

ASX/MEDIA RELEASE

15 October 2009

**DUE DILIGENCE SUCCESSFULLY COMPLETED FOR \$200M CMIC JV FOR
DEVELOPMENT OF BEYONDIE IRON PROJECT**

Key Points

- **Chinese State Owned Enterprise China Metallurgical Investment Co Ltd (CMIC) has successfully completed Due Diligence for the Development Joint Venture on Emergent Resources' Beyondie Iron Project located in WA's Mid-West Iron region**
- **The Company will now meet with CMIC in Beijing next week to further the formal contract process to establish the Beyondie 50/50 Development Joint Venture**
- **These Contracts include provision of \$200m funding from CMIC and a placement of Emergent shares and options to CMIC to raise \$5m in working capital**
- **Emergent plans to develop the Beyondie Joint Venture project into a long term, large scale, high grade magnetite mining operation**

Emergent Resources (ASX: EMG) (Emergent, the Company) is pleased to announce that Chinese State Owned Enterprise (SOE) China Metallurgical Investment Co Ltd (CMIC) has successfully completed its Due Diligence on its proposed Development Joint Venture for Emergent's Beyondie Iron Project in Western Australia's Mid-West Iron region.

On July 3, 2009, Emergent announced that it had entered into a commercial in-confidence non-binding Memorandum of Understanding (MOU) with CMIC for the development of the Beyondie Iron Project, subject to the satisfactory completion of due diligence and completion contracts, to achieve the commencement of mining operations with an initial targeted production of 3Mtpa of magnetite concentrate.

The MOU provided for the establishment of a 50:50 Development Joint Venture, the provision of A\$200 million funding for the project by CMIC, and a placement to CMIC of 8,553,971 shares at A\$0.45 per share (and a 1 for 2 option entitlement of 4,276,986 options at A\$0.27 per share, exercisable at A\$0.20 on or before September 30, 2010) to raise around \$5 million and give CMIC an approximate 15% holding in listed Emergent Resources Limited.

Emergent and its legal representatives will now meet with CMIC and its legal representatives in Beijing next week to further the formal contract process to establish the Beyondie 50/50 Development Joint Venture

Emergent will seek shareholder approval for the placement of shares and options to CMIC under the terms of the MOU.

Emergent Managing Director Garry Hemming said: "We are delighted that China Metallurgical Investment Co Ltd has successfully completed its due diligence process and we can now work toward establishing a formal Development Joint Venture with CMIC. They are a partner of the highest quality and we look forward to working with them to develop the Beyondie Iron Project to its full potential as a significant high grade magnetite concentrate producer."

About the Beyondie Iron Project

The Beyondie Project is located immediately adjacent to the Great Northern Highway and Goldfields Gas Pipeline (see Project Location map) in the northern part of WA's mid-west iron ore precinct, and potential shared rail and port infrastructure developments for the project are in progress.

The project is the subject of agreements with De Grey Mining Limited whereby Emergent is to gain 100% ownership of the Iron ore, Manganese and vanadium rights.

Beyondie has a **JORC Inferred Resource of 127Mt @ 28.15% Fe** (confirmed from an 11km portion of the project's total known 60km strike length) and a **Target Mineralisation of a further 500-600Mt @ 25-30% Fe** reported by the Company's independent geologists. (Refer ASX announcements 14 July 2009).

The Company is currently completing its next phase of drilling at Beyondie, which is focused on upgrading the Inferred Resource and Target Mineralisation to 1 billion tonnes of continuing comparable grade iron to that already reported, and assay results are expected to be available by the end of October, 2009.

Metallurgical test work to date has shown the potential for the project to produce a high grade magnetite concentrate of +68%Fe, with very low impurities (aluminium, titanium, phosphorous and sulphur). Emergent plan to develop the Beyondie Project into a long term, large scale, high grade magnetite concentrate mining operation.

The Target Mineralisation was based on geological modelling from drilling completed to date and was determined as part of the Independent Mineral Resource Estimate at Beyondie, and helps confirm the large scale potential of the project.

The Target Mineralisation tonnage and grade is conceptual in nature and there has been insufficient exploration at this stage to define an increased Mineral Resource and it is uncertain if further exploration will result in the determination of an increased mineral resource.

ENDS

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Technical information in this report has been prepared under the supervision of Mr Garry Hemming, a director of the company and a member of the Australasian Institute on Mining and Metallurgy (AusIMM). Mr Hemming has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Hemming consents to the inclusion in this report of the Information, in the form and context in which it appears.

Beyondie Magnetite Iron Project Location Map

