

## **\$2M PLACEMENT AT A 100% PREMIUM ADDITIONAL \$5M EXPLORATION JV IN TENNANT CREEK FURTHER 12% GOLD ROYALTIES SECURED**

### Highlights

- Emmerson enters a Strategic Alliance with NT Bullion Ltd for the Northern Project Area (NPA) at Tennant Creek that includes:
  - NT Bullion to invest \$2m in Emmerson shares priced at a minimum of 14c per share, representing a premium of 100% to the 5-day VWAP
  - Formation of an Exploration Earn-In and Joint Venture whereby NT Bullion funds the next \$5m of exploration over the NPA including an advanced payment of \$1m and the refund of exploration costs of approximately \$0.4m pertaining to the last drill program at our high-grade Mauretania gold discovery
  - Mining Joint Venture covering the NPA (excluding Edna Beryl) with Emmerson to receive:
    - a 12% gross revenue gold royalty from the Mauretania and Jasper Hills projects, plus 25% profit share of associated cobalt and copper
    - a 25% profit share from any other mine developed within the NPA in exchange for NT Bullion undertaking the development, mining and processing
- Exploration Earn-in and Joint Venture over the Tennant Creek NPA aims to accelerate the discovery of new deposits and extensions to existing gold, cobalt and copper projects, including Mauretania, Jasper Hills, Hermitage, Golden Slipper, Marathon and Troy
- NT Bullion through an associate, ICA Mining Services Pty Ltd has an agreement with Elmore Ltd (ASX: ELE) aiming to establish a portable modular mill at the Peko site. This provides an independent processing option for any projects within the NPA, including our recent, high grade discovery at Mauretania.



Emmerson's first gold pour

Drilling at Emmerson's  
Mauretania gold discovery

## Emmerson's Managing Director Mr Rob Bills commented:

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*"We welcome NT Bullion as a new shareholder and partner at Tennant Creek following the formation of this new Strategic Alliance. This multifaceted deal over the Northern Project Area augments the existing alliance with Territory Resources over the Southern Project Area and is another boost for the local Tennant Creek economy."*

*"For Emmerson shareholders, it provides a low-risk pathway to accelerate commercial production from a potential suite of new mines in the Northern Project Area. This Strategic Alliance builds upon our emerging gold royalty business which aims to generate funding for ongoing exploration programs both in Tennant Creek and NSW."*

*"The exploration JV sees Emmerson remain the operator and manager plus retain the ownership of the underlying leases during the \$5m earn-in by NT Bullion."*

*"NT Bullion through an associate, ICA Mining Services Pty Ltd, has entered into a partnership with Elmore Ltd (ASX:ELE). Elmore are seeking to establish a modular portable mill in the Tennant Creek region to process the Peko tails. According to NT Bullion, this mill is expected to be commissioned in late 2020. Establishing a new processing facility with potential for additional royalty streams for new mines in the NPA, including the nearby, high grade gold, Mauretania discovery."*

*"The premium paid by NT Bullion for their Emmerson shares reflect both their confidence in the future success of the Strategic Alliance as well as their acknowledgement of the proprietary knowledge and relationships that Emmerson hold in relation to the Tennant Creek Mineral Field."*

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## NT Bullion's Main Shareholder Mr Roy Jansen commented:

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*"NT Bullion, which is 45% owned by local indigenous investors, is already planning the construction of a gold processing plant in the Tennant Creek area and this new alliance will see an additional vast 1,600km<sup>2</sup> area under Emmerson further developed."*

*"Emmerson has an outstanding land package around Tennant Creek with clear production potential which aligns with our strategy to establish with Elmore a portable modular mill."*

*"The strategic alliance is part of an overall plan by NT Bullion to develop a range of gold, iron ore, cobalt and copper projects in the NT including a gold processing plant and exporting high grade iron ore through Darwin."*

*"We aim to quickly build a pipeline of mines for development and the first step will be with a drilling program at the high-grade Mauretania gold discovery, we are extremely fortunate to be able to capitalise on Emmerson hard work that has been conducted over the years."*

## Barkly Mayor, Mr Steve Edgington commented:

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*"Emmerson established an exploration base at Tennant Creek in 2007 and has invested significantly in high risk exploration. This Strategic Alliance now provides the opportunity to convert this investment into further discoveries and a new generation of gold and gold-copper mines that has the potential to benefit the entire Barkly region."*

*"The establishment of a new processing mill in Tennant Creek presents an exciting opportunity for further mining in the Tennant Creek region and ultimately much needed jobs."*

*"It is good to see that Emmerson is passing the baton to a locally owned Territory company."*

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### Strategic Alliance with NT Bullion

Emmerson advises that in addition to a similar strategic alliance with Territory Resources over Emmerson's Southern Project Area (SPA), this new strategic alliance over the Northern Project Area (NPA) continues to build an emerging gold royalty business (Figure 1). This alliance includes a new Mining Joint Venture, an Exploration Earn-in and Joint Venture, and a \$2 million Placement consisting of two tranches at a minimum issue price of 14c per share.

This Strategic Alliance establishes a low risk, funded pathway for the development of Emmerson's high-grade gold discoveries and provides substantial new funding for exploration.

#### NT Bullion Investment in Emmerson – to align interests and fast track exploration

As part of the Strategic Alliance, NT Bullion will subscribe for \$2 million of new Emmerson shares. The placement will consist of a non-refundable \$200,000 deposit which converts to shares once certain conditions are met. The first tranche of shares will raise approximately \$200,000 (Tranche 1 Subscription). The second tranche will raise approximately \$1.8 million (Tranche 2 Subscription). Completion of both tranches of the Placement is due to occur by 31 May 2020.

In addition, NT Bullion will refund Emmerson costs associated with the previous drilling campaign at Mauretania, including the tenement rents and a 6% management fee associated with managing and operating the Exploration JV. On completion, Emmerson will have ~\$4m available cash for ongoing exploration activities across NSW where it is about to commence drilling at its highly prospective Kiola gold-copper project.

Importantly, all exploration and associated costs across Emmerson's 1,300km<sup>2</sup> Tennant Creek project are now covered by earn-in commitments from the NT Bullion and Territory Resources Joint ventures. Additionally, Emmerson will earn a Management Fee during the Earn-In periods of both agreements, whilst retaining royalty interests to any future production.

Following the placement, NT Bullion will hold approximately 3.25% of Emmerson shares on issue which aligns the interests of both companies.

These shares will be issued within Emmerson's existing placement capacity under ASX Listing Rule 7.1.

#### Mining JV – to accelerate development of further mines and production of gold

As part of the Strategic Alliance, NT Bullion has entered into a Mining Joint Venture over Emmerson's NPA at Tennant Creek with the aim of accelerating production (within the five year earn-in period) from Mauretania and the Jasper Hills projects, of which the latter remains subject to land clearance negotiations.

Emmerson and NT Bullion have royalty agreements pertaining to the development and mining of Emmerson's assets within the NPA under a Mining Joint Venture Agreement. The profit share and gold royalties are consistent with those in place for Edna Beryl and other potential new mines in the Southern Project Area (SPA) with Territory Resources (Figure 2) (see ASX: 06/09/2018).

Under the terms of the Mining JV, Emmerson will receive an uncapped gross revenue gold royalty of 12% over Mauretania and Jasper Hills, plus a 25% profit share from associated copper and cobalt produced. For all other mining projects, Emmerson will receive a 25% profit share in exchange for NT Bullion undertaking the development, mining and processing.

The addition of this Mining JV with NT Bullion unlocks the full value in Emmerson's Tennant Creek project through establishing a second integrated exploration, mining and processing hub in Tennant Creek. It provides a low risk pathway to monetise the high-grade gold assets for Emmerson shareholders without the deployment of dilutive capital, while fully leveraging Emmerson's geological knowledge and discovery track record in the Tennant Creek Mineral Field.

### **Exploration Earn-in and JV – extending and advancing gold projects**

NT Bullion has entered an Exploration Earn-In and Joint Venture over Emmerson's NPA. The NPA is highly prospective for high-grade gold deposits and hosts the notable historical deposits of White Devil, Warrego, North Star as well as the promising new high-grade gold discovery at Mauretania.

Under the terms of the Earn-In, NT Bullion will contribute A\$5m of exploration expenditure in the NPA within five years to earn a 75% equity interest. Noting that the first year earn-in of \$1m will be paid in advance. After the earn-in phase, a Joint Venture can be formed where Emmerson can elect to either maintain its equity position in the NPA by contributing 25% to the exploration programs or dilute or convert to a royalty.

Note the full \$5m earn-in is the minimum expenditure that must be met by NT Bullion in order to fulfil the terms of both the Mining and Exploration agreements.

During the earn-in period, Emmerson will remain operator and manager and apply its systematic, science-based approach to exploration which has been successful in discovering a new generation of gold and gold-copper deposits in the Tennant Creek Mineral Field. Emmerson will be paid a management fee by NT Bullion for this service. Both parties will work collaboratively under an Exploration Management Committee aimed at identifying and prioritising additional mines for the Mining Joint Venture.

### **Next Steps**

This Strategic Alliance with NT Bullion has been executed but contingent on NT Bullion meeting conditions subsequent which includes fulfilling the entire A\$2m subscription agreement at the minimum strike price of 14c. In addition, NT Bullion must also complete the full A\$5m earn-in commitment over a maximum five-year period.

Exploration within the NPA will commence once the subscription agreement and first A\$1m advance earn-in payment has been completed. It is anticipated that drilling will recommence at the high-grade Mauretania project and subject to further negotiation with the Traditional Owners, drilling at the promising Jasper Hills and Golden Slipper projects.

### **For further information, please contact:**

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### **About Emmerson Resources, Tennant Creek and New South Wales**

Emmerson is exploring the Tennant Creek Mineral Field (TCMF), one of Australia's highest-grade gold and copper fields producing over 5.5Moz 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 a decade.

Emmerson is undertaking exploration on new gold-copper projects in NSW, identified (with our strategic alliance partner Kenex Limited - now Duke Exploration) from the application of 2D and 3D predictive targeting models – aimed at increasing the probability of discovery. The highly prospective Macquarie Arc in NSW hosts >80Moz 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 a lack of exploration.

### **About NT Bullion**

NT Bullion: 90% of its shareholders are based in the Northern Territory, of whom 45% are Indigenous shareholders. NT Bullion is focused on a strategy to mine, produce and refine gold in the Northern Territory. NT Bullion through its associate Trendsheer Holdings Pty Ltd owns the Francis Creek project which involves Iron Ore production and Gold Resources development centred within the Pine Creek Gold producing region.

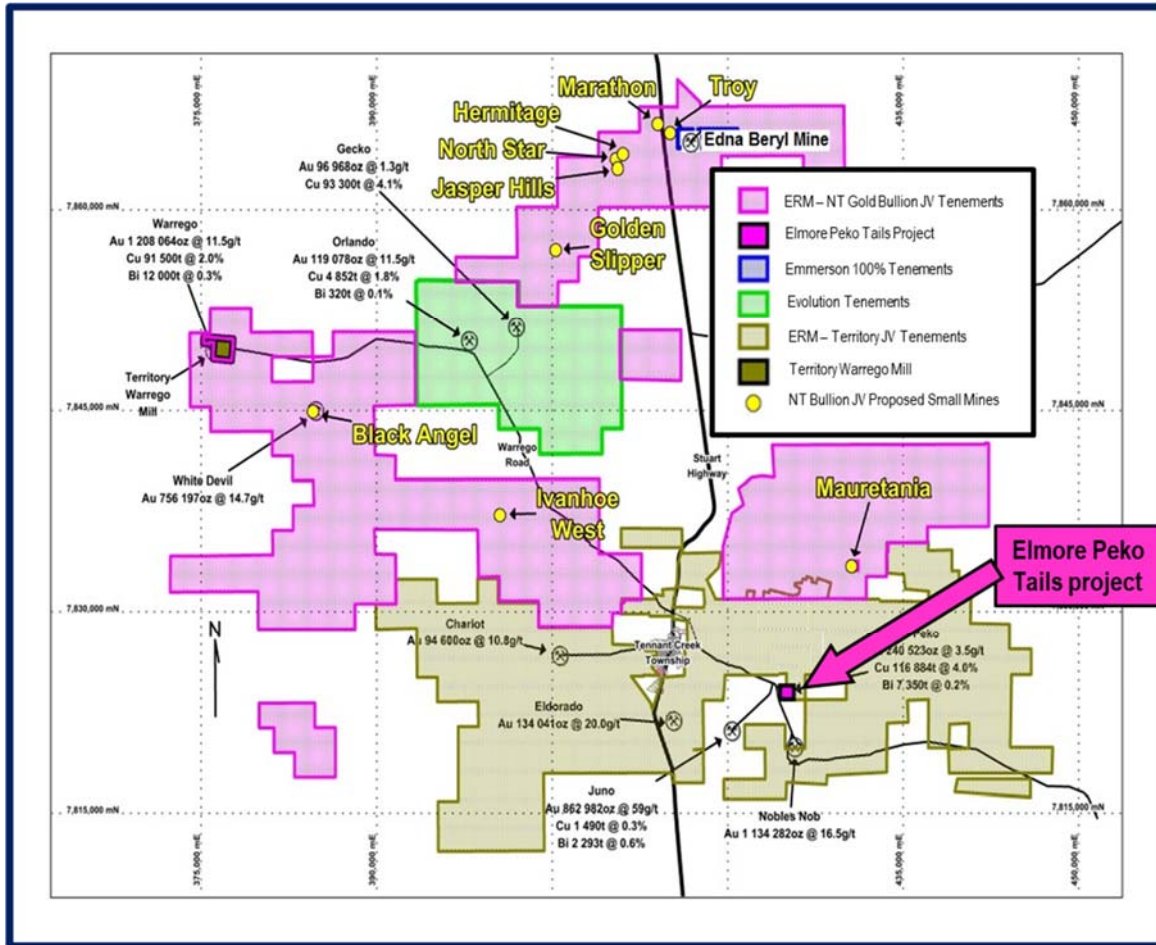
### **Regulatory Information**

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 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.

### **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.



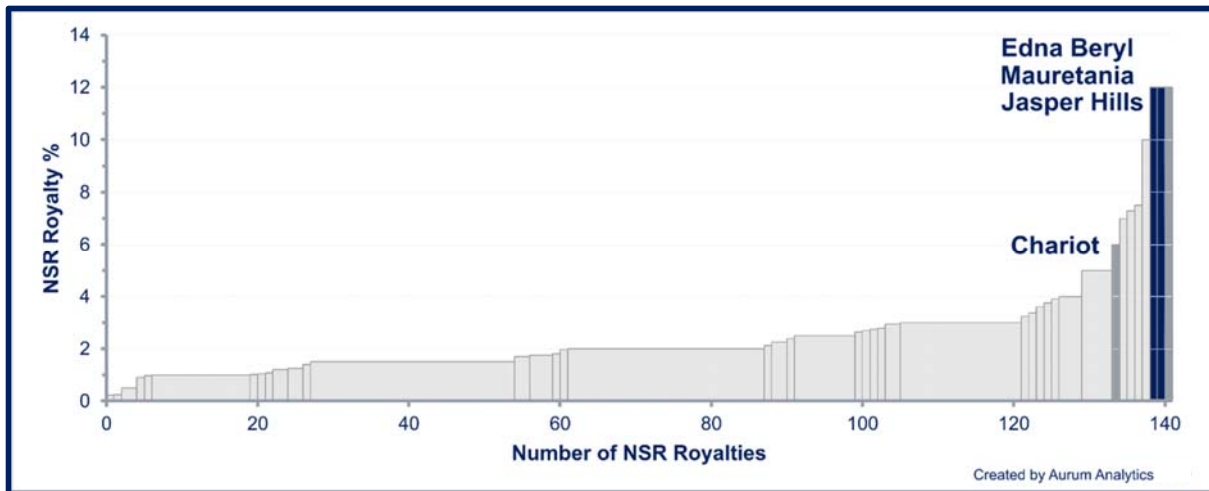


**Figure 1.** Map of the Emmerson Tennant Creek tenements showing the area (purple) of the two new JV's (Northern Mines & Exploration JV's) with NT Bullion. Also potential new gold mines (yellow dots covered by the Northern Mines JV). Note location of the Elmore Peko Tails project and nearby Emmerson discovery at Mauretania.

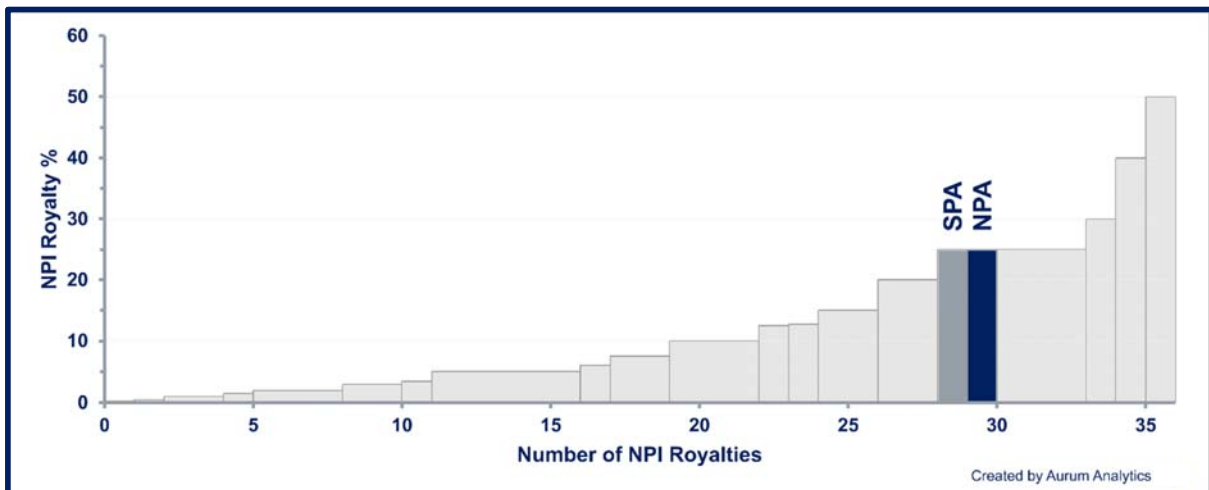
Southern Project Area (khaki) is covered by the Small Mines and Exploration JV's with Territory Resources.

*Note: quoted resources from historical deposits from Ahmad, M., Wygralak, A.S. and Ferenczi, P.A. (1999). Gold deposits of the Northern Territory 2<sup>nd</sup> ed. Darwin: Northern Territory Geological Survey, p.60*

Figure 2. Emmerson's emerging gold royalty business in the Tennant Creek Mineral Field



Global NSR Royalties at Producing Mines and Development Projects benchmarked against Emmerson's Edna Beryl, Mauretania and Jasper Hills projects. At these projects Emmerson receives 12% of the gold dore at the Perth Mint



Global NPI Royalties at Mines and Exploration Projects benchmarked against Emmerson's Tennant Creek gold projects under the Small Mines and Northern Mines JV (mines within the Northern Project Area (NPA) and the Southern Project Area (SPA))