



# Executing the Strategy

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Rob Bills  
Managing Director & CEO

**ASX: ERM**



# Important notice and disclaimer



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# Why invest in Emmerson?



1

## **Exposure to high-grade Cobalt, Copper and Gold**

Latest intersections of 22m at 36g/t gold, incl. 6m at 122g/t gold....ended in mineralisation

2

## **Revenue Stream from New Strategic Alliance**

- Processing – refurbished mill
- Mining – ERM's mines + others
- Exploration – earn-in on the SPA

3

## **Commanding ground positions in highly prospective provinces**

Tennant Creek (2,600km<sup>2</sup>)  
NSW (2,400km<sup>2</sup>)

4

## **Track record of discoveries from systematic science based exploration**

Goanna, Edna Beryl, Mauretania (NT)  
Kadungle, Whatling Hill (NSW)

5

## **Highly credentialed and committed Board and Management**

Majority have been with Emmerson since 2007

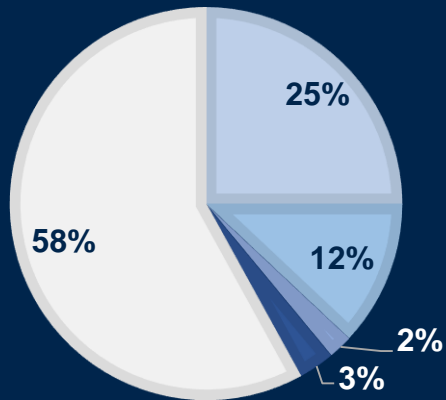
6

## **Cashed up and poised for further success**

\$2.9m cash, debt free and revenue stream from small mines



# Capital structure



- Institutions
- Evolution Mining
- Territory Resources
- Directors & Mgmt
- Other Investors



## CORPORATE SNAPSHOT

**ASX code** ERM

**Shares on issue** 415,192,039

**Options:**  
**Exercise price \$0.135** 19,800,000  
**Exercise price \$0.090** 4,900,000

**Market capitalisation  
(at \$0.07/share)** \$29.1 million

**Cash (31/12/18)** \$2.9 million

**Enterprise value** \$26.2 million

# Board of Directors



**Mr. Andrew McIlwain B.Eng (Mining)**  
*Non-Executive Chairman*

Mining Engineer with more than 25 years experience in operational, senior management and executive roles (MIM, WMC, UML & others).

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**Mr. Robert Bills B.Sc, M.Sc**  
*Managing Director and Chief Executive Officer*

Geologist with over 30 years experience in exploration and mining with WMC and BHP. Joined Emmerson in late 2007 as the Managing Director and CEO.

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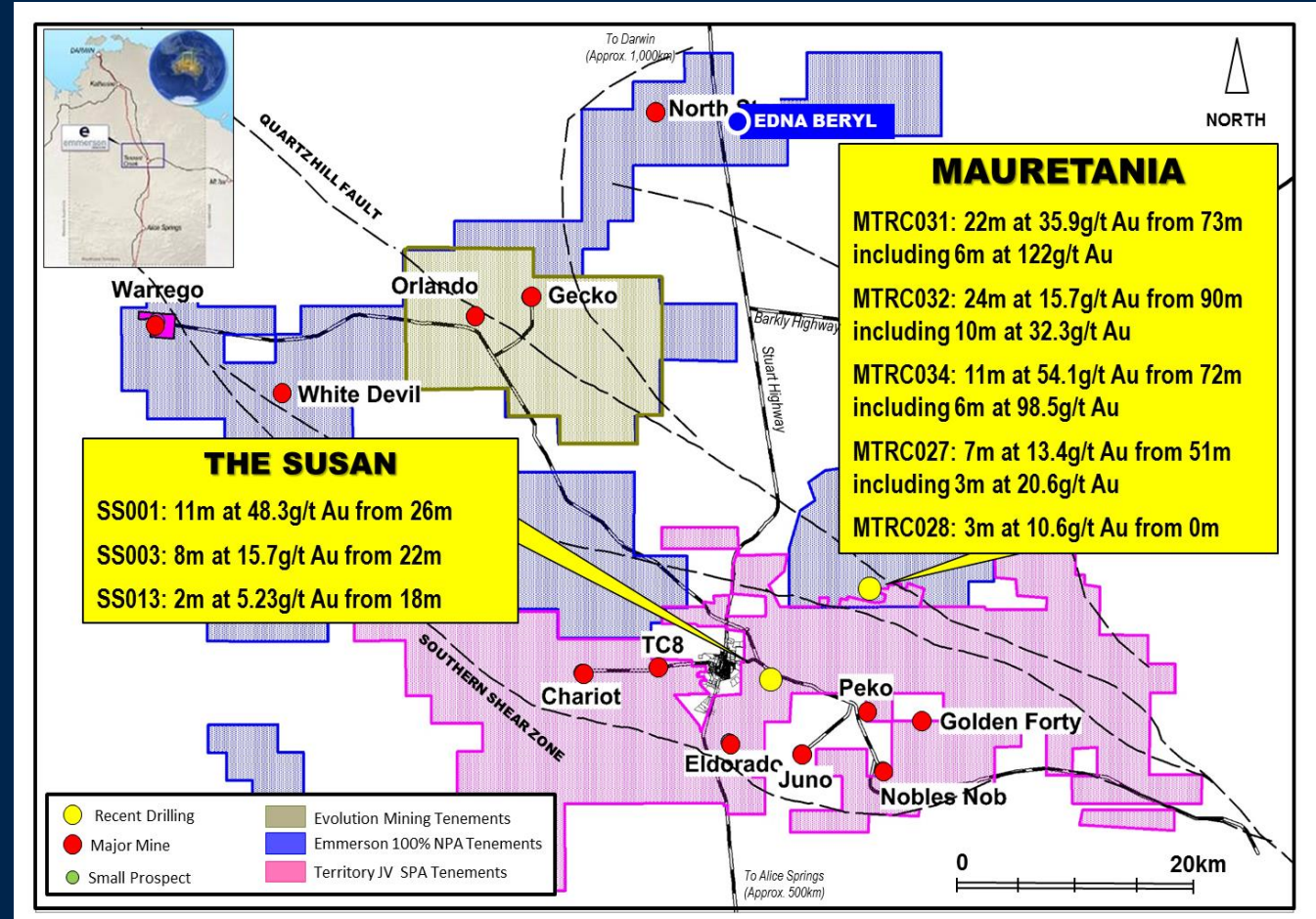
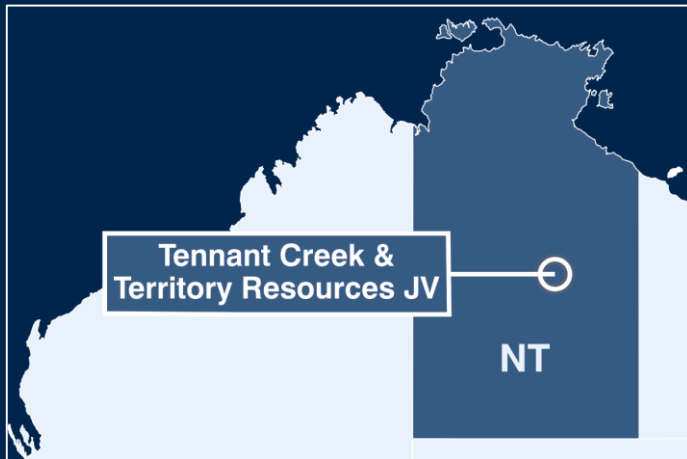
**Dr. Allan Trench B.Sc (Hons), Ph.D, M.Sc, MBA**  
*Non-Executive Director*

Geologist/geophysicist with extensive experience in strategy, project development and operations within the natural resource sector.

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# Tennant Creek

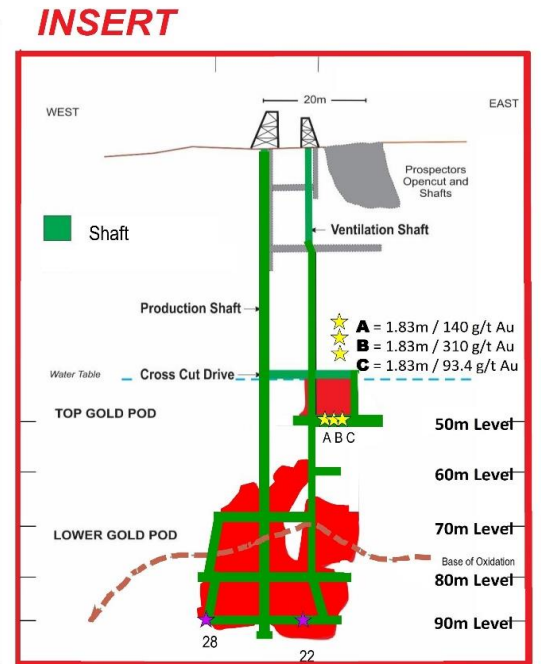
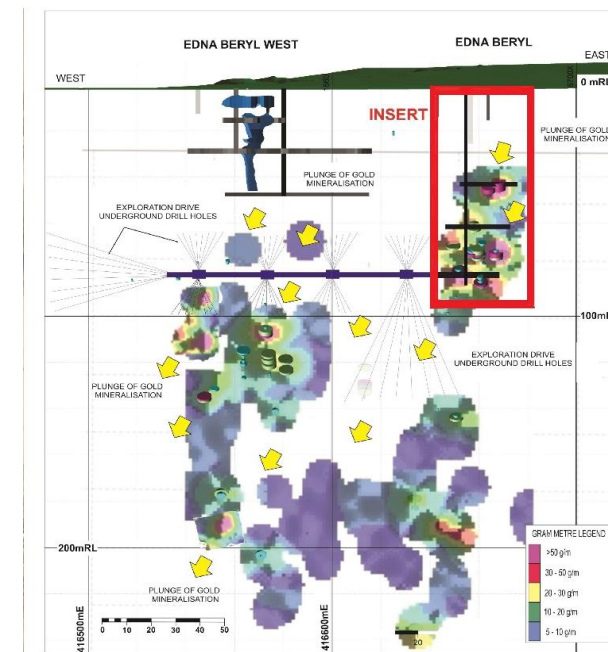
Recent  
discoveries





# Edna Beryl Gold Mine

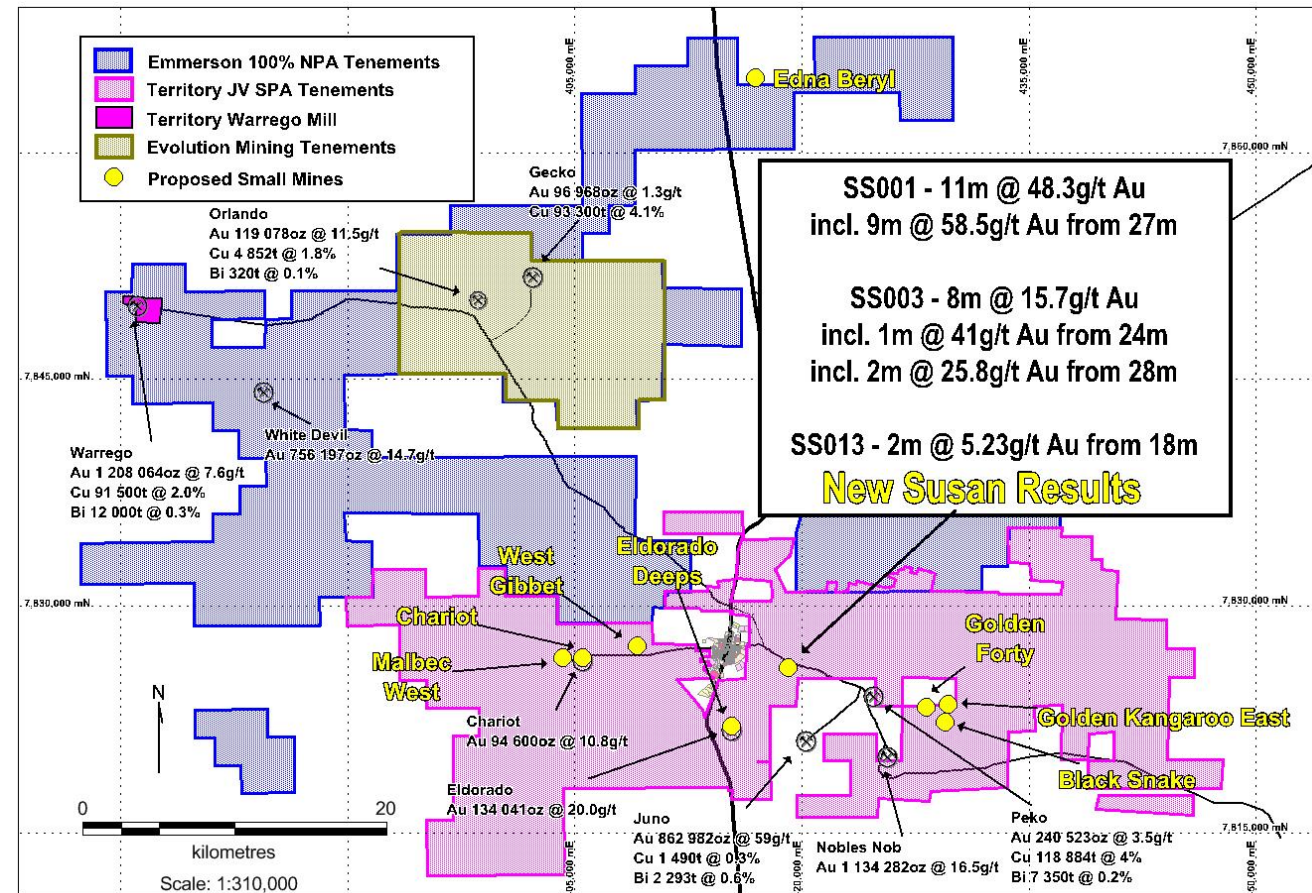
First mine opened in 2017 – now in commercial production





# Mining, Development and Processing by our partner – Territory Resources

Potential for  
multiple new  
small mines



# Revenue stream via low risk royalties

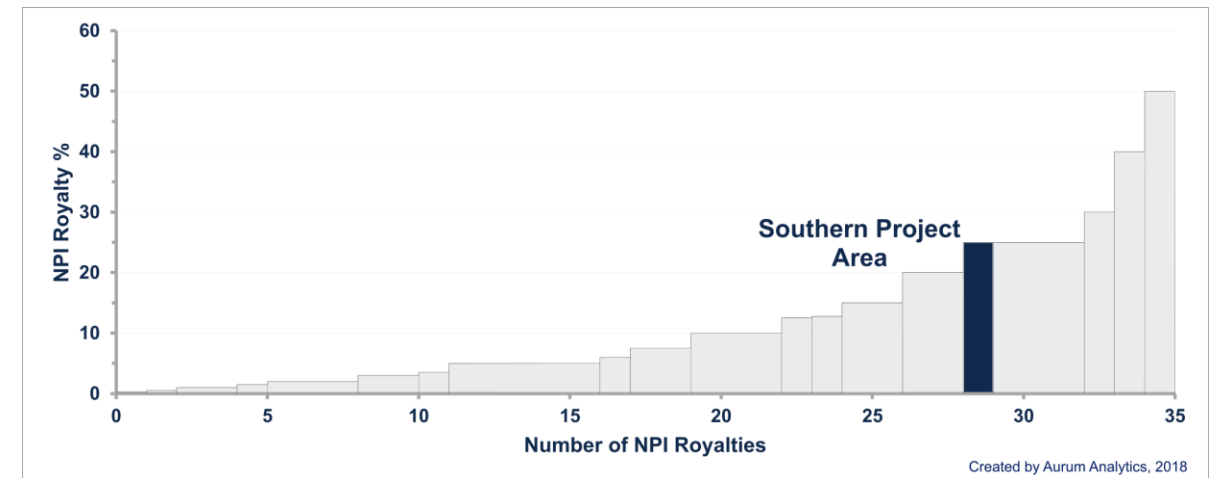
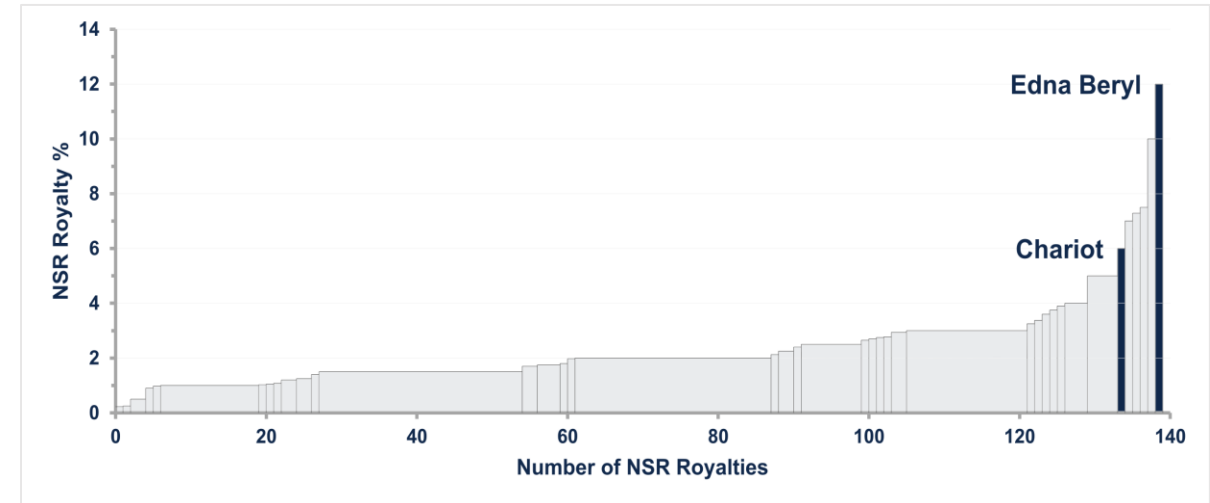
Emmerson's gold royalties and NPI/profit share arrangements are highly attractive

- Edna Beryl mine: 12% of gold produced
- Chariot mine 6% of gold produced

***...The average NSR royalty held by streaming companies is 2.2%***

- Remainder of mines in the Southern Project Area are on a 75/25 Net Profit Interest/profit share basis

***...The average NPI royalty is 11.4%***





# Superior returns via royalties

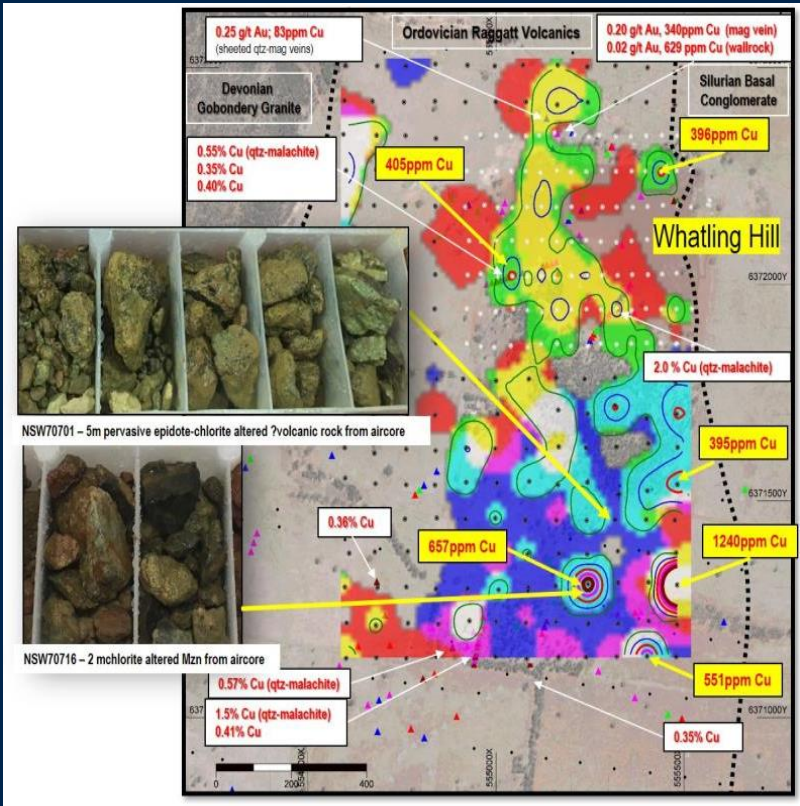
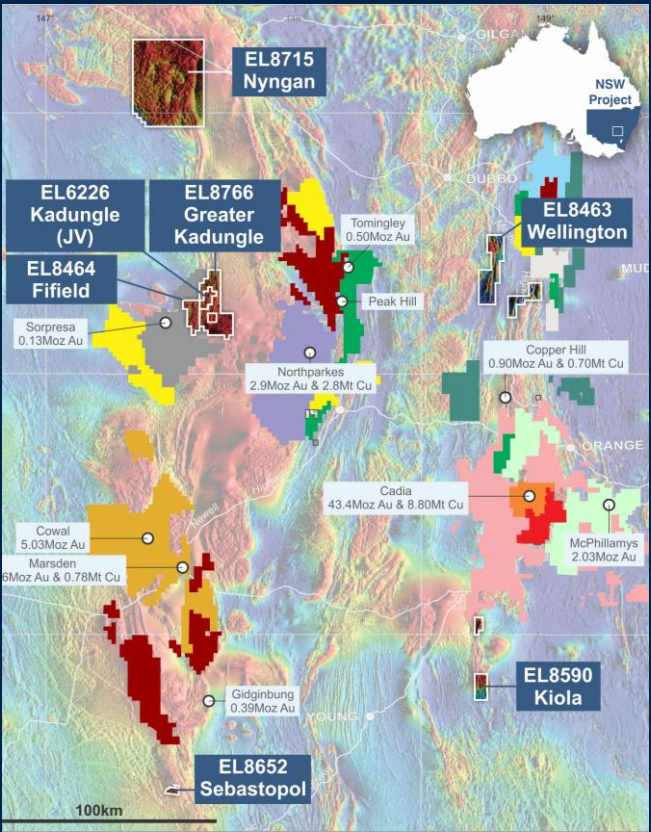
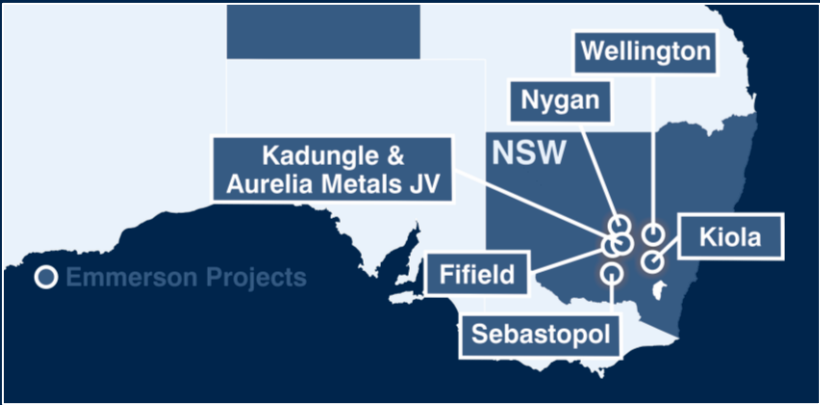
	Franco-Nevada	Wheaton	Royal Gold	Osisko	Sandstorm	Average
<b>Primary Exchange</b>	TSX	TSX	NASDAQ	TSX	TSX	NA
<b>Key Commodity Exposure</b>	Au, PGMs & Oil & Gas	Ag & Au	Au, Ag, BM	Au, Ag, BM	Au & BM	NA
<b>Listing Year</b>	2007	2004	1990	2014	2009	NA
<b>No. of Production Royalties</b>	109	20	40	19	21	41
<b>Market Cap US\$ Millions</b>	13,470	7,340	5,140	1,240	793	5,597
<b>TTM Revenue US\$ Millions</b>	670	840	444	364	71	478
<b>EV/Revenue</b>	20x	10x	12x	4x	10x	~11x
<b>EV/EBITDA</b>	26x	15x	17x	22x	16x	~19x
<b>Forward Looking P/E</b>	63x	30x	35x	59x	54x	~48x

Source: Yahoo Finance (7 December 2018)

TTM – Trailing twelve months, EV – Enterprise value, PGMs – Platinum group metals, BM – Base metals, EBITDA – Earnings before interest tax depreciation and amortisation, P/E – Price earnings

# NSW Projects – Drilling in March

Future  
discoveries >>





# Emmerson – a unique gold and copper explorer with a low risk strategy to accelerate and fund exploration



**Tennant Creek –  
an integrated mining, processing  
and exploration project with the  
capability of producing low-risk  
revenue streams to fund ongoing  
exploration**

**Mining JV on a Profit share (75/25  
non diluting) basis across all mines  
in the SPA (except Chariot and  
Edna Beryl where ERM retain a 6%  
& 12% gold royalty)**

**Potential for world class  
copper/gold discoveries in NSW  
and new high-grade gold and base  
metals deposits in Tennant Creek**

**\$5m exploration earn-in and JV  
over the SPA – Territory can earn a  
75% interest over 5 years**

**Emmerson retains 100% of the NPA  
(75% of the tenement package) with  
exciting gold, copper and cobalt  
projects in an underexplored  
province**

**Permitting of the TTY owned  
Warrego Mill just approved –  
commissioning scheduled  
for second half of 2019**

# Competent person statement



The information in this report which relates to Tennant Creek Exploration Results is based on information compiled by Mr Steve Russell BSc, Applied Geology (Hons), MAIG, MSEG. Mr Russell is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition and the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Russell is a full-time employee of the Company and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report which relates to NSW Projects Exploration Results is based on information compiled by Dr Ana Liza Cuison, MAIG, MSEG. Dr Cuison is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 edition and the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Cuison is a full-time employee of the Company and consents to the inclusion in this report of the matters based on her information in the form and context in which it appears.

## **Forward-Looking Statements**

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

## **Regulatory Information**

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





# Royalty streams from ERM mines

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## **Net Smelter Return Royalties (NSR)**

Based on the proceeds paid by a smelter or refinery to the miner for the mining production from the property less certain smelting and refining costs as defined in the royalty agreement. This type of royalty provides cash flow that is free of any operating or capital costs and liabilities.

## **Net Profit Interest or Net Proceeds Royalties (NPI or NPR)**

Based on the profit made after deducting costs related to production, which are specifically set out in the royalty agreement. NPI or NPR payments begin after payback of capital costs. Although the royalty holder is not responsible for providing capital, covering operating losses or environmental liabilities, increases in production costs will affect net profit and royalties payable. Note however ERM has oversight on the processing and mining costs.





# Contact

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