

# Quarterly Report for the Period Ending 30 September 2013

29 October 2013

## Emmerson Resources Limited

ABN 53 117 086 745

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admin@emmersonresources.com.au

## ASX Code: ERM

261.2 million ordinary shares

## Market Cap

~A\$12.0 million (@ \$0.046)

## Available Cash

~ A\$ 1.9 million (30-09-13)

## Reserves & Resource (30-09-13)\*

390,000 ounces AuEq based on  
50,800 t of Cu and 70,000 oz Au

\*see page 2 for more details

## Board of Directors

Andrew McIlwain  
*Non-executive Chairman*

Rob Bills  
*Managing Director & CEO*

Timothy Kestell  
*Non-executive Director*

Simon Andrew  
*Non-executive Director*

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www.emmersonresources.com.au

## Overview

Emmerson has continued to forge ahead with the recommendations of the Strategic Review by Professor Allan Trench and Professor David Groves. The strategy consists of:

- 1) Discovery of new deposits within the Tennant Creek Mineral Field (TCMF) following our success at finding a new style of mineralisation at Goanna and Monitor (which were blind to previous exploration techniques);
- 2) Continuing to build the resource inventory ahead of an eventual return to production.

On the technical front, Emmerson completed a joint targeting session with the Centre for Exploration Targeting (from the University of Western Australia), resulting in the identification of new undercover gold targets. Our exploration team has commenced compilation of the historic data and undertaken field inspections ahead of further geophysics and drilling.

In terms of continuing to build our resource inventory, Emmerson identified drilling at Chariot East where historic drilling encountered 2.6m @ 5.7g/t Au (CHDD003) and 1.3m @ 34.4g/t Au (CHDD002). These intersections were never followed up due to Giants Reef Mining entering administration and provide the impetus for undertaking a shallow Reverse Circulation (RC) drill program with the aim of extending the nearby Chariot mineralisation.

Further, Emmerson engaged independent consultants, Optiro, to undertake Mineral Resource Estimations at three 100% Emmerson owned advanced projects in the TCMF. Quarterly activities focused on the QA/QC activities ahead of the finalisation of the Goanna, Orlando and Chariot Mineral Resource Estimates.

Goanna's maiden Mineral Resource Estimation based on earlier drilling such as GRC1373 (which intersected 26m at 4.75% copper including 18m at 6.34% copper) and GRC1367 (which intersected 15m at 8.13g/t gold including 3m at 34.1g/t gold & 11.1% copper) will provide a starter resource that we believe can be rapidly expanded as most of the mineralisation remains open in all directions.

Recent drilling at Goanna has continued to intersect significant mineralisation in the newly discovered shear zones, termed the FNSZ-1 & FNSZ-2 (Figure 1). Given the typical metal zonation trends in the TCMF deposits of copper near the surface, transitioning to gold at depth, Emmerson believe there is excellent potential to not only expand the copper resource but also discover additional gold mineralisation at depth – as evidenced by drill hole GRC1367 (which intersected 15m at 8.13g/t gold including 3m at 34.1g/t gold & 11.1% copper).

Emmerson's Reserves & Resources inventory at the end of the quarter, and as released to the ASX on 24 October 2011 which are detailed in table 1 below, captures resources at Gecko and Orlando (more specifically Lenses 2 & 7 at Orlando). During the quarter, Emmerson contracted the independent consulting company, Optiro to revise this early

resource estimation based on the completed 12 hole RC program at Orlando. This program was aimed at testing for extensions to the known mineralisation both down dip and along strike of Lenses 2 & 7. The upgraded Mineral Resource Estimate at Orlando was released subsequent to the end of the quarter on 18 October, 2013, together with the Goanna maiden resource.

Emmerson's next project to expand the resource inventory is centred on a re-evaluation of the Chariot Mine and its remaining in situ resources. The Chariot mine was last operated by Giants Reef Mining and was closed in November 2005 prior to Giants Reef Mining entering into administration. Emmerson are working with Optiro to provide new resource estimation, given the increased gold price since the mine was closed and the identification of further exploration potential immediately along strike at Chariot East. Additional targets have also been identified to the west and south of the Chariot mine which will also be drill tested in the near future.

Given the rapidly expanding resource inventory, Emmerson have engaged Optiro to commence a conceptual financial model ahead of a detailed scoping study. The model will take into account the costs of refurbishing our 100% owned CIP mill, the established underground and open pit infrastructure at Goanna, Gecko, Orlando and Chariot, plus the proximity to power, rail, water and amenities at the township of Tennant Creek.

### JORC compliant resource as released to ASX on 24 October 2011

Classification	Tonnes ('000)	Gold grade (g/t)	Copper grade (%)	Gold equivalent grade (g/t)	Gold ounces ('000)	Copper metal (t)	Gold equivalent ounces('000)
<b>Gecko - Anomaly 3, L25 and K44 Lower (reported above a 1% copper cut-off)</b>							
Indicated	1,400	-	2.5	5.2	-	35,600	230
Inferred	80	-	1.6	3.2	-	1,300	10
<b>Sub-total Gecko</b>	<b>1,480</b>	<b>-</b>	<b>2.5</b>	<b>5.1</b>	<b>-</b>	<b>36,900</b>	<b>240</b>
<b>Orlando - Lenses 2 and 7 (reported above a 1.0 g/t gold equivalent cut-off)</b>							
Indicated	680	2.1	1.3	4.7	50	8,800	100
Inferred	300	1.6	1.7	5.1	20	5,100	50
<b>Sub-total Orlando</b>	<b>980</b>	<b>2</b>	<b>1.4</b>	<b>4.8</b>	<b>70</b>	<b>13,900</b>	<b>150</b>
<b>TOTAL</b>	<b>2,460</b>	<b>2*</b>	<b>2.1</b>	<b>5.0</b>	<b>70*</b>	<b>50,800</b>	<b>390</b>

\* Grade of gold ore and quantity of gold metal reported for Orlando only

**Table 1: Emmerson Reserves & Resources Inventory**

In light of the current market conditions we continue to progressively implement a number of cost cutting initiatives while maintaining work on "the next big discovery" and continuing to build our resource position

### About Tennant Creek and Emmerson Resources

The Tennant Creek Mineral Field (TCMF) is 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 Emmerson Resources (ASX: ERM) exploration and joint venture portfolio.

Emmerson holds 2,800km<sup>2</sup> 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.

*The information in this report which relates to Mineral Resources is based upon information compiled by 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 of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ian Glacken consents to the inclusion in the report of a summary based upon his information in the form and context in which it appears.*

## About Emmerson Resources

Emmerson (ASX: ERM) is an Australian-based gold company which was floated on the ASX in December 2007. It is 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 2,800km<sup>2</sup>.

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 also continues to build and upgrade its resource inventory ahead of an eventual start of production. To date detailed analysis and additional drilling has been completed on Gecko and Orlando with resources detailed below. Further brownfields exploration will continue in 2013.

Emmerson is led by a board and management 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.

## Announcements since 30 June 2013

15/07/2013: Investor Presentation

31/07/2013: Quarterly Activities and Cashflow Report

13/09/2013: Appendix 3B - Employee Performance Rights

13/09/2013: Section 708A Notice

25/09/2013: 2013 Annual Report

02/10/2013: Emmerson Resources Reclaims 100% of Tennant Creek Assets

03/10/2013: Boardroom Radio Broadcast

18/10/2013: New High Grade Drill Results & Upgrade to Resource Inventory

18/10/2013: Boardroom Radio Broadcast

23/10/2013: Investor Presentation

24/10/2013: Notice of Annual General Meeting and Proxy Form

For and on behalf of  
Emmerson Resources Limited



**Mr. Rob Bills**  
**Managing Director and Chief Executive Officer**

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**Managing Director & Chief Executive Officer**  
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**[www.emmersonresources.com.au](http://www.emmersonresources.com.au)**

## Competency Statement

*The information in this report relating to Exploration Results and Mineral Resources is based on information compiled by Mr Steve Russell who is a Member of the Australian Institute of Geoscientists and has sufficient exploration experience which is relevant to the style of mineralisation under consideration 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'. Mr Russell is a full time employee of Emmerson Resources Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears (attachments: Figure 1 & Table 1).*

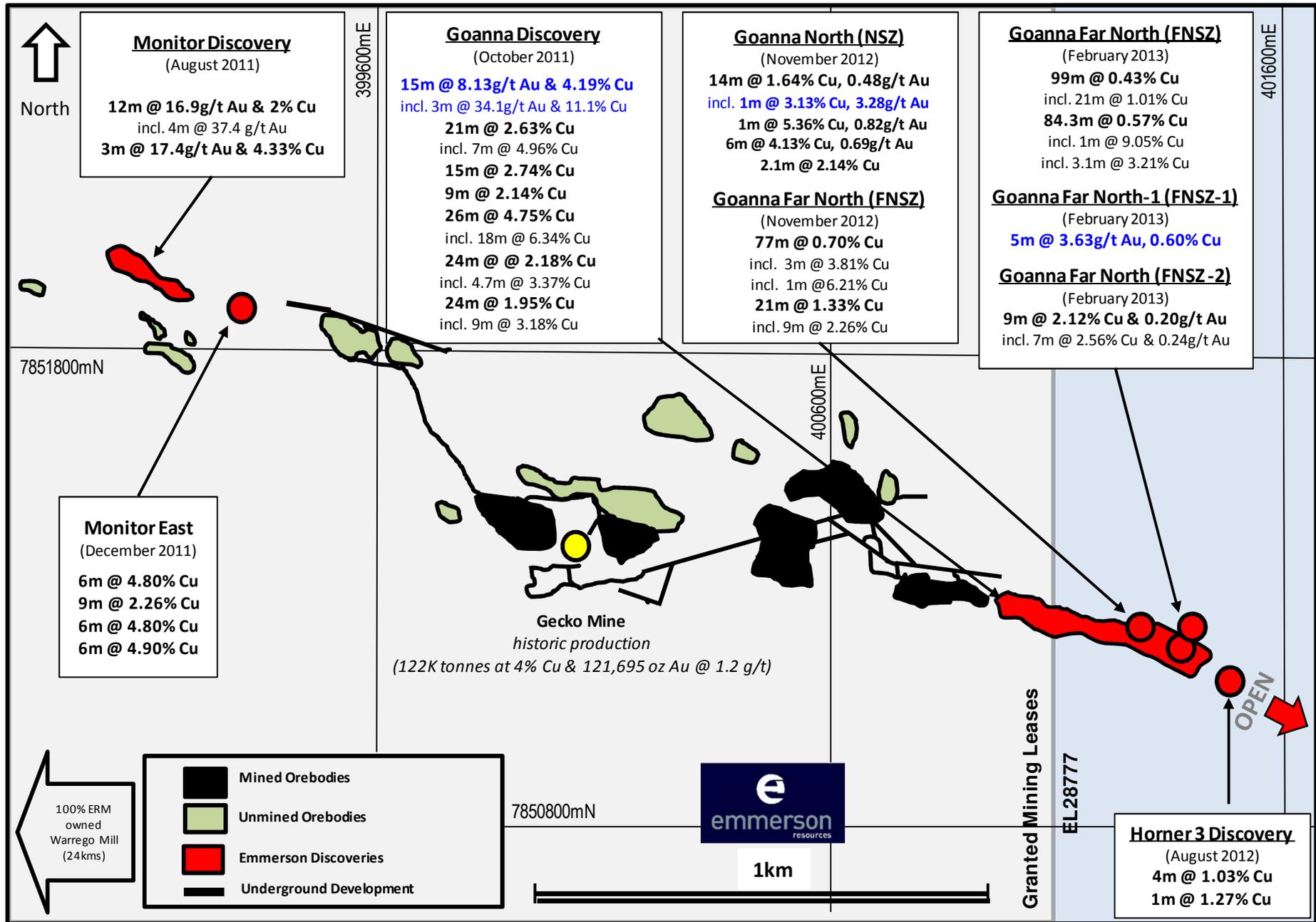


Figure1: Location of recent discoveries and significant intersections within the Gecko mineralized Corridor.

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

<b>Emmerson Resources Limited</b>
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ABN

53 117 086 745

Quarter ended ("current quarter")

30 September 2013

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(451)	(451)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	28	28
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other - Management & service fees received	57	57
Exploration costs reimbursed by Inova	70	70
Sundry income	2	2
<b>Net Operating Cash Flows</b>	<b>(525)</b>	<b>(525)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Proceeds from withdrawal of security deposits		
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	(525)	(525)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(525)	(525)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Share issue costs	(2)	(2)
<b>Net financing cash flows</b>		<b>(2)</b>	<b>(2)</b>
<b>Net increase (decrease) in cash held</b>		<b>(527)</b>	<b>(527)</b>
1.20	Cash at beginning of quarter/year to date	2,422	2,422
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>1,895</b>	<b>1,895</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	120
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Amounts in 1.23 are in relation to:  
Salary and superannuation paid to managing director; and  
Directors fees and superannuation paid to non-executive directors

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	400
4.2 Development	
4.3 Production	
4.4 Administration	250
<b>Total</b>	<b>650</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	78	39
5.2 Deposits at call	1,817	2,383
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,895</b>	<b>2,422</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	MCC 315	Direct	100%	Nil
	MLC 20, 24, 25, 26, 27, 28, 29, 30, 31, 33, 34, 551, 552, 668 and 693	Direct	100%	Nil
6.2 Interests in mining tenements acquired or increased	ML 29917	Direct	Nil	100%
	ML 29919	Direct	Nil	100%

+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	261,210,213	261,210,213		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	156,250	156,250		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	<i>Performance rights</i>		<i>Exercise price</i>	<i>Expiry date</i>
	143,750	-	Nil	25/11/14
	156,250	-	Nil	01/09/15
	500,000	-	Nil	25/11/16
	2,000,000	-	Nil	04/12/17
	775,000	-	Nil	25/11/17
7.8 Issued during quarter				
7.9 Exercised during quarter	156,250	-	Nil	01/09/15
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 29 October 2013  
Company Secretary

Print name: Trevor Verran

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.