Castilo Pty Ltd, an entity associated with director Mr Stanley, which provides office space for the Company on normal commercial terms.

(ii) Balion Pty Ltd is an entity associated with director, Mr Clements which provides company secretarial and director services to both Emerald Resources NL and Bullseye Mining Limited (EMR 60.04%) on normal commercial terms.

(e) Terms and conditions of related party transactions

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

34. Contingent liabilities

Bullseye Mining Limited has a Net Smelter Royalty (NSR) of 1.5%, payable to Resolute (Treasury), relating to the Hopes Hill Gold Mine (M77/0551). The NSR is only payable if the Hopes Hill Gold Mine is put back into production.

There are no further material contingent liabilities outstanding at the end of the year.

35. Subsidiaries

The Group's principal subsidiaries at 30 June 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity Holding	
			2023 %	2022 %
Renaissance Minerals Limited	Australia	Ordinary	100.00	100.00
Renaissance Cambodia Pty Ltd	Australia	Ordinary	100.00	100.00
Renaissance Minerals (Cambodia) Limited	Cambodia	Ordinary	100.00	100.00
Renaissance WA Pty Ltd	Australia	Ordinary	100.00	100.00
Emerald Gas USA Holdings Inc	USA	Ordinary	100.00	100.00
Bullseye Mining Limited	Australia	Ordinary	60.04	59.32
Broken Hill Metals Pty Ltd	Australia	Ordinary	60.04	59.32
Bullseye Resources Limited	Australia	Ordinary	60.04	59.32
EGF Nickel Pty Ltd	Australia	Ordinary	60.04	59.32
Goldwinner Corporation Pty Ltd	Australia	Ordinary	60.04	59.32
Blue Cap Bullseye Joint Venture Pty Ltd	Australia	Ordinary	60.04	-
Dingo Range Pty Ltd	Australia	Ordinary	60.04	-

36. Parent entity information

	Company	
	2023 \$'000s	2022 \$'000s
(a) Assets		
Current assets	5,608	4,354
Non-current assets	192,372	193,394
Total assets	197,980	197,748
(b) Liabilities		
Current liabilities	5,112	4,100
Non-current liabilities	275	180
Total liabilities	5,387	4,280
(c) Equity		
Issued capital	367,518	366,519
Reserves	8,958	6,828
Accumulated losses	(183,883)	(179,879)
Total equity	192,593	193,468
(d) Total comprehensive loss for the year		
Loss for the year	(4,004)	(708)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(4,004)	(708)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

37. Interests in Joint Venture and Earn-In Agreements

Mekong Minerals Ltd Joint Venture (Emerald Earning up to 70% Interest)

The Company has a Joint Venture Agreement with Santana Minerals Ltd (formerly Mekong Minerals Ltd) ('Mekong Minerals') to earn up to a 70% interest in the Snuol and Phnom Ktung Projects which consist of two exploration licences covering 411km². Under a pre-existing agreement between Mekong Minerals and Southern Gold Ltd ('Southern Gold'), Southern Gold holds a 15% interest in the Mekong Projects which is free carried to completion of a Definitive Feasibility Study. Southern Gold also holds a 2% gross royalty capped to US\$11 million and 1% gross royalty thereafter across all the Mekong Projects.

Key terms of the Joint Venture are:

- Southern Gold's existing 15% interest will be maintained;
- Emerald has the right to withdraw any of the exploration licences from the Earn-in and Joint Venture at any time;
- Emerald has sole funded US\$0.5 million of exploration expenditure on each of the exploration licences within the initial two years and earned an effective interest of 25.5%;
- Emerald is then to sole fund a further US\$1.0 million of exploration expenditure on each of the exploration licences over the following two years, to increase its effective interest to 51%;
- Upon Emerald earning an effective 51% interest, Mekong Minerals may elect to either contribute to maintain its interest of 34% (Southern Gold remains free carried for 15%) or not contribute and be free carried to completion of a DFS for a 15% interest;
- If Mekong Minerals has not elected to contribute, Emerald will earn an effective interest of 70% upon completion of a DFS; and
- Emerald will be the Manager of the Snuol and Phnom Ktung Projects.

Antrong Metals Co., Ltd Joint Venture (Emerald Earning up to 80% Interest)

The Antrong Project consists of two exploration licences (each 200km²) located between Emerald's Ochung and Okvau tenements, ten kilometres to the north-east of the 100% owned Okvau Gold Mine. Emerald has an agreement with Antrong Metals Co., Ltd to earn up to an 80% interest in the project.

Blue Cap Bullseye Joint Venture (Bullseye Mining Limited interest is 100%)

During the year, Bullseye Mining Limited acquired Blue Cap Equities' (BCE) 30% interest in the Blue Cap Bullseye JV. Upon settlement, Bullseye assumed 100% ownership of all on-site Bungarra gold ore stockpiles and retained 100% rights to the Bungarra gold project and Neptune gold deposit.

Bullseye acquired BCE's 30% interest in the following:

- The shares of Blue Cap Bullseye Joint Venture Pty Ltd;
- The units in Blue Cap Bullseye Joint Venture Trust; and
- The shares in Dingo Range Pty Ltd.

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 79 to 115 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date;
- (b) the audited remuneration disclosures set out on pages 29 to 40 of the Directors' report comply with section 300A of the *Corporations Act 2001*;
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (d) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors.

Morgan Hart
Managing Director

Perth, Western Australia
31 August 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Emerald Resources NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Emerald Resources NL ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How our audit addressed the key audit matter
<p>Recoverability of Property, Plant and Equipment and Mine Properties Refer to Notes 13 and 15 to the financial report</p>	<p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> – We noted management’s assessment that no impairment indicators existed that would have required these assets to be tested for impairment, and we tested impairment indicators to ensure that no such indicators existed at year end; – We reviewed future plans for the mine assets and ensured that such plans support the recoverability of the mine; – We assessed the current carrying value of the mine development assets and ensured items capitalised during the year were appropriate to capitalise; – We assessed the application of reserves and resources in the amortisation models by comparing them to the latest published statement and underlying mining records; – We tested the mathematical accuracy of the amortisation models; and – We assessed the adequacy of the Group’s disclosures in the financial report relating to amortisation and depreciation.
<p>Revenue recognition Notes 3 to the financial report</p>	<p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> – We obtained an understanding of the Group’s process for recording revenue and the controls in place around gold sales; – We tested all gold sales transactions made during the year to invoices and receipt of cash; – We assessed the Group’s policies for recognition of revenue against the requirements of the accounting standards and checked these were adequately disclosed in the financial report; – We performed sales cut-off testing focussed on sales in June 2023 and July 2023, where we vouched a sample of transactions to underlying documentation and assessed the period in which they were recognised; and – We matched gold produced against gold sold for the year.

Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying value of exploration and evaluation assets Refer to Note 16 of the financial report</p>	
<p>The Company has capitalised exploration and evaluation expenditure assets of \$96.3m as at 30 June 2023.</p> <p>Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, because this is one of the significant assets of the Group. There is a risk that the capitalised expenditure no longer meets the recognition criteria of AASB 6. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> – We obtained an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation expenditure; – We obtained evidence that the Company has current rights to tenure of its areas of interest; – We substantiated a sample of additions to exploration expenditure during the year; – We enquired with management and reviewed ASX announcements and minutes of Directors' meetings to ensure that the Company had not decided to discontinue exploration and evaluation at its areas of interest; and – We examined the disclosure made in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Emerald Resources NL for the year ended 30 June 2023 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
31 August 2023



L Di Giallonardo
Partner

ADDITIONAL SHAREHOLDER INFORMATION

Shareholding

The distribution of members and their holdings of equity securities in the holding company as at 18 August 2023 were as follows:

Number Held	Class of Equity Securities
	Fully Paid Ordinary Shares
1- 1,000	740
1,001 - 5,000	1,227
5,001 - 10,000	648
10,001 - 100,000	1,214
100,001 and above	318
	4,147

Holders of less than a marketable parcel: 202.

Substantial Shareholders

The names of those shareholders that have lodged substantial shareholders with ASX as at 18 August 2023

Shareholder	Number
BlackRock Group	50,093,944
Van Eck Associates Corporation	43,933,007
T. Rowe Price Associates, Inc.	43,128,605
Morgan Cain Hart and Simore Pty Ltd	39,383,333
Tazga Two Pty Ltd	36,599,696

Voting Rights - Ordinary Shares

In accordance with the holding company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

On-Market Buy Back

There was no on-market buy back.

ADDITIONAL SHAREHOLDER INFORMATION

Options

The number of options on issue as at 18 August 2023:

	Exercise price	Expiry date	Number of options	Number of holders
Unlisted options	\$0.390	30 January 2024	350,000	2
Unlisted options	\$0.470	21 June 2024	300,000	1
Unlisted options	\$0.510	12 March 2025	350,000	1
Unlisted options	\$0.530	19 May 2025	500,000	3
Unlisted options	\$0.670	30 July 2025	5,000,000	15
Unlisted options	\$0.770	8 October 2025	525,000	3
Unlisted options	\$0.820	4 January 2026	600,000	2
Unlisted options	\$0.950	23 February 2026	475,000	3
Unlisted options	\$0.940	22 March 2026	350,000	1
Unlisted options	\$1.020	3 May 2026	150,000	1
Unlisted options	\$1.090	29 July 2026	3,262,500	20
Unlisted options	\$1.320	14 March 2027	350,000	1
Unlisted options	\$1.400	14 June 2027	250,000	1
Unlisted options	\$1.370	17 October 2027	2,300,000	28
Unlisted options	\$2.170	16 May 2028	250,000	1
Unlisted options	\$1.940	13 April 2028	1,000,000	2

Twenty Largest Shareholders

The names of the twenty largest ordinary fully paid shareholders as at 18 August 2023 are as follows:

Shareholder	Number	% Held of Issued Ordinary Capital
HSBC Custody Nominees (Australia) Limited	126,504,437	21.22%
JP Morgan Nominees Australia Pty Ltd	89,655,883	15.04%
Citicorp Nominees Pty Limited	44,256,876	7.43%
Mr Morgan Cain Hart	37,398,549	6.27%
Tazga Group	36,599,696	6.14%
SHL Pty Ltd < S H Lee Family A/C >	24,733,334	4.15%
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP >	11,529,099	1.93%
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C >	10,133,414	1.70%
BNP Paribas Nominees Pty Ltd <DRP >	10,014,859	1.68%
UBS Nominees Pty Ltd	6,639,065	1.11%
Curious Capital Group Pty Ltd <Curious Capital A/C >	5,000,000	0.84%
Wild Horse Super Pty Ltd <The Wild Horse S/F A/C >	3,603,841	0.60%
BNP Paribas Noms Pty Ltd <Global Markets DRP >	3,407,299	0.57%
Mr Christopher Andrew Cygulis and Mrs Jessica Ann Cygulis <S Cygulis Family A/C >	3,394,371	0.57%
BNP Paribas Nominees Pty Ltd ACF Clearstream	3,389,318	0.57%
Realee Pty Ltd <RealeeA/C >	3,076,812	0.52%
AEGP Super Pty Ltd <AEGP Superannuation Fund A/C >	3,000,000	0.50%
Macca Super (QLD) Pty Ltd <Cinmacca Superannuation A/C >	2,589,086	0.43%
Mrs Beryl Jean Dingle-McLennan and Mr Ian Jeffrey McLennan	2,497,009	0.42%
Fort Trustees Limited (Tapco A/C >	2,212,505	0.37%
	429,635,453	72.08%

ANNUAL MINERAL RESOURCE and ORE RESERVE STATEMENT

Okvau Mineral Resource Estimate

Okvau Gold Project – March 2023 Global Resource Estimate												
Resource Type	Measured Resources ⁽ⁱ⁾			Indicated Resources ⁽ⁱⁱ⁾			Inferred Resources ⁽ⁱⁱ⁾			Total Resources		
	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)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
Open Pit	2.81	0.89	80	8.36	2.24	601	0.7	1.71	4	11,24	1.90	685
Underground	-	-	-	0.6	6.20	120	0.91	6.35	185	1.51	6.29	305
Total	2.81	0.89	80	8.96	2.50	721	0.98	6.01	189	12.75	2.42	990

Measured (Stockpiled) Resources reported at a lower cut of 0.4g/t Au of oxide and 0.5g/t Au for fresh.
 Indicated and Inferred Resources reported at 0.7g/t Au lower cut.

Okvau March 2022 Mineral Resource Estimate												
Measured Resources ⁽ⁱ⁾			Indicated Resources ⁽ⁱⁱ⁾			Inferred Resources ⁽ⁱⁱ⁾			Total Resources			
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)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	
1.67	0.94	51	12.93	2.10	872	2.55	1.62	133	17.15	1.91	1,056	

- (i) Oxide stockpiles are reported at > 0.4g/t Au, Fresh stockpiles are reported at >0.5g/t Au
 (ii) Mineral Resource is reported at >0.7g/t Au

Review of Material Changes

This year, based on the ~18,000m of additional drilling since the 2017 maiden open pit resource, both the open pit resource and reserve were updated accounting for mining depletion. Also during the year, the Company completed its maiden underground resource estimation.

Okvau Ore Reserve Estimate

Okvau March 2023 Ore Reserve Estimate			
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
Proven Ore Reserve	2.81Mt	0.89g/t Au	80koz
Probable Ore Reserve	9.14Mt	2.10g/t Au	618koz
Total Ore Reserve	11.95Mt	1.82g/t Au	698koz

Okvau March 2022 Ore Reserve Estimate			
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
Proven Ore Reserve	1.67Mt	0.94g/t Au	51koz
Probable Ore Reserve	11.80Mt	2.02g/t Au	765koz
Total Ore Reserve	13.48Mt	1.88g/t Au	816koz

Review of Material Changes

This year, based on the ~18,000m of additional drilling since the 2017 maiden open pit resource, the open pit reserve was updated accounting for mining depletion.

Governance and Internal Controls

Emerald ensures that the Mineral Resource estimates are subject to appropriate levels of governance and internal controls. The Company periodically reviews the governance framework in line with the expansion and development of the business.

The Mineral Resource estimates are prepared by independent external consultants who are highly competent and qualified professionals. The Competent Person named by the Company is a Member of the Australian Institute of Mining and Metallurgy (AIG) and has sufficient experience to qualify as Competent Person as defined in the JORC Code. Internal and external reviews are carried out on the quality of the database and geological models prior to estimation.

The Ore Reserve estimates are prepared by an independent external consultant who is highly competent and qualified professionals. The Competent Person named by the Company is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience to qualify as Competent Person as defined in the JORC Code.

ANNUAL MINERAL RESOURCE AND ORE RESERVE STATEMENT

Forward Looking Statements and Footnotes

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 Announcement 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 Statement

The information in this report that relates to Exploration and Grade Control 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 Bullseye is extracted from the Emerald Resources ASX announcement released on July 2022, 7 October 2022, 31 January 2023, 28 April 2023 and 4 July 2023. The Company confirms that it is not aware of any further new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters continue to apply and have not materially changed. To the extent disclosed above, the Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to Exploration Drill Results for both Resources from Okvau 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 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 Open Pit 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 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.

ANNUAL MINERAL RESOURCE AND ORE RESERVE STATEMENT

Competent Persons Statement (continued)

The information in this report that relates to Underground Mineral Resources for the Okvau Gold Deposit was prepared by Mr Keith King, who is an employee to the Company, who is a Member of the Australasian Institute of Mining & Metallurgy (AusIMM), 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 King 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.

SCHEDULE OF MINERAL TENEMENTS

As at the date of this report

Project	Location	Tenement	Licence type	Interest
Okvau Project	Cambodia	Okvau	Exploration Licence	100.00%
Okvau Project	Cambodia	Okvau	Industrial Mining Licence	100.00%
Ochhung Project	Cambodia	Ochhung	Exploration Licence	100.00%
Memot Project	Cambodia	Memot	Exploration Licence	100.00%
Preak Klong Project	Cambodia	Preak Klong	Exploration Licence	100.00%
Oktung Project	Cambodia	Oktung	Exploration Licence	100.00%
Phnom Ktung Project	Cambodia	Phnom Ktung	Exploration Licence	25.50% ^A
Snuol Project	Cambodia	Snuol	Exploration Licence	25.50% ^A
Antrong	Cambodia	Antrong South	Exploration Licence	0.00% ^B
Antrong	Cambodia	Antrong North	Exploration Licence	0.00% ^B
North Laverton Gold Project	Leonora	E37/0801	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/0983	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1007	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1017	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1018	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1051	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1052	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1067	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1121	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1130	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1198	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1208	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1229	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1243	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1249	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1262	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1263	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1264	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1265	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1290	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1291	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E37/1301	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E53/1377	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E53/1380	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E53/1407	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E53/1482	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E53/1611	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E53/1880	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E53/1918	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E53/1944	Exploration Licence	60.04%
North Laverton Gold Project	Leonora	E53/2125	Exploration Licence	60.04%
Southern Cross	Southern Cross	E77/2087	Exploration Licence	60.04%
Southern Cross	Southern Cross	E77/2118	Exploration Licence	60.04%
Southern Cross	Southern Cross	E77/2119	Exploration Licence	60.04%
Southern Cross	Southern Cross	E77/2120	Exploration Licence	60.04%
Southern Cross	Southern Cross	E77/2149	Exploration Licence	60.04%
Southern Cross	Southern Cross	E77/2178	Exploration Licence	60.04%
Southern Cross	Southern Cross	E77/2254	Exploration Licence	60.04%
Southern Cross	Southern Cross	E77/2258	Exploration Licence	60.04%
Southern Cross	Southern Cross	E77/2340	Exploration Licence	60.04%
Southern Cross	Southern Cross	E77/2341	Exploration Licence	60.04%
Southern Cross	Southern Cross	E77/2342	Exploration Licence	60.04%
Southern Cross	Southern Cross	E77/2343	Exploration Licence	60.04%
Southern Cross	Southern Cross	E77/2351	Exploration Licence	60.04%
Southern Cross	Southern Cross	E77/2362	Exploration Licence	60.04%

SCHEDULE OF MINERAL TENEMENTS

Project	Location	Tenement	Licence type	Interest
North Laverton Gold Project	Leonora	L37/0144	Miscellaneous Licence	60.04%
North Laverton Gold Project	Leonora	L37/0145	Miscellaneous Licence	60.04%
North Laverton Gold Project	Leonora	L37/0234	Miscellaneous Licence	60.04%
North Laverton Gold Project	Leonora	M37/0108	Mining Licence	60.04%
North Laverton Gold Project	Leonora	M37/0349	Mining Licence	60.04%
North Laverton Gold Project	Leonora	M37/0519	Mining Licence	60.04%
North Laverton Gold Project	Leonora	M37/1167	Mining Licence	60.04%
North Laverton Gold Project	Leonora	M37/1309	Mining Licence	60.04%
Southern Cross	Southern Cross	M77/0551	Mining Licence	60.04%
Southern Cross	Southern Cross	M77/0734	Mining Licence	60.04%
Southern Cross	Southern Cross	M77/0834	Mining Licence	60.04%
Southern Cross	Southern Cross	P77/4349	Prospecting Licence	60.04%

Notes

- A: Emerald Resources NL is earning up to a 70% interest from Santana Minerals Limited.
- B: Renaissance Minerals (Cambodia) Limited is earning up to an 80% interest from Antrong Metals Co., Ltd.
- C: The Company has a 5% overriding royalty interest in all gas production from various oil and gas interests located in Magoffin County, Kentucky. There was no product recovered and sold from the Leases and the royalty received for the financial year was nil.