

Capital raising of up to \$4.5 million to accelerate NSW exploration and support Emerging Gold Royalty Business

Highlights

- Firm commitments from investors to raise \$3.5 million (before costs) through a Placement priced at \$0.10 a share with an unlisted option priced at \$0.16 a share, exercisable before 8 July 2023
- North American investor Palisades Goldcorp has subscribed for \$2.0 million of the Placement to become a new strategic shareholder in Emmerson
- Emmerson shareholders to be offered the opportunity to acquire new shares under the same terms through a Share Purchase Plan to raise up to a further \$1.0 million

Emmerson Resources Limited ("Emmerson" or the "Company") (ASX: ERM) is pleased to announce that it has secured commitments to raise up to \$3.5 million (before costs) in an over-subscribed Placement to institutional and sophisticated investors ("Placement"). Consistent with our objective of diversifying our shareholder base, Palisades Goldcorp Ltd has subscribed for \$2.0 million of the Placement to become a new strategic investor, providing visibility to the important North American market.

Under the Placement, Emmerson will issue approximately 35 million fully paid ordinary shares ("Shares") at an issue price of \$0.10 each. For each Share issued to participants under the Placement, investors will also be issued 1 attaching unlisted option with an exercise price of \$0.16 each, exercisable on or before 8 July 2023 ("Options") (see Placement Details below).

In addition to the Placement, a Share Purchase Plan ("SPP") will be undertaken through which existing holders of Emmerson fully paid ordinary shares will have the opportunity to acquire new shares and options under the same terms as the Placement to raise up to a further \$1m.

The Placement and SPP price are at a 4.8% discount to the last closing price of Emmerson shares of \$0.105 per share on 29 June 2020.

Lead Manager of the Placement was Hartleys Limited. The proceeds raised under the Placement and SPP will primarily be directed towards accelerating exploration across Emmerson's five NSW projects. Specifically, to undertake further exploration and drill testing across some exciting new targets at Kadungle, Kiola, and Wellington plus first pass drilling of the historic Sebastopol Goldfield in NSW – the subject of a recently announced Strategic Alliance with Longreach Mineral Exploration (ASX: 24 June 2020).

Emmerson's Managing Director, Rob Bills, commented:

"This new funding places Emmerson in a strong position to advance our NSW projects to the next phase while momentum builds in our emerging gold royalty business at Tennant Creek. We welcome Palisades Goldcorp and other new investors to the register and thank existing shareholders for their continued support. The strongly supported Placement reflects investor appetite for Emmerson's strategy and high-quality gold and copper-gold portfolio. It demonstrates Emmerson's ability to access strong investor support on the back of prudent management of capital along with a solid track record of a well credentialed explorer. We believe Emmerson is well positioned in having significant ground positions across one of Australia's highest-grade gold provinces at Tennant Creek and its five copper-gold projects in the Macquarie Arc – the new exploration hotspot of NSW.

The introduction of major new shareholder Palisades Goldcorp Ltd, Canada's new resource merchant bank, will further our strategy of attracting quality gold focussed shareholders and assist with marketing of our emerging gold royalty business in North America where the inherent value of royalty companies is better recognised."

Placement Details

Approximately 35 million new Shares and 20 million Options will be issued pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1. Approximately 15 million Options will require shareholder approval at an EGM to be held in August 2020. Settlement of the new Shares under the Placement is expected to occur on or around 8 July 2020. The new Shares will rank equally with existing Emmerson Shares. The Options will initially be unlisted and issued on standard terms and conditions.

SPP Details

Up to 10 million new shares and 10 million Options will be issued under the SPP. Options issued under the SPP will require shareholder approval at an EGM to be held in August 2020. The SPP is expected to open on 10 July 2020 and the offer under the SPP will occur by way of Prospectus due to the offer also including Options. The new Shares will rank equally with existing Emmerson Shares. The Options will initially be unlisted and issued on standard terms and conditions.

Announcement authorised for release by the Board of Emmerson.

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About Emmerson Resources

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. Kadungla is a JV with Aurelia Metals covering 43km² adjacent to Emmerson's Fifield project.

In addition, Emmerson has a commanding land holding position in the Tennant Creek Mineral Field (TCMF), one of Australia's highest-grade gold and copper fields producing over 5.5 Moz 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 and a further strategic alliance with NT Bullion in 2020. Both companies plan to build mills/processing facilities in Tennant Creek to support the mining and processing from Emmerson's gold mines. Both alliances also extend to separate earn-in and joint venture agreements whereby by Territory Resources and NT Bullion are obligated to spend \$5m over 5 years to earn a 75% interest. In addition, there are separate Mining Joint Ventures over a portfolio of Emmerson's small mines whereby Emmerson receive a variety of 12% and 6% gold production royalties or profit share.

About Palisades Goldcorp

Palisades Goldcorp is Canada's new resource focused merchant bank. Palisades' management team has a demonstrated track record of making money and is backed by many of the industry's most notable financiers. With junior resource equities valued at generational lows, management believes the sector is on the cusp of a major bull market move. Palisades is positioning itself with significant stakes in undervalued companies and assets with the goal of generating superior returns.

Forward Looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on Emmerson's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Emmerson, which could cause actual results to differ materially from such statements. Emmerson makes no undertaking to subsequently update or revise the forward looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.