



ABN 53 117 086 745

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2013

EMMERSON RESOURCES LIMITED

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CORPORATE DIRECTORY

DIRECTORS

Andrew McIlwain, Non-executive Chairman
Rob Bills, Managing Director and CEO
Timothy Kestell, Non-executive Director
Simon Andrew, Non-executive Director

COMPANY SECRETARY

Trevor Verran

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ERM

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Perth WA 6000

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Lawyers
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22 Mitchell Street
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BANKERS

National Australia Bank
Level 1, 1238 Hay Street
West Perth WA 6005

AUDITORS

Ernst & Young
The Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000

SHARE REGISTER

Computershare Investor Services
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Perth WA 6840
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EMMERSON RESOURCES LIMITED

DIRECTORS' REPORT

The Directors of Emmerson Resources Limited and its controlled entities ("Company" or "Emmerson" or "consolidated entity") submit their report for the half-year ended 31 December 2013. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as follows:

Andrew McIlwain, Non-executive Chairman
Rob Bills, Managing Director and Chief Executive Officer
Timothy Kestell, Non-executive Director
Simon Andrew, Non-executive Director

REVIEW AND RESULTS OF OPERATIONS

Operating Results for the Half-year

The net loss for the half-year ended 31 December 2013 was \$735,031 compared to the previous half-year of \$951,771.

The major items comprising the net loss for the half-year were management and consulting fees received of \$115,403 (2012: \$18,630) offset by employee benefits expense of \$546,514 (2012: \$594,053) and exploration expenditure impairment of \$151,844 (2012: \$27,370).

Financial Position

Net assets and total equity decreased by \$649,011 during the half-year predominantly due to the following movements in cash and exploration and evaluation assets:

- The net decrease in cash for half-year was \$1,221,600 and cash in bank at the end of the half-year was \$1,200,319. The decrease in cash was largely due to administration and corporate expenses and exploration expenditure incurred on mining tenements.
- Exploration and evaluation assets increased by \$648,005 during the half-year due to exploration expenditure incurred on mining tenements and the balance of exploration and evaluation assets carried forward at the end of the half-year was \$20,278,154.

Net assets and total equity at 31 December 2013 was \$27,348,559 (30 June 2013: \$27,997,570).

Cash and assets utilised by the Company for the period is consistent with the Company's business objectives and the Directors believe the Company is in a position to continue its exploration endeavors.

Review of Operations

Emmerson is exploring the Tennant Creek Mineral Field (TCMF) in the Northern Territory, one of Australia's most prolific gold-copper districts producing over 5.5 Mozs of gold and 470,000 tonnes of copper from a variety of deposits including Gecko, Orlando, Warrego, White Devil, Chariot and Golden Forty, all of which are within Emerson's exploration portfolio.

Emmerson holds 2,200 sq km of ground in the TCMF, owns the only gold mill in the region and holds a substantial geological database plus extensive infrastructure and equipment. Emmerson has consolidated 95% of the highly prospective TCMF where only 8% of the historical drilling has penetrated below 150m.

Emmerson is using new, high technology search techniques to explore the TCMF and in late 2011 made two high-grade discoveries, Goanna and Monitor, which are a new style of mineralisation undetected by previous explorers. The discoveries are close to the underground mine development at the historic Gecko deposit.

EMMERSON RESOURCES LIMITED

DIRECTORS' REPORT

As reported to the ASX on 2 October 2013, Emmerson regained a 100% position over its 2,772 sq km package of highly prospective mining and exploration tenements covering the TCMF, following the withdrawal of Inova Resources Ltd from the TCMF Joint Venture.

During the half-year Emmerson continued its twofold strategy of building quality gold-copper resources and leveraging its proprietary exploration technology to identify new opportunities in the brownfields and more regional, greenfield environments. Emmerson engaged independent consultants, Optiro Ltd, to undertake Mineral Resource Estimations at its three most advanced projects in the TCMF ahead of undertaking scoping studies to establish mining and economic parameters.

Emmerson's current Reserve and Resource inventory in the table below released to the ASX on 28 November 2013 takes the global mineral resources to 6.79mt at 3.6g/t gold equivalent or 900,000 gold equivalent ounces and provides an early source of high grade ore to our 100% owned Warrego CIP mill.

Classification	Tonnes	Gold grade (g/t)	Copper grade (%)	Gold equivalent grade (g/t)	Gold ounces	Copper metal (t)	Gold equivalent ounces
Gecko - Anomaly 3, L25 and K44 Lower (reported above a 1% copper cut-off)							
Indicated	1,400,000	-	2.5	4.2	-	35,600	190,000
Inferred	80,000	-	1.6	2.7	-	1,300	10,000
Sub-total Gecko	1,480,000	-	2.5	4.1	-	36,900	200,000
Orlando – (Lenses 2 & 7, below open pit & 'the gap' - reported above a 1.0 g/t gold equivalent cut-off)							
Indicated	1,710,000	1.9	1.5	4.4	100,000	25,700	240,000
Inferred	510,000	1.7	1.1	3.6	30,000	5,800	60,000
Sub-total Orlando	2,220,000	1.8	1.4	4.2	130,000	31,500	300,000
Goanna (reported above a 1.0 % Cu cut-off)							
Inferred	2,918,000	0.16	1.84	3.2	15,000	53,700	300,000
Sub-total Goanna	2,918,000	0.16	1.84	3.2	15,000	53,700	300,000
Chariot – Open Pittable & Remnant Underground (reported above a 1.0 g/t gold equivalent cut-off)							
Indicated	60,000	15.9	-	15.9	32,000	-	32,000
Inferred	110,000	18.8	-	18.8	67,000	-	67,000
Sub-total Chariot	170,000	17.4	-	17.4	99,000	-	99,000
TOTAL	6,790,000	1.1	1.8	3.6	246,000	122,100	900,000

Note: Gold equivalent results are calculated using a gold price of US\$1,363/oz and a copper price of US\$7,297/t. These numbers also assume that copper-rich ore would be processed using a conventional crush, grind and flotation route to a copper concentrate which would then be sold. Benchmarking of this processing route suggests that a copper recovery of 90-92% would be appropriate. Gold would be recovered by an industry standard carbon-in-pulp process leading to the generation of gold bars. No unconventional processing such as roasting or biological leaching is contemplated, therefore typical recoveries for such gold processing plants is in the range of 90-94%. Given the relative recoveries of both gold and copper are essentially identical, the equivalence formula has not been adjusted for recovery. The gold equivalent calculation used is $AuEq (g/t) = Au (g/t) + ((Cu(\%) \times 7297) / 43.82)$, i.e. $1.0\%Cu = 1.67g/t Au$. It is the Company's opinion that all elements included in the metal equivalents calculation have a reasonable potential to be recovered. The totals may not sum exactly due to rounding.

Goanna Maiden Resource

A maiden Mineral Resource Estimation was reported to the ASX on 18 October 2013 for the recently discovered 100% owned Emmerson Goanna deposit. Independent consulting firm Optiro noted that the mineralisation is open in many directions and strongly recommended additional resource drilling.

EMMERSON RESOURCES LIMITED

DIRECTORS' REPORT

Orlando Resource Upgrade

Based on a recent 12 hole RC drilling program at Orlando, Optiro completed a new Mineral Resource Estimation reported to the ASX on 18 October 2013. This estimate includes areas immediately below the open pit and above the underground workings, testing for extensions to the known mineralisation both down dip and along strike of Lenses 2 & 7 and testing for continuity of mineralisation between these areas (the "Gap Zone"). Based on the success of this drilling program, there is good potential to define additional gold and copper mineralisation outside of the present resource envelope.

Chariot Resource Upgrade

Consistent with the strategy of continuing to build a high quality resource base, Emmerson and independent resource consultant Optiro completed a re-evaluation of the Chariot Mine - leading to a substantial upgrade to the JORC compliant gold resources and also providing a path to early production from the 100% owned Emmerson CIP mill. (Reported to the ASX on 28 November 2013).

This new Chariot mine plan consists of an enlarged open pit that extracts over 40,000 ounces of gold at a grade of 17.7g/t, and then contemplates reconnecting to the existing underground development to extract a further 58,000 ounces at a grade of 17.2g/t gold. There remains excellent potential to greatly expand both the open pit and underground resources, as both remain open in most directions.

The recent HeliTEM survey over the entire Chariot mineralised corridor indicates excellent brownfield potential at Mondeuse, Analytic and West Gibbet, and also identifies a new generation of non-magnetic, hematite hosted gold deposits that were largely blind to previous explorers.

Competency Statement

The information in this report which relates to Exploration Results is based on information compiled by Mr Steve Russell BSc, Applied Geology (Hons), MAIG, MSEG. Mr Russell is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Russell is a full time employee of the Company and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Russell holds an interest in the following securities in the Company: 350,000 Shares and 262,500 Performance Rights.

The information in this report which relates to Mineral Resources is based upon information compiled by Mr Ian Glacken, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Ian Glacken is an employee of Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition and the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ian Glacken consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 14 and forms part of the Director's Report for the half-year ended 31 December 2013.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the Corporations Act 2001.



Rob Bills
Managing Director & Chief Executive Officer
14 March 2014

EMMERSON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Consolidated	
	Half-year	Half-year
	ended	ended
	31 December	31 December
	2013	2012
	\$	\$
REVENUE		
Management and consulting fees	115,403	18,630
Interest revenue	45,996	175,691
TOTAL REVENUE	161,399	194,321
OTHER INCOME		
Sundry income	11,370	700
TOTAL REVENUE AND OTHER INCOME	172,769	195,021
EXPENSES		
Compliance and regulatory expenses	49,574	76,012
Consulting and legal expenses	29,644	121,871
Depreciation expense	6,639	11,183
Employee benefits expense	546,514	594,053
Exploration expenditure impairment	151,844	27,370
Finance costs	-	11
Insurance expense	19,533	140,664
Occupancy expense	57,617	54,855
General and administration expenses	46,435	120,773
TOTAL EXPENSES	907,800	1,146,792
LOSS BEFORE INCOME TAX	(735,031)	(951,771)
Income tax expense	-	-
LOSS FOR THE HALF-YEAR	(735,031)	(951,771)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE HALF-YEAR	(735,031)	(951,771)
Basic loss per share - cents per share	(0.28)	(0.36)
Diluted loss per share - cents per share	(0.28)	(0.36)

The accompanying notes form part of these financial statements.

EMMERSON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Notes	Consolidated 31 December 2013 \$	30 June 2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents		1,200,319	2,421,919
Trade and other receivables		124,878	260,243
Other financial assets		810,000	810,000
Total Current Assets		2,135,197	3,492,162
Non-Current Assets			
Property, plant and equipment		5,820,885	5,872,905
Exploration and evaluation assets	3	20,278,154	19,630,149
Total Non-Current Assets		26,099,039	25,503,054
TOTAL ASSETS		28,234,236	28,995,216
LIABILITIES			
Current Liabilities			
Trade and other payables		690,459	806,975
Provisions		85,993	92,609
Total Current Liabilities		776,452	899,584
Non-Current Liabilities			
Provisions		109,225	98,062
Total Non-Current Liabilities		109,225	98,062
TOTAL LIABILITIES		885,677	997,646
NET ASSETS		27,348,559	27,997,570
EQUITY			
Issued capital	4	40,398,347	40,282,497
Other reserves		2,693,970	2,723,800
Accumulated losses		(15,743,758)	(15,008,727)
TOTAL EQUITY		27,348,559	27,997,570

The accompanying notes form part of these financial statements.

EMMERSON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Issued Capital \$	Other Reserves \$	Accumulated Losses \$	Total Equity \$
HALF-YEAR ENDED 31 DECEMBER 2012:				
Balance at 1 July 2012	40,111,622	2,757,150	(10,216,111)	32,652,661
Loss for the half-year	-	-	(951,771)	(951,771)
Other comprehensive income	-	-	-	-
Total comprehensive income for the half-year	-	-	(951,771)	(951,771)
Transactions with owners in their capacity as owners:				
Share issue costs	(3,000)	-	-	(3,000)
Share-based payments	-	45,624	-	45,624
Balance at 31 December 2012	40,108,622	2,802,774	(11,167,882)	31,743,514
HALF-YEAR ENDED 31 DECEMBER 2013:				
Balance at 1 July 2013	40,282,497	2,723,800	(15,008,727)	27,997,570
Loss for the half-year	-	-	(735,031)	(735,031)
Other comprehensive income	-	-	-	-
Total comprehensive income for the half-year	-	-	(735,031)	(735,031)
Transactions with owners in their capacity as owners:				
Share issue costs	(4,650)	-	-	(4,650)
Share-based payments	120,500	(29,830)	-	90,670
Balance at 31 December 2013	40,398,347	2,693,970	(15,743,758)	27,348,559

The accompanying notes form part of these financial statements.

EMMERSON RESOURCES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Consolidated Half-year ended 31 December 2013 \$	Half-year ended 31 December 2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Management and consulting fees received	105,661	26,128
Payments to suppliers and employees	(840,750)	(1,418,023)
Reimbursement of costs from Inova Resources Limited	359,914	535,067
Interest received	47,787	217,697
Interest paid	-	(11)
Research and development tax offset received	-	28,543
Other	11,370	700
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	<u>(316,018)</u>	<u>(609,899)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from withdrawal of security deposits	-	79,682
Purchase of property, plant and equipment	-	(18,977)
Payments for exploration	(900,932)	(3,736,337)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	<u>(900,932)</u>	<u>(3,675,632)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of share issue costs	(4,650)	(3,000)
Payment of finance lease liabilities	-	(834)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	<u>(4,650)</u>	<u>(3,834)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(1,221,600)</u>	<u>(4,289,365)</u>
Cash and cash equivalents at beginning of period	<u>2,421,919</u>	<u>8,761,603</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>1,200,319</u></u>	<u><u>4,472,238</u></u>

The accompanying notes form part of these financial statements.

EMMERSON RESOURCES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance and Basis of Preparation

The half-year financial report is a general-purpose condensed financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134 *Interim Financial Reporting*. The financial report was authorised for issue in accordance with a resolution of the directors on 13 March 2014.

The half-year financial report does not include all notes of the type normally included within the annual financial report. Accordingly this half-year financial report should be read in conjunction with the annual financial report of Emmerson Resources Limited for the year ended 30 June 2013 and considered together with any public announcements made during the half-year ended 31 December 2013 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and the *ASX Listing rules*.

(b) Adoption of New and Amended Accounting Standards

The accounting policies adopted in the preparation of the half year report are consistent with those followed in the preparation of the consolidated entity's annual financial statements for the year ended 30 June 2013, except for the adoption of new standards and interpretations noted below:

AASB 10 *Consolidated Financial Statements* establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation – Special Purpose Entities*. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. The adoption of AASB 10 had no effect on the financial position or performance of the consolidated entity.

AASB 11 *Joint Arrangements* replaces AASB 131 *Interests in Joint Ventures* and UIG-113 *Jointly-controlled Entities – Nonmonetary Contributions by Venturers*. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. The adoption of AASB 11 had no effect on the financial position or performance of the consolidated entity.

AASB 12 *Disclosure of Interests in Other Entities* includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities.

AASB 13 *Fair Value Measurement* establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. The adoption of AASB 13 had no effect on the financial position or performance of the consolidated entity. Additional disclosures are set out in Note 9.

EMMERSON RESOURCES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AASB 119 *Employee Benefits (Revised) 2011* changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. The adoption of the revised AASB 119 did not have material effect on the financial position or performance of the consolidated entity.

The consolidated entity has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(c) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The loss of the Company for the half-year ended 31 December 2013 amounted to \$735,031 and net cash outflows from operating activities was \$316,018. The cash balance at 31 December 2013 was \$1,200,319.

The Directors believe there are sufficient funds to meet the consolidated entity's working capital requirements, and as at the date of this report the directors believe they can meet all liabilities as and when they fall due. However the Directors recognise that additional funding through the issue of further shares may be required for the consolidated entity to continue to actively explore its mineral properties.

The Directors have reviewed the business outlook and the assets and liabilities of the consolidated entity and are of the opinion that the use of the going concern basis of accounting is appropriate. However, if the consolidated entity is unable to achieve the above, there is significant uncertainty whether the consolidated entity will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

2. SEGMENT INFORMATION

The Company has identified its operating segments based on the internal management reports that are reviewed and used by the board of directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Company operates in one business segment and one geographical segment, namely mineral exploration in Australia. The revenues and results of this segment are those of the consolidated entity as a whole and are set out in the consolidated statement of comprehensive income.

EMMERSON RESOURCES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	Half-year ended 31 December 2013 \$	Year ended 30 June 2013 \$
<i>Costs carried forward in respect of areas of interest in pre-production exploration and evaluation phases:</i>		
Carrying amount at beginning of period	19,630,149	17,695,429
Additions	799,849	5,129,675
Impairment	(151,844)	(3,194,955)
Carrying amount at end of period	20,278,154	19,630,149

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the continuance of the consolidated entity's rights to tenure, intention to explore the area of interest, the results of future exploration, and the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The impairment relates to areas of interest where substantive expenditure on further exploration is neither budgeted nor planned.

4. ISSUED CAPITAL

(a) Fully paid ordinary shares

	Consolidated	
	Half-year ended 31 December 2013 \$	Year ended 30 June 2013 \$
<i>Balance at beginning of reporting period:</i>		
261,053,963 (30 June 2013: 260,585,213) shares	40,282,497	40,202,622
550,000 (30 June 2013: 468,750) shares issued to employees under performance rights plan	120,500	82,875
Share issue costs	(4,650)	(3,000)
<i>Balance at end of reporting period:</i>		
261,603,963 (30 June 2013: 261,053,963) shares	40,398,347	40,282,497

(b) Rights over ordinary shares

	Consolidated	
	31 December 2013 Number of rights	30 June 2013 Number of rights
<i>Unissued ordinary shares for which employee performance rights are outstanding:</i>		
Exercise price of nil vesting on 01/09/13	-	156,250
Exercise price of nil vesting on 25/11/13	-	393,750
Exercise price of nil vesting on 04/12/13	500,000	500,000
Exercise price of nil vesting on 01/09/14	156,250	156,250
Exercise price of nil vesting on 25/11/14	512,500	512,500
Exercise price of nil vesting on 04/12/14	500,000	500,000
Exercise price of nil vesting on 25/11/15	318,750	318,750
Exercise price of nil vesting on 04/12/15	500,000	500,000
Exercise price of nil vesting on 25/11/16	193,750	193,750
Exercise price of nil vesting on 04/12/16	500,000	500,000
	3,181,250	3,731,250

EMMERSON RESOURCES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. RELATED PARTY TRANSACTIONS

Key management personnel continue to receive compensation in the form of short term employee benefits, post-employment benefits, share-based payments and other transactions as detailed in the 30 June 2013 annual financial report.

Other related party arrangements continue to be in place as detailed in the 30 June 2013 annual financial report.

6. COMMITMENTS AND CONTINGENCIES

Exploration expenditure commitments:

In order to maintain current rights of tenure to exploration tenements, the Company and the consolidated entity are required to perform minimum exploration work to meet the minimum expenditure covenants specified by the Northern Territory Government. These obligations can be reduced by selective relinquishment of exploration tenure or renegotiation.

During the half-year the Northern Territory Government's Department of Mines and Energy amended the Company's total project area expenditure commitment for the commitment reporting period ended 31 December 2013 to \$3,500,000 which was met by Company. Subsequent to the end of the reporting period the Department of Mines and Energy have amended the Company's total project area expenditure commitment for the commitment reporting period ending 31 December 2014 to \$774,500.

There have been no other changes to commitments or contingencies since the last annual reporting date.

7. EVENTS SUBSEQUENT TO REPORTING DATE

On 24 February 2014 the Company lodged a pro-rata non-renounceable entitlement issue prospectus for an offer of one (1) share for every four (4) shares held at an issue price of \$0.025 per share to raise up to \$1,638,150 (Offer). The Offer is partially underwritten by an entity controlled by Tim Kestell (a Director of the Company), to the extent of \$1,000,000.

8. DIVIDENDS

No dividends were paid or declared payable during the half-year or subsequent to the end of the reporting period.

9. FINANCIAL INSTRUMENTS

As at 31 December 2013, all financial instruments are recognised at carrying amounts that are equal to their fair values.

EMMERSON RESOURCES LIMITED

DIRECTORS' DECLARATION

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity for the half-year ended 31 December 2013 are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the financial position as at 31 December 2013 and the performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*; and
- (b) subject to achieving the matters set out in Note 1(c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the directors of Emmerson Resources Limited made pursuant to Section 303(5) of the *Corporations Act 2001*.

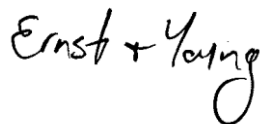
On behalf of the Board



Rob Bills
Managing Director & Chief Executive Officer
14 March 2014

Auditor's Independence Declaration to the Directors of Emmerson Resources Limited.

In relation to our review of the financial report of Emmerson Resources Limited for the half-year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Peter McIver
Partner
14 March 2014

To the members of Emmerson Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Emmerson Resources Limited which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Emmerson Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

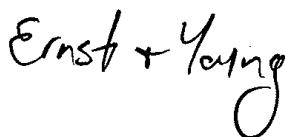
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Emmerson Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- i giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1(c) in the financial report which describes the principal conditions that raise doubts about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.



Ernst & Young



Peter McIver
Partner
Perth
14 March 2014