



ASX/MEDIA RELEASE

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EMERGENT RESOURCES ANNOUNCES NEW LARGE DSO HEMATITE DISCOVERY AT BEYONDIE IRON PROJECT

Key Points

- **New, large surface hematite iron discovery** with Direct Shipping Ore (DSO) potential at Beyondie Iron project
- **Initial reconnaissance and detailed geological mapping** over a **10 kilometre strike length** delineated with potential **large volumes of DSO Hematite** within zone **300 metres wide**
- 300 of 730 samples over 6.5km strike length received to date show very encouraging surface sample head assay results of **up to 64.5% Fe. 123 of the 300 samples returned between 54.9 and 64.5%Fe**
- **70-120Mt Exploration Target independently assessed over 6.5km portion by geological AMC Consultants Pty Ltd including a portion of 25-45Mt grading 55-60%Fe.** Emergent expects drilling to establish significant upside on these targets in both grade and tonnage
- **Hematite occurrence open along strike and in depth**
- **Zone of potential DSO hematite mineralisation occurs in tenement E52/2215** and is adjacent to E52/1806, which hosts the drilled Beyondie Magnetite JORC Mineral Resource
- **Emergent will now evaluate multiple project development options which may result in earlier cash flows than the current planned magnetite concentrate production scheduled for 2014**
- The deposit is within **easy access to the sealed Great Northern Highway, goldfields gas pipeline and process water**
- Emergent will commence an **extensive initial RC drilling program as soon as possible** to determine potential amount of DSO Hematite mineralisation
- The **Exploration Target for magnetite iron mineralisation in E52/2215 of the project area is already 3.7-4.2 billion tonnes grading 27 to 28.5%Fe**
- The potential quantity and grade of the Exploration Targets is conceptual in nature. There has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Emergent Resources Limited (ASX: EMG) (Emergent) is pleased to announce that a new, large Direct Shipping Ore (DSO) hematite iron discovery has been defined at the Company's Beyondie Iron project in the mid west region of Western Australia (Figure 2).

The discovery of the hematite occurrence comes as a result of further exploration at the Beyondie project area, and is located within the recently granted E52/2215 tenement. E52/2215 is adjacent to tenement E52/1806, which hosts a JORC Inferred Magnetite Mineral Resource of 561 million tonnes. See Figure 1, below for Hematite discovery area location.

Further details follow.....

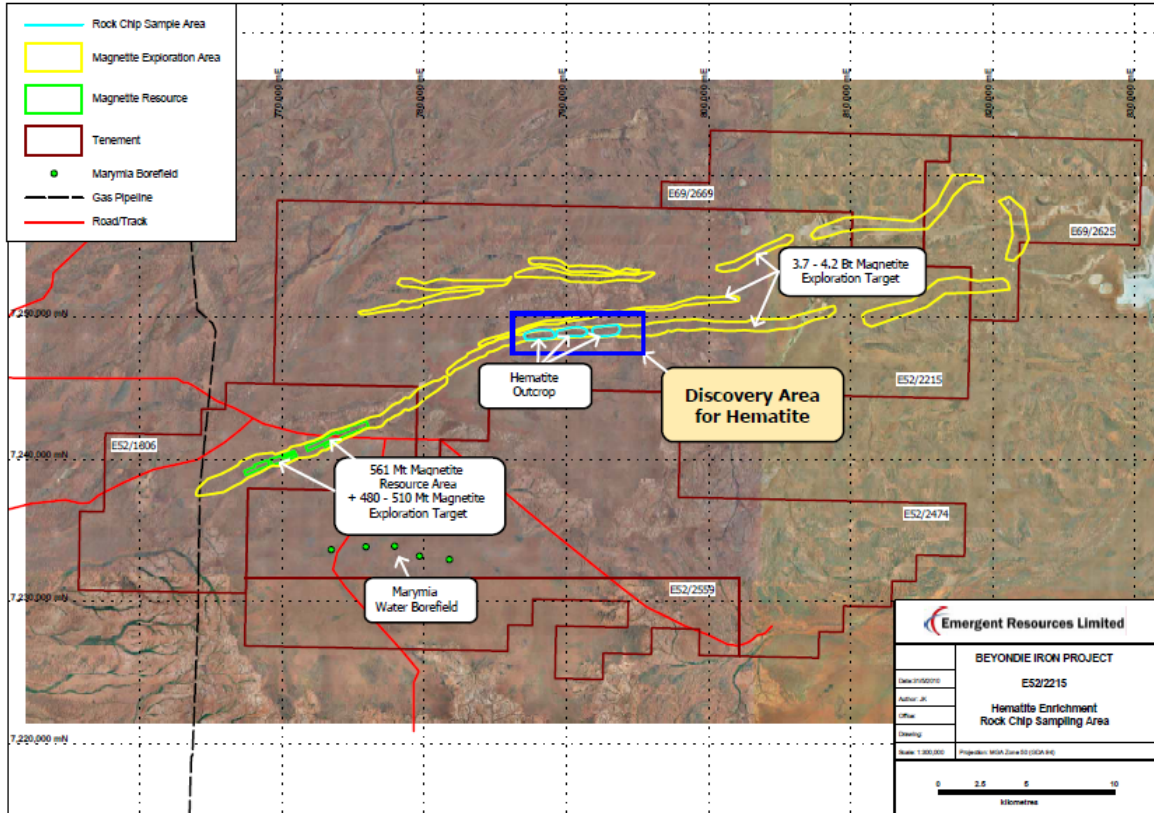


Figure 1, Hematite discovery area location

Geological mapping by Emergent to delineate the extent of iron bearing outcrop over the hematite deposit shows a **6.5 kilometre strike length** of high grade, near-surface outcropping goethite/hematite within a potential zone at least 10 kilometres long. The Company is of the view that with such a strike length and a width of up to 300 metres, a **substantial DSO Hematite mineable resource may exist**.

Such high grade, near surface goethite/hematite would broaden the focus of the company's iron project to include **both DSO Hematite and magnetite concentrate as potential profitable production centres**. See details of the magnetite developments below.

Details of Hematite deposit

The DSO Hematite sampling program follows the delineation of the Beyondie Magnetite Schist from an airborne geophysical survey completed by Emergent and seeks to validate previous identification of BMS in preliminary exploration on the newly granted tenement, E52/2215.

The new, large surface hematite iron was discovered by initial reconnaissance and detailed geological mapping identifying a 300 metres wide zone over a strike length of at least 10 kilometres.

A total of 300 samples have now been received for the DSO Hematite area and **123 of which have returned results between 54.9 and 64.5% Fe**.

The encouraging sampling results for large volumes of DSO Hematite occur within a 6.5km section returned to date. Independent geologists AMC Consultants Pty Ltd have assessed a 70-120Mt Exploration Target over this 6.5km portion including a portion of 25-45Mt grading 55-60%Fe. Emergent expects drilling to establish significant upside on these targets in both grade and tonnage due to the hematite occurrence being open along strike and in depth.

The Company's Independent Geologist, AMC Consultants Pty Ltd has stated the following:

"The following observations relate to my review of data supplied by Emergent from 17 May 2010 to 31 May 2010. Emergent (EMG) has recently undertaken significant grab sample reconnaissance on two parallel exploration targets in E52/2215. The grab sampling programme covers several outcrops over an area of some 8 km (EW) x 1.5 km (NS), adjacent and along strike to the east of the Beyondie project area.

Around 730 grab samples have been collected to date; assay results for some 300 of these have been returned from Spectalab in Geraldton. Hand specimens were categorised lithologically prior to despatch to the laboratory.

The interpreted outcropping horizons are reminiscent of the interpreted BMS bands at Beyondie. There are three horizons identified, although the majority of the grab sampling to date has focussed on the two southern-most bands. The western end of the mapped outcrop is predominantly goethitic; with the mineralogy becoming increasingly dominated by hematite from west to east.

The two southern horizons occur over a length of approximately 6.5 km; although there are two disruptions in the outcrop over this distance, apparently due to alluvial cover, resulting in a total outcropping length of approximately 5 km. The individual horizons vary between 25 – 120 m in width and dip moderately to steeply to the north.

*Exploration Results achieved to date in the grab sampling programme include 22 assayed samples with Fe > 60%; 19 of which are located in the eastern portion of the southern mineralised horizon (see Table 1). These high-grade samples demonstrate the excellent prospectivity in this locality and, together with existing geophysical data and the remainder of the grab samples in the vicinity, help to support the interpretation of a generally hematitic **Exploration Target of 25 – 45Mt at a grade of 55 – 60% Fe** (assumed density of 3.0t/m³). In addition, AMC estimate that the remaining E52/2215 outcrop that has been grab-sampled to date supports an additional goethitic / hematitic Exploration Target of 45 – 75Mt at a grade of 50 – 55% Fe (assumed density of 3.0t/m³).*

*Together, these two Exploration Targets represent a total of **70 – 120Mt of goethitic / hematitic mineralisation at an overall grade of 52 – 57% Fe**, (assumed density of 3.0t/m³).*"

The potential quantity and grade of these Exploration Targets is conceptual in nature. There has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Table 1 Grab Samples >60% Fe in Eastern Portion of Southern Horizon

SAMPLED	EASTING	NORTHING	FE%	AL2O3%	SIO2%	MN%	P%	S%	LOI1000%
NPAC0033-01	792904	7249004	60.2	1.5	1.8	0.07	0.34	0.07	7.7
NPAC0032-39	792970	7249064	60.4	1.7	7.3	0.03	0.05	0.09	4.4
NPAC0034-19	792721	7248900	60.5	3.8	5.7	0.06	0.06	0.15	4.1
NPAC0032-31	793173	7249059	60.6	2.5	2.3	0.02	0.05	0.13	6.3
NPAC0033-38	792563	7249096	60.6	2.6	2.4	0.05	0.28	0.12	6.4
NPAC0033-40	792554	7248991	60.6	2.6	3.9	0.03	0.04	0.08	5.9
NPAC0032-08	792482	7248938	60.7	3.4	3.5	0.04	0.05	0.07	4.8
NPAC0027-33	792754	7248971	60.8	1.5	3.6	0.04	0.20	0.11	5.4
NPAC0034-17	792455	7248930	60.9	2.5	3.8	0.07	0.05	0.06	5.2
NPAC0033-08	792344	7248909	61.2	3.1	4.0	0.03	0.03	0.09	4.8
NPAC0034-18	792631	7248905	61.5	2.1	4.3	0.03	0.05	0.11	4.7
NPAC0032-35	793066	7249011	61.5	1.4	2.9	0.08	0.07	0.11	6.3
NPAC0034-23	793143	7249059	61.7	2.4	3.0	0.03	0.03	0.12	5.8
NPAC0033-03	792621	7248948	61.9	3.2	5.3	0.05	0.03	0.10	3.0
NPAC0032-37	793080	7249069	62.0	2.5	2.5	0.03	0.09	0.10	5.5
NPAC0034-08	791991	7248889	62.0	2.9	2.9	0.04	0.05	0.12	5.7

NPAC0032-15	792530	7248966	62.9	3.0	3.8	0.04	0.06	0.08	4.0
NPAC0032-06	792689	7248960	63.6	1.7	2.8	0.04	0.09	0.06	3.8
NPAC0035-06	793647	7249022	64.5	1.0	3.1	0.04	0.05	0.07	2.6

The Mid West iron ore region

The Beyondie Iron Project is located in the northern part of WA's mid-west iron ore precinct. It is one of a series of large scale projects currently being developed that will elevate the region to being the world's third largest iron ore producer. The region will further distinguish itself by becoming a major production centre for the world's highest quality (magnetite) iron ore concentrate, at a time when old hematite production centres are declining in quality.

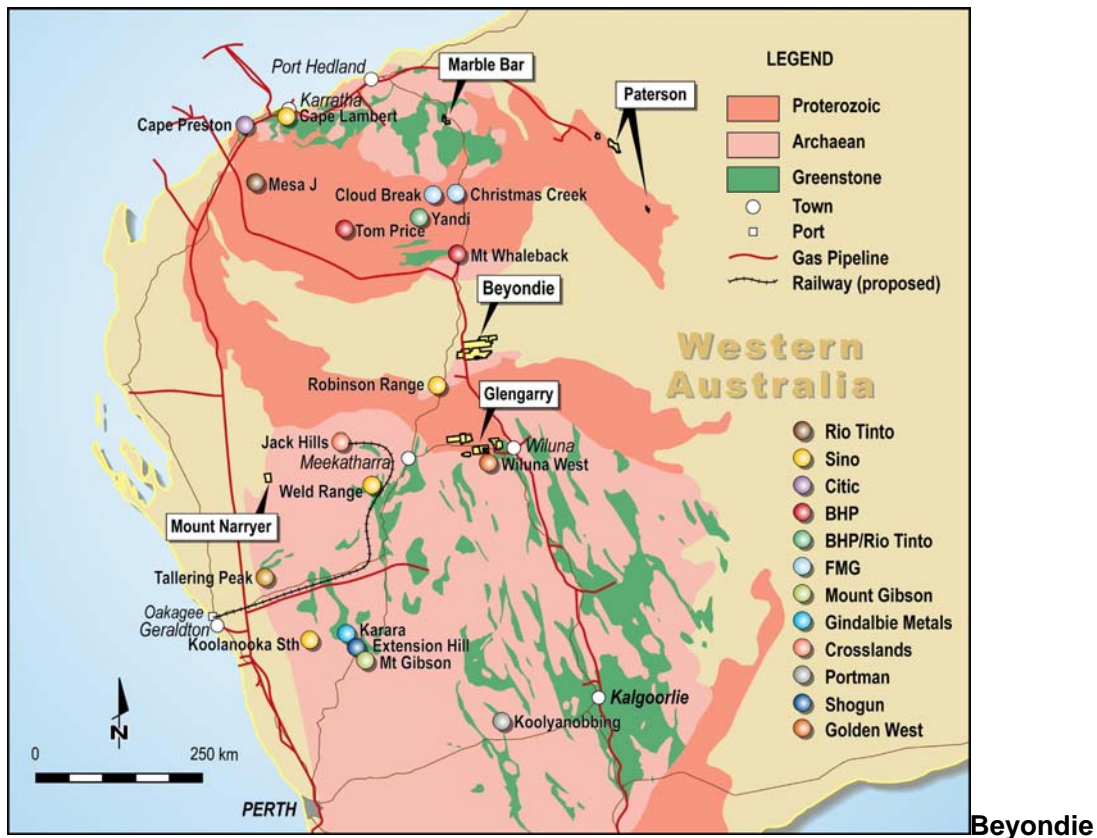


Figure 2; Project location and transport in Mid West

Details of Magnetite deposit

Emergent continues to progress and to develop Beyondie Iron Project into a world class magnetite project (see Schedule of Milestones at the end of this report (Table 2))

- Current Resource position;
 - JORC Inferred Mineral Resource; 561Mt grading 27.5%Fe in tenement E52/1806, plus
 - 480–520Mt grading 27 to 28.5%Fe Exploration Target in E52/1806
 - Additional 3.7-4.2Bt grading 27 to 28.5%Fe Exploration Target outside drilled area (in tenement E52/2215)
 - The potential quantity and grade of these Exploration Targets is conceptual in nature. There has been insufficient exploration to define a Mineral Resource, and it is uncertain if further exploration will result in the determination of a Mineral Resource.
- 1st phase drilling program for 2010 complete as the first of a series of 2010 drill programs aimed at progressively extending the resource and upgrading to Indicated Mineral Resource

- Project is located adjacent to Goldfields Gas Pipeline - a potential source of cost effective power
- Project also has a very large ready water supply located 5km from the project
- Company expects to directly benefit from Oakajee Port and Rail JV which will develop major port and rail infrastructure in WA's mid west
- Diamond core testwork results show potential for a premium, high value Direct Reduction iron concentrate to be produced from the project
- Premium magnetite product is achievable as there only exists ultra low detrimental impurities of aluminium, phosphorus and sulphur
- FIRB approval received for joint venture for development by Chinese SOE company CMIC.
- CMIC advanced in obtaining the remainder of the approvals by Chinese authorities for EMG-CMIC Beyondie Joint Venture
- W.A. budget allocation of \$339M to be matched by Federal \$1:\$1 contribution for OPR shared rail and port infrastructure development

Beyondie Iron Project: Logistics progress on mining development plans

The Goldfields Gas Pipeline is located in close proximity and will provide a potential source of cost effective power. The Beyondie Iron Project is located adjacent to the Great Northern Highway allowing easy access to the project area (see Figure 2; Project location and transport in Mid West). Also, there is a ready and ample water supply located 5km south of the project. This is a significant benefit for Emergent in its development plans for the project, particularly with the additional potential of fast-tracking the relatively low-cost mining of the DSO Hematite contained in E52/2215.

The Company anticipates that mining and processing practices at the Beyondie Iron Project will be best WA industry standard and it expects that the project will operate on a very low strip ratio.

Emergent is also currently working towards a co-operation alliance with Oakajee Port & Rail (OPR). It also advises that requisite approvals are well advanced and no issues or delays are anticipated. Aboriginal Heritage, Anthropological, and Ethnographic clearances are already in place. The company does not anticipate any impediments to mining that will arise out of the ongoing Environment Impact Study.

Transport and infrastructure developments

The Western Australian government announced the approval for the construction of the major Oakajee Port deep water port to service the Mid West region's growing iron ore industry in July 2008. Construction of the port is scheduled to be completed at the end of 2013, which is expected to coincide with the onset of production from the Beyondie Iron Project.

The Oakajee Port will be located about 25 km north of the major Mid West town of Geraldton, and will have an initial capacity to ship 45 million metric tons (mtpa) of iron ore annually, which will increase rapidly to 100Mtpa.

The contract for the construction and operation of the port and rail facility was awarded to Oakajee Port and Rail Pty Ltd (OPR). The port and rail network is estimated to cost \$3.5 billion and the WA government will contribute \$700 million in funding for the project.

Potential shared rail and port infrastructure developments for the Beyondie Iron Project are in progress. Also, Emergent is investigating the possibility of utilising a third party operated slurry pipeline to convey its beneficiated magnetite concentrate from the project to the rail network for delivery to the Oakajee deep water port. The option of a slurry pipe has the potential to deliver significant capital expenditure and operational expenditure savings.

Corporate

Chinese State Owned Enterprise Beijing China Metallurgical Investment Co Ltd (CMIC) has successfully completed Due Diligence on a proposed \$200 million Development Joint Venture (JV) with Emergent for the Beyondie Iron Project and has entered binding agreements for the CMIC/Emergent to mine the Beyondie Magnetite deposit.

The JV agreements provide for a 50:50 JV with A\$200 million funding by CMIC, and a placement of shares and options to CMIC to raise around \$5million and give CMIC an approximate 15% holding in Emergent on a fully diluted basis.

The original agreement between EMG and CMIC gives CMIC the right to maintain this level of equity by the issue of securities on the same basis up to 30 days after the September 30, 2010 expiry of the ASX listed options presently on issue.

Emergent announced an agreement to acquire 100% ownership of the Beyondie Iron Project on 5 October 2009 through the purchase of De Grey Mining Limited's 20% free carried interest. This will enable the acquisition by the JV company, Beyondie J.V. Operations Pty. Ltd, of full title to E52/1806 and E52/2215 as agreed by EMG and CMIC.

FIRB has advised that it has no objection to this placement or its increase up to 20% if so decided by the parties. The FIRB approval also sanctioned the acquisition of E52/1806, the tenement of which the main exploration endeavors have been carried out by EMG, resulting in the hitherto announced JORC classified resource. As the EMG-CMIC agreements inextricably link both E52/1806 and E52/2215, a further FIRB application will be lodged in respect of the latter tenement in due course.

ENDS

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The information in this statement that relates to Mineral Resources is based on information compiled by Sharron Sylvester who is a full time employee of AMC Consultants Pty Ltd and a Member of the Australian Institute of Geoscientists and has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code (2004). Sharron consents to the inclusion of this information in the form and context in which it appears.

Technical information in this report relating to Exploration Results and Exploration Targets has been prepared under the supervision of Mr Garry Hemming, a Director of the Company and a member of the Australasian Institute of 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.

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.

Table 2: Schedule of milestones achieved to date

DATE	MILESTONE
February 2008	Beyondie Joint Venture with De Grey Mining
August 2008	Emergent lists on ASX (\$4m IPO @ 20c per share)
December 2008	OP&R rail and Oakajee port feasibility advancement
February 2009	1st Phase drilling program and definition of wide magnetite schist
March 2009	McSweeney Partners and ProMet desktop studies,
March 2009	Approvals for Aboriginal Heritage, Anthropological and Ethnographic surveys
May 2009	2 nd Phase drilling program
June 2009	CMIC negotiations commence
July 2009	Non-binding MOU with CMIC established
July 2009	Share placement for \$2.52M
July 2009	Maiden JORC Resource; 127Mt @ 28.15% plus 500-600Mt Exploration Target
July 2009	Environment approval process commences
August 2009	Appoint of ex-Gindalbie geologist Dan Podger as chief geologist
August 2009	3 rd Phase drilling program commences
September 2009	New tenements granted at Beyondie to expand the project
October 2009	Agreement reach to purchase De Grey's 20% interest in project
October 2009	CMIC due diligence and field inspection complete
October 2009	Binding Agreement with CMIC reached
November 2009	JORC Resource upgrade to 561Mt @ 27.5%Fe
December 2009	480-520Mt Exploration Target (in E52/1806) confirmed
December 2009	Additional 3.7 to 4.2Bt Exploration Target confirmed in E52/2215
January 2010	Share placement to raise \$3M
February 2010	Commence Phase 4 resource upgrade drill program
March 2010	Further drilling results to improve resource status
April 2010	Signing of Chinese agreements completed
May 2010	Discovery of Hematite "Exploration Target" of 70-120 million tonnes.
DATE	UPCOMING MILESTONES
June 2010	Drilling to determine tonnage and grade of hematite deposit
June/ July 2010	Drilling to upgrade magnetite resource in JORC status
July/August 2010	Metallurgical program for Flow Sheet for plant design
September/October 2010	New resource statements
December 2010	Progress results of Feasibility Study to date