



**ASX/MEDIA RELEASE**

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**EMERGENT COMMENCES NEXT PHASE OF DRILLING AT BEYONDIE IRON PROJECT**

**Key Points**

- **Drilling about to resume at Beyondie Iron Project**
- **This 2,000m program is the first in a series to test areas outside established JORC resource at the project to deliver further Resource upgrades**
- **Project has JORC Inferred Resource of 561Mt @ 27.5% Fe confirmed from a 4.5km segment (in E52/1806) of the project's total 60km strike length.**
- **An additional 480m to 520Mt Exploration target has been reported by Independent Geologist over a 7km extension within E52/1806.**
- **Project also has Exploration Target of 3.7-4.2Bt outside the drilled area which also will be drilled in following programs**
- **Emergent plans to develop the Beyondie Iron Project into a long term, low cost, high grade magnetite concentrate exporter**

Perth-based exploration company Emergent Resources Limited (ASX: EMG) (Emergent) is pleased to announce the commencement of its next phase of drilling at the company's flagship Beyondie Iron Project in the mid-west region of Western Australia.

The Reverse Circulation (RC) drilling program of 2,000 metres will be undertaken over a 7km segment in tenement E52/1806. The drill program is designed to reinforce the Company's geological confidence and understanding of the project area outside the existing 561Mt JORC Resource area (in E52/1806) and deliver a JORC Resource upgrade.

This is the first of a series of 2010 drill programs aimed at extending the resource and progressively upgrading it to JORC Indicated Resource status.

Drilling will be conducted on two RC holes across four geological sections targeting Beyondie Magnetite Schist (BMS) 1 and 2. Please refer to map below for drill target locations.

Whole-rock assays and Davis Tube Magnetic Recoveries will be used to determine whole rock and concentrate grades and the Company will release the results of the program as they become available.

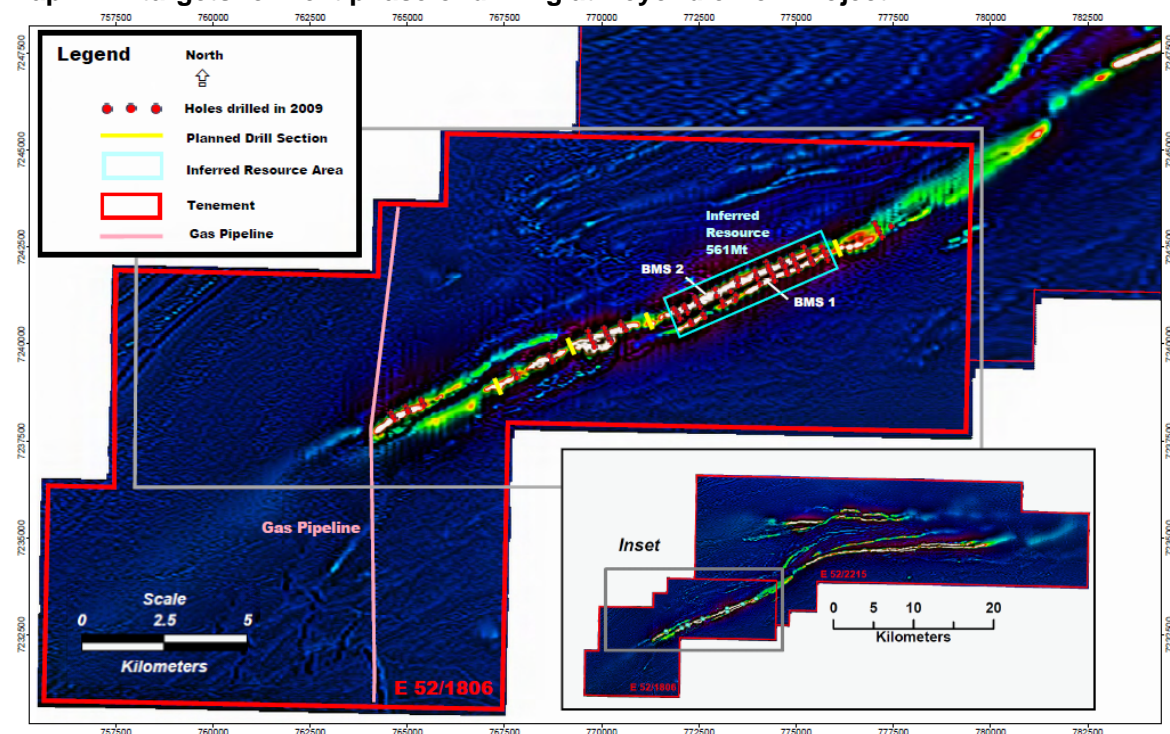
The Beyondie Iron Project currently has a JORC Inferred Resource of 561 million tonnes @ 27.5% Fe, and an Exploration Target of 480-510 million tonnes @ 27.0-28.5% Fe, which have been confirmed from a 4.5km segment (in tenement E52/1806) of the project's total 60km strike length.

The project also has an Exploration Target of 3.7-4.2 billion tonnes of grading 27-28.5%Fe, outside the drilled E52/1806 area This Exploration Target was interpreted from Aeromagnetic data and geological mapping.

The target mineralisation tonnage and grade is conceptual in nature as there has been insufficient exploration at this stage to define an increased Mineral Resource and it is uncertain if further exploration will result in an increased Mineral Resource.

The Beyondie Project is located 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. Potential shared rail and port infrastructure developments for the project are in progress.

### Map: Drill targets for next phase of drilling at Beyondie Iron Project



Diamond drill core and initial metallurgical test work 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 exporter.

Chinese State Owned Enterprise Beijing China Metallurgical Investment Co Ltd (CMIC) has successfully completed Due Diligence on a proposed \$200 million Development Joint Venture with Emergent for the Beyondie Project and has entered a binding agreement for the CMIC/Emergent Beyondie Development Joint Venture, which provides for a 50:50 JV, A\$200 million funding by CMIC, and a placement of shares and options to CMIC to raise around \$5 million and give CMIC an approximate 15% holding in Emergent. Also, Emergent announced the acquisition of 100% ownership of the Beyondie Project on 5 October 2009 through an agreement to purchase De Grey Mining Limited's 20% free carried interest to Decision to Mine.

The CMIC Agreement is subject to shareholder approval for the issue of shares and options to CMIC (Shareholder approval was received at a General Meeting held on 11 December 2009), Foreign Investment Review Board approval, EMG and CMIC signing the Beyondie Joint Venture documents and loan agreement for a A\$100 million loan and approval of the Peoples Republic of China National Development and Reform Commission (NDRC) and other relevant authorities.

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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.*