

Wednesday 15 April, 2009

\$28 MILLION FARM IN & JOINT VENTURE WITH IVANHOE

Highlights

- Landmark binding agreement for an Exploration Farm-In and Joint Venture executed with Ivanhoe Australia to fast-track discovery of Tier 1 (world class) gold and gold-copper deposits in the Tennant Creek Mineral Field, NT
- Ivanhoe to sole fund expenditure of \$18M over 3 years to earn a 51% interest in the majority of Emmerson's tenements
- Ivanhoe to sole fund additional expenditure of \$10M to retain 51% interest
- Additionally, Ivanhoe must sole fund projects over 500,000 oz Au Eq to earn a 70% interest upon these projects reaching a minimum 1 Million oz Au Eq hurdle
- Tier 2 projects with less than 250,000oz Au Eq to be retained by Emmerson for sole funding and potential development utilising Emmerson's 100% owned Warrego Mill
- Emmerson to undertake the exploration on behalf of the Joint Venture
- Ivanhoe to subscribe for a \$2.9M placement in Emmerson at 13 cents per share, representing a 41% premium to the three month Volume Weighted Average Price (vwap) and Circa 28M options exercisable on or before 1 June 2011 at 20 cents
- Emmerson's cash balance post placement will be in excess of \$13M
- Aggressive drilling program, now sole funded by Ivanhoe, to commence shortly



Emmerson Resources Limited (ASX: **ERM** – “Emmerson”) is pleased to announce that it has entered into a binding agreement with Ivanhoe Australia Limited (ASX: **IVA** – “Ivanhoe”) in relation to the formation of an exploration Farm-In and Joint Venture (“JV”) to fast track the discovery of potentially world-class deposits within its 100%-owned tenements at Tennant Creek in the Northern Territory.

The landmark agreement secures the involvement of one of the world's leading international mining companies to aggressively advance the large number of high quality gold-copper targets identified by Emmerson within its extensive tenement package and fast track the discovery of a new generation of Tier 1 gold and gold-copper deposits in the Tennant Creek Mineral Field (TCMF).

Under the terms of the agreement Ivanhoe will sole fund expenditure of **\$18 million** on exploration over a three year farm-in period to earn a 51% interest in the majority of Emmerson's tenement package at Tennant Creek, Ivanhoe must spend a minimum of \$7.5 million during the farm-in period however does not earn any equity until it meets expenditure of **\$18m**. After completing the farm-in Ivanhoe must sole fund an additional \$10 million on exploration within a 5 year period to maintain their 51% interest in the tenements.

In addition,

- Ivanhoe must sole fund projects over 500,000 oz Au Eq to earn a 70% interest upon these projects reaching a minimum 1 Million oz Au Eq hurdle. Any Tier 2 projects identified within the Joint Venture Area with less than 250,000oz gold equivalent will be retained by Emmerson for sole funding and potential development utilising Emmerson's 100%-owned Warrego CIP gold treatment facility, which is currently on care and maintenance.
- Additionally, at any stage of the Farm-In or JV, Emmerson can “sole risk and sole fund” projects that are not being explored by the JV, however if any exceed the 250,000oz gold equivalent hurdle, Ivanhoe has a “clawback” option.

This agreement represents the most significant development in Emmerson's history as a listed gold company and a very significant milestone in the history of the world-class Tennant Creek Mineral Field. Historically this field has produced over 5.5 million ounces of gold and 470,000 tonnes of copper.

Since listing in 2007, Emmerson has pursued a deliberate strategy of investment in the application of modern and innovative exploration techniques to reactivate discovery in the TCMF and target a new generation of world-class, high-grade gold-copper deposits. A large number of new generation iron oxide gold targets have been generated from this investment, many of which are virgin greenfields targets (see Fig. 1) that have now also been recognised by Ivanhoe as potential Tier 1 exploration targets.

As part of the agreement, Emmerson will be the operators of the joint venture and conduct exploration programs to the same high standards and largely similar to those contemplated prior to the JV. The programs will now however be directed by the Exploration Management Committee consisting of three representatives from IAL and two from Emmerson.



Emmerson has recently approved a \$4.3 million exploration budget for the 2009 field season allowing aggressive drill testing and advancement of existing projects where it reported high-grade gold and copper drill intercepts last year. This exploration activity will now be accelerated and sole funded by Ivanhoe under this JV.

A\$2.9M Share Placement

Ivanhoe has agreed to subscribe for approximately 22.61 million Emmerson shares at a price of 13 cents per share to raise \$2.9 million. This strategic share placement will further strengthen Emmerson's funding position and underpins the Strategic Alliance between the two companies.

The share placement is being undertaken at a 24% premium to the one month VWAP of Emmerson shares and a 41% premium to the three month Volume Weighted Average Price (vwap). An initial tranche of 7.9 million options will be issued at the time of the placement with the balance of 20 million options subject to shareholder approval. Each option is exercisable at 20 cents on or before 1 June, 2011.

Following completion of the placement, Emmerson will have cash reserves of approximately \$13 million, putting it in a very strong position within the emerging Australian gold sector and providing a strong foundation to pursue its growth strategy in the Tennant Creek region.

Management Comment

Emmerson's Managing Director, Rob Bills, said the agreement with Ivanhoe represented a very exciting development for the Company and for exploration within the entire Tennant Creek region, which has enjoyed a significant renaissance over the past few years.

"Our view has been that this world-class field has a lot more to offer and we are delighted to have secured the involvement of one of the world's most progressive and successful international mining companies to join us in the quest for a new generation of discoveries at Tennant Creek," he said.

"This agreement effectively secures the future of our company by ensuring that adequate funding is available to underpin a very significant exploration push over the next three years, enabling the Joint Venture to test a range of deep drilling targets and, if successful, fast track these through to development.

"Importantly, the Joint Venture recognises the differing hurdle rates of both parties and provides the flexibility for Emmerson to explore Tier 2 deposits in its own right and progress these through to production at its 100% owned Warrego mill whilst at the same time maintain a substantial equity in any tier 1 world class discoveries.

"We have established an excellent working relationship with Ivanhoe, which has a very similar approach and strong commitment to increasing shareholder wealth through applying innovative and systematic exploration. The Joint Venture represents an excellent fit with our exploration strategies and we are looking forward to working closely with the Ivanhoe team in managing and delivering a world-class exploration effort over the next three years.



“Both parties also recognise the importance of continuing to build strong relationships with all stakeholders including the Traditional Owners, the CLC, Northern Territory Government and various communities and businesses in the Tennant Creek Township,” Mr Bills added.

Peter Reeve, Chief Executive Officer of Ivanhoe Australia believes that the JV with Emmerson Resources has the potential to discover multiple very large Tier 1 gold and gold-copper deposits. “The investment in Emmerson Resources is an exciting development for Ivanhoe Australia, providing us with additional opportunities for large iron oxide copper-gold (IOCG) mineral discoveries in a region that, despite its long history of production, remains very under-explored,” Mr Reeve said. “This move continues Ivanhoe’s strategy of securing tenements covering an entire mineral field, applying extensive geological science to that field and conducting a sustained and comprehensive drilling program”.

(This agreement is conditional on FIRB approval to be obtained within 6 months of the date of the agreement and consent in principle by the Central Land Council to Ivanhoe earning a joint venture interest in the tenements that are subject of land use agreements).

ENDS

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About Ivanhoe

Ivanhoe Australia Limited (IAL) (IVA:ASX), an Australian copper-gold-uranium exploration and development company with a series of significant declared Mineral Resources. Ivanhoe Australia recently released a series of high grade molybdenum and rhenium results from drilling at its Merlin project in Cloncurry in north-western Queensland. IAL is owned 83% by **Ivanhoe Mines** an international mining company. Ivanhoe's core assets are its world-class Oyu Tolgoi copper and gold mine development project in southern Mongolia, its large shareholdings in Mongolian coal miner **South Gobi Energy Resources** (SGQ:TSXv) and its interests in IAL and gold in Kazakhstan

About Emmerson

Emmerson Resources (**ASX: ERM – “Emmerson”**) is an Australian-based gold company focused on the exploration and development of the richly-endowed Tennant Creek Mineral Field (TCMF) in the Northern Territory of Australia, where it has a dominant ground position covering some 2,700km². The Company listed on the ASX in December 2007 following a successful A\$20 million IPO.

Emmerson has implemented an aggressive exploration program aimed at delineating extensions to existing mineralisation in the brownfields environment and also to discover a new generation of Au-Cu deposits in the greenfields environment. The strategy is based around the application of modern and innovative exploration techniques to reactivate the world class Tennant Creek Mineral Field – a field which produced over 5.5 million ounces of gold and 470,000 tonnes of copper since its discovery in the 1930s.

The Company's asset base also includes ownership of the only gold treatment facility in the region (the Warrego carbon-in-pulp processing plant) and a substantial geological database plus extensive infrastructure and equipment.

Emmerson is headed by a group of experienced Australian mining executives including former MIM and WMC mining executive Andrew McIlwain as Non-Executive Chairman, and former senior BHP Billiton and WMC executive Rob Bills as Managing Director and CEO.

