

New Grants from NSW Government for Next Drill Program

Highlights

- Emmerson awarded drilling co-funding grants from the NSW Government for both the Kiola and Kadungle projects
- Kiola lies within the highly ranked Molong Belt which hosts Alkane Resources' Boda copper-gold discovery and Newcrest's world class Cadia-Ridgeway copper-gold deposit
- Kadungle lies within the Narromine Belt where previous drilling has intersected high grade gold and copper
- New cutting-edge techniques combined with traditional exploration has outlined several new porphyry and related epithermal gold-silver targets
- Timing of the commencement of drill testing is now dependent on health and travel considerations relating to recent COVID-19 protocols
- Given the global economic circumstances, budget reductions have been implemented that include reduced fees and salaries for Directors, Management and staff of up to 50%

Emmerson Managing Director Mr Rob Bills commented:

"Emmerson is well placed to emerge in a very strong position once this COVID-19 crisis allows field activities to recommence. We have exceptional ground positions in one of the Australia's highest-grade gold provinces at Tennant Creek plus a suite of early mover assets in some of the hottest exploration districts in NSW."

"The announcement by the NSW Government that Emmerson has secured two Cooperative Drilling Grants has not only reduced our exploration costs across both our Kiola and Kadungle projects but is also testament to the potential of these projects to generate new copper-gold discoveries."

"Additionally, we have prudently implemented cost saving measures across our business to help weather the challenging economic conditions we currently face."

NSW New Frontiers Cooperative Drilling Grants

The New Frontiers Cooperative Drilling grants program by the NSW Government encourages private exploration drilling in the search of high value mineral deposits in prospective underexplored areas of NSW and where companies are using the latest technology to identify new deposits.

The \$2 million program is a co-funded initiative where the NSW Government provides up to 50 per cent of direct drilling costs for individual projects, capped at \$200,000. Emmerson is pleased to advise that it has recently been awarded grants for upcoming drilling at both the Kiola and Kadungle projects.

Kiola Project (Figure 1)

Emmerson's Kiola project is a highly ranked, early stage gold-copper project centred on the 15km² Kiola Geochemical Zone (KGZ) within the highly prospective Molong Belt. It encompasses favourable Ordovician age rocks that display anomalously high gold and copper geochemistry, mineralisation associated with skarns and many historic workings. Although there is limited exposure of the Ordovician stratigraphy due to soil cover, recent exploration has confirmed similarities to the world class Cadia-Ridgeway deposit.

Furthermore the aeromagnetic survey suggest potential for multiple Ordovician intrusions within the subsurface and given the anomalous gold, copper and base metals, likely represent the source of these metals (Figure 2). Most of the targets in our forthcoming drill program occur within 400m of the surface and will be the deepest drill holes in the history of the project.

Some 15-line km of Induced Polarisation (IP) geophysics collected in late 2019 has reinforced the depth potential of the target areas, particularly when combined with the geochemistry, age dates, intrusion fertility plots and geology.

Nasdaq Skarn (Northern Area)

Shallow historic drilling in this area has intersected copper, gold and base metals within calc-silicates (i.e. skarn mineralisation) (Figure 3). Some of the better results include:

- 8m at 2.52g/t gold and 0.19% copper including 3m at 6.43g/t gold from 32m (drill hole CWC002);
- 13m at 0.26g/t gold from 44m (CWC022);
- 17m at 0.19g/t gold and 0.17% copper from the surface (CWC016); and
- 13m at 0.17g/t gold from the surface (CWC017).

South Pole, Kiola and Right-Hand Creek (Southern Area)

This southern area features highly anomalous geochemistry (up to 19% copper and 4.5g/t gold in rock chips), several historic mines, extensive geophysical anomalies (both chargeable and resistive) across consecutive lines of IP geophysics, plus favourable geology and alteration.

Strong zones of shearing outside of the large magnetic anomaly at South Pole plus the associated calc-silicate skarn to the north (Figure 2) suggests some similarities to the northern Nasdaq area. With potential for structurally controlled, vein style copper-gold mineralisation peripheral to a porphyry system.

The drill program consists of a minimum of 2,000m of diamond drilling across five holes – with an ability to extend the holes based on visual results. The NSW drilling grant will now reduce the direct drilling costs by 50% or \$83k.

Kadungle Project

Kadungle sits in the highly prospective Narromine Volcanic Belt within the Lachlan Transfer Zone that hosts the Northparkes gold-copper deposit (Figure 3). Some of the historic drilling at Kadungle intersected epithermal gold-silver and porphyry copper-gold with best assays of 12m at 7.7g/t gold and 0.12% copper from 62m (drill hole KDD002) and 37m at 0.23% copper including 6m at 1.1% copper from 560m (KDD013) (ASX: 4 October 2016) (figure 4).

Recent trace element, alteration and petrochemistry studies on the historic drill holes indicates the source for the gold and copper likely resides at depth in the Mount Leadley/Mount Leadley South prospects. The drill program consists of a minimum of 1,700m of diamond and RC drilling across two deep holes – with an ability to extend the holes based on visual results. The NSW drilling grant will now reduce the direct drilling costs by 50% or ~\$101k.

For and on behalf of the Board of Emmerson Resources Limited

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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/Duke Exploration) from the application of 2D and 3D predictive targeting models – aimed at increasing the probability of discovery. (Duke 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 announced the formation of a strategic alliance with Territory Resources in 2018 in which Territory Resources will 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 have a 12% and 6% gold production royalty respectively.

Competency Statement

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.

Table 1: Table of historical and recent drilling at EL6226 Kadungle, Mount Leadley and Mount Leadley South prospects

HoleID	Hole Type	MGA94 z55 Easting	MGA94 z55 Northing	RL	Total Depth (m)	Dip	Az Mag	Prospect	Company/ Operator	EL number	Relevant ASX Date/Source/ Report	Release Annual Report
PL1	RC	560389	6378716	317	102	-60	272	Mt Leadley	BP Minerals	EL2171	GS1984_361.R00009523	
PL2	RC	560488	6378698	314	111	-60	270	Mt Leadley	BP Minerals	EL2171	GS1984_361.R00009523	
PL3	RC	560411	6378710	318	113	-60	91	Mt Leadley	BP Minerals	EL2171	GS1984_361.R00009523	
PL4	RC	560343	6378509	300	117	-60	90	Mt Leadley	BP Minerals	EL2171	GS1984_361.R00009523	
PL5	RC	560296	6378516	301	127.5	-60	88	Mt Leadley	BP Minerals	EL2171	GS1984_361.R00009523	
PL6	RC	560245	6378523	304	105	-60	87	Mt Leadley	BP Minerals	EL2171	GS1984_361.R00009523	
PDH8	RC	560415	6378798	307	100	-50	272	Mt Leadley	Peko Wallsend Operations Ltd	EL2171	GS1984_361.R00009531	
PDH9	RC	560460	6378796	306	78	-50	272	Mt Leadley	Peko Wallsend Operations Ltd	EL2171	GS1984_361.R00009531	
PDH11	RC	560423	6378709	319	90	-50	272	Mt Leadley	Peko Wallsend Operations Ltd	EL2171	GS1984_361.R00009531	
PDH10	RC	560511	6378794	301	80	-50	272	Mt Leadley	Peko Wallsend Operations Ltd	EL2171	GS1984_361.R00009531	
KRC001	RC	559634	6378205	315	90	-60	270	Mt Leadley South	LFB Resources NL	EL4933	GS2001_297.R00031870	
KRC002	RC	559674	6378205	316	78	-60	270	Mt Leadley South	LFB Resources NL	EL4933	GS2001_297.R00031870	
KRC003	RC	559634	6378105	315	78	-60	270	Mt Leadley South	LFB Resources NL	EL4933	GS2001_297.R00031870	
KRC004	RC	559594	6378105	312	78	-60	270	Mt Leadley South	LFB Resources NL	EL4933	GS2001_297.R00031870	
KRC005	RC	559804	6378100	300	78	-60	270	Mt Leadley South	LFB Resources NL	EL4933	GS2001_297.R00031870	
KRC006	RC	559754	6378095	305	78	-60	270	Mt Leadley South	LFB Resources NL	EL4933	GS2001_297.R00031870	
KRC007	RC	559714	6378105	310	78	-60	278	Mt Leadley South	LFB Resources NL	EL4933	GS2001_297.R00031870	
KRC008	RC	559674	6378105	315	102	-60	270	Mt Leadley South	LFB Resources NL	EL4933	GS2001_297.R00031870	
KRC009	RC	559714	6378205	314	138	-60	270	Mt Leadley South	LFB Resources NL	EL4933	GS2001_297.R00031870	
KRC010	RC	560454	6378865	300	72	-60	90	Mt Leadley	LFB Resources NL	EL4933	GS2001_297.R00031870	
KRC011	RC	560414	6378865	300	72	-61	90	Mt Leadley	LFB Resources NL	EL4933	GS2001_297.R00031870	
KRC012	RC	560374	6378865	296	78	-60	90	Mt Leadley	LFB Resources NL	EL4933	GS2001_297.R00031870	
KDD001	RCDDH	559770	6378111	299	219.2	-54	259	Mt Leadley South	Big Sky Holdings	EL6226	GS2006_310.R00054445	
KDD002	RCDDH	560489	6378692	313	249.5	-70	259	Mt Leadley	Big Sky Holdings	EL6226	GS2006_310.R00054445	
KDD003	DDH	559791	6378212	303	297.8	-55	259	Mt Leadley South	Big Sky Holdings	EL6226	GS2006_310.R00054445	
KDD004	DDH	559927	6378108	288	442.9	-55	251	Mt Leadley South	Big Sky Holdings	EL6226	GS2006_310.R00054445	
KDD005	RCDDH	559812	6378303	307	120.4	-55	256	Mt Leadley South	Big Sky Holdings	EL6226	GS2006_310.R00054445	
KRC013	RC	559748	6378284	307	128	-55	233	Mt Leadley South	Big Sky Holdings	EL6226	GS2006_310.R00054445	
KRC014	RC	559700	6378275	308	120	-55	260	Mt Leadley South	Big Sky Holdings	EL6226	GS2006_310.R00054445	
KRC015	RC	559819	6378305	307	131	-55	245	Mt Leadley South	Big Sky Holdings	EL6226	GS2006_310.R00054445	
KDD006	DDH	560337	6378714	311	240.8	-58	78	Mt Leadley	YTC Resources Ltd	EL6226	GS2008_0758.R00030798	
KDD007	DDH	559509	6378376	291	323.6	-60	77	Mt Leadley South	YTC Resources Ltd	EL6226	GS2008_0758.R00030798	
KDD008	DDH	559449	6378058	289	311.6	-60	74	Mt Leadley South	YTC Resources Ltd	EL6226	GS2008_0758.R00030798	
KDD010	DDH	560149	6378534	299	299.7	-50	75	Mt Leadley	YTC Resources Ltd	EL6226	GS2008_0758.R00030798	
KDD013	DDH	560345	6378713	312	693.9	-70	247	Mt Leadley	YTC Resources Ltd	EL6226	GS2008_0758.R00030798	
KRC016	RC	560410	6378082	275	147	-60	255	Mt Leadley	YTC Resources Ltd	EL6226	GS2009_0529.R00034506	
KRC017	RC	560610	6378233	273	132	-60	255	Mt Leadley	YTC Resources Ltd	EL6226	GS2009_0529.R00034506	
KRC018	RC	559764	6377996	289	114	-60	258	Mt Leadley South	YTC Resources Ltd	EL6226	GS2009_0529.R00034506	
KRC019	RC	560407	6378652	324	204	-60	80	Mt Leadley	YTC Resources Ltd	EL6226	GS2012_0779.R0002367	
KRC020	RC	560394	6378608	312	172	-65	79	Mt Leadley	YTC Resources Ltd	EL6226	GS2012_0779.R0002367	
KDD014	RCDDH	560108	6378262	293	375.5	-60	254	Mt Leadley South	Emmerson Resources Ltd	EL6226	ASX: 13 December 2017	
KDD015	DDH	560400	6378693	320	282.6	-61	92	Mt Leadley	Emmerson Resources Ltd	EL6226	ASX: 18 July 2017	
KDD016	RCDDH	559979	6378548	291	450.6	-70	116	Mt Leadley	Emmerson Resources Ltd	EL6226	ASX: 13 December 2017	
KDD017	RCDDH	559960	6378554	291	573.6	-68	76	Mt Leadley	Emmerson Resources Ltd	EL6226	ASX: 13 December 2017	

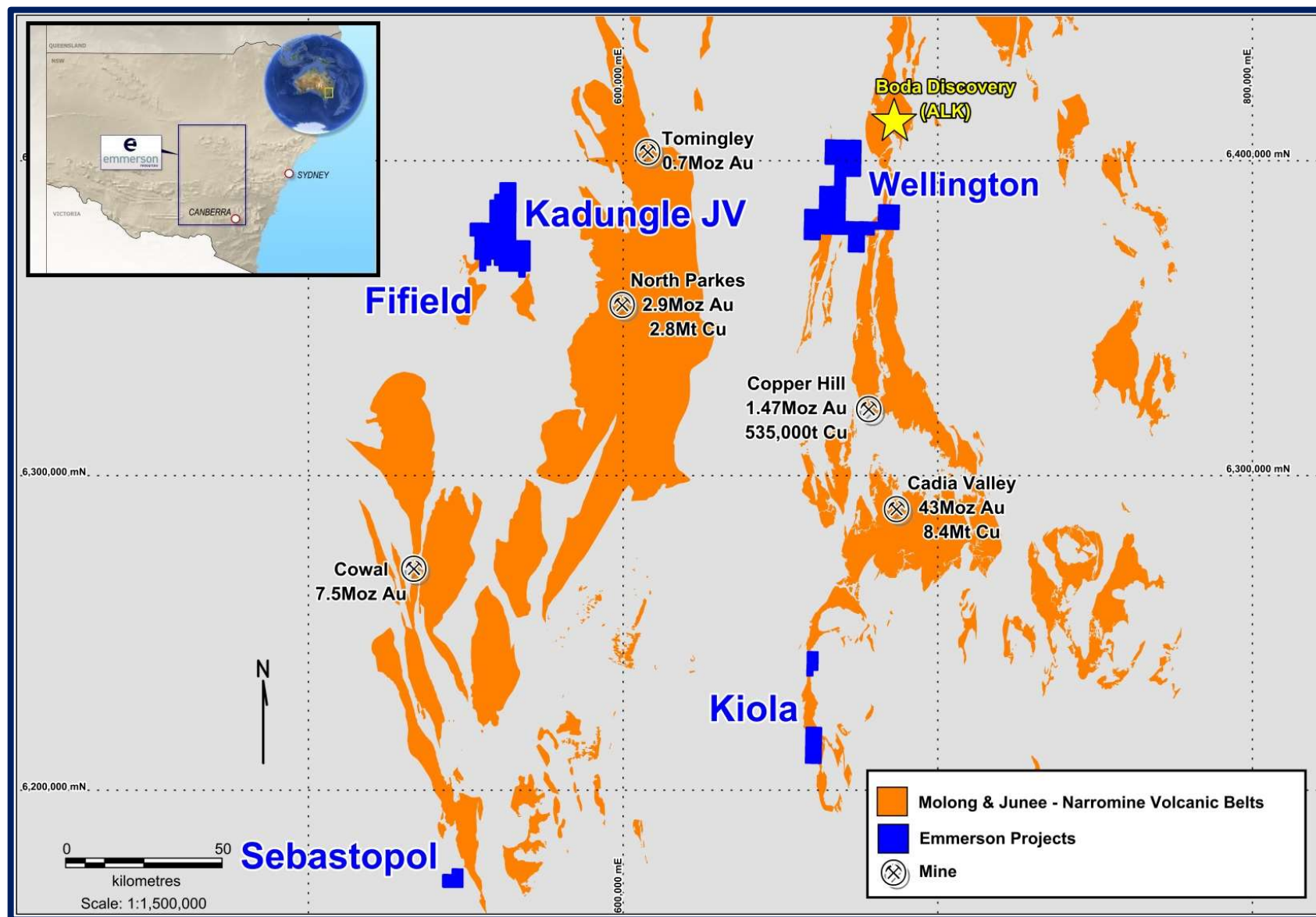


Figure 1. Location of Emmerson's NSW Projects (Lachlan Resources). The background is the regional magnetic image, with orange indicating the various segments of the Macquarie Arc.

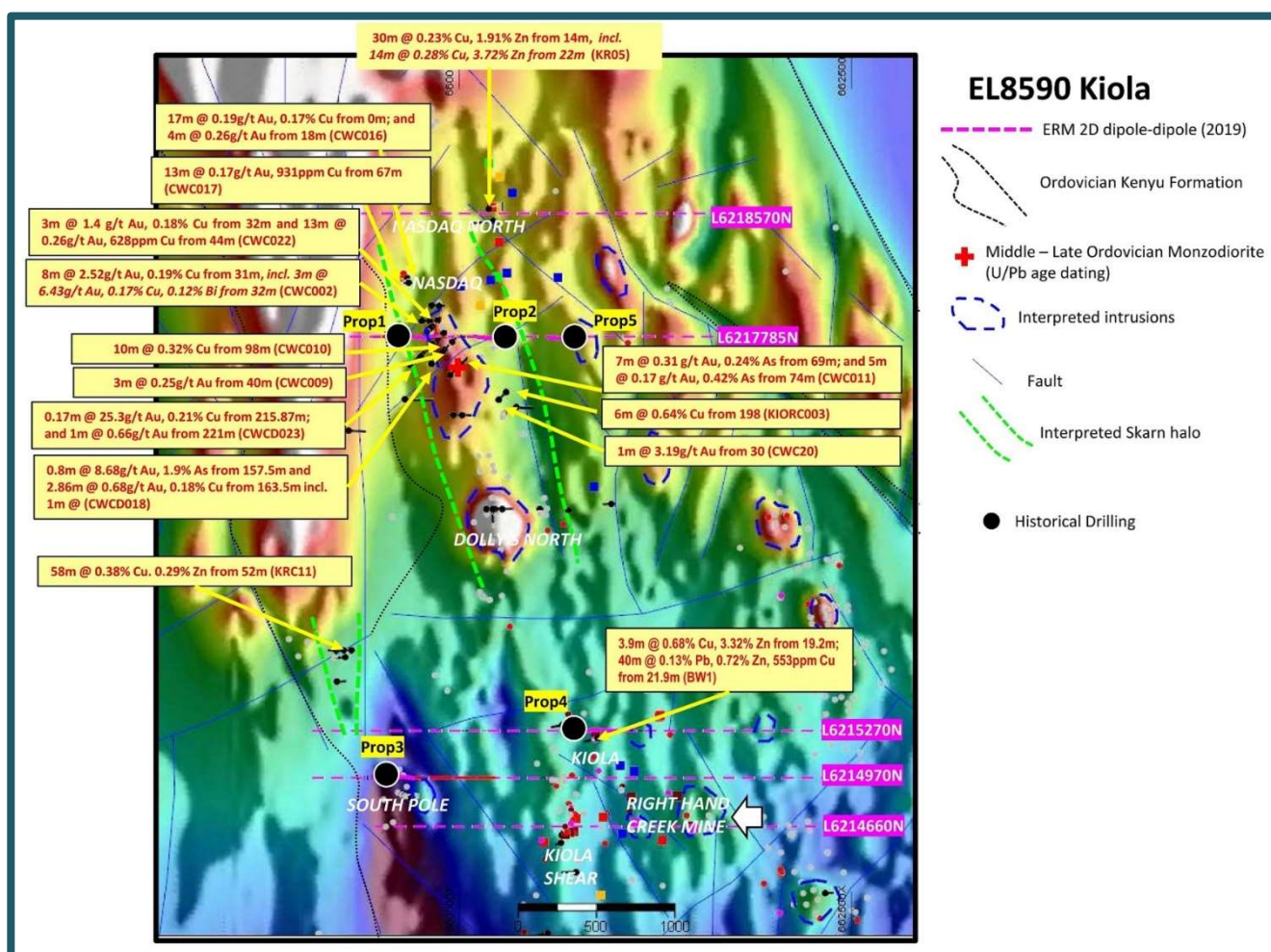


Figure 2: Plan view of the Kiola Geochemical Zone (KGZ) showing historic drill results at the Nasdaq skarn, and the southern South Pole, Kiola, Right Hand Creek Mine.

Note the background image is the Reduced to Pole Magnetics, with red-white colour outlining interpreted Ordovician age intrusions

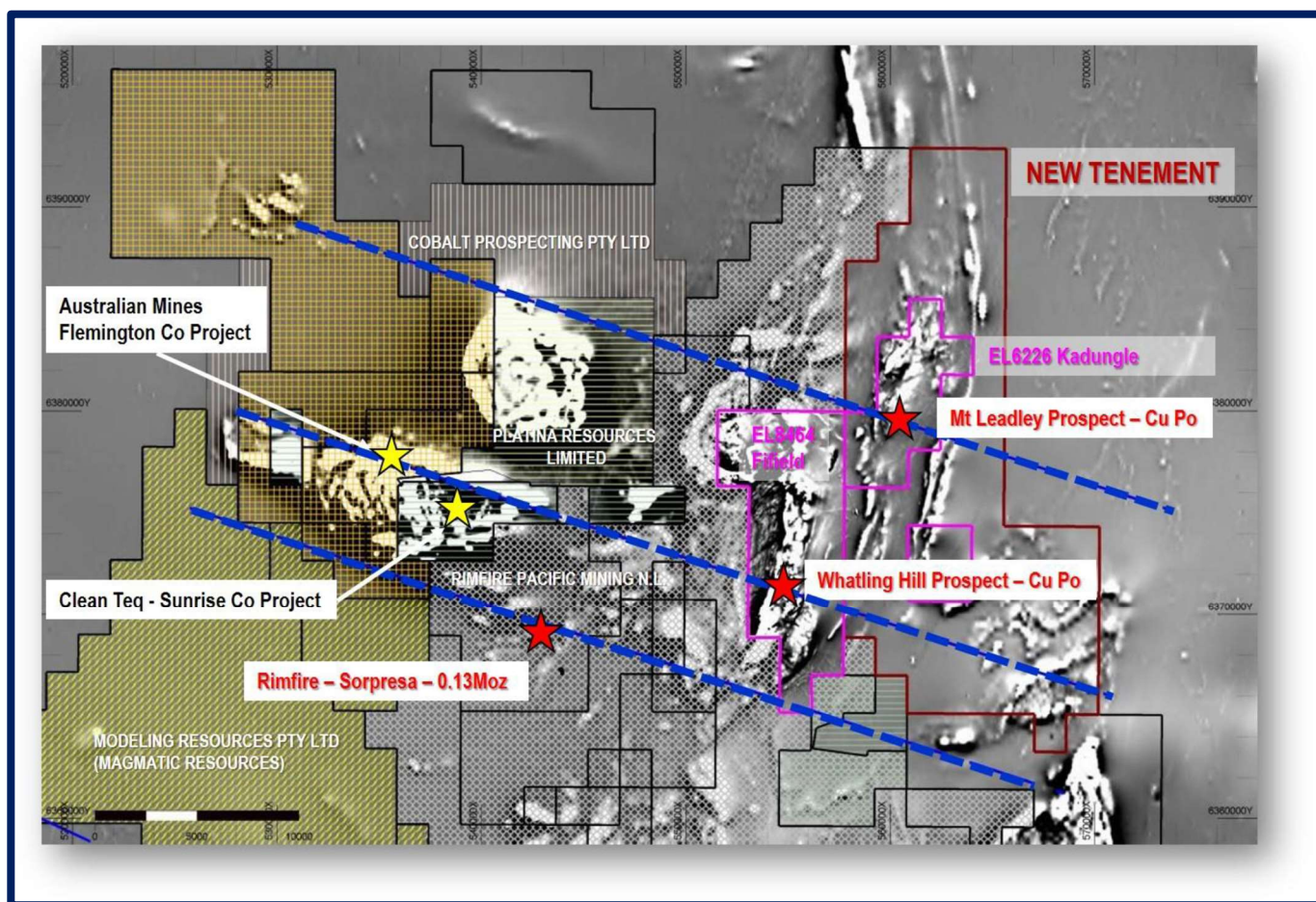


Figure 3: Emmerson's consolidated ground position (purple outline) within the highly prospective Lachlan Transfer Zone (blue dashed lines). Includes the Fifield and Kadungle tenements which host the Whatling Hill and Mt Leadley projects. Note the background image is a grey scale image of the aeromagnetics

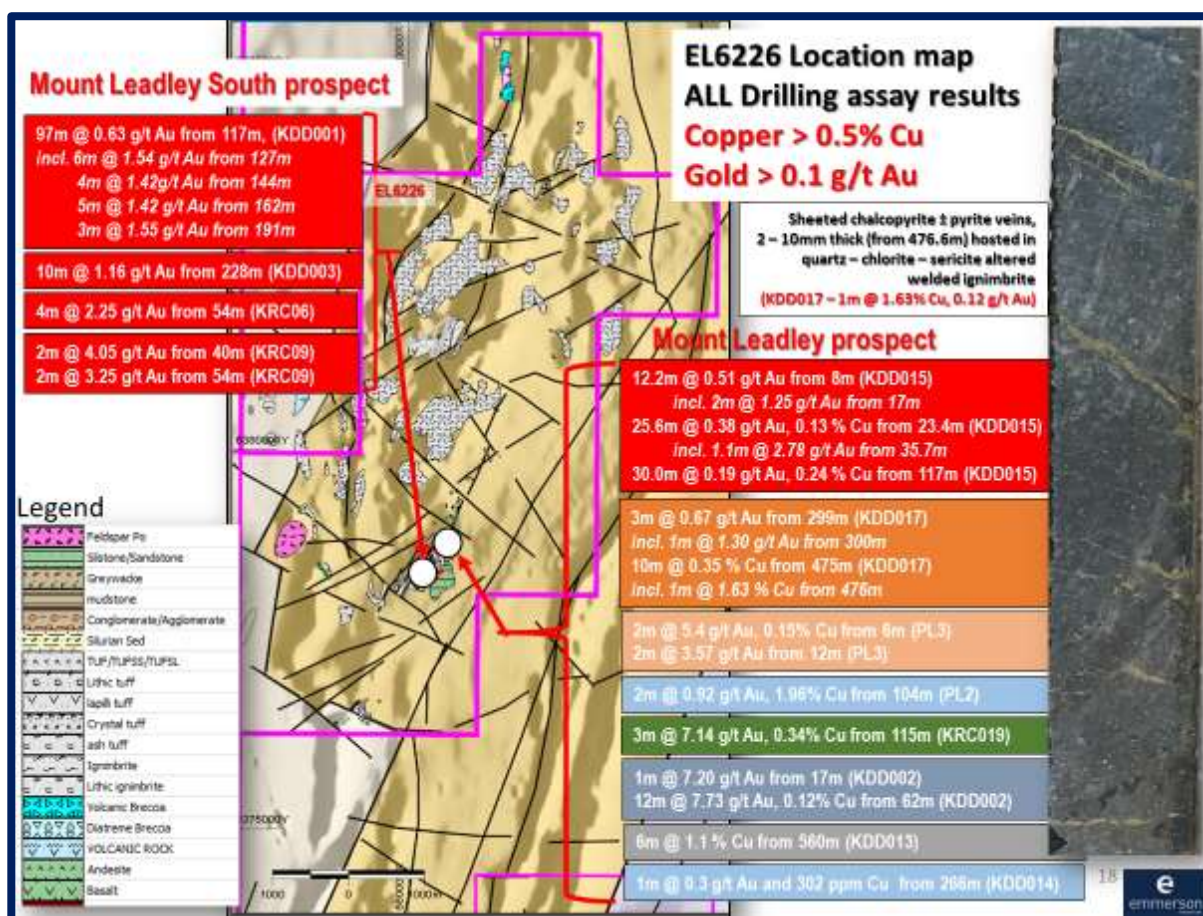


Figure 4: Plan view of Kadungle - Mount Leadley and Mount Leadley South prospects, showing recent and historic drilling results – the next drill program will test two deep targets aimed at pinpointing the source to this gold and copper.