

New drilling and geophysics at Tennant Creek to be funded by first royalty from Edna Beryl

Highlights

- Diamond drilling and geophysical survey to commence at Emmerson's 100% owned, high-grade Mauretania gold discovery at Tennant Creek
- First part payment of the 12% gold production royalty from processing of Edna Beryl Ore to fund exploration
- Mill head grade from first parcel of ore at Edna Beryl averages ~30g/t gold – making it one of Australia's highest-grade producers



Photo of the gold pours and various gold bars from the Edna Beryl Mine in Tennant Creek

Emmerson Managing Director Mr Rob Bills commented:

"Diamond drilling in conjunction with new Sub-Audio Magnetic geophysical surveys has the potential to unlock further high-grade gold at both Mauretania (100% ERM) and the Black Snake areas (JV with Territory Resources).

Toll treatment of the first 3000t of ore from the Edna Beryl mine is nearing completion with the first royalty payments directed to fund ongoing exploration in the Tennant Creek Mineral Field. The overall head grade from this first parcel of ore at Edna Beryl confirms the potential of this mine to deliver low risk returns to Emmerson shareholders via the 12% gold production royalty – one of the highest royalties when compared to global benchmarks.

The proceeds from ongoing royalties will be used to fund the next drilling and geophysical programs in both Emmerson's Tennant Creek and NSW projects"

Mauretania Drilling and Geophysics (figure 1)

Exceptionally high-grade reverse circulation (RC) drilling results were announced early this year (ASX 18 February 2019) of:

- **11m at 54g/t gold incl. 6m at 98.5g/t gold from 72m (MTRC034)**
- **22m at 36g/t gold incl. 6m at 122g/t gold from 73m (MTRC031)**
- **24m at 15.7g/t gold incl. 10m at 32.3g/t gold from 90m (MTRC032)**
- **7m at 13.4g/t gold from 51m (MTRC027)**

The difficult drilling conditions encountered during this program resulted in many holes being abandoned or terminated, some such as MTRC031 in mineralisation. These conditions are attributable to the nature of the shallow oxide zone which consists of vuggy, friable brecciated hematite ironstone. Because of these drilling challenges, the deeper, primary mineralisation has not been adequately tested. Thus, a further program of diamond drilling will commence in early May, consisting of two deep holes that are designed to test the upper oxide and lower, primary gold zones. These holes will provide much needed structural, geological and grade information to inform the next stages of this project.

In addition, a relatively new geophysical technique (Sub-Audi Magnetics or SAM) to the Tennant Creek Mineral Field will be deployed to map the extent of the host to the mineralisation, which consists of sheared hematite and magnetite ironstones. SAM has been developed for simultaneously mapping electrical and magnetic responses. It is a high definition, ground based technique that has applications to shear hosted gold and copper, and in an early prototype, was successful in mapping out the shear hosted mineralisation at the Orlando copper-gold open pit (now owned by Evolution Mining). In addition, SAM will be applied to the Black Snake – Three Thirty area within the Southern Project Area. As these projects are green fields in nature and the efficacy of the SAM technologies is largely unknown, application for 50% co-funding of this geophysical program has been lodged with the Northern Territory Government under their 2019 CORE initiative. The survey is expected to commence in this quarter.

Edna Beryl Royalty (figure 2)

The first payment of \$181k from toll treating the gold from the Edna Beryl mine at the Lorena mill in Cloncurry is now in the Emmerson account. The bulk of the proceeds are expected later in this quarter as the gravity concentrate, which accounts for approximately 60% of the total gold continues to be processed.

The 12% gold production royalty paid by our partner, Territory Resources represents a low risk path for monetising the Edna Beryl asset given Territory Resources are required to meet all mining, processing and transportation costs. Moreover, the “belt cut” samples taken from the conveyor belt that feeds the mill returned an average mill head grade of 30.06g/t gold– making Edna Beryl one of the highest-grade mines in Australia.

These exceptional head grades provide the best statistical guide to the production grade, which given the coarse nature of the gold has been difficult to ascertain from surface drilling. These grades also support the plans to deepen the existing shaft and establish the western exploration drive to enable further drilling from underground – historically instrumental to realising the full potential of many of the high-grade gold mines in Tennant Creek Mineral Field (figure 3). It is important to note that Emmerson has negotiated an expansion of the previous Tribute Agreement with new owners, Territory Resources where the 12% gold production royalty now applies across the entire Edna Beryl Mining Lease. This is subject to Territory Resources meeting certain performance hurdles including completing the exploration drill drive,

commissioning the new dewatering infrastructure and on completion of the underground drilling (which is Emmerson's responsibility), finalising the Life of Mine Plan (figure 3).

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About Emmerson Resources, Tennant Creek and New South Wales

Emmerson is fast tracking exploration across five exciting early-stage gold-copper projects in NSW, identified (with our strategic alliance partner Kenex Limited(now Duke)) from the application of 2D and 3D predictive targeting models – aimed at increasing the probability of discovery.(Kenex can earn up to 10% (to pre BFS) of any project generated providing certain success milestones are met).

The highly prospective Macquarie Arc in NSW hosts >80Mozs gold and >13Mt copper with these resources heavily weighted to areas of outcrop or limited cover. Emmerson's five exploration projects contain many attributes of the known deposits within the Macquarie Arc but remain underexplored due to historical impediments, including overlying cover (farmlands and younger rocks) and a lack of exploration. Kadungle is a JV with Aurelia Metals covering 43km² adjacent to Emmerson's Fifield project.

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

Emmerson recently announced the formation of a strategic alliance with Territory Resources to build a central mill in Tennant Creek to support the processing from Emmerson's small gold mines and other third-party feed. This alliance also extends to a \$5m earn-in by Territory Resources over Emmerson's southern tenements (where ERM is the Operator and Manager) plus a Mining Joint Venture over a portfolio of Emmerson's small mines that is on a 75/25 profit share basis, except for the Edna Beryl and Chariot mines which respectively have a 12% and 6% gold production royalty.

Emmerson is led by a board and management group of experienced Australian mining executives including former MIM and WMC mining executive Andrew McIlwain as non-executive chairman, and former senior BHP Billiton and WMC executive Rob Bills as Managing Director and CEO.

Regulatory Information

The Company does not suggest that economic mineralisation is contained in the untested areas, the information contained relating to historical drilling records have been compiled, reviewed and verified as best as the Company was able. As outlined in this announcement the Company is planning further drilling plus a geophysical survey to improve the 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.

Competency 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.

Forward-Looking Statements

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

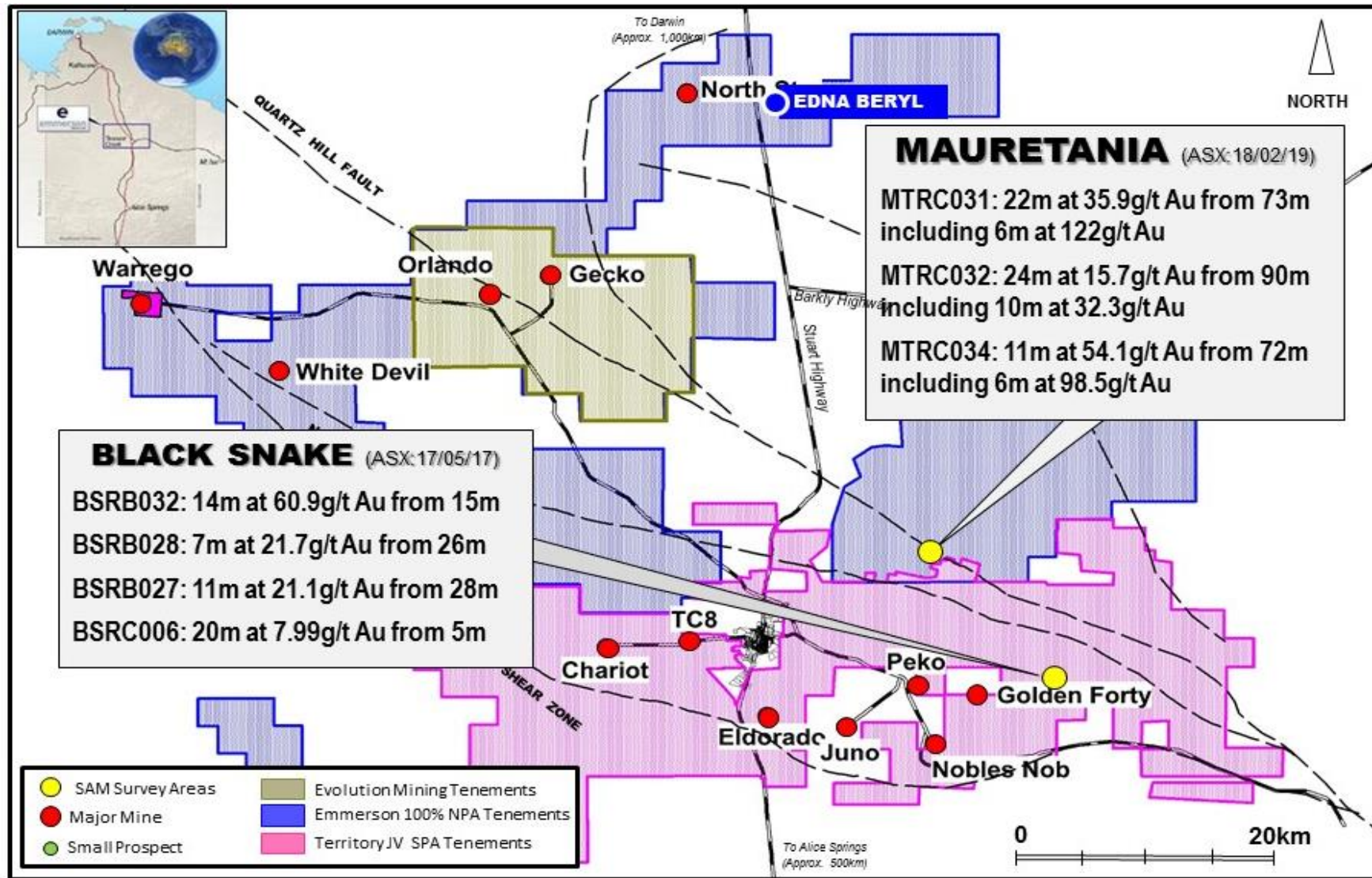
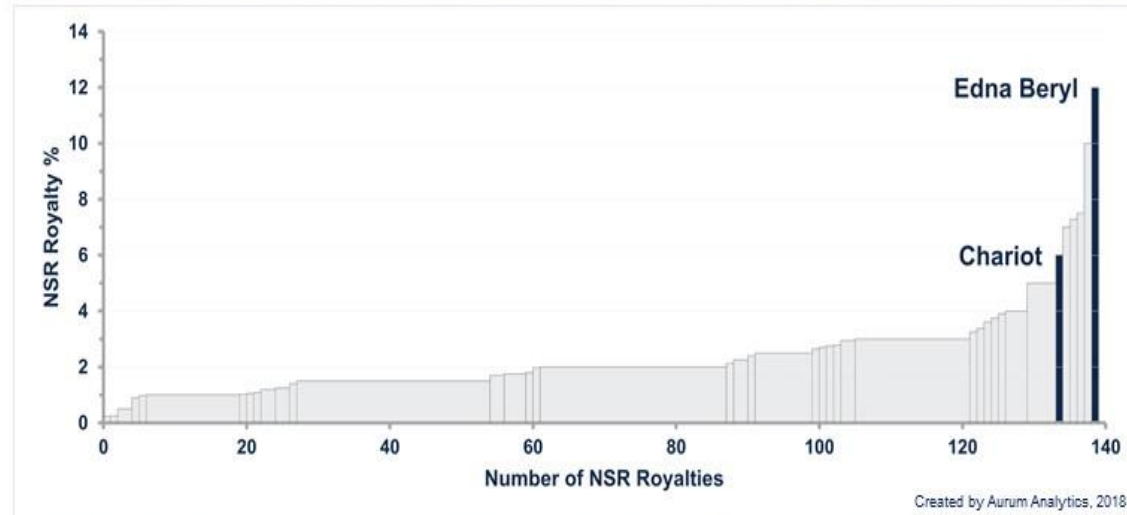


Figure 1: Location of the Mauretania and Three Thirty-Black Snake SAM surveying areas and highlighting previously reported significant Mauretania (ASX:18/02/19) and Black Snake (ASX:17/05/19) intersections

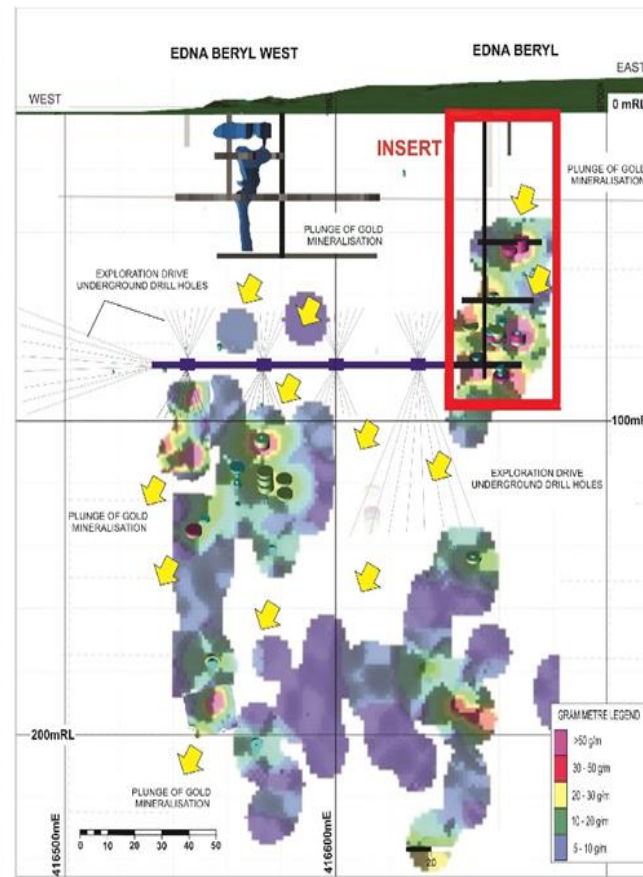
Royalties “low risk” revenue streams

NSR Royalties at Producing Mines and Development Projects



- **De-risking through royalties**
- Edna Beryl mine 12%
- Chariot mine 6%
- Average NSR royalty held by streaming companies 2.2%
- Creating revenue to fund ongoing exploration

Figure 2. Edna Beryl Royalties benchmarked against the global Royalties from leading Royalty companies



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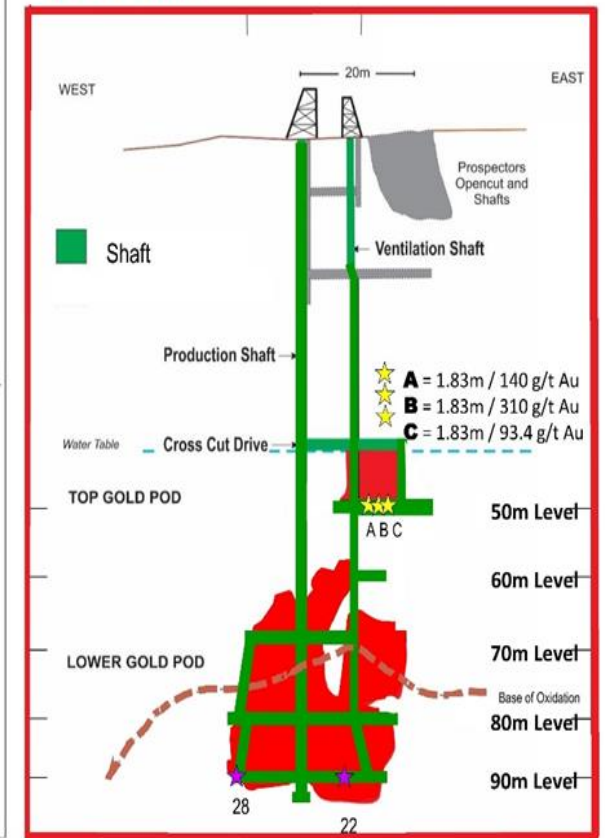


Figure 3: Edna Beryl Gold Mine. Note Original Tribute Area (insert - red outline), and Exploration Drive with proposed fan drilling (background colours = gold gram/metre from surface drilling)