

Update on Tennant Creek Gold Royalty Stream

Emmerson provides the following update on continued progress toward its goal of realising a low risk royalty stream from its gold assets in the 100% owned Tennant Creek Mineral Field:

- Mining Partnership Advances: Letter of intent between strategic alliance partner Territory Resources and Blue Cap Mining pertaining to the development and mining of several high-grade gold projects at Tennant Creek
- Aim to Maximise Mill Capacity: Blue Cap and Territory now finalising the mining schedule which aims to maximise the full capacity at the Warrego Mill through fast tracking the development of multiple gold projects, including Edna Beryl
- Refurbishment Underway: Completion of the purchase of all major components for the Warrego Mill refurbishment by Territory
- Managing Covid-19 remains Paramount: Territory working with the NT Government and local authorities to safely establish a workforce at the Warrego Mill in compliance with current COVID-19 regulations

Emmerson Managing Director Mr Rob Bills commented:

“The Letter of Intent between Territory Resources and Blue Cap Mining marks a very positive step forward for our emerging gold royalty business in Tennant Creek. Emmerson will receive a low risk royalty stream from its assets at Tennant Creek which are mined and processed through the Warrego Mill.

Blue Cap is an experienced and highly regarded operator, bringing specialist project and mining skills to fast track the development of multiple gold projects in the Tennant Creek Mineral Field. Blue Cap has the ability to fund its working capital across these projects and has a demonstrated track record of successful delivery.

Our strategic partner, Territory Resources, has completed the purchase of all the major components for the refurbishment of the Warrego Mill which will modernise the existing mill and maximise efficiencies and recoveries. We look forward to an updated mine and mill schedule once the COVID -19 constraints are resolved.”

Blue Cap Mining (BCM) – the mining solution at Tennant Creek

Emmerson has been advised by Territory Resources that Blue Cap Mining (BCM) has signed a Letter of Intent (LOI) for the development and mining of deposits in the Tennant Creek Mineral Field – one of Australia's highest-grade goldfields (Figure 1).

BCM is a very successful private mining contractor and project manager that has experience in developing small gold projects including the Red Dog and Penny's Find projects. BCM has the ability to fund the working capital required to rapidly advance the development and mining of multiple gold projects within the Southern Project Area (SPA) of the Emmerson and Territory Joint Venture.

In addition, BCM will work with Territory to finalise development plans at the high-grade Edna Beryl gold mine. Next steps include deepening of the current shaft, adding a further sub-level and commencing the exploration drill drive. The deepest sub level is only 90m below the surface and contains exposed areas of visible high-grade gold which is prevalent in the deposit.

Emmerson receives a low risk 12% gold production royalty at Edna Beryl which is free of all costs associated with development, mining and processing. Emmerson is also entitled to a similar 6% royalty at the Chariot deposit, with the remainder of the gold projects within the Southern Project Area (SPA) on a 75/25 (Territory/Emmerson) profit share basis (Figure 2).

BCM and Territory are working on a new mining schedule which aims to maximise the full capacity of the mill by pulling forward some of the larger gold projects within the Emmerson/Territory JV area.

The SPA also falls under an Exploration Joint Venture with Territory whereby Territory can earn a 75% interest by spending \$5m over five years. Emmerson remains manager and operator until completion of the earn-in.

Territory Resources – refurbishing and modernising the Warrego mill

Territory has advised it is now solely focussed on its Northern Territory assets and has now completed all major equipment purchases for the Warrego Mill including the power solution, Falcon In-Line Leach Reactor and Sepro Concentrator – all key components in modernising the mill and maximising gold recoveries. Initial throughput from the Warrego Mill is aimed at 100,000tpa, but includes plans to increase this up to 240,000tpa.

Territory believes there is 12-14 weeks remaining in the build/refurbishment schedule to reach commissioning, however this will likely be impacted by the stringent COVID-19 protocols currently in place. This will require the isolation of the construction workforce from the Tennant Creek population. Plans are in place to establish a camp at Warrego and Edna Beryl.

Emmerson will update shareholders on developments at both the Warrego Mill and Tennant Creek mining schedule in due course. Exploration will also recommence once COVID-19 restrictions allow it to be done safely and efficiently.

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.

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 5.5Mozs of gold and 470,000t 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.

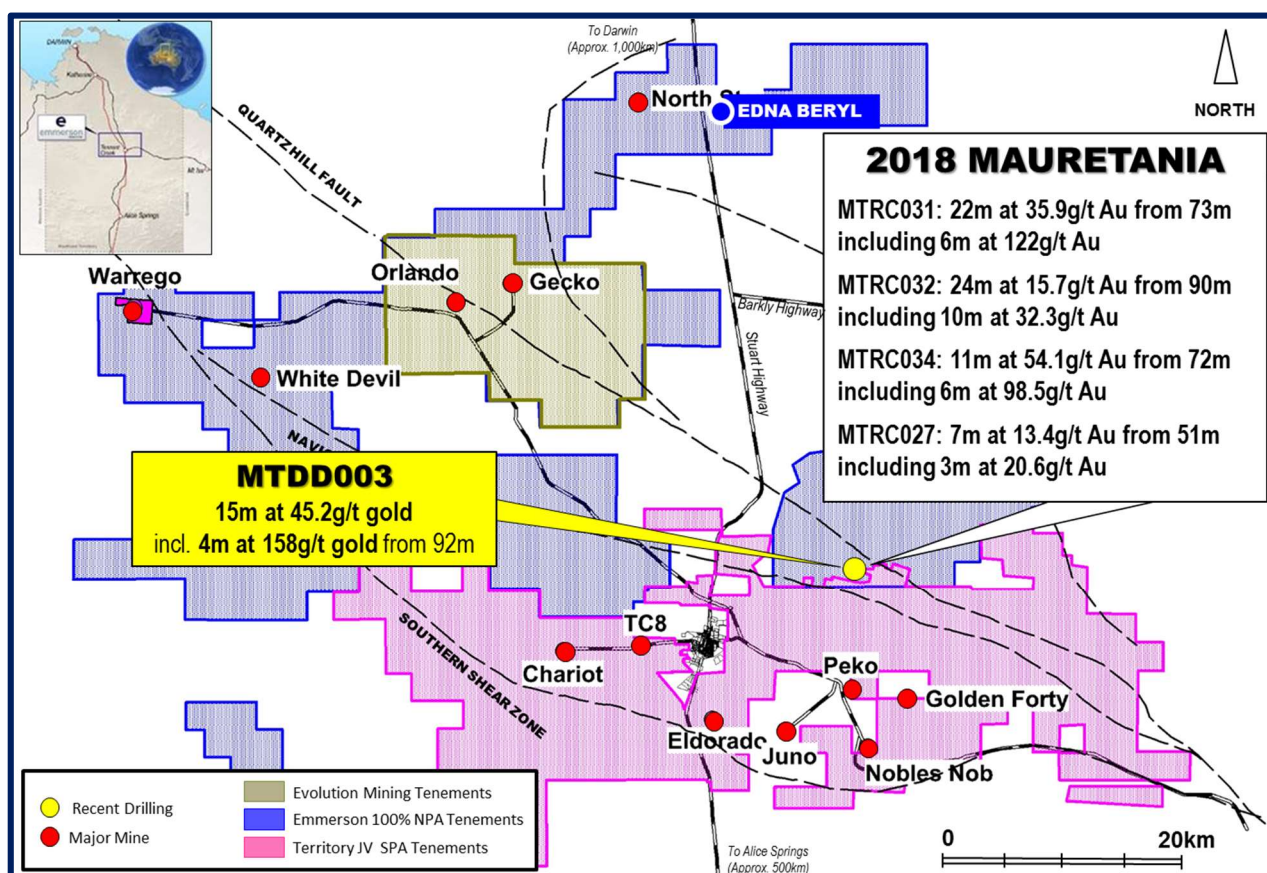


Figure 1: Emmerson's Tennant Creek Project (note the Mauretania Project is within the 100% ERM Northern Project Area (Mauretania drill results from ASX: June 2019)

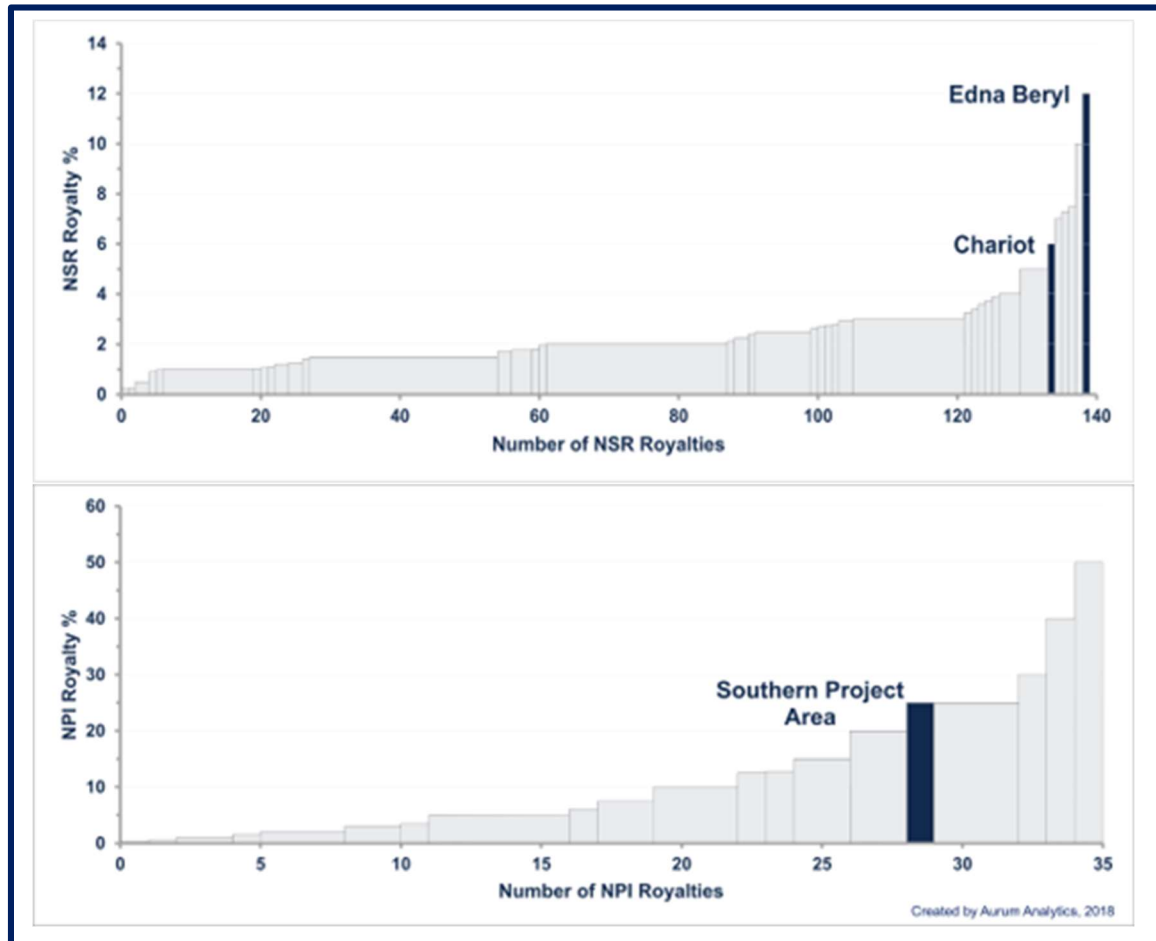


Figure 2: Comparison of negotiated Net Smelter Returns (NSR) and Net Profit Interest (NPI) of Emmerson's Tennant Creek gold projects compared to the global average.

Source: Franco-Nevada Corporation, Wheaton Precious Metals Corp., Royal Gold Inc, Osisko Gold Royalties Ltd, Sandstorm Gold Ltd (ASX: June 2019).