



ASX/MEDIA RELEASE

6 September 2010

ASX Codes: EMG, EMGO

Subscription and Underwriting Arrangement with Casimir

The Company advises the following plans to underwrite the options due for conversion by 30 September, which will be used to fund the next phase of exploration at the Beyondie project and provide working capital.

The Company has entered into a Subscription and Underwriting Agreement with Casimir Capital (Asia Pacific) Pty Ltd (**Casimir**) pursuant to which Casimir agreed to underwrite the exercise of all the options quoted on the ASX not exercised by 30 September 2010.

In anticipation of the shortfall that may arise from the exercise of the options and in addition to typical underwriting fees payable, the Company has issued, and Casimir has subscribed for, 5 million shares at \$0.20 each. Furthermore the Company has agreed to issue to Casimir 300,00 options with an exercise price of \$0.26 exercisable within 2 years from the date of issue. The early receipt of \$1 million will fund the commencement of first pass drilling of the Company's recent Direct Shipping Ore (DSO) hematite iron discovery (refer ASX release 16 July 2010).

Subject to the successful completion of the underwriting, the Underwriter will be entitled to appoint a director onto the board of Emergent.

Casimir's underwriting obligations under the agreement are conditional on, among other things:

- Casimir securing sub-underwriting commitments on acceptable terms by 30 September 2010;
- the Company entering into a Placement Underwriting Agreement which is to be negotiated between the Company and Casimir pursuant to which a further placement of, if completion occurs under the Subscription and Option Agreement between the Company and Beijing China Metallurgical Investment Company Limited (**CMIC**) (**CMIC Agreement**), up to 20 million shares at \$0.25 each and 20 million options with an exercise price of \$0.35 and a term of 12 months, and otherwise, up to 50 million shares at \$0.20 each; and
- no termination event occurring, including non-completion under the CMIC Agreement.

For further information please contact:

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