ABN 53 117 086 745

ANNUAL REPORT

2013

CONTENTS

CORPORATE DIRECTORY

DIRECTORS

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

COMPANY SECRETARY

Trevor Verran

REGISTERED OFFICE

3 Kimberley Street
West Leederville WA 6007

PO Box 1573
West Perth WA 6872
Telephone: +61 (08) 9381 7838
Facsimile: +61 (08) 9381 5375
Internet: www.emmersonresources.com.au

TENNANT CREEK OFFICE

1230 Standley Street
Tennant Creek NT 0860

PO Box 1244
Tennant Creek NT 0861
Telephone: +61 (08) 8962 1425
Facsimile: +61 (08) 8962 3376

ASX CODE

ERM

SOLICITORS

Steinepreis Paganin
Lawyers and Consultants
Level 4, Next Building
16 Milligan Street
Perth WA 6000

Ward Keller
Lawyers
Level 7, NT House
22 Mitchell Street
Darwin NT 0807

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
Level 2, 45 St Georges Terrace
Perth WA 6000

GPO Box D182
Perth WA 6840
Telephone: 1300 850 505

CHAIRMAN'S LETTER

Dear Fellow Shareholder,

Andrew McIlwain

The 2012-2013 year was entered with much enthusiasm to build on the copper/gold discoveries of the previous year. However the year has witnessed continued decline in market sentiment, possibly resulting in the worst market sentiment in the small resources and exploration sector for several decades in Australia. In light of the current market conditions we have progressively implemented a number of cost cutting initiatives while maintaining work on "the next big discovery" and continuing to build our resource position.

During the year an independent strategic review by internationally respected Perth business and geology academics, Professor Allan Trench and Professor David Groves, found that Emmerson Resources is conducting "world's best practice" exploration programs over its Tennant Creek gold-copper project.

The independent review was commissioned by the board to ensure Emmerson continues to deliver value to its shareholders and has reaffirmed Emmerson is on track for:

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

The independent review also found that the discoveries at Goanna and Monitor are testament to Emmerson's systematic and innovative approach which is now being applied to the rest of its 3,300 km^2 project area.

Following the review Professor Trench said:

"*Emmerson has assembled an* ***industry best-practice exploration team*** *deploying new generation exploration technologies and exploration models, with great potential to unlock a new generation of high grade gold and copper deposits. Emmerson has an outstanding management and technical team that is using a business framework to ensure the investment in exploration continues to provide good value for its shareholders. Together, these achievements represent an advanced level exploration capability to a standard seldom seen amongst junior companies."*

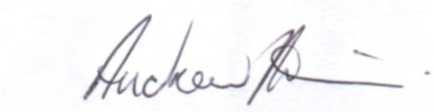
Apart from applying new ideas and technology to discovery we have also supported a number of research initiatives from various universities which continue to refine the selection of our next drill targets.

We are continuing to build our resource inventory and remain on track to deliver an updated resource for the Orlando deposit and also, a maiden resource for our recent discovery at Goanna (both are within 100% owned ERM sole fund blocks). In addition, we have commenced a high level evaluation of further brown field opportunities that offer the potential to increase our existing JORC resources.

The footprint of the Monitor-Gecko-Goanna mineralisation is by far the largest in the Tennant Creek Mineral Field and continues to grow every time we drill. To date the mineralisation has been copper dominant, however given the few deep drill holes in this large, 2.5km long x 400m wide corridor of mineralisation, we continue to believe this project has tremendous potential.

I believe the Emmerson exploration and management team has excelled in a difficult year and I thank the team for their strength and commitment during the year.

Although your Company may have been dragged down by a chronically depressed market, we remain focused, soundly managed and I am convinced that we will recover strongly with improving markets and exploration success.



Andrew McIlwain
Chairman

About Tennant Creek and Emmerson Resources

Rob Bills

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 exploration and joint venture portfolio.

Emmerson holds 3,000km^2 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 continues to pursue a two pronged strategy of: 1) discovery of new deposits and; 2) building a quality mineral resource base ahead of production. Given our large ground position and the need to undertake expensive undercover exploration, Emmerson entered into a Joint Venture with Ivanhoe Australia (now called Inova Resources) in 2009. This Farm-in and Joint Venture agreement has underpinned the high risk phase of our exploration through Inova sole funding $28 million in exploration to acquire and retain 51%. As part of the agreement, ERM retains the right to nominate areas of "sole fund-sole risk" under which Inova retains certain clawback rights.

From inception, Emmerson recognised that the opportunity for discovery was in finding a new style of mineralisation that was blind to previous explorers and also that was likely to have been obscured by cover. Thus we embarked on a deliberate strategy of utilising new geological models and techniques within the framework of a business plan that aimed to maximise the probability of discovery. In late 2011 we made two high-grade discoveries called Goanna and Monitor, which are a new style of mineralisation that had gone undetected by previous explorers. The discoveries are close to the underground mine development at the historic Gecko deposit and are within the 100% owned ERM sole fund blocks.

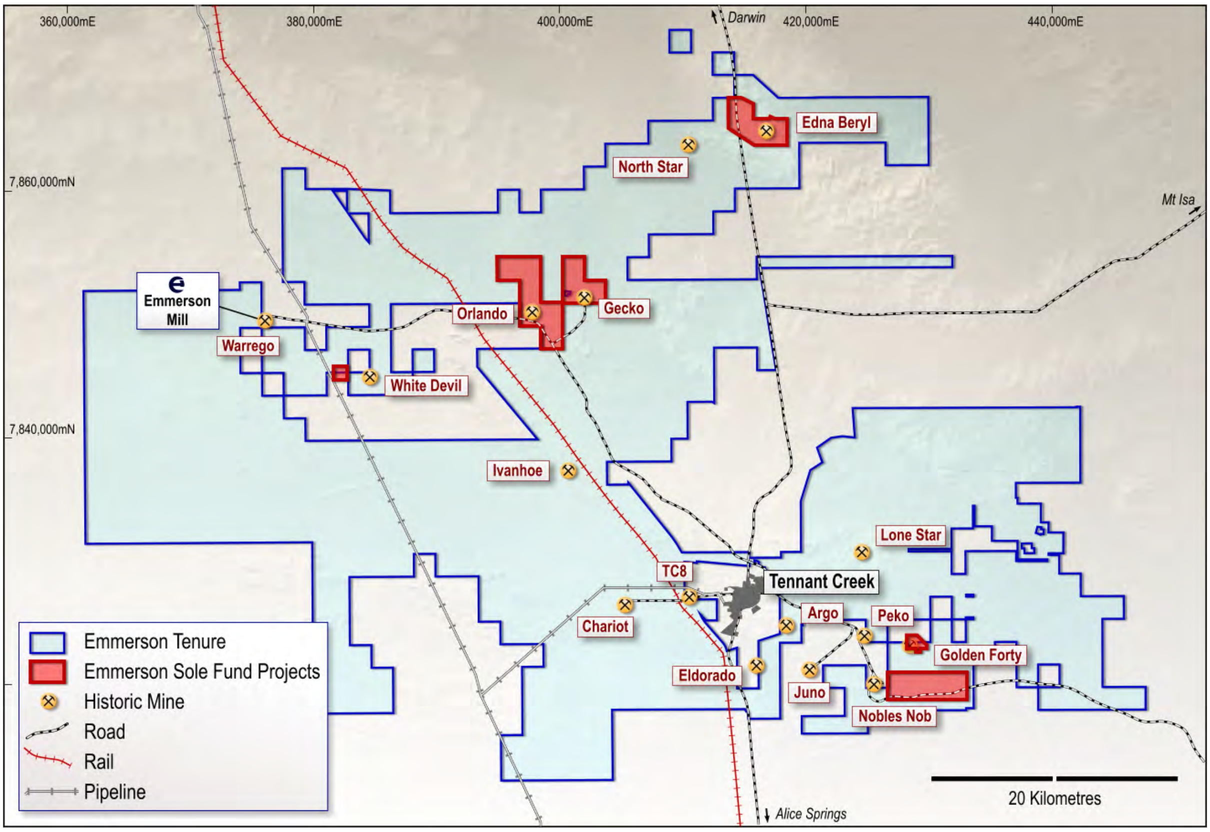


Figure 1: *Location Plan of Emmerson Resources Tenements and Sole Fund Projects*

MANAGING DIRECTOR'S REPORT - REVIEW OF OPERATIONS

The second prong of our strategy has been to rapidly build and upgrade our mineral resource inventory ahead of an eventual start of production. The approach includes assessing the near mine potential of existing deposits and converting what are currently non JORC resources into mineable reserves. Emmerson is in a very fortunate position given we have 100% ownership of the only carbon-in-pulp processing plant in the region and proximity to excellent infrastructure (the town of Tennant Creek with airport, power, water, rail, roads and gas pipeline) – effectively lowering the barriers to production and providing an opportunity to scale future mine development.

To date we have undertaken near mine exploration and resource delineation at Warrego, Orlando and the Gecko deposits – resulting in the following resource inventory:

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)
Gecko - Anomaly 3, L25 and K44 Lower (reported above a 1% copper cut-off)							
Indicated	1,400	-	2.5	5.2	-	35,600	230
Inferred	80	-	1.6	3.2	-	1,300	10
Sub-total Gecko	**1,480**	**-**	**2.5**	**5.1**	**-**	**36,900**	**240**
Orlando - Lenses 2 and 7 (reported above a 1.0 g/t gold equivalent cut-off)							
Indicated	680	2.1	1.3	4.7	50	8,800	100
Inferred	300	1.6	1.7	5.1	20	5,100	50
Sub-total Orlando	**980**	**2**	**1.4**	**4.8**	**70**	**13,900**	**150**
TOTAL	**2,460**	**2***	**2.1**	**5.0**	70*	50,800	390

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

The year in detail

Systematic exploration continued during the year and we are now well positioned to capitalise on our increasing understanding of the gold and copper potential at Monitor, Gecko, Goanna and Orlando and testing of some new targets such as Golden Forty South, Marathon and Macedon.

Total metres drilled for the financial year was 17,823m comprising 14,392m of reverse circulation and 3,431m of diamond drilling - focussed on executing the strategy of discovering new deposits and building our mineral resource inventory.

Goanna

This continues to be the standout discovery for Emmerson and although it is far from fully drill tested – remaining open in all directions, drilling has revealed new, thick intersections of copper mineralisation extending the boundaries and strike extent of the previously known mineralisation.

The new copper rich Far North Shear Zone (FNSZ) is shaping up as a significant additional resource to the existing copper inventory. Recent drilling confirms that the more east-west orientation of the FNSZ shear zone and ironstones signals dilation and potential for thicker and higher grade mineralisation. The FNSZ-1 intersection is also a new zone of mineralisation, marked by increasing pyrite over chalcopyrite – typically signalling a switch from copper to gold dominant mineralisation.

The mineralisation in the FNSZ and FNSZ-1 is open in all directions and provides further impetus for additional drilling and eventual inclusion in the preliminary Goanna mineral resource estimation.

An example is drill hole GRC1406 which intersected the FNSZ and returned a continuous 99 metre zone averaging 0.43% copper from ~ 270m with multiple, higher grade, internal zones, including 18m at 0.44% copper from 363m; and 21m at 1.01% copper from 405m and 6m at 1.70% copper from 456m. This hole also discovered a new gold-copper zone called the FNSZ–1 which returned 5m at 3.63g/t gold, 0.60% copper & 0.28% bismuth from 506m including 2m at 5.67g/t gold, 0.35% copper & 0.31% bismuth from 508m (figure 8).

Drill hole GRC1408, some 80m to the east returned 4m at 2.05% copper and 0.31g/t gold from 430m; 2m at 3.37% copper and 0.45g/t gold from 431m, 1m at 1.73% copper and 0.38g/t gold from 460m and; 8m at 0.96% copper and 0.30g/t gold from 472m.

Drill hole GRC1404 tested a section of the Goanna Southern Shear Zone, 120m to the west of the previous high grade copper-gold intersections (GODD020 of 24m at 2.18% copper including 4.7m at 3.37% copper and 0.13g/t gold) and returned 21m at 1.33% copper from 380m. The individual 1 metre samples confirm the 3 metre composite analysis with 9m at 1.54% copper from 458m including 3m at 2.89% copper from 464m.

Other significant intersections earlier in the financial year included:

- 3m at 1.77% copper, 0.48g/t gold, 3.95g/t silver and 0.26g/t bismuth (Northern Shear Zone GODD024);
- 4m at 1.63g/t gold and 1.10% copper (Southern Shear Zone extended to the west in GODD027);
- 77m at 0.70% copper from ~300m inclusive of multiple high grade zones such as 3m at 2.06% copper, 3m at 3.81% copper, 1m at 6.21% copper, 2m at 3.55% copper and 1m at 5.09% copper (GRC1388);
- 114m of copper mineralisation from 230m that also contained a number of higher grade zones (GRC1391); and
- 2.8m at 2.46% copper from 532.5m down the drill hole (GODD021).

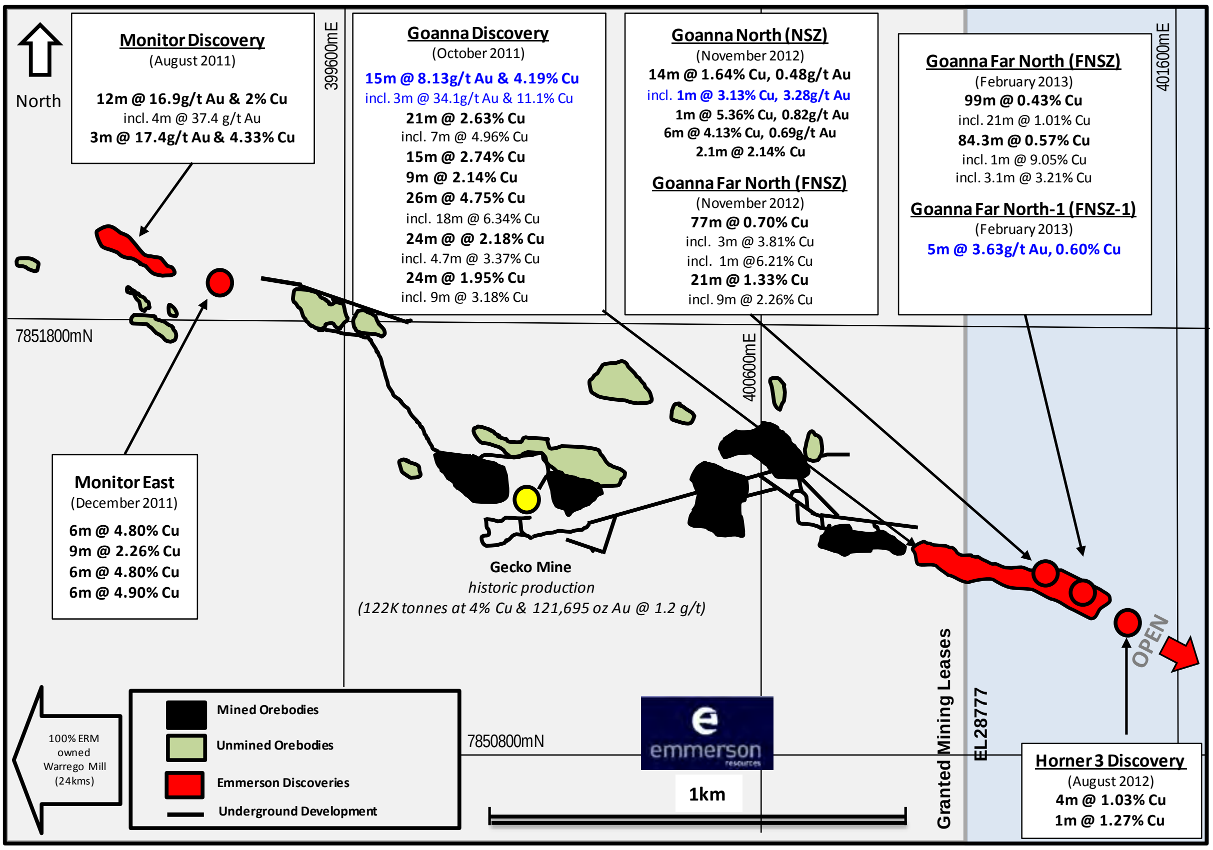


Figure 2: *Plan view of the Monitor-Gecko-Goanna complex showing the infrastructure and extensions to the strike extent at Goanna*

MANAGING DIRECTOR'S REPORT - REVIEW OF OPERATIONS

Gecko

Deep diamond drill holes aimed at testing for gold beneath the historic Gecko copper mine intersected new zones of copper mineralisation but to date only minor gold. Significant intersections include:

- 102m at 0.25% copper from 198m including a higher grade zone of 6m @ 1.17% copper from 234m (GODD028);
- 18m at 1.83 % copper from 411m including 1.8m at 5.60% copper from 413.7m (GODD029).

Monitor

Diamond drill hole GODD022 tested the upper limit of the gold zone at the 100% Emmerson owned Monitor project and intersected 3.12m at 1.34% copper, 0.22g/t gold & 3.62g/t silver from ~ 270m.

A new zone of mineralisation was encountered at Monitor in GRC1386 which intersected 3m at 1.78g/t gold, 0.44% copper from 414m. Within this 3m interval, 1m at 2.27g/t gold and 1.13% copper was returned in the individual 1m samples from 415m down hole.

A series of RC holes designed to define the geology and structure at Monitor intersected various zones of copper and gold mineralisation. Although these holes were not in the ideal orientation for defining the mineralisation, some of the more notable intersections included:

- GRC1394 intersected 5m at 1.49% copper & 0.12% zinc from 238m, *and* 6m at 1.38% copper & 0.45g/t gold from 328m, *including* 1m at 1.28g/t gold & 1.50% copper from 330m;
- GRC1397 intersected 3m at 2.23% copper and 0.76g/t gold from 366m; and
- GRC1398 intersected 3m at 1.51% copper from 429m.

Orlando

The Orlando gold - copper deposit is hosted within the east-west striking Orlando Shear Zone and consists of an array of steeply south-west dipping shears. Mineralisation is typically accompanied by dolomite-chlorite-talc-magnetite alteration, developed within an axial plane fold.

During the current financial year, Emmerson completed a 12 hole RC drill program for a total of 2,918m designed to test for extensions to the known mineralisation. In particular, a "gap" between the Orlando remnant resource and the 2 & 7 orebodies. Valuable QAQC sampling was also completed during this program to assist with increasing the confidence in the current Mineral Resource Estimation.

Seven holes within the Gap zone include ORRC452-454 and ORRC457-460 on sections 710mE to 790mE (figure 4). The Gap is 80m wide and to the west of the current Lens 2 and 7 resource grade shells. Drilling of this gap has successfully confirmed that shallow, gold-copper mineralisation does continue to the west. Lens 7 mineralisation is typically in sheared, hematitic siltstone, hematitie and magnetite veins with limonite and geothite alteration.

Mineralisation assosciated with Lens 2 is typically within a chloritic shear zone where disseminated pyrite is common. Copper mineralisation in this zone is associated with centimetre scale chalcopyrite veins within sheared and chloritic sediments. On several sections, gold and copper mineralisation is open down dip.

Of note are the following drill holes:

- ORRC454 - 10m @ 2.84 g/t Au, 2.07% Cu from 157m and included 3m at 4.56g/t gold, 5.05g/t silver and 5.10% copper.

- ORRC459 - 4m at 1.37 g/t gold, 54g/t silver and 1.86% copper from 184m including 1m at 3.36g/t gold, 133g/t silver, 3.8% copper and 6.34% lead.

- ORRC460 - 3m at 3.32g/t gold and 0.49% copper including 1m at 5.83g/t gold – corresponding to a continuation of lens 7.

- ORRC462 - 10m at 2.39 g/t gold and 2.75% Cu from 175m including a high-grade core of 4m at 3.06g/t gold and 5.30% copper from 175m.

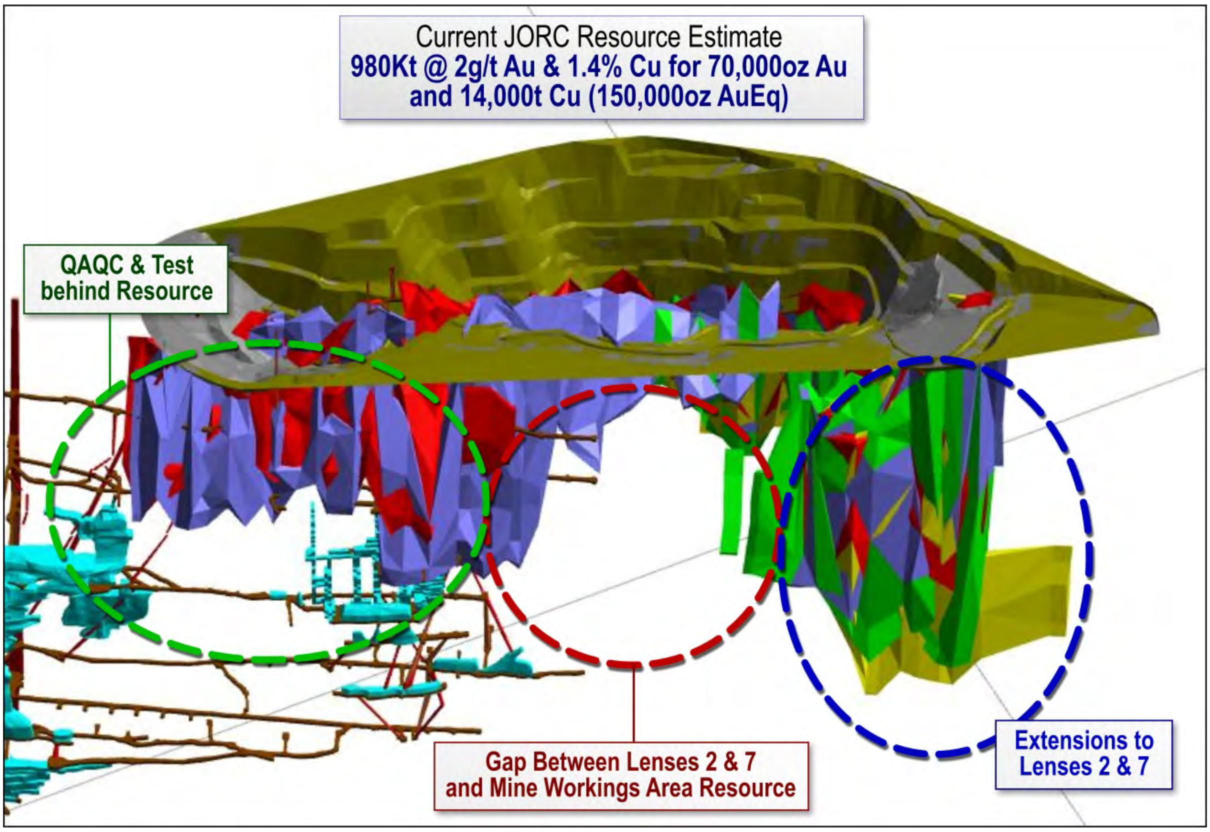


Figure 3: *Orlando deposit long section highlighting the gap and extensional targets plus the area of detailed QAQC review.*

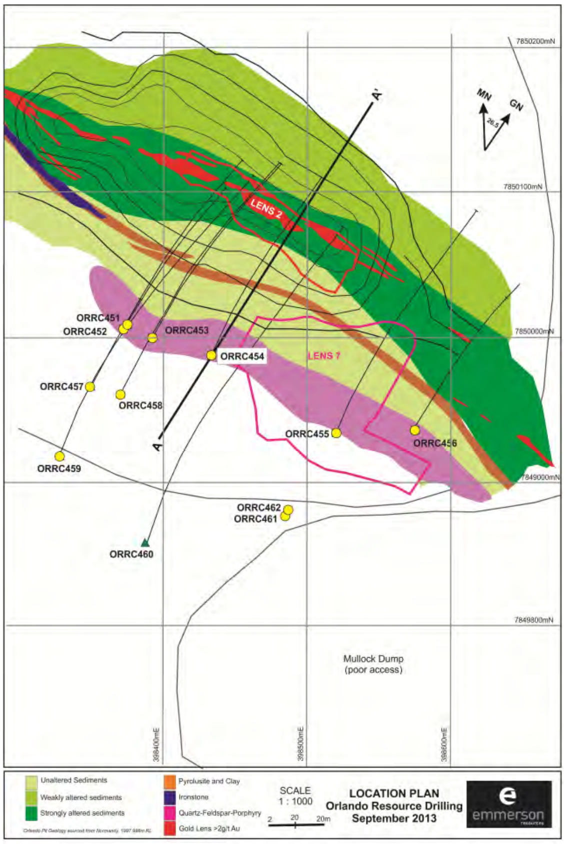


Figure 4: *Orlando Lens 2 and 7 resource definition drilling location plan.*

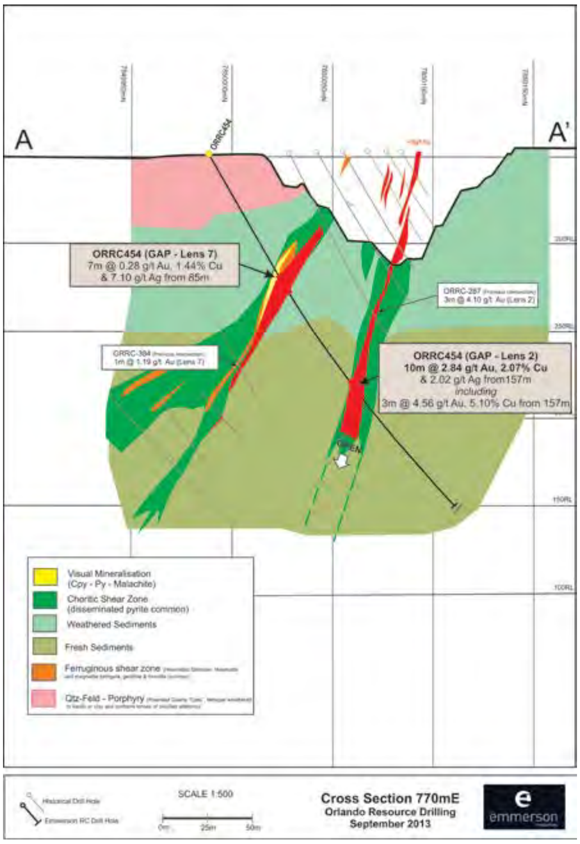


Figure 5: *Geological cross section 770mE – Orlando Resource definition drilling.*

Future Activities and Resources

Emmerson believes in providing high quality independently verified resource estimations to the market and shareholders, thus we have engaged independent consultants, Optiro Ltd as our resource consultant.

Optiro is in the process of updating the 2011 resource estimation of the Orlando deposit following the completion of a 12 hole RC program in late 2012.

Emmerson and Optiro are currently finalising the geological and mineralogical interpretation of the Goanna maiden resource, which will be released to the ASX shortly.

<u>Goanna North</u>

Diamond hole GODD030WR1 was completed late in the year and has confirmed the presence of two new shear zones within the ever growing Goanna copper-gold discovery. This hole was targeting the upper level copper mineralisation in the Far North Shear Zone (FNSZ) and new zone (FNSZ-1) intersected in a previous hole (GRC1406). As previously reported (ASX: 29 April 2013), GRC1406 was the thickest copper intersection to date at Goanna but of particular interest was the discovery of a new shear zone termed the FNSZ-1.

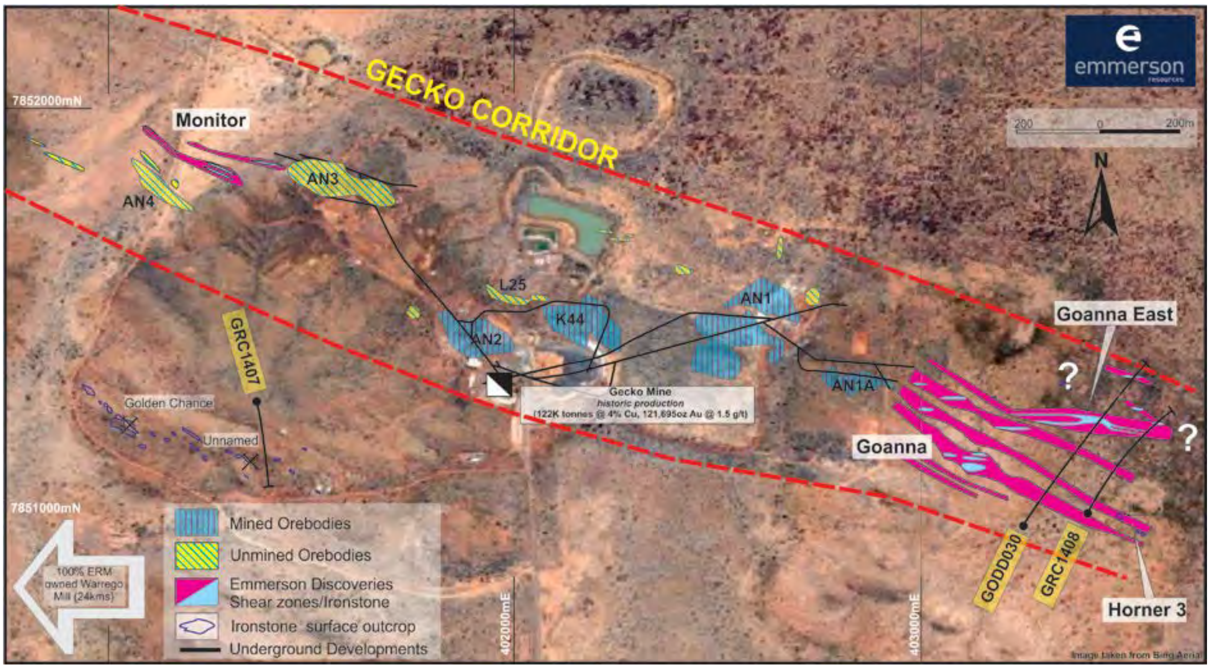


Figure 6: *Plan view with latest drill hole collars showing the Monitor-Gecko-Goanna Corridor (red broken lines) and proximity to established infrastructure*

Whilst assays are still being finalised, GODD030WR1 intersected a thick dilational zone consisting of three mineralised intervals that correspond to the FNSZ (figure 8) with the following geology:

An upper zone, some 90m down the drill hole, consisting of 6 metres of chlorite altered sediments cut by later massive veins of chalcopyrite. A central zone consisting of 16.3m of massive specularite-hematite-magnetite-chlorite alteration (ironstone) also cut by chalcopyrite and pyrite veins and a lower zone consisting of brecciated, chlorite altered sediments cross cut by chalcopyrite and pyrite veins (figures 7 & 8).

After passing through a fault, GODD030WR1 then intersected the FNSZ-1 where a 17.4m sequence of dolomite-quartz-chlorite-iron alteration (ironstone) and massive fine pyrite was encountered. Chalcopyrite and pyrite veining are present in the dolomite-quartz-chlorite zone (figure 8).

The mineralisation in the FNSZ and FNSZ-1 is open in all directions and provides further impetus for additional drilling and eventual inclusion in the preliminary Goanna resource calculation.

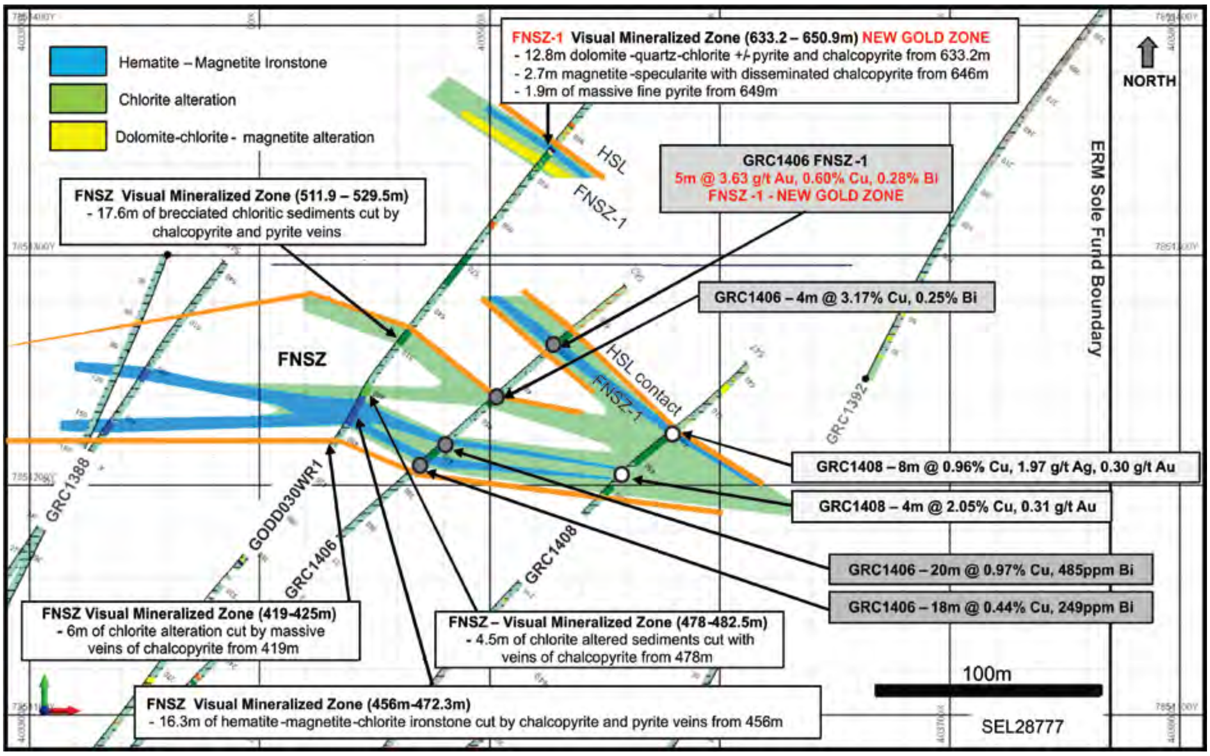


Figure 7: *Geological plan section showing just the Far Northern Shear Zone and newly intersected FNSZ-1 gold zone at Goanna. Also latest drill hole assay results*

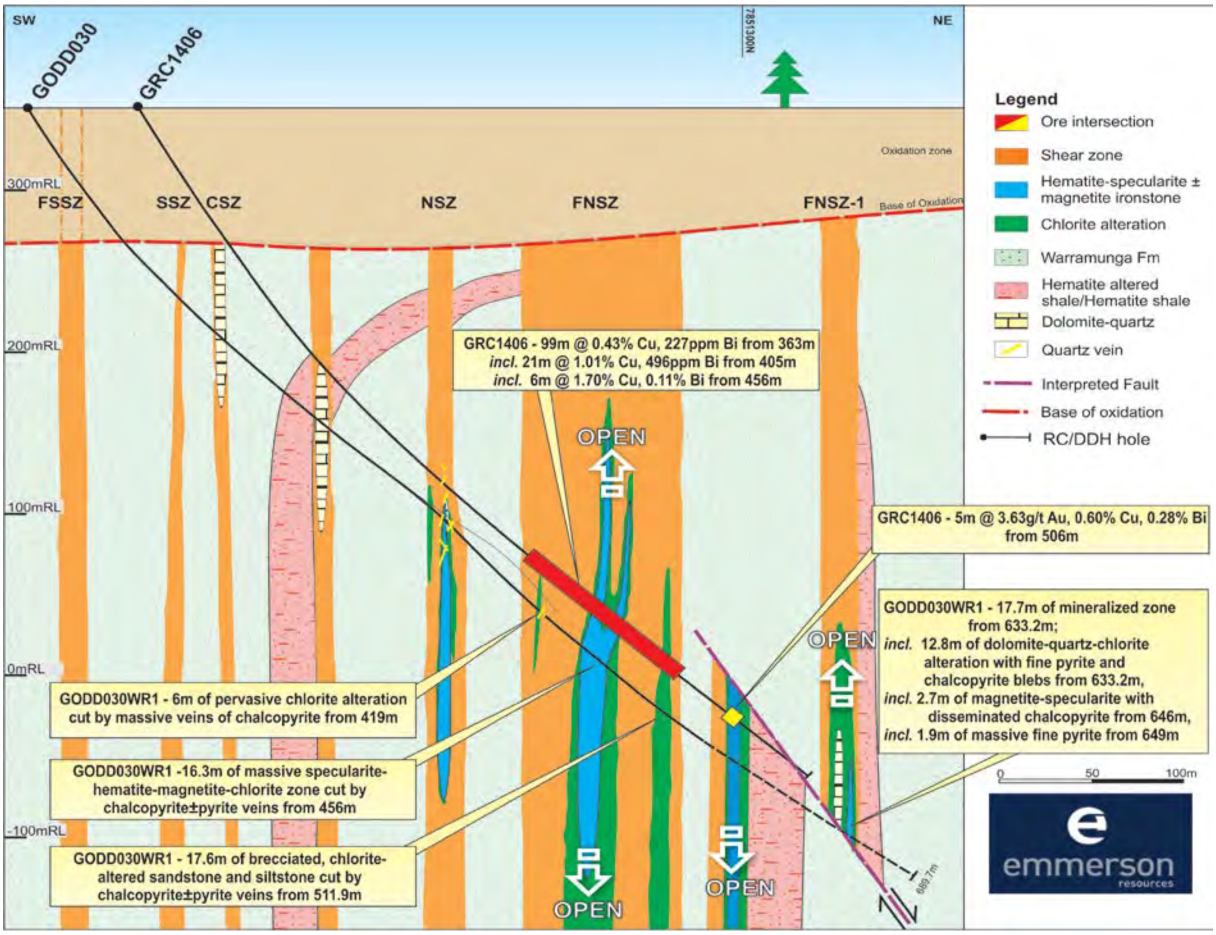


Figure 8: *Geological cross section at Goanna showing latest diamond drill hole GODD030WR1 projected onto the same section as the GRC 1406.*

MANAGING DIRECTOR'S REPORT - REVIEW OF OPERATIONS

Our People

The success of Emmerson is very dependent on getting the "right people" doing the right tasks. Emmerson has attracted and retained great people through offering flexible employment contracts and providing challenging work which rewards innovation and sound science. In the past financial year Emmerson has maintained a very stable but small corporate office in Perth together with specialised, geoscientific consultants.

The main exploration base is situated in the town of Tennant Creek, Northern Territory, and is capably managed by our onsite Exploration Manager, Steve Russell. He is supported by a highly competent and dedicated team, many of whom are residents in Tennant Creek.

Emmerson continues to strive to be an employer of choice.

The Emmerson Resources Team

Competency Statement

The information in this report relating to Exploration Results and Mineral Resources is based on information compiled by 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'. Steve Russell is a full time employee of Emmerson Resources Limited and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears (Figures 1 to 8).

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.

Rob Bills
Managing Director & Chief Executive Officer

HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY (HSEC)

Health and Safety

Emmerson Resources continues its commitment to the highest standards of workplace safety. A comprehensive Occupational Health and Safety Program are in place to ensure the health and safety of our employees, contractors, visitors and the public. A culture of taking personal responsibility for practical, risk-based safety management has been adopted by our team.

Supporting systems include a Health and Safety Committee, weekly staff safety meetings, workplace inspections, hazard and incident reporting, regular training modules, and regular fitness for work monitoring. Individuals demonstrating proactive safety are recognised with quarterly safety awards.

All applicable staff have undertaken health monitoring medicals in accordance with the Work Health and Safety Act and Regulations.

Emmerson recently achieved the outstanding record of 1,365 days without a lost time injury (LTI) - a credit to the commitment of the entire team.

Summary of Key Safety Statistics:	**2008/2009**	**2009/2010**	**2010/2011**	**2011/2012**	**2012/2013**
Total Company Man Hours Worked	43,089	74,763	60,869	59,310	42,593
Lost Time Injuries (LTIs)	1	4	0	0	0
Medical Treated Injuries (MTIs)	1	4	1	0	0
LTIFR	23.2	53.5	0	0	0
TRIFR	23.2	53.5	16.4	0	0
Incidents Reported	19	12	11	3	3

Environment

Emmerson cares for the environment and is committed to the efficient use of resources, minimisation of waste and pollution and reducing the environmental impact of our operations. We strive towards the implementation and maintenance of management systems for sustainable development that drive continual improvement.

The company has adequate systems in place for the management of its environmental responsibilities and it is pleasing to report that there were no environmental incidents or breaches of the regulations during the past year – continuing our unblemished record and one that our people are proud of and committed to maintaining. A recent environmental audit from the NT Department of Resources, which inspected many former drill sites, confirmed Emmerson's environmental obligations are being met.

Community

Emmerson Resources aspires to support our community with the goal to provide lasting social and economic benefits to society. We strive to be a valued corporate citizen in our communities and respect the values and cultural heritage of local people and their social and economic needs. We also strive towards the implementation and maintenance of management systems for sustainable development that drive continual improvement. Key commitments to our community include contributing to making the communities in which we operate better places to live and do business, and we support ethical trade in our purchasing practices.

Emmerson continues to support community and sporting organisations in the Tennant Creek area and employees continued their voluntary involvement in organisations such as the Tennant Creek Bush Fire Brigade, St. John Ambulance, NT and the NT Fire and Rescue service.

Emmerson are proud supporters of the Clontarf Foundation in Tennant Creek and the company's partnership with the Clontarf Foundation and it's academy at Barkly College continues to prosper with several Clontarf students participating in our after school work program and spending time in the field during their school vacation.

Emmerson received the 2012 Community Care Golden Heart Award for the Tennant Creek and Barkly Region recognising the valuable contribution the Company has made to the town and region.

SHAREHOLDER INFORMATION AS AT 20 SEPTEMBER 2013

	Number of holders	Number of units held	% of issued
ORDINARY SHARES			
Distribution of ordinary shares			
1 – 1,000	25	2,952	0.00%
1,001 – 5,000	213	758,038	0.29%
5,001 – 10,000	237	2,004,653	0.77%
10,001 – 100,000	764	31,591,032	12.09%
100,001 and over	267	226,853,538	86.85%
Total	1,506	261,210,213	100.00%
Holdings less than a marketable parcel of shares	486	2,880,123	1.10%
Twenty largest ordinary shareholders			
HSBC Custody Nominees (Australia) Limited - A/C 3		69,569,188	26.63%
Ivanhoe Australia Limited		22,610,000	8.66%
National Nominees Limited		11,800,442	4.52%
UBSNominees Pty Ltd		8,680,561	3.32%
Mr Timothy Arthur Kestell		6,136,030	2.35%
Desertfox Pty Ltd		5,900,000	2.26%
Mr Simon Andrew		5,136,029	1.97%
Kurraba Investments Pty Ltd		4,000,000	1.53%
Shorlane Pty Ltd <Jolma Super Fund A/C>		3,750,000	1.44%
Zero Nominees Pty Ltd		3,500,000	1.34%
Mr Bruce Graham		3,000,000	1.15%
Mr Ross C Williams + Mrs Nicola A Williams <Williams Super Fund A/C>		2,537,059	0.97%
HSBC Custody Nominees (Australia) Limited-Gsco Eca		2,430,628	0.93%
Equity Trustees Limited <Lowell Resources Fund A/C>		2,300,000	0.88%
Bnp Paribas Noms (Nz) Ltd <DRP>		1,897,701	0.73%
Willstreet Pty Ltd		1,800,000	0.69%
Mr Hugh Ross Martin		1,544,202	0.59%
Mr Dean Pontin		1,500,000	0.57%
Mr Peter Pynes + Mrs Lara Pynes <Pynes Super Fund A/C>		1,400,000	0.54%
Mr Alister John Forsyth		1,287,950	0.49%
		160,779,790	61.55%
Substantial shareholders			
HSBC Custody Nominees (Australia) Limited - A/C 3		69,569,188	26.63%
Inova Resources Limited		22,610,000	8.66%
		92,179,188	35.30%

There is no current on market buy back.

UNQUOTED RIGHTS OVER ORDINARY SHARES			
Exercise price of nil vesting on 25/11/13	8	393,750	11.01%
Exercise price of nil vesting on 04/12/13	1	500,000	13.99%
Exercise price of nil vesting on 01/09/14	7	156,250	4.37%
Exercise price of nil vesting on 25/11/14	9	512,500	14.34%
Exercise price of nil vesting on 04/12/14	1	500,000	13.99%
Exercise price of nil vesting on 25/11/15	9	318,750	8.92%
Exercise price of nil vesting on 04/12/15	1	500,000	13.99%
Exercise price of nil vesting on 25/11/16	9	193,750	5.42%
Exercise price of nil vesting on 04/12/16	1	500,000	13.99%
	46	3,575,000	100.00%

DIRECTORS' REPORT

The Directors of Emmerson Resources Limited ("Company" or "Emmerson" or "consolidated entity") submit their report for the year ended 30 June 2013.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Andrew McIlwain B.Eng (Mining) – Non-executive Chairman

Andrew McIlwain is a qualified mining engineer with over 25 years' experience in the mining industry and has held operational, technical, senior management and executive roles within Mt. Isa Mines Limited, Central Norseman Gold Corporation, WMC Resources Limited and Lafayette Mining Limited.

Mr McIlwain has been a Director of Emmerson since April 2007 and during the past three years has also served as a director of the following listed companies:

- Unity Mining Limited (Managing Director & CEO since December 2011)
- Kidman Resources Limited (Director October 2011)
- Almonty Industries Inc. (Director October 2011)
- Verus Investments Limited (Director from April 2008 to November 2011)

Robert Bills B.Sc, M.Sc - Managing Director and Chief Executive Officer

Rob Bills is a geologist and holds a Bachelor of Science Degree from Monash University and a Master of Science Degree from James Cook University. Prior to joining Emmerson Resources Mr. Bills had a 25 year career with Western Mining Corporation, then BHP Billiton where he held the position of global commodity specialist.

Mr Bills has been a Director of Emmerson since September, 2007 and during the past three years has not served as a director of any other listed company.

Tim Kestell B. Comm - Non-executive Director

Tim Kestell has over 14 years' experience in capital markets including working for Australian stockbrokers Euroz Securities Limited and Patersons where he advised high net worth clients. In recent years, Mr Kestell has played a key role in forming and/or re capitalising publicly listed companies and finding new ventures for them. Presently Mr Kestell is the Chairman of the Company's Audit and Risk Management Committee.

Mr Kestell has been a Director of Emmerson since November 2005 and during the past three years has also served as a director of the following listed companies:

- Blue Capital Limited (Director since March 2009)
- Indago Resources Limited (Director since August 2009)

Simon Andrew B.Sc (Honours) - Non-executive Director

Simon Andrew has significant experience in the Australian and Asian financial markets including equity research covering the Asian refining and petrochemical sector for a leading European investment bank. He also has extensive experience in corporate financing transactions involving both equity and hybrid equity instruments. Recent experience includes a senior executive role in the equity derivatives division of a United States investment bank. Mr Andrew also serves as a member of the Company's Audit and Risk Management Committee.

Mr Andrew has been a Director of Emmerson since July 2006 and during the past three years has not served as a director of any other listed company.

COMPANY SECRETARY

Trevor Verran B Comm., CPA

Trevor Verran holds a Bachelor of Commerce degree from University of Western Australia and is a Certified Practicing Accountant with extensive experience in both the accounting profession and the mining industry. Prior to 2000, he held a senior position in an international firm of accountants. More recently Trevor's experience has included the provision of accounting, financial management and company secretarial services for a number of public mining companies, including Aurora Gold Limited (2000 to 2003), Polaris Metals NL (CFO and company secretary from 2004 to 2011) and Northern Uranium Limited.

Mr Verran has been the CFO and Company Secretary of Emmerson since December 2011.

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

	Directors' Meetings	Audit Committee Meetings
Number of meetings held	7	2
Number of meetings attended:		
Andrew McIlwain	7	-
Robert Bills	7	-
Tim Kestell	7	2
Simon Andrew	7	2

DIRECTORS' INTERESTS

Interests in shares and rights of the Company and related bodies corporate at the date of this report:

	Ordinary shares	Unlisted rights
Andrew McIlwain	1,067,941	-
Robert Bills	2,301,600	2,000,000
Tim Kestell	12,604,213	-
Simon Andrew	5,181,484	-

DIVIDENDS

No dividends were paid or declared by the Company since the end of the previous financial year.

PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity during the course of the financial year was exploration and evaluation of mineral interests.

There were no significant changes in the nature of activities during the year.

OPERATING AND FINANCIAL REVIEW

Overview

Emmerson was incorporated in November, 2005 and acquired a suite of exploration and mining tenements covering some 2,700 kms^2 of the Tennant Creek Mineral Field (TCMF), the 300,000 tonne per annum Warrego gold plant (located approximately 50km to the northwest of Tennant Creek) and associated exploration and support infrastructure in the township of Tennant Creek, Northern Territory, Australia. The Company listed on the Australian Securities Exchange (ASX) on 17 December 2007; ASX code: ERM.

Emmerson Resources is exploring the TCMF both in its own right and with Inova Resources (formally Ivanhoe Australia) (Inova) pursuant to a Farm-in and Joint Venture agreement whereby Inova is sole funding $28 million in exploration to acquire and retain 51% interest in the majority of the consolidated entity's tenements. As part of the agreement, Emmerson retains the right to nominate areas of "sole fund sole risk" under which Inova retains certain clawback rights.

Operational focus during the year has continued on Emmerson's sole funded Monitor and Goanna projects in the Gecko Structural Corridor of the TCMF where new copper discoveries were identified in the previous financial year. Emmerson identified and tested a number of new targets including a series of anomalies within the Gecko Structural Corridor following the trial one of the world's most powerful, helicopter borne (HeliTEM) geophysical systems over a number of known deposits. Many of these targets still remain untested.

Emmerson also continues to build and upgrade its resource inventory and an updated resource estimation based on recent drilling is being finalised for Orlando and a maiden resource is also being calculated for Goanna (both 100% owned by Emmerson).

Operating Results for the Year

The net loss for the year ended 30 June 2013 was $4,792,616 compared to the previous year loss of $1,650,395.

The major items comprising the net loss for the year were interest revenue of $261,941 (2012: $590,691) offset by consulting and legal expenses of $215,866 (2012: $254,779), employee benefits expense of $1,147,310 (2012: $1,383,347), exploration expenditure impairment of $3,194,955 (2012: $105,941), insurance expense of $141,617 (2012: $130,802) and other administrative expenses of $193,428 (2012: $252,026).

Financial Position

Net assets and total equity decreased by $4,655,091 during the year predominantly due to the net loss of $4,792,616. The balance of exploration and evaluation assets carried forward at the end of the year was $19,630,149 (2012:$17,695,429).

Net assets and total equity at 30 June 2013 was $27,997,570 (2012: $32,652,661).

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

Exploration Activities

A detailed review of the Company's exploration activities is contained in the Managing Director's Report - Review of Operations section of this Annual Report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in assets during the year were a decrease in cash and cash equivalents of $6,339,684 predominately due to exploration expenditure incurred on mineral interests and administration and corporate expenditure.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect the Company's operations, the results of those operations, or the state of affairs of the Company in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company will continue its exploration and development activities in Tennant Creek Mineral Field (TCMF) in the Northern Territory with the object of identifying commercial resources.

The short term focus will continue to be on Emmerson's sole funded projects in the Gecko Structural Corridor of the TCMF, build and upgrade its resource inventory.

Emmerson will also continue exploring the TCMF in joint venture with Inova Resources Limited (Inova) pursuant to a Farm-in agreement whereby Inova is sole funding $28 million in exploration to acquire and retain a 51% interest in the majority of the consolidated entity's tenements. Inova earned a 51% interest during the current financial year by satisfying its obligation to sole funded minimum expenditure of $18,000,000 over three years to with the Joint Venture commencing on 14 July 2012 (Inova 51% and Emmerson 49%). Under the terms of the Joint Venture, Inova must sole fund a further $10,000,000 of Joint Venture expenditure over a maximum 5 year period from the Joint Venture commencement date to retain its 51% Joint Venture interest, failure to do this will result in Inova's Joint Venture interest reverting to 49% and the consolidated entity's interest to 51%.

ENVIRONMENTAL REGULATION

The exploration activities of the consolidated entity are subject to environmental regulations imposed by various regulatory authorities, particularly those relating to ground disturbance and the protection of rare and endangered flora and fauna.

Santexco Pty Ltd (Santexco), a wholly owned subsidiary of the Company, entered into a Rehabilitation Agreement (dated 6 November, 2001) with the Northern Territory (NT) Government, whereby Santexco is obliged to perform rehabilitation obligations to the value of $750,000 pa. for 6 years (a total obligation of $4,500,000) on various mineral tenements, or pay the difference between the actual rehabilitation performed per year on the tenements and $750,000 into a deposit account held by the NT Government at each of the 6 anniversary dates of the agreement. To date Santexco has performed actual rehabilitation obligations of $333,041 and lodged a bank guarantee to the value of $416,958 with the NT Government. There are 5 anniversary dates for the agreement outstanding.

The consolidated entity is party to a binding agreement with the NT Government (Department of Regional Development, Primary Industry, Fisheries and Mines) dated 31 July, 2006 whereby the NT Government has agreed that the rehabilitation obligations described in the Rehabilitation Agreement are suspended (on "standstill") until 45 days of cumulative commercial production from the consolidated entity's tenements.

Given the permanent standstill arrangement in place with the NT Government and that any recommencement of commercial production is at the complete discretion of the consolidated entity, there is currently no requirement for the consolidated entity to perform any rehabilitation obligations on any tenements, except to the extent that the rehabilitation relates to the exploration activities of the consolidated entity since August, 2006.

The consolidated entity has complied with all material environmental requirements up to the date of this report. The directors believe that the Company has adequate systems in place for the management of its environmental responsibilities and are not aware of any breaches of the regulations during the period covered by this report.

SHARE OPTIONS AND RIGHTS

Options over ordinary shares:

As at the date of this report and the reporting date there were no unissued shares under option. There were 17,500,000 unissued ordinary shares under options at 30 June 2012.

No shares were issued during or since the end of the year as a result of the exercise of an option.

17,500,000 options over ordinary shares expired unexercised during the financial year.

Rights over ordinary shares:

As at the date of this report, unissued ordinary shares under performance rights were as follows:

Exercise price of nil vesting on 25/11/13	393,750
Exercise price of nil vesting on 04/12/13	500,000
Exercise price of nil vesting on 01/09/14	156,250
Exercise price of nil vesting on 25/11/14	512,500
Exercise price of nil vesting on 04/12/14	500,000
Exercise price of nil vesting on 25/11/15	318,750
Exercise price of nil vesting on 04/12/15	500,000
Exercise price of nil vesting on 25/11/16	193,750
Exercise price of nil vesting on 04/12/16	500,000
	3,575,000

2,775,000 performance rights were issued during the financial year. Each performance right when exercised entitles the holder to one fully paid ordinary share in the Company (without any amount being payable for the exercise of the performance right and receipt of the share).

468,750 shares were issued on vesting and exercise of performance rights at an exercise price nil during the financial year and 156,250 shares were issued on exercise of performance rights at an exercise price of nil since the end of the year.

150,000 performance rights at an exercise price of nil were forfeited unexercised during the year due to cessation of employment of the holders of the rights.

INDEMNIFICATION AND INSURANCE OF DIRECTORS

The Company has entered into a Deed of Indemnity with each of the Directors to indemnify them to the maximum extent permitted by law against liabilities and legal expenses incurred in, or arising out of the conduct of the business of the Company or the discharge of the duties as a director.

Also pursuant to the Deed, the Company has paid premiums to insure the Directors against liabilities incurred in the conduct of the business of the Company. In accordance with common commercial practice, the insurance policy prohibits disclosure of the amount of the premium and the nature of the liability insured against. The amount of the premium is included as part of the directors remuneration in the Remuneration Report.

REMUNERATION REPORT (audited)

This Remuneration Report for the year ended 30 June 2013 outlines the director and executive remuneration arrangements of the Company and the consolidated entity in accordance with the requirements of the *Corporations Act 2001 (*the *Act)* and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

For the purposes of this report the term 'executive' encompasses the Managing Director and Chief Executive Officer, the Chief Financial Officer and Company Secretary, the Principal Geologist and the Exploration Manager – Tennant Creek.

The remuneration report is presented under the following sections:

1. Individual key management personnel disclosures
2. Remuneration at a glance
3. Board oversight of remuneration
4. Non-executive director remuneration arrangements
5. Executive remuneration arrangements
6. Employment contracts of key management personnel
7. Details of remuneration
8. Equity instruments disclosures

1. Individual key management personnel disclosures

Details of key management personnel in the Company and the consolidated entity are set out below:

Non-executive Directors:	
Andrew McIlwain	Chairman (Non-executive)
Tim Kestell	Director (Non-executive)
Simon Andrew	Director (Non-executive)
Executive Director:	
Robert Bills	Managing Director and Chief Executive Officer
Other Executives:	
Trevor Verran (appointed 2/12/11)	Chief Financial Officer and Company Secretary
Grant Osborne	Principal Geologist
Steve Russell	Exploration Manager – Tennant Creek

There have been no changes to key management personnel after the reporting date and before the date the financial report was authorised for issue.

2. Remuneration at a glance

Executive Remuneration

Emmerson Resources Limited's remuneration strategy is designed to attract, motivate and retain employees and non-executive directors by identifying and rewarding high performers and recognise the contribution of each employee to the exploration success and growth of the consolidated entity.

The remuneration policy is to bench-mark total remuneration for individual employee's and directors against peer-group organisations to ensure a competitive offering.

REMUNERATION REPORT (audited) (continued)

There have been no material changes to the short-term incentive bonus plan for the 2013 financial year. For the performance period covered by this report (January 2012 to December 2012) 50% of the short-term incentive payment is based on the increase in the market capitalisation of the Company based on a 20 day moving average of market capitalisation from 1 January to 31 December, 30% is based on "discovery success" and 20% is based on the attainment of individual key performance indicators. No short-term incentive bonus was earned by the Company KMPs during the financial year.

Long-term incentive awards consisting of share purchase options which vest based on the attainment of service mile-stones were awarded to Mr. Bills when he joined the Company in 2007 prior to the Company converting to a public Company and subsequent listing on the Australian Securities Exchange. None of the options have been exercised and all of the options expired unexercised during the financial year.

Long-term incentive awards consisting of share purchase options which vest based on the attainment of service mile-stones were awarded to Mr. Russell when he joined the Company just prior to ASX listing in December, 2007. None of the options have been exercised and all of the options expired unexercised during the financial year.

At the 2012 Annual General Meeting of the Company, shareholders approved a Performance Rights Plan. The objectives of this long-term incentive scheme are to provide the Company with a remuneration mechanism, through share ownership, to motivate, retain and reward the performance of executives.

3. Board oversight of remuneration

Remuneration Committee

The Company does not have a Remuneration Committee hence the full board is responsible for determining the remuneration arrangements for all members of the board and executives.

The board assesses the appropriateness of the nature and amount of remuneration of the non-executive directors and executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing director and executive team. In determining the level and composition of executive remuneration, the board takes advice from external consultants to bench mark remuneration against the external market.

Remuneration approval process

The board approves the remuneration arrangements of the Chief Executive Officer, executives and all awards made under the long term incentive plans. The board also sets the aggregate remuneration of non-executive directors which is then subject to shareholders approval.

The board also approves, having regard to the recommendations made by the Chief Executive Officer and Managing Director, all payments awarded to executives and employees under the Company's short term incentive plan.

REMUNERATION REPORT (audited) (continued)

Remuneration strategy

Emmerson Resources Limited's remuneration strategy is designed to attract, motivate and retain employees and non-executive directors by identifying and rewarding high performers and recognising the contribution of each employee to the success of the consolidated entity.

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To this end, key objectives of the Company's reward framework are to ensure that remuneration practices:

- Are aligned to the Company's business strategy;
- Offer competitive remuneration benchmarked against the external market;
- Provide strong linkage between individual and Company performance and rewards; and
- Align the interests of executives with shareholders.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

4. Non-executive Director remuneration arrangements

Remuneration Policy

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to non-executive directors of comparable companies. The Board considers advice from external sources (for example remuneration surveys) when undertaking the annual review process.

The Company's constitution and the Australian Securities Exchange (ASX) listing rules specify that the non-executive director fee pool shall be determined from time to time by shareholders in general meeting. The latest determination by shareholders was at the 2009 annual general meeting (AGM) held on 25 November, 2009 when shareholders approved an aggregate fee pool of $250,000 per year.

The board will not seek any increase for the non-executive director pool at the 2013 AGM.

Structure

Following a recent 10% cut, Non-executive directors' base fees are presently $32,400 per annum and the Chairman $67,500 per annum. The Company also pays the compulsory superannuation guarantee where applicable in addition to the base fees.

Non-executive directors presently do not hold any options over ordinary shares and no longer participate in the Company's Incentive Option Scheme. All options previously held by Non-executive directors expired unexercised during the financial year.

REMUNERATION REPORT (audited) (continued)

5. Executive remuneration arrangements

Remuneration levels and mix

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice. The remuneration policy is to bench-mark total remuneration for executives against peer-group organisations to ensure a competitive offering; bench-marking is conducted annually. All Key Management Personnel's cash remuneration mix comprises 75% fixed remuneration and 25% short term incentive.

Structure

Remuneration packages contain the following key elements:

Executive remuneration framework consists of the following components:

- Fixed remuneration;
- Short Term Incentive; and
- Long Term Incentive

Remuneration component	Vehicle	Purpose	Link to performance
Fixed Remuneration	▪ Represented by total employment cost ▪ Comprises base salary, superannuation contributions and other benefits	▪ Set with reference to role, market and experience ▪ Executives receive their fixed remuneration as cash	▪ No link to performance
Short Term Incentive component	▪ Paid in cash	▪ Rewards executives for their contribution to achievement of Company outcomes, as well as key performance indicators (KPI's)	▪ 20 day moving average Company market capitalisation is a key metric. ▪ Linked to other internal measure such as discovery success
Long Term Incentive component	▪ Awards are made in the form of share purchase options, or share purchase rights	▪ Rewards executives for their contribution to the creation of shareholder value over the longer term	▪ Vesting of awards is dependent on continuity of employment

Fixed Remuneration

Executive contracts of employment do not include any guaranteed base pay increases. Total employment cost is reviewed annually by the Board. The process consists of a review of Company and individual performance, relevant comparative remuneration internally and externally and, where appropriate, external information independent of the board.

REMUNERATION REPORT (audited) (continued)

Variable remuneration – short term incentive (STI)

The Company operates an annual STI program that is available to all executives and awards a cash bonus subject to the attainment of clearly defined Company, business and individual measures.

The total potential STI available to individual executives is set at a level so as to provide sufficient incentive to executives to achieve their targets and such that the cost to the Company is reasonable in the circumstances.

Actual STI payments awarded to each executive depend on the extent to which specific targets set at the beginning of the calendar year are met. The targets consist of a number of key performance indicators covering financial, non-financial, corporate and individual measures of performance.

Performance measures	Proportion of STI award measure applies to
Financial measure ▪ Market capitalisation of the Company, measured on a 20 day moving average	50%
Non-financial measures ▪ Discovery success ▪ Individual key project delivery ▪ Leadership/team contribution	50%

The measures were chosen as they represent the key drivers for the short term success of the business and provide a framework for delivering long-term value.

The aggregate of the annual STI payments available for executives across the Company is subject to the approval of the Board. On an annual basis, after consideration of performance against KPI's, the Board, in line with their responsibilities, determine the amount if any, of the short-term incentive to be paid to each executive and in the case of all executives except the Managing Director and Chief Executive Officer, the Board gives due consideration to the recommendations of the Managing Director and Chief Executive Officer in this regard. This process usually occurs within three months after the end of each calendar year. Payments made are delivered as a cash bonus and were paid in the last quarter of the current reporting period.

No STI bonuses were paid during the 2013 financial year.

There was no alteration to the STI bonus plan for the year.

Variable remuneration – long term incentive (LTI)

LTI awards are made periodically to executives in order to align remuneration with the creation of shareholder value over the long-term.

LTI – share options

LTI share options are made under the Company's Incentive Option Scheme at the determination of the Board. Each option entitles the holder to one fully paid ordinary share of the Company and the number of options issued is determined by the Board. Options are typically awarded to executives at the commencement of their employment with the Company, vest after two years, the exercise price is set at a premium to the market price of the shares at the date of grant and have a term of five years with the executive able to exercise the options up to three years after vesting before the options lapse.

There were no share options awarded during the financial year ended 30 June, 2013.

Executives do not presently hold any options over ordinary shares and all options previously held by executives expired unexercised during the financial year.

Executives are prohibited from entering into any hedging arrangements over unvested options under the Incentive Option Scheme.

REMUNERATION REPORT (audited) (continued)

LTI – share purchase rights

LTI share purchase rights are made under the Company Performance Rights Plan (approved by shareholders at the Company annual general meeting held on 27 November, 2012) at the determination of the Board. Each share purchase right entitles the holder to one fully paid ordinary share of the Company and the number of rights issued is determined by the board. Rights may be awarded to executives on an annual basis with vesting conditions set by the board. The share purchase rights issued during the 2013 financial year vest over four years from issue date and there are no performance measures attached to vesting, the rights are issued primarily as a retention initiative. No cash consideration is required to be paid to exercise rights, with the executive able to exercise the rights up to five years after issue before the rights lapse and is generally forfeited if vesting conditions have not been satisfied.

Executives are prohibited from entering into any hedging arrangements over unvested rights under the Performance Rights Plan.

The following number of rights was awarded under this scheme during the financial year vesting on pre-determined periods of service.

Robert Bills (approved by shareholders at the 2012 AGM)	2,000,000
Trevor Verran	100,000
Steve Russell	150,000
Grant Osborne	150,000

6. Employment contracts of key management personnel

On appointment to the board, all non‑executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

Remuneration and other terms of employment for the Managing Director and Chief Executive Officer and the other key management personnel are also formalised in service agreements. Each of these agreements provides for the provision of performance‑related cash bonuses (STI) and LTI.

Key terms of agreements for key management personnel are as follows:

	Commence-ment date	Term	Notice period	Current base salary & fees	Variable remuneration
Non-executive directors:					
Andrew McIlwain	26/04/07	No fixed term	n/a	$67,500	
Tim Kestell	10/11/05	No fixed term	n/a	$32,400	
Simon Andrew	21/07/06	No fixed term	n/a	$32,400	
Executive director:					
Robert Bills	11/09/07	No fixed term	12 months	$360,000	STI/LTI
Other executives:					
Trevor Verran	02/12/12	No fixed term	3 months	$180,000	STI/LTI
Grant Osborne	01/09/09	No fixed term	4 weeks	$198,000	STI/LTI
Steve Russell	10/12/07	No fixed term	1 month	$171,000	STI/LTI

REMUNERATION REPORT (audited) (continued)

7. Details of remuneration

Details of remuneration

	Short-term				Post Employ-ment	Share-based payments	Total	Perfor-mance related
	Salary & fees	Cash bonus	Non-monetary benefits	Other benefits	Superann-uation benefits	Options & rights		
	$		$	$	$	$	$	%
2013								
Non-executive directors:								
Andrew McIlwain	75,000	-	-	2,235	-	-	77,235	-
Tim Kestell	35,400	-	-	2,235	3,186	-	40,821	-
Simon Andrew	35,400	-	-	2,235	3,186	-	40,821	-
Executive director:								
Robert Bills	416,814	-	-	5,156	35,400	-	457,370	-
Other executives:								
Trevor Verran	189,370	-	-	-	24,999	723	215,092	-
Grant Osborne	210,809	-	-	-	24,999	23,281	259,089	-
Steve Russell	189,225	-	32,407	-	16,815	23,281	261,728	-
	1,152,018	-	32,407	11,861	108,585	47,285	1,352,156	
2012								
Non-executive directors:								
Andrew McIlwain	75,000	-	-	1,654	-	-	76,654	-
Tim Kestell	36,000	-	-	1,654	3,240	-	40,894	-
Simon Andrew	36,000	-	-	1,654	3,240	-	40,894	-
Peter Reeve (resigned 8/6/12)	36,000	-	-	1,654	3,240	-	40,894	-
Executive director:								
Robert Bills	367,086	175,000	-	4,024	53,224	-	599,334	29.2%
Other executives:								
Shane Volk (resigned 2/12/11)	96,662	-	-	-	7,639	-	104,301	-
Trevor Verran (appointed 2/12/11)	89,335	-	-	-	35,825	-	125,160	-
Grant Osborne	184,421	47,850	-	-	41,884	26,388	300,543	15.9%
Steve Russell	175,003	40,673	35,185	-	19,411	26,388	296,660	13.7%
	1,095,507	263,523	35,185	10,640	167,703	52,776	1,625,334	

There were no termination benefits during the 2012 or 2013 financial years.

REMUNERATION REPORT (audited) (continued)

7. Equity instrument disclosures

KMP rights granted, exercised and lapsed for the 2013 financial year

	Grant date	Number granted	Grant date value	Exercise price	Exercise date	Expiry date	Number vested	% Vested
Trevor Verran	23/4/13	50,000	$0.060	$0.00	25/11/14	25/11/17	-	-
	23/4/13	25,000	$0.060	$0.00	25/11/15	25/11/17	-	-
	23/4/13	25,000	$0.060	$0.00	25/11/16	25/11/17	-	-
Grant Osborne	23/4/13	75,000	$0.060	$0.00	25/11/14	25/11/17	-	-
	23/4/13	37,500	$0.060	$0.00	25/11/15	25/11/17	-	-
	23/4/13	37,500	$0.060	$0.00	25/11/16	25/11/17	-	-
Steve Russell	23/4/13	75,000	$0.060	$0.00	25/11/14	25/11/17	-	-
	23/4/13	37,500	$0.060	$0.00	25/11/15	25/11/17	-	-
	23/4/13	37,500	$0.060	$0.00	25/11/16	25/11/17	-	-

	Value of rights granted	Value of rights exercised	No. of shares issued on exercise of rights	Paid per share on exercise of rights	Value of rights lapsed	Remuneration consisting of rights
Trevor Verran	$723	-	-	-	-	0.3%
Grant Osborne	$23,281	$14,250	112,500	-	-	9.0%
Steve Russell	$23,281	$14,250	112,500	-	-	8.9%

END OF REMUNERATION REPORT

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Emmerson Resources support and have adhered to the principles of corporate governance. The Company's corporate governance statement is contained in the following section of this annual report.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the *Corporations Act 2001* is set out on page 64 and forms part of the Director's Report for the year ended 30 June 2012.

NON-AUDIT SERVICES

The auditor independence requirements of the *Corporations Act 2001* were not compromised during the year since there were no non-audit services provided by the Company's auditor, Ernst & Young.

Signed in accordance with a resolution of the Directors.

Rob Bills
Managing Director & Chief Executive Officer
25 September 2013

CORPORATE GOVERNANCE STATEMENT

This statement reports on Emmerson Resources Limited ("Company" or "Emmerson" or "consolidated entity") corporate governance framework, principles and practices as at the date of this report. These principles and practices are reviewed regularly and revised as appropriate to reflect changes in law and best practice in corporate governance.

ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the ASX Corporate Governance Principles and Recommendations ("ASX Principles") released by the ASX Corporate Governance Council ("CGC"). The ASX Principles require the board to consider carefully the development and adoption of appropriate corporate governance policies and practices founded on the ASX Principles. A description of the Company's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place for the entire year.

The Board aims to comply with the ASX Principles to the extent that the Board believes the recommendations are practical and applicable to the Company. It is noted that the ASX Principles are not compulsory for listed companies and where the Company has not complied with a particular recommendation an explanation as to why not have been provided. As the Company's activities expand in size, nature and scope, the implementation of additional corporate governance structures will be given further consideration.

The table below summarises the Company's compliance with the CGC's recommendations.

	Recommendation	**Comply Yes/No**
	Principle 1 - Lay solid foundations for management and oversight	
1.1	Companies should establish the function reserved to the board and those delegated to senior executives and disclose those functions.	Yes
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Yes
1.3	Companies should provide the information indicated in the guide to reporting on Principle 1.	Yes
	Principle 2 - Structure the board to add value	
2.1	A majority of the board should be independent directors.	No
2.2	The chair should be an independent director.	Yes
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Yes
2.4	The board should establish a nomination committee.	No
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes
2.6	Companies should provide the information indicated in the guide to reporting on Principle 2.	Yes
	Principle 3 - Promote ethical and responsible decision-making	
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	No

CORPORATE GOVERNANCE STATEMENT

Recommendation		Comply Yes/No
Principle 3 - Promote ethical and responsible decision-making (continued)		
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	No
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Yes
3.5	Companies should provide the information indicated in the guide to reporting on Principle 3.	Yes
Principle 4 - Safeguard integrity in financial reporting		
4.1	The board should establish an audit committee.	Yes
4.2	The audit committee should be structured so that it:	
	• consists only of Non-executive Directors	Yes
	• consists of a majority of independent directors	No
	• is chaired by an independent chair, who is not chair of the board	No
	• has at least three members.	No
4.3	The audit committee should have a formal charter.	Yes
4.4	Companies should provide the information indicated in the guide to reporting on Principle 4.	Yes
Principle 5 - Make timely and balanced disclosure		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes
5.2	Companies should provide the information indicated in the guide to reporting on Principle 5.	Yes
Principle 6 - Respect the rights of shareholders		
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes
6.2	Companies should provide the information indicated in the guide to reporting on Principle 6.	Yes
Principle 7 - Recognise and manage risk		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes
7.4	Companies should provide the information indicated in the guide to reporting on Principle 7.	Yes

Principle 8 - Remunerate fairly and responsibly

8.1	The board should establish a remuneration committee.	No
8.2	The remuneration committee should be structured so that it: • Consists of a majority of independent directors • Is chaired by an independent chair • Has at least three members	
8.3	Companies should clearly distinguish the structure of Non-executive Directors' remuneration from that of executive directors and senior executives.	Yes
8.4	Companies should provide the information indicated in the guide to reporting on Principle 8.	Yes

Copies of all of the Company's Corporate Governance policies are available on the Company's website: www.emmersonresources.com.au

PRINCIPLE 1 - LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Functions reserved to the board and delegated to senior executives:
The board is ultimately responsibility for all matters relating to the running of the Company, however the board's role is to govern the Company rather than manage it. The operation and day to day management of the Company is delegated by the board to the Managing Director and Chief Executive Officer and the executive management team.

A copy of the Company's board Charter is available on the Company's web site and contained within this charter is a statement of matters reserved for the board. Also available on the Company's website is the Company's Delegation of Authority policy which further details matters that specifically require the approval of the board and those matters reserved for management.

Whilst at all times the board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it makes use of sub-committees. Specialist sub-committees are able to focus on a particular responsibility and provide informed feedback to the board. To this end the board has established and Audit and Risk Management Committee. The role and responsibilities of this committee is discussed in Principle 4 of this Corporate Governance Statement.

Senior executive performance review:
The board ensures that the executive management team is appropriately qualified and experienced to discharge their responsibilities and the board has in place procedures to assess the performance of the Managing Director and Chief Executive Officer and all other members of the executive; specifically the board provides regular feedback to executive management on their performance during the year and conducts a formal annual review of the performance of the Chief Executive Officer. During the year the board conducted a formal review of the performance of the Chief Executive Officer against Key Performance Indicators and Critical Tasks and the Chief Executive Officer conducted a similar review of the executive management team.

PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE

Skills:
The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Directors Report.

The composition of the board comprises a variety of skills and experience across the financial and commercial, exploration and resource industries. The board reviews its composition on an annual basis to ensure that it has an appropriate mix of expertise and experience. When a vacancy occurs, for whatever reason, or where it is considered that the board would benefit from the services of a new director with particular skills, the board will select appropriate candidates with relevant qualifications, skills and experience. External advisers may be used to assist in such a process. The board will then appoint the most suitable candidate who must stand for election at the next general meeting of shareholders.

Period of office:
The term of office held by each director in office at the date of this report is as follows:

Andrew McIlwain	6 years and 5 months
Tim Kestell	7 years and 10 months
Simon Andrew	7 years and 2 months
Rob Bills	6 years

Independent directors:
The Board does not have a majority of directors who are independent because the Board is of the view that shareholders' interests are best served by the serving directors intimate knowledge of the evolution of the Company and the board is also of the view that the current Directors possess a suite of skills and experience appropriate for the Company at this time.

Directors of Emmerson Resources Limited are considered to be independent if they are free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered independent judgment.

In the context of director independence, 'materiality' is considered from both the consolidated entity and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors that point to the actual ability of the director in question to shape the direction of the consolidated entity.

In accordance with the definition of independence above, and the materiality thresholds set, the independent director of the Board is Andrew McIlwain who is the independent Chair of the Board.

Rob Bills is Managing Director and Chief Executive Officer of the Company and is not considered to be independent. Nor are Tim Kestell, and Simon Andrew considered to be independent.

Regardless of individual Director Independence, the board expects that each Director will bring their independent views and judgment to bear on board decisions at all times.

Chairman and CEO:
The chairman is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, facilitating board discussions and managing the board's relationship with the Company's senior executives. The Managing Director and Chief Executive Officer is responsible for implementing strategies and policies. The Board charter specifies that the Chairman cannot be the Chief Executive Officer of the Company.

Independent professional advice:
There are procedures in place, agreed by the board, to enable directors in furtherance of their duties to seek independent professional advice at the Company's expense.

Nomination Committee:
At this time the board has not formed a nomination committee as it is the view of the board that the functions and responsibilities that would normally be the dealt with by this committee can be adequately addressed by the board in its entirety as specific agenda items at scheduled board meetings. When the Board convenes as the Nomination Committee it carries out those functions which are delegated in the Company's Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of Nomination Committee by ensuring the director with conflicting interests is not party to the relevant discussions. When deemed appropriate (e.g. board performance review), the board engages independent consultants to assist it in fulfilling such functions.

Retirement and rotation of directors are governed by the Corporations Act 2001 and the constitution of the Company. Each year one third of the directors (excluding the CEO) must retire and may offer themselves for re- election.

Board performance review:
Due to the size of the board and the nature of its business, it has not been deemed necessary to institute a formal documented performance review program of the Board, its committees and individual board members. During the reporting period the Chairman conducted the Company's annual informal review process whereby he discusses with individual directors their attitude, performance and approach to a variety of key performance areas including:

- Attendance at scheduled board and committee meetings.
- Behavior and contribution at meetings.
- Interaction with peers.
- Engagement with management.
- Timeliness of attending to tasks.

As and when deemed necessary, a more formalised board performance review process, including the establishment of Key Performance Criteria, will be put in place. It is not envisaged that this would be required until the Company's activities, as well as those of the board, have expanded.

Access to information:
Directors have the right of access to any employee of the consolidated entity for the purpose of seeking information about aspects of the Company's business and are encouraged to do so.

For each formal meeting of the board, a set of board papers is prepared by management addressing each of the functional areas of the business and is typically provided to directors in advance of the meeting to afford directors the opportunity to familiarise themselves with matters to be considered ahead of the meeting. Information provided to the board includes all material information on: exploration, development, operations, finance and corporate activities including budgets, cash flows, funding requirements, shareholder movements, broker activity in the Company's securities, assets and liabilities, disposals, financial accounts, external audits, internal controls, risk assessment, new venture proposals, and health, safety and environmental reports.

PRINCIPLE 3 - PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Code of conduct:
The Company has established a code of conduct in accordance with Australian Standard 8002-2003 'Organisational Code of Conduct'. The code provides a framework for decisions and actions in relation to ethical conduct, fair dealing and a duty of care for those engaged by the Company. The code applies to all directors, officers and employees of the Company and all consultants and contractors are made aware of the expectations contained within the code. A summary of the main provisions of the Code is available on the Company's website.

The Company has established a policy concerning trading Company securities which applies to Company directors, executives, employees and consultants and a copy of the policy is also available on the Company's web site.

Diversity:
The Company has adopted an equal opportunity and anti-discrimination policy whereby to the extent possible permitted by the laws of the jurisdictions in which we operate, Emmerson is committed to providing diversity of employment opportunities for, but not limited to, gender, age, ethnicity and cultural background for all Company roles and to providing a workplace where differences are respected and accepted and anti-discriminatory behaviour of any kind is strictly prohibited.

In respect of gender diversity, the Company has not determined a target proportion of appointments but relies on the requirement of "most suitable person for roles" as the overarching selection criteria for personnel.

While not setting specific targets for achieving gender diversity, the consolidated entity:

- Does not discriminate for or against the appointment of women to roles at any level of the organisation.
- Does not discriminate in terms of making training and career development opportunities available to all employees, irrespective of gender.
- Does not discriminate on the basis of gender in setting salary levels. Salaries are set on the basis of the level of responsibility of the position, technical skills and qualifications required to perform the role and have no bearing on the employee's gender.
- Does to the extent practically possible, taking into account the nature of work performed by employees, provide flexible work arrangements.

As at the balance date, 20% of employees of the Company were women. There are currently no women in senior executive positions and no women serving on the Company's board.

PRINCIPLE 4 - SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Audit committee:
The board has established an Audit and Risk Management Committee which operates under a charter approved by the board. It is the board's responsibility to ensure that an effective internal control framework exists and that proper oversight of material business risks exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non-financial considerations such as the integrity of exploration data and information, the processes for the identification and management of business risks and the benchmarking of operational key performance indicators. The board has delegated responsibility for establishing and maintaining a framework of internal control, ethical standards and risk management to the Audit and Risk Management Committee.

The Committee has also provided the board with additional assurance regarding the reliability of financial information for inclusion in the financial reports and the independence of the Company's external auditors. All members of the Audit and Risk Management Committee are non-executive directors. A copy of the Audit and Risk Management Committee charter is available on the Company's web site; this charter contains details of the procedure for the selection and appointment of the external auditor. Ernst and Young were appointed as the external auditors in 2008 and it is Ernst and Young policy to rotate audit engagement partners on listed companies at least every five years.

The members of the Audit and Risk Management Committee and meetings held during the year were:

Name		Meetings held	Meetings attended
Tim Kestell (Chairman)	Non-executive Director	2	2
Simon Andrew	Non-executive Director	2	2

Details of the qualifications and expertise of these directors is included in the Director's Report. All members of the Audit and Risk Management Committee are financially literate and have an appropriate understanding of the mining and exploration industry.

The majority of the Audit and Risk Management Committee does not consist of independent directors however the board is of the view that the absence of independence of Audit and Risk Management Committee members is not inhibiting the effectiveness of the committee in the discharge of its functions and responsibilities.

The Audit and Risk Management Committee is chaired by Tim Kestell and although Mr Kestell is not an independent director, the board is of the opinion that he possesses the necessary skills and experience required to chair this committee.

The committee currently comprises only two members at this point in time and having regard to the size of the consolidated entity and the present composition of the Board, the Board is satisfied that the size of the committee is not detrimental to the discharge of its functions and responsibilities.

PRINCIPLES 5 AND 6 - MAKE TIMELY AND BALANCED DISCLOSURES AND RESPECT THE RIGHTS OF SHAREHOLDERS

The Company has policies and procedures and accountability for compliance on information disclosure that focus on continuous disclosure of any information concerning the Company and its controlled entities that a reasonable person would expect to have a material effect on the price of the Company's securities. Such policies and procedures include mechanisms for ensuring relevant matters are communicated and that the information is released in a timely and balanced manner.

All stock exchange announcements including all financial reports are posted to the Company's website as soon as possible.

Shareholders and interested investors are also encouraged to subscribe to the Company's database, through which participants are made aware of news releases as soon as possible after such releases have been issued to the ASX. Hard copies of financial reports and news releases are made available on request.

Shareholders are encouraged to attend and participate in the annual general meetings of the Company. The external auditors attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Policies on these principles are disclosed on the Company's website.

PRINCIPLE 7 - RECOGNISE AND MANAGE RISK

The board determined the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The board has established an Audit and Risk Management Committee (refer to Principal 4) to aid it in the discharge of this responsibility.

The Company's process of risk management and internal compliance and control includes:

- establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives;
- continuously identifying and measuring risks that might impact upon the achievement of the Company's goals and objective, and monitoring the environment for emerging factors and trends that affect these risks;
- formulating risk management strategies to manage and identify risks and designing and implementing appropriate risk management policies and internal controls; and
- monitoring the performance of and continuously improving the effectiveness of risk management systems and internal compliance and controls, including an annual assessment of the effectiveness of risk management and internal compliance and control.

To this end, comprehensive practices are in place that is directed towards achieving the following objectives:

- effective and efficient use of Company resources;
- compliance with all applicable laws and regulations; and
- preparation of reliable published financial and geological information.

The Company has adopted a Risk Management policy, a copy of which is available on the Company's website.

The board (via the Audit and Risk Management Committee) oversees an annual assessment of the effectiveness of risk management and internal compliance and control. The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required by the Audit and Risk Management Committee to assess risk management and associated internal compliance and control procedures and report back on the efficiency and effectiveness of risk management.

The Audit and Risk Management Committee has received a report from management on the risk management and internal control systems of the Company, including an opinion as to whether the Company's material business risks are being managed effectively.

The Chief Executive Officer and the Chief Financial Officer have provided a written statement to the board that:

- their view provided on the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the board; and
- that the Company's risk management and internal compliance and control system is operating effectively in all material respects.

PRINCIPLE 8 - REMUNERATE FAIRLY AND RESPONSIBLY

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality board and executive team and the remuneration of directors and key executives fairly and appropriately with reference to prevailing employment market conditions is a key component of attaining this objective.

The board is responsible for determining and reviewing compensation arrangements for the directors themselves, the Managing Director and Chief Executive Officer and the executive team.

The remuneration of non-executive directors consists of directors' fees (fixed remuneration) and non-executive directors do not receive retirement benefits.

During 2013 director fees were reduced by 10% of the prior year's level. Non-executive directors presently do not hold any options over ordinary shares and no longer participate in the Company's Incentive Option Scheme. All options previously held by Non-executive directors expired unexercised during the financial year.

At this time the board has not formed a remuneration committee as it is the view of the board that the functions and responsibilities that would normally be the dealt with by this committee can be adequately addressed by the full board as specific agenda items at scheduled board meetings. When deemed appropriate the board engages independent consultants to assist it in fulfilling such functions.

The Company does not have a scheme to provide retirement benefits to non-executive directors.

Further information on Directors' and Executives' remuneration is set out in the Remuneration Report contained within the Directors' Report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Consolidated 2013 $	2012 $
REVENUE			
Management fee – exploration services		35,020	89,863
Interest revenue		261,941	590,691
TOTAL REVENUE		296,961	680,554
OTHER INCOME			
Sundry income		4,023	18,537
TOTAL REVENUE AND OTHER INCOME		300,984	699,091
EXPENSES			
Compliance and regulatory expenses		110,377	108,529
Consulting and legal expenses		215,866	254,779
Depreciation expense		21,797	35,922
Employee benefits expense		1,147,310	1,383,347
Exploration expenditure impairment		3,194,955	105,941
Finance costs		11	281
Insurance expense		141,617	130,802
Loss on sale of assets		948	-
Occupancy expense		106,176	106,402
General and administration expenses		193,428	252,026
TOTAL EXPENSES		5,132,485	2,378,029
LOSS BEFORE INCOME TAX		(4,831,501)	(1,678,938)
Income tax benefit	4	38,885	28,543
LOSS FOR THE YEAR		(4,792,616)	(1,650,395)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR YEAR		(4,792,616)	(1,650,395)
Basic loss per share - cents per share	5	(1.84)	(0.67)
Diluted loss per share - cents per share	5	(1.84)	(0.67)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Notes	Consolidated 2013 $	2012 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	2,421,919	8,761,603
Trade and other receivables	7	260,243	472,504
Other financial assets	8	810,000	889,682
Total Current Assets		3,492,162	10,123,789
Non-current Assets			
Property, plant and equipment	9	5,872,905	5,985,428
Exploration and evaluation assets	10	19,630,149	17,695,429
Total Non-current Assets		25,503,054	23,680,857
TOTAL ASSETS		28,995,216	33,804,646
LIABILITIES			
Current Liabilities			
Trade and other payables	11	806,975	989,809
Provisions	12	92,609	161,342
Interest bearing liabilities	13	-	834
Total Current Liabilities		899,584	1,151,985
Non-current Liabilities			
Provisions	12	98,062	-
Total Non-current Liabilities		98,062	-
TOTAL LIABILITIES		997,646	1,151,985
NET ASSETS		27,997,570	32,652,661
EQUITY			
Issued capital	14	40,282,497	40,202,622
Other reserves	15	2,723,800	2,666,150
Accumulated losses	16	(15,008,727)	(10,216,111)
TOTAL EQUITY		27,997,570	32,652,661

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	Issued Capital $	Other Reserves $	Accumulated Losses $	Total Equity $
YEAR ENDED 30 JUNE 2012:				
Balance at 1 July 2011	33,151,621	2,661,090	(8,565,716)	27,246,995
Loss for the year	-	-	(1,650,395)	(1,650,395)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(1,650,395)	(1,650,395)
Transactions with owners in their capacity as owners:				
Shares issued during the year	7,466,799	-	-	7,466,799
Share issue costs	(506,798)	-	-	(506,798)
Share-based payments	91,000	5,060	-	96,060
Balance at 30 June 2012	40,202,622	2,666,150	(10,216,111)	32,652,661
YEAR ENDED 30 JUNE 2013:				
Balance at 1 July 2012	40,202,622	2,666,150	(10,216,111)	32,652,661
Loss for the year	-	-	(4,792,616)	(4,792,616)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(4,792,616)	(4,792,616)
Transactions with owners in their capacity as owners:				
Shares issued during the year	-	-	-	-
Share issue costs	(3,000)	-	-	(3,000)
Share-based payments	82,875	57,650	-	140,525
Balance at 30 June 2013	40,282,497	2,723,800	(15,008,727)	27,997,570

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013

	Consolidated 2013 $	Consolidated 2012 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Management fees received	38,147	80,927
Payments to suppliers and employees	(2,620,782)	(3,825,120)
Reimbursement of costs from Inova	810,760	1,194,501
Interest received	324,800	602,166
Interest paid	(11)	(281)
Research & development tax incentive	67,429	-
Other	4,022	18,537
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(1,375,635)	(1,929,270)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from withdrawal of security deposits	79,682	728,318
Purchase of property, plant and equipment	(19,378)	(39,519)
Payments for exploration	(5,020,519)	(6,359,961)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(4,960,215)	(5,671,162)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	7,466,800
Payment of share issue costs	(3,000)	(506,798)
Payment of finance lease liabilities	(834)	(3,098)
NET CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES	(3,834)	6,956,904
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,339,684)	(643,528)
Cash and cash equivalents at beginning of period	8,761,603	9,405,131
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,421,919	8,761,603

The accompanying notes form part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The financial report of Emmerson Resources Limited (the Company or Emmerson) for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 25 September 2013.

Emmerson Resources Limited is a public company incorporated in Australia and listed on the Australian Securities Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars which is the Company's functional currency.

(b) Compliance with IFRS

The financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) Use of judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgments made by management in the application of accounting policies that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the consolidated entity decides to exploit the related leases itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligation) and changes to commodity prices. The extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made. An impairment loss of $3,194,955 (2012: $105,941) was recognised in the current year in respect of exploration expenditure. The impairment loss is directly attributable to mining tenements for which the consolidated entity no longer holds title and mining tenements where title is still held but where an assessment was made that no future exploration is planned or budgeted due to a lack of exploration potential.

Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of “value in use” (being the net present value of expected future cash flows of the relevant cash generating unit) and “fair value less cost to sell”.

In determining value in use, future cash flows are based on:

- estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- future production levels;
- future commodity prices; and
- future cash costs of production and capital expenditure.

Variations to the expected future cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which could in turn impact future financial results.

Share Based Payments

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model, with the assumptions detailed in the relevant notes to the financial statements. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

(d) 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 year ended 30 June 2013 amounted to $4,792,616 and net cash outflows from operating activities was $1,375,635. The cash balance at 30 June 2013 was $2,421,919 and net assets as at 30 June 2013 were $27,997,570.

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.

(e) Adoption of new and revised accounting standards

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies and has no effect on the financial position or performance of the company.

The following standards that have been issued but not yet effective which may impact the consolidated entity in the period of initial application have not been early adopted in preparing this financial report. These changes in standards are not expected to have a material impact on the consolidated entity in the current or future reporting periods and on foreseeable future transactions.

AASB 9 *Financial Instruments,* 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9,* AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 and* 2012-6 *Amendments to Australian Accounting Standards arising from AASB 9.* This standard and its consequential amendments are applicable from 1 January 2015 and replace the requirements of AASB 139 for the classification, measurement and derecognition of financial assets and financial liabilities. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch.

AASB 10 *Consolidated Financial Statements* applies to annual reporting periods beginning on or after 1 January 2013 and replaces the requirements of AASB 127 and Interpretation 112 pertaining to the principles to be applied in the preparation and presentation of consolidated financial statements and introduces a new definition of control, however as all of Emmerson's subsidiaries are 100% owned, control is absolute and hence the change in definition is not expected to have material impact.

AASB 11 *Joint Arrangements* applies to annual reporting periods beginning on or after 1 January 2013 and introduces a principles based approach to accounting for joint arrangements. The standard defines which entities qualify as joint ventures and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately, using proportionate consolidation. The adoption of this standard will not have a material impact on the consolidated entity.

AASB 12 *Disclosure of Interests in Other Entities* applies to annual reporting periods beginning on or after 1 January 2013 and sets out the required disclosures associated with other entities, being subsidiaries, associates and joint ventures reporting under the two new standards, AASB 10 and AASB 11 and replaces the disclosure requirements currently found in AASB 127, AASB 128, AASB 131 and Interpretation 112. Application of this standard by the consolidated entity will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the consolidated entity's investments.

AASB 13 *Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13* apply to annual reporting periods beginning on or after 1 January 2013 explains how to measure fair value and aims to enhance fair value disclosures. As the consolidated entity has few assets measured at fair value its impact on adoption should be minimal, although there will be increased disclosures where fair value is used.

AASB 119 *Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)* are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make changes to the accounting for defined benefit plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The latter will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of the revised standard from 1 July 2013 is expected to reduce the reported annual leave liability of the consolidated entity.

AASB 127 *Separate Financial Statements (Revised)* and *AASB 128 Investments in Associates and Joint Ventures (Reissued)* are applicable to annual reporting periods beginning on or after 1 January 2013 and have been modified to remove specific guidance that is now contained in AASB 10 to 12.

AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement* are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the consolidated entity.

AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12 and revised AASB 127 and AASB 12 and will not have a material impact on the consolidated entity.

AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities* are applicable to annual reporting periods beginning on or after 1 January 2013. The disclosure requirements of AASB 7 'Financial Instruments: Disclosures' (and consequential amendments to AASB 132 'Financial Instruments: Presentation') have been enhanced to provide users of financial statements with information about netting arrangements, including rights of set-off related to an entity's financial instruments and the effects of such rights on its statement of financial position.

There are no other standards that are not yet effective and that are expected to have a material impact on the consolidated entity in the current or future reporting periods and on foreseeable future transactions.

(f) Basis of consolidation

The consolidated financial statements comprise the financial statements of Emmerson Resources Limited and its subsidiaries (“the consolidated entity”). The financial statements of subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the consolidated entity and cease to be consolidated from the date on which control is transferred out of the consolidated entity. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent Company has control. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Subsequent to initial recognition, investments in subsidiaries are measured at cost less any impairment provision on the Company’s accounts.

(g) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segments and assess its performance and for which discrete financial information is available. This includes startup operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

(h) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included with interest-bearing liabilities in current liabilities on the statement of financial position.

(i) Receivables

Current receivables, which generally have 30-60 day terms, are recognised initially at fair value, with an allowance made for impairment as deemed appropriate.

Collectability of all receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the consolidated entity will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(j) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairments losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Land and buildings are stated at historical cost less accumulated depreciation on buildings and any accumulated impairments losses.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment, including leased equipment, over its estimated useful life as follows:

Land	Not depreciated
Buildings	20 years
Plant, equipment, furniture, vehicles and software	3 - 15 years
Mill and processing plant	Life of mine

The assets' residual values and useful lives are reviewed for impairment and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

(k) Leases

Finance leases where the consolidated entity as lessee has substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of comprehensive income.

Leased assets are depreciated over the asset's useful life or the shorter of the asset's useful life and the lease term if there is no certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

(l) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred in respect of each identifiable area of interest is capitalised and recognised as an exploration and evaluation asset. These costs are only carried forward as an exploration and evaluation asset to the extent that the consolidated entity's rights of tenure to that area of interest are current and that the costs are expected to be recouped through sale or the successful development and exploitation of the area, or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Development costs related to an area of interest are carried forward to the extent that they are expected to be recouped either through sale or successful exploitation of the area of interest.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

(m) Impairment of assets

At each reporting date, the consolidated entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the consolidated entity makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(n) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial period that are unpaid and arise when the consolidated entity becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the consolidated entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability, plus related on-costs. The increase in the provision resulting from the passage of time is recognised in finance costs.

(p) Employee benefits

Provision is made for the consolidated entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits.

(q) Share-based payment transactions

The consolidated entity provides benefits to its employees in the form of share based payments through an Incentive Option Scheme and a Performance Rights Plan, whereby, at the discretion of the Board, employees are from time to time issued with share purchase options as part of their total remuneration package and/or render services in exchange for rights over shares.

The cost of these share-based payments is measured by reference to the fair value of the equity instruments at the date at which they are granted using a Black-Scholes pricing model. The equity instruments are generally subject to performance and/or service vesting conditions and their fair value is recognised as an expense, together with a corresponding increase in other reserve equity over the vesting period, ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(r) Issued capital

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(s) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the consolidated entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Rendering of exploration services
Revenue from services rendered for management of exploration pursuant to the Tennant Creek Mineral Field Exploration Joint Venture is recognised in the statement of comprehensive income by reference to the works completed at the reporting date and the corresponding management fee payable to the consolidated entity for the completed services.

(ii) Interest revenue
Revenue is recognised as interest accrues using the effective interest method. This method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(t) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

(u) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income or loss adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences arising from the initial recognition of an asset or liability.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits will be available to utilise those temporary differences and losses.

Tax consolidation legislation
Emmerson Resources Limited and its wholly-owned subsidiaries have formed an income tax consolidated group under tax consolidation legislation.

(v) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the GST incurred is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(w) Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options.

3. 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 Company as a whole and are set out in the statement of comprehensive income.

4. INCOME TAX

a) Reconciliation of income tax to loss before income tax

	Consolidated 2013 $	Consolidated 2012 $
Loss before income tax	(4,831,501)	(1,678,938)
Tax benefit calculated at 30% on loss before tax	(1,449,450)	(503,681)
Add/(less) tax effect of:		
Share-based payments not deductible	42,157	28,818
Share issue costs deductible	(33,293)	(111,233)
Research & development tax offset	(38,885)	(28,543)
Other	2,228	1,896
Tax losses and temporary differences not recognised	1,438,358	584,200
Income tax benefit	(38,885)	(28,543)

b) Unrecognised tax assets and liabilities

	2013 $	2012 $
Deferred tax assets		
Unused tax losses	9,295,286	7,315,001
Deductible temporary differences:		
Accrued expenses	8,400	22,775
Provision for employee entitlements	55,582	36,527
Provision for rehabilitation	1,620	11,876
	9,360,888	7,386,179
Deferred tax liabilities		
Assessable temporary differences:		
Interest income receivable	(2,620)	(21,478)
Exploration and evaluation assets capitalised	(5,345,668)	(4,765,252)
	(5,348,288)	(4,786,730)
Net unrecognised tax balances	4,012,600	2,599,449

The net deferred tax assets and deferred tax liabilities are not recognised since it is not probable that future taxable profits will be available to utilise deductible temporary differences and losses.

5. LOSS PER SHARE

	2013 $	2012 $
Loss for the year	(4,792,616)	(1,650,395)
Loss used in calculating basic and diluted loss per share	(4,792,616)	(1,650,395)

	Number of shares	Number of shares
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	260,930,692	245,282,751

As the company has incurred a loss, the diluted loss per share is disclosed as the same as basic loss per share.

	Consolidated	
	2013	2012
	$	$
6. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	39,200	106,975
Bank deposits at call	482,719	654,628
Bank short term deposits	1,900,000	8,000,000
	2,421,919	8,761,603

7. TRADE AND OTHER RECEIVABLES

Trade receivables	222,455	347,094
Interest receivable	8,733	71,592
Income tax refundable	-	28,543
Other receivables and prepayments	29,055	25,275
	260,243	472,504

Trade and other receivables are non-interest bearing and normally received within 30 days. Due to the short term nature of these receivables, their carrying amount is a reasonable approximation of fair value.

8. OTHER FINANCIAL ASSETS

Bank term deposits	810,000	889,682

These bank term deposits are held as security for bank guarantee performance bonds in favour of the Northern Territory government for potential environmental rehabilitation obligations in relation to exploration activities. As such the term deposits are not accessible to the Company.

9. PROPERTY, PLANT AND EQUIPMENT

Land and buildings		
Gross carrying amount at beginning of year	146,215	146,215
Gross carrying amount at end of year	146,215	146,215
Accumulated depreciation at beginning of year	24,509	14,603
Depreciation expense	9,156	9,906
Accumulated depreciation at end of year	33,665	24,509
Carrying amount at beginning of year	121,706	131,612
Carrying amount at end of year	112,550	121,706

		Consolidated 2013 $	Consolidated 2012 $
9. PROPERTY, PLANT AND EQUIPMENT (continued)			
Motor vehicles			
Gross carrying amount at beginning of year		372,107	370,283
Additions		443	1,824
Gross carrying amount at end of year		372,550	372,107
Accumulated depreciation at beginning of year		323,384	293,560
Depreciation expense		18,492	29,824
Accumulated depreciation at end of year		341,876	323,384
Carrying amount at beginning of year		48,723	76,723
Carrying amount at end of year		30,674	48,723
Computer software & hardware			
Gross carrying amount at beginning of year		470,482	432,112
Additions		-	34,107
Transfer from construction in progress		-	4,263
Disposals		(1,722)	-
Gross carrying amount at end of year		468,760	470,482
Accumulated depreciation at beginning of year		353,931	269,232
Depreciation expense		51,607	84,699
Disposals		(1,709)	-
Accumulated depreciation at end of year		403,829	353,931
Carrying amount at beginning of year		116,551	162,880
Carrying amount at end of year		64,931	116,551
Plant and equipment	(a)		
Gross carrying amount at beginning of year		6,159,854	6,158,325
Additions		16,627	1,529
Disposals		(9,799)	-
Gross carrying amount at end of year		6,166,682	6,159,854
Accumulated depreciation at beginning of year		481,596	422,429
Depreciation expense		44,779	59,167
Disposals		(9,614)	-
Accumulated depreciation at end of year		516,761	481,596
Carrying amount at beginning of year		5,678,258	5,735,896
Carrying amount at end of year		5,649,921	5,678,258

9. PROPERTY, PLANT AND EQUIPMENT (continued)

	Consolidated 2013 $	Consolidated 2012 $
Office equipment, furniture & fittings		
Gross carrying amount at beginning of year	103,717	101,658
Additions	2,308	2,059
Disposals	(13,684)	-
Gross carrying amount at end of year	92,341	103,717
Accumulated depreciation at beginning of year	83,527	73,310
Depreciation expense	6,919	10,217
Disposals	(12,934)	-
Accumulated depreciation at end of year	77,512	83,527
Carrying amount at beginning of year	20,190	28,348
Carrying amount at end of year	14,829	20,190
Construction in progress		
Gross carrying amount at beginning of year	-	4,263
Transfer to computer software & hardware	-	(4,263)
Gross carrying amount at end of year	-	-
Accumulated depreciation at beginning of year	-	-
Accumulated depreciation at end of year	-	-
Carrying amount at beginning of year	-	4,263
Carrying amount at end of year	-	-
Total property plant and equipment		
Gross carrying amount at beginning of year	7,252,375	7,212,856
Additions	19,378	39,519
Disposals	(25,205)	-
Gross carrying amount at end of year	7,246,548	7,252,375
Accumulated depreciation at beginning of year	1,266,947	1,073,134
Depreciation expense	130,953	193,813
Disposals	(24,257)	-
Accumulated depreciation at end of year	1,373,643	1,266,947
Carrying amount at beginning of year	5,985,428	6,139,722
Carrying amount at end of year	5,872,905	5,985,428

a) Plant and equipment includes the Warrego mill and processing plant with a carrying value of $5,500,000 (2012: $5,500,000) that is not being depreciated and depreciation will commence on recommencement of use.

10. EXPLORATION AND EVALUATION ASSETS

	Consolidated 2013 $	Consolidated 2012 $
Costs carried forward in respect of areas of interest in pre-production exploration and evaluation phases		
Carrying amount at beginning of period	17,695,429	11,283,518
Additions	5,129,675	6,517,852
Impairment	(3,194,955)	(105,941)
Carrying amount at end of period	19,630,149	17,695,429

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 of the interest, the results of future exploration, and the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Expenditure on mineral exploration tenements (other than the consolidated entity's sole funded tenements) is being incurred by Inova Resources Limited pursuant to the Farm-In and Exploration Joint Venture agreement to meet minimum tenement expenditure requirements.

11. TRADE AND OTHER PAYABLES

	2013 $	2012 $
Trade payables	138,872	281,018
Non-trade payables and accrued expenses	668,103	708,791
	806,975	989,809

Trade and other payables are non-interest bearing and are normally settled on 30 day terms. Due to the short term nature of these payables, their carrying amount is a reasonable approximation of fair value.

12. PROVISIONS

		2013 $	2012 $
Current:			
Employee benefits provision for annual leave		87,209	121,756
Exploration rehabilitation provision	(a)	5,400	39,586
		92,609	161,342
Non-current:			
Employee benefits provision for long service leave		98,062	-

a) The consolidated entity has recognised a provision for the expected rehabilitation of sites subject to exploration during the reporting period and it is anticipated that most of the costs for this rehabilitation will be incurred in the next financial year.

	Consolidated 2013 $	Consolidated 2012 $
13. INTEREST BEARING LIABLITIES		
Current:		
Finance lease liability	-	834

The finance lease liability is in respect of the lease of a photocopier payable by monthly instalments over a 5 year term that expired in September 2012. The finance lease liability was secured by a charge over the photocopier until expiry of the lease. The original amount financed was $11,800 exclusive of GST and total credit charges payable under the lease was $3,914.

14. ISSUED CAPITAL

(a) Fully paid ordinary shares

	2013 $	2012 $
Balance at beginning of year:		
260,585,213 (2012: 226,295,213) shares	40,202,622	33,151,621
468,750 (2012: 350,000) shares issued to employees under performance rights plan	82,875	91,000
Nil (2012: 33,940,000) shares issued for cash under a share placement	-	7,466,800
Share issue costs	(3,000)	(506,799)
Balance at end of year:		
261,053,963 (2012: 260,585,213) shares	40,282,497	40,202,622

The Company does not have authorised capital or par value in respect of its issued shares.

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(b) Options over ordinary shares

	Consolidated 2013 Number of options	Consolidated 2012 Number of options
Unissued ordinary shares for which options are outstanding:		
Exercise price of $0.25 expiring 31/07/2012	-	500,000
Exercise price of $0.50 expiring 24/11/2012	-	7,000,000
Exercise price of $0.25 expiring 13/12/2012	-	5,000,000
Exercise price of $0.30 expiring 13/12/2012	-	5,000,000
Exercise price of $0.25 expiring 11/03/2013	-	500,000
	-	18,000,000

14. ISSUED CAPITAL (continued)

(c) Rights over ordinary shares

	Consolidated 2013 Number of rights	Consolidated 2012 Number of rights
Unissued ordinary shares for which employee performance rights are outstanding:		
Exercise price of nil vesting on 01/09/12	-	325,000
Exercise price of nil vesting on 25/11/12	-	150,000
Exercise price of nil vesting on 01/09/13	156,250	162,500
Exercise price of nil vesting on 25/11/13	393,750	462,500
Exercise price of nil vesting on 04/12/13	500,000	-
Exercise price of nil vesting on 01/09/14	156,250	162,500
Exercise price of nil vesting on 25/11/14	512,500	156,250
Exercise price of nil vesting on 04/12/14	500,000	-
Exercise price of nil vesting on 25/11/15	318,750	156,250
Exercise price of nil vesting on 04/12/15	500,000	-
Exercise price of nil vesting on 25/11/16	193,750	-
Exercise price of nil vesting on 04/12/16	500,000	-
	3,731,250	1,575,000

15. OTHER RESERVES

Share based payments reserve

	Consolidated 2013 $	Consolidated 2012 $
Balance at beginning of year	2,666,150	2,661,090
Recognition of share-based payment expense	140,525	96,060
Transfer to issued capital on exercise of rights	(82,875)	(91,000)
Balance at end of year	2,723,800	2,666,150

The share based payments reserve is used to recognise the fair value of options and rights provided to employees as part of their remuneration.

16. ACCUMULATED LOSSES

	2013 $	2012 $
Balance at beginning of year	(10,216,111)	(8,565,716)
Loss for year	(4,792,616)	(1,650,395)
Balance at end of year	(15,008,727)	(10,216,111)

	Consolidated 2013 $	Consolidated 2012 $
17. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of net loss to cash flows used in operating activities		
Net loss	(4,792,616)	(1,650,395)
Add non-cash items:		
Depreciation expense	21,797	35,922
Loss on disposal of property, plant & equipment	948	-
Exploration expenditure impairment	3,194,955	105,941
Share-based payment	140,525	96,060
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	212,261	(296,438)
Decrease in other current assets	-	19,665
Decrease in trade and other payables	(182,834)	(224,132)
Increase/(decrease) in provisions	29,329	(15,893)
Net cash flows from/(used) in operating activities	(1,375,635)	(1,929,270)

(b) Reconciliation of cash

Cash balance comprises:		
Cash and cash equivalents	2,421,919	8,761,603

(c) Financing facilities available

At reporting date, the following credit card facility had been negotiated and was available:

Total facility	45,000	50,000
Facility used at reporting date	8,604	18,685
Facility unused at reporting date	36,396	31,315

18. EXPENDITURE COMMITMENTS

a) Operating lease commitments

The Company leases office premises at 3 Kimberley Street, West Leederville under an operating lease for a term of 3 years commencing 1 April 2012 and expiring 31 March 2015. The annual rent payable is $98,328 including outgoings and will be reviewed for CPI increase on 1 April 2014.

During the financial year ended 30 June 2013, $100,839 was recognised as an expense in the statement of comprehensive income in respect of operating leases (2012: $100,958).

Non-cancellable operating lease rentals not provided for in the financial report are payable as follows:

Not later than one year	98,329	95,856
Later than one year and not later than five years	73,746	167,748
	172,075	263,604

18. EXPENDITURE COMMITMENTS (continued)

b) Finance lease commitments

The Company had a finance lease for a photocopier payable by monthly instalments of $282 over a 5 year term that expired on 27 September 2012. Future minimum lease payments and present value of the lease payments are as follows:

	Consolidated 2013 $	Consolidated 2012 $
Not later than one year	-	845
Total minimum lease payments	-	845
Less amounts representing finance charges	-	(15)
Present value of minimum lease payments	-	830

c) 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. Due to the nature of the Company's operations in exploring and evaluating areas of interest, exploration expenditure commitments beyond twelve months cannot be reliably determined. It is anticipated that expenditure commitments in subsequent years will be similar to that for the forthcoming twelve months. These obligations are not provided for in the financial report and are payable:

	2013 $	2012 $
Not later than one year	618,150	1,517,750

d) Remuneration commitments

Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:

	2013 $	2012 $
Not later than one year	491,682	543,992

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of directors and executives referred to in the remuneration report of the directors' report that are not recognised as liabilities and are not included in the compensation of KMP.

19. REHABILITATION COMMITMENTS

a) Santexco Pty Ltd (Santexco) a wholly owned subsidiary of the Company entered into a Rehabilitation Agreement dated 6 November 2001 with the Northern Territory (NT) Government, whereby Santexco is obliged to perform rehabilitation obligations to the value of $ 750,000 pa. for 6 years totalling obligation of $4,500,000 on various mineral tenements, or pay the difference between the actual rehabilitation performed per year on the tenements and $750,000 into a deposit account held by the NT Government each of the 6 anniversary dates of the agreement. To date Santexo has performed actual rehabilitation obligations of $333,041 and lodged a bank guarantee to the value of $416,959 with the NT Government. There are 5 anniversary dates for the agreement outstanding.

b) The consolidated entity is party to a binding agreement with the NT Government (Department of Primary Industry, Fisheries and Mines) dated 31 July 2006 whereby the NT Government has agreed that the rehabilitation obligations described in the Rehabilitation Agreement are suspended (on “standstill”) until 45 days of cumulative commercial production from the consolidated entity’s tenements.

20. FARM-IN AND JOINT VENTURE AGREEMENT

The Company entered into the Tennant Creek Mineral Field Joint Venture Agreement (Agreement) dated 24 August, 2009 as amended by Amendment Deed 1 dated 26 November 2012 with Inova Resources Limited (Inova) for an exploration Farm-In and Joint Venture covering the majority of the Company's extensive tenement holdings in the Tennant Creek Mineral Field.

The Agreement provides for the Company to be appointed as operator and to manage and perform the exploration on behalf of Inova during the farm-in period and sole fund period, which is sole funded by Inova. Key terms contained in the Agreement include:

- Farm-in period whereby Inova sole funded minimum expenditure of $18,000,000 over three years to earn a 51% interest in the majority of the consolidated entity's tenements. Inova satisfied this obligation during the current financial year with the Joint Venture commencing on 14 July 2012 (Inova 51% and Emmerson 49%);
- Inova must sole fund a further $10,000,000 of Joint Venture expenditure over a maximum 5 year period to retain their 51% Joint Venture Interest;
- The Company has been performing the exploration as agent on behalf of Inova during the farm-in period and sole fund period, with Inova paying all costs and an administration fee where applicable;
- Payment of a 10% management fee by Inova to the Company for the management of exploration during the farm-in period and sole fund period;
- Ownership of the Warrego gold plant remains with the Company;
- The Company has rights to take out sole-fund blocks from the Joint Venture areas;
- Tier 2 Projects (i.e. those with less than a 250,000 gold equivalent ounce resource) will be retained by the Company; and
- A 70% interest in individual projects may be earned by Inova if they sole fund expenditure to define a minimum 1,000,000 gold equivalent ounce resource hurdle.

Inova is a shareholder of the Company holding 22,610,000 shares (8.66% of total issued shares).

21. SHARE-BASED PAYMENTS

a) Incentive Option Scheme

The consolidated entity has an Incentive Option Scheme to provide share-based payment benefits, whereby options to acquire ordinary shares are issued as an incentive to improve employee and shareholder goal congruence and provide a retention incentive for participants.

The following Incentive Option Scheme arrangements were in existence during the year:

				Consolidated	
				2013	**2012**
Granted	**Exercise price**	**Vesting date**	**Expiry date**	**Number of options**	**Number of options**
01/08/07	$0.25	01/08/10	31/07/12	500,000	5,500,000
01/08/07	$0.25	*	*	-	1,000,000
31/10/07	$0.25	13/12/10	13/12/12	5,000,000	5,000,000
31/10/07	$0.30	13/06/10	13/12/12	5,000,000	5,000,000
11/03/08	$0.25	11/03/11	11/03/13	500,000	500,000
25/11/09	$0.50	25/11/09	24/11/12	7,000,000	7,000,000
Lapsed unexercised during the year				(18,000,000)	(6,000,000)
Outstanding at end of year				-	18,000,000

* Exercise price of $0.25 vesting 5 years after 1.5 x 20 day post listing VWAP and expiring 3 years after vesting date

21. SHARE-BASED PAYMENTS (continued)

The number and weighted average exercise prices of options granted as share based payments:

	2013 Number of options	2013 Weighted average exercise price	2012 Number of options	2012 Weighted average exercise price
Outstanding at beginning of year	18,000,000	$0.361	24,000,000	$0.333
Forfeited during year	-	-	(6,000,000)	$0.250
Lapsed unexercised during year	(18,000,000)	$0.361	-	-
Outstanding at end of year	-	-	18,000,000	$0.361
Exercisable and vested at end of year	-	-	18,000,000	$0.361

No options were granted or exercised in the current financial year or the previous year.

There were no options outstanding at the end of the year. The range of exercise prices for options outstanding at the end of the previous year was $0.25 to $0.50 with a weighted average remaining contractual life of 0.43 years.

The fair value of the options is recognised as an expense over the period from grant to vesting date. There was no amount recognised as part of employee benefits expense during the current financial year or the previous year.

b) Performance Rights Plan

The consolidated entity has a Performance Rights Plan approved by shareholders at the 2012 annual general meeting to provide share-based payment benefits, whereby rights to acquire ordinary shares are issued as an incentive to improve employee and shareholder goal congruence and provide a retention incentive for participants. Currently issued rights vest over a 4 year period with no cash consideration required to be paid to exercise rights and the rights are generally forfeited if vesting conditions have not been satisfied.

The following Performance Rights Plan arrangements were in existence during the year:

	2013 Number of rights	2012 Number of rights
Granted 25/11/09 vesting on 25/11/11	-	350,000
Granted 25/11/09 vesting on 25/11/12	150,000	175,000
Granted 25/11/09 vesting on 25/11/13	150,000	175,000
Granted 01/09/10 vesting on 01/09/12	325,000	425,000
Granted 01/09/10 vesting on 01/09/13	162,500	212,500
Granted 01/09/10 vesting on 01/09/14	162,500	212,500
Granted 25/11/11 vesting on 25/11/13	312,500	437,500
Granted 25/11/11 vesting on 25/11/14	156,250	218,750
Granted 25/11/11 vesting on 25/11/15	156,250	218,750
Granted 04/12/12 vesting on 04/12/13	500,000	-
Granted 04/12/12 vesting on 04/12/14	500,000	-
Granted 04/12/12 vesting on 04/12/15	500,000	-
Granted 04/12/12 vesting on 04/12/16	500,000	-
Granted 23/04/13 vesting on 25/11/14	387,500	-
Granted 23/04/13 vesting on 25/11/15	193,750	-
Granted 23/04/13 vesting on 25/11/16	193,750	-
Vested and exercised during the year	(468,750)	(350,000)
Forfeited during the year	(150,000)	(500,000)
Outstanding at end of year	3,731,250	1,575,000

21. SHARE-BASED PAYMENTS (continued)

The number of rights granted as share based payments are as follows:

	2013 Number of rights	2012 Number of rights
Outstanding at beginning of year	1,575,000	1,550,000
Issued during the year	2,775,000	875,000
Vested and exercised during the year	(468,750)	(350,000)
Forfeited during the year	(150,000)	(500,000)
Outstanding at end of year	3,731,250	1,575,000
Exercisable and vested at end of the year	-	-

The weighted average exercise price of all the above rights granted as share based payments is nil.

The weighted average share price at the date of exercise of rights exercised during the year was $0.127 (2012: $0.245).

All rights outstanding at the end of the year have an exercise price of nil (2012: nil) and a weighted average remaining contractual life of 3.98 years (2012: 3.51 years).

The weighted average fair value of $0.089 (2012: $0.245) for rights granted during the year was calculated using a Black and Scholes pricing model inputting a weighted average share price of $0.089 (2012: $0.245), a weighted average exercise price of nil (2012: nil), a weighted average risk free interest rate of 4.5% (2012: 3.25%), a weighted average contractual life of 4.89 years (2012: 5 years), a volatility factor of 85% (2012: 85%) based on historical volatility and expected changes to future volatility. No other features such as a market condition were incorporated into the measurement of fair value.

The fair value of the rights is recognised as an expense over the period from grant to vesting date. The amount recognised as part of employee benefits expense during the year was $140,525 (2012: $96,060).

22. KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Compensation for key management personnel

Short-term employee benefits	1,196,286	1,404,855
Post-employment benefits	108,585	167,703
Share-based payments	47,285	52,776
Total compensation	1,352,156	1,625,334

22. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

b) Option holdings of key management personnel

2013	Held at 1 July 2012	Exercise of options	Lapsed	Held at 30 June 2013	Vested and exercis-able at 30 June 2013
Directors:					
Andrew McIlwain	2,500,000	-	(2,500,000)	-	-
Robert Bills	10,000,000	-	(10,000,000)	-	-
Tim Kestell	1,500,000	-	(1,500,000)	-	-
Simon Andrew	1,500,000	-	(1,500,000)	-	-
Peter Reeve (resigned 8/06/12)	1,500,000	-	(1,500,000)	-	-
Executives:					
Steve Russell	500,000	-	(500,000)	-	-
Total	17,500,000	-	(17,500,000)	-	-

2012	Held at 1 July 2011	Exercise of options	Lapsed	Held at 30 June 2012	Vested and exercis-able at 30 June 2012
Directors:					
Andrew McIlwain	2,500,000	-	-	2,500,000	2,500,000
Robert Bills	10,000,000	-	-	10,000,000	10,000,000
Tim Kestell	1,500,000	-	-	1,500,000	1,500,000
Simon Andrew	1,500,000	-	-	1,500,000	1,500,000
Peter Reeve (resigned 8/06/12)	1,500,000	-	-	1,500,000	1,500,000
Executives:					
Shane Volk (resigned 2/12/11)	6,000,000	-	(6,000,000)	-	-
Steve Russell	500,000	-	-	500,000	500,000
Total	23,500,000	-	(6,000,000)	17,500,000	17,500,000

c) Rights holdings of key management personnel

2013	Held at 1 July 2012	Granted as compens-ation	Exercise of rights	Held at 30 June 2013	Vested and exercis-able at 30 June 2013
Directors:					
Robert Bills	-	2,000,000	-	2,000,000	-
Executives					
Trevor Verran	-	100,000	-	100,000	-
Steve Russell	375,000	150,000	(112,500)	412,500	-
Grant Osborne	375,000	150,000	(112,500)	412,500	-
Total	750,000	2,400,000	(225,000)	2,925,000	-

22. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

c) Rights holdings of key management personnel (continued)

2012	Held at 1 July 2011	Granted as compens-ation	Exercise of rights	Held at 30 June 2012	Vested and exercis-able at 30 June 2012
Executives					
Steve Russell	300,000	150,000	(75,000)	375,000	-
Grant Osborne	300,000	150,000	(75,000)	375,000	-
Total	600,000	300,000	(150,000)	750,000	-

d) Shareholdings of key management personnel

2013	Held at 1 July 2012	Granted as compens-ation	Exercise of rights	Net Purchases (sales)	Held at 30 June 2013
Directors:					
Andrew McIlwain	1,067,941	-	-	-	1,067,941
Robert Bills	2,301,600	-	-	-	2,301,600
Tim Kestell	12,604,213	-	-	-	12,604,213
Simon Andrew	5,181,484	-	-	-	5,181,484
Executives:					
Steve Russell	87,500	-	112,500		200,000
Grant Osborne	175,000	-	112,500		287,500
Total	21,417,738	-	225,000	-	21,642,738

2012	Held at 1 July 2011	Granted as compens-ation	Exercise of rights	Net Purchases (sales)	Held at 30 June 2012
Directors:					
Andrew McIlwain	840,668	-	-	227,273	1,067,941
Robert Bills	2,301,600	-	-	-	2,301,600
Tim Kestell	8,536,030	-	-	4,068,183	12,604,213
Simon Andrew	6,136,029	-	-	(954,545)	5,181,484
Peter Reeve (resigned 20/06/12)	209,950	-	-	-	209,950
Executives:					
Shane Volk (resigned 2/12/11)	631,250	-	-	(50,000)	581,250
Steve Russell	12,500	-	75,000		87,500
Grant Osborne	100,000	-	75,000		175,000
Total	18,768,027	-	150,000	3,290,911	22,208,938

e) Other transactions with key management personnel

Andrew McIlwain services as a director of the Company were provided by Andrew McIlwain and Associates Pty Ltd, a company of which Mr McIlwain is a shareholder and beneficiary. The Company has a contract in place with Andrew McIlwain and Associates Pty Ltd for the provision of these services and amounts were billed based on normal market rates for such services and was due and payable under normal payment terms. The amount recognised as an expense during the year was $75,000 (2011: $78,037).

23. RELATED PARTY DISCLOSURES

a) Subsidiaries

The consolidated financial statements include the financial statements of Emmerson Resources Limited and its following wholly owned subsidiaries which were incorporated in Australia. Emmerson Resources Limited is the parent entity within the consolidated entity.

	2013 % Interest	2012 % Interest
Giants Reef Exploration Pty Ltd	100%	100%
Santexco Pty Ltd	100%	100%
TC8 Pty Ltd	100%	100%

The Company made loans to subsidiaries during the year for the purpose of exploration expenditure on its mineral tenements and administrative overheads. Outstanding loan balances at the year end to and from subsidiaries are unsecured and non-interest bearing with no fixed repayment date.

b) Key management personnel

Details of remuneration, share, rights and option holdings of directors and key management personnel and other transactions with key management personnel are disclosed in note 22.

24. AUDITORS REMUNERATION

	Consolidated	
	2013 $	2012 $
Amounts paid to the auditor for audit and review of financial reports	46,865	45,217

25. PARENT ENTITY INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

Current assets	3,492,162	10,123,789
Non-current assets	26,291,502	24,392,907
Total assets	29,783,664	34,516,696
Current liabilities	(899,584)	(1,151,985)
Non-current liabilities	(886,510)	(712,050)
Total liabilities	(1,786,094)	(1,864,035)
Net assets	27,997,570	32,652,661
Issued capital	(40,282,497)	(40,202,622)
Other reserves	(2,723,800)	(2,666,150)
Accumulated losses	15,008,727	10,216,111
Total equity	(27,997,570)	(32,652,661)
Loss for the year	(4,792,616)	(1,650,395)
Total comprehensive income for the year	(4,792,616)	(1,650,395)

26. FINANCIAL RISK MANAGEMENT

The consolidated entity's principal financial instruments comprise cash, short-term deposits, receivables and payables.

The main purpose of these financial instruments is to fund the consolidated entity's operations.

The main risks arising from the consolidated entity's financial instruments are credit risk, liquidity risk and interest rate risk. To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, the Company has established comprehensive risk reporting. The consolidated entity uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and assessments of market forecasts for interest rate and liquidity risk is monitored through future rolling cash flow forecasts.

The carrying amounts of all financial assets and liabilities (including liabilities contractual maturities) at balance date are as follows:

Financial assets			
Cash and cash equivalents	6	2,421,919	8,761,603
Trade and other receivables	7	260,243	472,504
Other financial assets	8	810,000	889,682
Total financial assets		3,492,162	10,123,789
Financial liabilities			
Trade and other payables:	11		
- 6 months or less		806,975	989,809
Interest bearing liabilities:	13		
- 6 months or less		-	834
Total financial liabilities		806,975	990,643

The carrying amount of all financial assets and liabilities approximates their fair value due to their short term nature.

Credit risk

Credit risk arises from the financial assets of the consolidated entity, which comprise cash and cash equivalents, other receivables and other financial assets. Receivable balances are monitored on an ongoing basis with the result that the consolidated entity's exposure to bad debts is not significant. The consolidated entity has adopted the policy of only dealing with recognised credit worthy counterparties. Cash term deposits are placed only with Australian banks and where possible spread across more than one bank.

The consolidated entity's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due.

The consolidated entity currently does not have major funding in place. However, the consolidated entity continuously monitors forecasts and actual cash flows and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

The decision on how the Company will raise future capital will depend on market conditions existing at that time.

26. FINANCIAL RISK MANAGEMENT (continued)

The consolidated entity manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in short term bank deposits.

Interest rate risk

The consolidated entity's exposure to the risk of changes in market interest rates relates primarily to cash assets and variable interest rates.

At balance date the consolidated entity had the following financial assets exposed to Australian variable interest rate risk:

Cash and cash equivalents	6	2,421,919	8,761,603
Other financial assets	8	810,000	889,682
		3,231,919	9,651,285

Cash term deposits are generally placed on term deposit for periods of between 30 days and 90 days and are therefore exposed to movements in term deposit interest rates. The Company constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, and the mix of fixed and variable interest rates and term deposits terms.

The following sensitivity analysis shows the effect on profit after tax to a 1.0% change in interest rates with other variables held constant on the interest rate exposures in existence at balance date (there would be no effect on other equity to a change in the interest rates).

Impact on profit after tax to:		
1.0% increase in interest rates	58,863	109,387
1.0% decrease in interest rates	(58,863)	(109,387)

Capital management risk

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company manages its capital to ensure it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of its capital structure comprising equity and cash.

The capital structure of the Company consists of cash and cash equivalents and equity, comprising issued capital, reserves and accumulated losses as disclosed in Notes 14, 15 and 16 respectively. Capital management predominantly takes the form of managing of the Company's cash reserves, taking into account forecast operating and capital expenditure requirements of the consolidated entity.

The Company had no debt at 30 June 2013.

During 2012 and 2013 the Company has maintained the capital base through a clear cash management strategy and when required the issue of equity instruments.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

27. EVENTS SUBSEQUENT TO REPORTING DATE

There has not been any material event subsequent to the end of the reporting date and the date of this financial report that has not been recognised in this financial report.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Emmerson Resources Limited, I state that:

(1) In the opinion of the directors:

(a) the financial statements and notes of Emmerson Resources Limited for the financial year ended 30 June 2013 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of its financial position as at 30 June 2013, and performance for the year ended on that date; and

(ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.

(c) subject to the achieving of the matters set out in Note 2(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.

(2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2013.

On behalf of the Board

Rob Bills
Managing Director & Chief Executive Officer

25 September 2013

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

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

In relation to our audit of the financial report of Emmerson Resources Limited for the financial year ended 30 June 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

Ernst & Young

R J Curtin
Partner
25 September 2013

RC:DR:EMMERSON:045

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Independent auditor's report to the members of Emmerson Resources Limited

Report on the financial report

We have audited the accompanying financial report of Emmerson Resources Limited which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit 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.

RC:DR:EMMERSON:044

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Building a better
working world

Opinion

In our opinion:

a. the financial report of Emmerson Resources Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to the basis of preparation paragraph in Note 2 to the financial report. As a result of these matters there is significant uncertainty whether the consolidated entity will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Emmerson Resources Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

R J Curtin
Partner
Perth
25 September 2013

RC:DR:EMMERSON:044

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

TENEMENT SCHEDULE

All tenements are held in Northern Territory, Australia

Tenement	Name	Interest	Tenement	Name	Interest	Tenement	Name	Interest
EL10114	McDougall	49%	HLDC40	Warrego, No 2	100%	HLDC94	Warrego, No.4	100%
EL10124	Speedway	49%	HLDC41	Warrego, No 3	100%	HLDC95	Warrego, No.3	100%
EL10313	Kodiak	49%	HLDC42	Warrego, S7	100%	HLDC96	Wiso Basin	100%
EL10406	Montana	49%	HLDC43	Warrego , S8	100%	HLDC97	Wiso Basin	100%
EL23285	Corridor 2	49%	HLDC44	Warrego, No.2	100%	HLDC98	Wiso Basin	100%
EL23286	Corridor 3	49%	HLDC45	Warrego, No.1	100%	HLDC99	Wiso No.3 pipe	100%
EL23905	Jackie	49%	HLDC46	Warrego, No.1	100%	MA23236	Udall Road	49%
EL26594	Bills	49%	HLDC47	Wiso Basin	100%	MA27163	Eagle	49%
EL26595	Russell	49%	HLDC48	Wiso Basin	100%	MCC1032	Metallic Hill	49%
EL26787	Rising Ridge	49%	HLDC49	Wiso Basin	100%	MCC1033	Metallic Hill	49%
EL27011	Snappy Gum	49%	HLDC50	Wiso Basin	100%	MCC1034	EXP195	49%
EL27136	Reservoir	49%	HLDC51	Wiso Basin	100%	MCC1038	Rocky Range	49%
EL27164	Hawk	0.49	HLDC52	Wiso Basin	100%	MCC1039	Rocky Range	49%
EL27408	Grizzly	0.49	HLDC53	Wiso Basin	100%	MCC1065	Marathon	100%
EL27537	Chappell	0.49	HLDC54	Wiso Basin	100%	MCC1077	Gecko	100%
EL27538	Mercury	0.49	HLDC55	Warrego, No.4	100%	MCC1078	Gecko	100%
EL28601	Malbec	0.49	HLDC56	Warrego, No.5	100%	MCC1079	Gecko	100%
EL28602	Red Bluff	0.49	HLDC57	Warrego	100%	MCC1080	Gecko	100%
EL28603	White Devil	0.49	HLDC58	Wiso Line No.6	100%	MCC1081	Gecko	100%
EL28618	Comstock	0.49	HLDC59	Warrego, No.6	100%	MCC1082	Gecko	100%
EL28760	Delta	0.49	HLDC69	Wiso Basin	100%	MCC1083	Gecko	100%
EL28761	Quartz Hill	0.49	HLDC70	Wiso Basin	100%	MCC1315	Warrego East	49%
EL28774	Colombard	49%	HLDC71	Wiso Basin	100%	MCC1316	Warrego East	49%
EL28775	Trinity	49%	HLDC72	Wiso Basin	100%	MCC1317	Warrego East	49%
EL28776	Whippet	49%	HLDC73	Wiso Basin	100%	MCC1318	Warrego East	49%
EL28777	Bishops Creek	49%	HLDC74	Wiso Basin	100%	MCC1319	Warrego East	49%
EL28913	Amstel	49%	HLDC75	Wiso Basin	100%	MCC1320	Warrego East	49%
EL29012	Tetley	49%	HLDC76	Wiso Basin	100%	MCC1321	Warrego East	49%
EL29488	Rocky	100%	HLDC77	Wiso Basin	100%	MCC1322	Warrego East	49%
EL29846	Grey Bluff	49%	HLDC78	Wiso Basin	100%	MCC1323	Warrego East	49%
EL9403	Jess	49%	HLDC79	Wiso Basin	100%	MCC1348	Archimedes	100%
EL9958	Running Bear	49%	HLDC80	Wiso Basin	100%	MCC1349	Archimedes	100%
ELA27539	Telegraph	49%	HLDC81	Wiso Basin	100%	MCC1426	Pinnacles Sth	49%
ELA27902	Lynx	49%	HLDC82	Wiso Basin	100%	MCC1530	Jacqueline the	49%
ELA7809	Mt Samuel	100%	HLDC83	Wiso Basin	100%	MCC167	Comstock	49%
HLDC100	Sally No Name	100%	HLDC84	Wiso Basin	100%	MCC168	New Hope	49%
HLDC101	Sally No Name	100%	HLDC85	Wiso Basin	100%	MCC169	Plumb	49%
HLDC23	Eldorado Dam	100%	HLDC86	Wiso Basin	100%	MCC174	Mt Samuel	100%
HLDC24	Eldorado SWR	100%	HLDC87	Wiso Basin	100%	MCC203	Galway	49%
HLDC32	Great Western	100%	HLDC88	Wiso Basin	100%	MCC21	Battery Hill	49%
HLDC34	Black Angel,	100%	HLDC89	Wiso Basin	100%	MCC211	Shamrock	49%
HLDC35	Black Angel,	100%	HLDC90	Wiso Basin	100%	MCC212	Mt Samuel	100%
HLDC36	Blue Moon	100%	HLDC91	Wiso Basin	100%	MCC22	Battery Hill	49%
HLDC37	Warrego, No 1	100%	HLDC92	Wiso Basin	100%	MCC23	Battery Hill	49%
HLDC39	Warrego Min,	100%	HLDC93	Wiso Basin	100%	MCC239	West Peko	49%

TENEMENT SCHEDULE

All tenements are held in Northern Territory, Australia

Tenement	Name	Interest	Tenement	Name	Interest	Tenement	Name	Interest
MCC240	West Peko	49%	MCC762	Noir	49%	MCC925	Brolga	49%
MCC287	Mt Samuel	100%	MCC790	Verdelho	49%	MCC926	Brolga	49%
MCC288	Mt Samuel	100%	MCC791	Marsanne	49%	MCC969	Pinot	49%
MCC308	Mt Samuel	100%	MCC792	Marsanne	49%	MCC970	Pinot	49%
MCC313	Pedro	49%	MCC793	Sauvignon	49%	MCC971	Pinot	49%
MCC314	Pedro	49%	MCC794	Durif	49%	MCC972	Pinot	49%
MCC315	Pigale	100%	MCC795	Durif	49%	MCC981	Franc	49%
MCC316	The Trump	49%	MCC796	Durif	49%	MCC982	Franc	49%
MCC317	The Trump	49%	MCC797	EXP 80	49%	ML22284	Billy Boy	49%
MCC334	Estralita Group	49%	MCC798	Ivanhoe	49%	ML23216	Chariot	100%
MCC338	Black Cat	49%	MCC799	Wolseley	49%	ML23969	Gecko Head	100%
MCC339	Black Cat	49%	MCC800	Wolseley	49%	MLA23911	Golden Slipper	49%
MCC340	The Trump	49%	MCC801	Gris	49%	MLC100	Warrego	100%
MCC341	The Trump	49%	MCC802	Zinfandel	49%	MLC101	Warrego	100%
MCC342	True Blue	49%	MCC803	Thurgau	49%	MLC102	Warrego	100%
MCC344	Mt Samuel	100%	MCC804	EXP212	49%	MLC107	Warrego	100%
MCC348	Bomber	49%	MCC805	Jubilee	49%	MLC108	Warrego	100%
MCC349	Bomber	49%	MCC806	Jubilee	49%	MLC120	Cabernet/Nav 7	100%
MCC350	Bomber	49%	MCC807	Merlot	49%	MLC121	Cabernet/Nav 7	100%
MCC351	Bomber	49%	MCC808	Merlot	49%	MLC122	Cabernet/Nav 7	100%
MCC354	Scheurber	49%	MCC809	The Extension	49%	MLC123	Cabernet/Nav 7	100%
MCC355	Scheurber	49%	MCC810	Colombard	49%	MLC124	Quartz Hill	49%
MCC364	Estralita	49%	MCC811	Colombard	49%	MLC127	Peko East Ext4	49%
MCC365	Estralita	49%	MCC812	Dong Dui	49%	MLC129	Peko Sth- East	49%
MCC366	Estralita	49%	MCC813	Grenache	49%	MLC130	Golden Forty	49%
MCC377	Blue Moon	49%	MCC888	Hermitage	49%	MLC131	Golden Forty	49%
MCC461	Gibbet	100%	MCC889	Hermitage	49%	MLC132	Golden Forty	49%
MCC5	The Pup	49%	MCC890	Hermitage	49%	MLC133	Golden Forty	49%
MCC522	Gibbet	100%	MCC891	Hermitage	49%	MLC134	Golden Forty	49%
MCC523	Gibbet	100%	MCC892	Hermitage	49%	MLC135	Golden Forty	100%
MCC524	Gibbet	100%	MCC893	Hermitage	49%	MLC136	Golden Forty	100%
MCC55	Mondeuse	100%	MCC894	Hermitage	49%	MLC137	Golden Forty	49%
MCC56	Shiraz	100%	MCC895	Hermitage	49%	MLC138	Golden Forty	49%
MCC57	Mondeuse	100%	MCC9	Eldorado	49%	MLC139	Golden Forty	49%
MCC6	The Pup	49%	MCC904	Restina	49%	MLC140	Golden Forty	49%
MCC66	Golden Forty	49%	MCC905	Restina	49%	MLC141	Golden Forty	49%
MCC67	Golden Forty	49%	MCC906	Restina	49%	MLC142	Golden Forty	49%
MCC755	Comstock	49%	MCC907	Troy	100%	MLC143	Golden Forty	49%
MCC756	Comstock	49%	MCC908	Troy	100%	MLC144	Golden Forty	49%
MCC757	Comstock	49%	MCC909	Troy	100%	MLC146	Golden Forty	49%
MCC758	Semillon	49%	MCC910	Troy	100%	MLC147	Golden Forty	49%
MCC759	Smelter	49%	MCC912	Troy	100%	MLC148	Golden Forty	49%
MCC76	Red Bluff Nth	49%	MCC913	Troy	100%	MLC149	Golden Forty	49%
MCC760	Dark	49%	MCC914	Rising Star	49%	MLC15	Eldorado 4	49%
MCC761	Noir	49%	MCC915	Rising Star	49%	MLC158	Warrego gravel	49%

TENEMENT SCHEDULE

All tenements are held in Northern Territory, Australia

Tenement	Name	Interest	Tenement	Name	Interest	Tenement	Name	Interest
MLC159	Warrego gravel	49%	MLC26	Orlando	100%	MLC350	Brolga	49%
MLC16	Eldorado 5	49%	MLC260	Mulga 2	49%	MLC351	Brolga	49%
MLC160	Warrego gravel	49%	MLC261	Mulga 2	49%	MLC352	Golden Forty	100%
MLC161	Warrego gravel	49%	MLC27	Orlando	100%	MLC353	Golden Forty	49%
MLC162	Warrego gravel	49%	MLC28	Orlando	100%	MLC354	Golden Forty	49%
MLC163	Warrego gravel	49%	MLC29	Orlando	100%	MLC355	Golden Forty	49%
MLC164	Warrego gravel	49%	MLC30	Orlando	100%	MLC36	Golden Forty	100%
MLC165	Warrego gravel	49%	MLC304	North Star	49%	MLC362	Lone Star	49%
MLC176	Chariot	100%	MLC305	North Star	49%	MLC363	Lone Star	49%
MLC177	Chariot	100%	MLC306	North Star	49%	MLC364	Lone Star	49%
MLC18	West Gibbet	100%	MLC307	North Star	49%	MLC365	Lone Star	49%
MLC182	Riesling	49%	MLC308	North Star	49%	MLC366	Lone Star	49%
MLC183	Riesling	49%	MLC309	North Star	49%	MLC367	Lone Star	49%
MLC184	Riesling	49%	MLC31	Orlando	100%	MLC368	Lone Star	49%
MLC20	One Oh Two	100%	MLC310	North Star	49%	MLC369	Lone Star	49%
MLC204	Argo West	49%	MLC311	North Star	49%	MLC37	Golden Forty	100%
MLC205	Argo West	49%	MLC312	North Star	49%	MLC370	Lone Star	49%
MLC206	Argo West	49%	MLC313	North Star	49%	MLC371	Lone Star	49%
MLC207	Argo West	49%	MLC32	Golden Forty	100%	MLC372	Lone Star	49%
MLC208	Argo West	49%	MLC323	Gecko	100%	MLC373	Lone Star	49%
MLC209	Argo West	49%	MLC324	Gecko	100%	MLC374	Lone Star	49%
MLC21	Gecko	1	MLC325	Gecko	100%	MLC375	Lone Star	49%
MLC217	Perserverance	1	MLC326	Gecko	100%	MLC376	Mulga 1	49%
MLC218	Perserverance	1	MLC327	Gecko	100%	MLC377	Mulga 1	49%
MLC219	Perserverance	1	MLC328	Queen of Sheba	49%	MLC378	Mulga 1	49%
MLC22	Warrego	100%	MLC329	Queen of Sheba	49%	MLC379	Mulga 1	49%
MLC220	Perserverance	100%	MLC33	Orlando	100%	MLC38	Memsahib Est	49%
MLC221	Perserverance	100%	MLC330	Queen of Sheba	49%	MLC380	Mulga 1	49%
MLC222	Perserverance	100%	MLC331	Queen of Sheba	49%	MLC381	Mulga 1	49%
MLC223	Perserverance	100%	MLC332	Queen of Sheba	49%	MLC382	Mulga 1	49%
MLC224	Perserverance	100%	MLC333	Queen of Sheba	49%	MLC383	Mulga 1	49%
MLC23	North Doria	49%	MLC334	Queen of Sheba	49%	MLC384	Mulga 2	49%
MLC235	Kia Ora	49%	MLC335	Queen of Sheba	49%	MLC385	Mulga 2	49%
MLC236	Kia Ora	49%	MLC336	Queen of Sheba	49%	MLC386	Mulga 2	49%
MLC237	Kia Ora	49%	MLC337	Queen of Sheba	49%	MLC387	Mulga 2	49%
MLC238	Kia Ora	49%	MLC34	Orlando	100%	MLC39	Short Range 5	100%
MLC24	Orlando	100%	MLC342	Tinto	49%	MLC4	Peko Extended	49%
MLC25	Orlando	100%	MLC343	Rocky Range	49%	MLC40	Short Range 5	100%
MLC253	Mulga 1	49%	MLC344	Rocky Range	49%	MLC406	Comet	49%
MLC254	Mulga 1	49%	MLC345	Rocky Range	49%	MLC407	Comet	49%
MLC255	Mulga 1	49%	MLC346	Rocky Range	49%	MLC408	Comet	49%
MLC256	Mulga 2	49%	MLC347	Tinto	49%	MLC409	Comet	49%
MLC257	Mulga 2	49%	MLC348	Brolga	49%	MLC41	Short Range 5	100%
MLC258	Mulga 2	49%	MLC349	Brolga	49%	MLC432	Mulga 1	49%
MLC259	Mulga 2	49%	MLC35	Golden Forty	100%	MLC48	Tinto	49%

TENEMENT SCHEDULE

All tenements are held in Northern Territory, Australia

Tenement	Name	Interest	Tenement	Name	Interest	Tenement	Name	Interest
MLC49	Mt Samual	100%	MLC570	North Star	49%	MLC619	True Blue	49%
MLC498	Eldorado	49%	MLC571	North Star	49%	MLC62	Verdot	49%
MLC499	Eldorado	49%	MLC572	North Star	49%	MLC626	Caroline	49%
MLC5	Peko Extended	49%	MLC573	North Star	49%	MLC644	Enterprise	49%
MLC50	Eldorado An	49%	MLC574	North Star	49%	MLC645	Estralita	49%
MLC500	Eldorado	49%	MLC575	Blue Moon	49%	MLC654	TC8 Lease	100%
MLC501	Eldorado	49%	MLC576	Golden Forty	49%	MLC66	Traminer	100%
MLC502	Eldorado	49%	MLC577	Golden Forty	49%	MLC668	Gecko	49%
MLC503	Eldorado	49%	MLC58	Verdot	49%	MLC67	Traminer	100%
MLC504	Eldorado	49%	MLC581	Eldorado ABC	49%	MLC675	Black Angel	49%
MLC505	Eldorado	49%	MLC582	Eldorado ABC	49%	MLC676	Black Angel	49%
MLC506	Marion Ross	100%	MLC583	Eldorado ABC	49%	MLC683	Eldorado	49%
MLC51	Eldorado An	49%	MLC584	Golden Forty	100%	MLC69	Gecko	100%
MLC518	Ellen, Eldorado	49%	MLC585	Golden Forty	100%	MLC692	Warrego Mine	100%
MLC52	Muscadel	49%	MLC586	Golden Forty	100%	MLC693	Olivewood 102	49%
MLC520	Great Northern	49%	MLC588	Kia Ora	49%	MLC699	Orlando,Webb	100%
MLC522	Aga Khan	49%	MLC59	Verdot	49%	MLC70	Gecko	100%
MLC523	Eldorado	49%	MLC591	TC8 Lease	100%	MLC700	White Devil	49%
MLC524	Susan	49%	MLC592	TC8 Lease	100%	MLC702		49%
MLC527	Mt Samual	100%	MLC593	TC8 Lease	100%	MLC705	Apollo 1	49%
MLC528	DingoEldorado	49%	MLC594	TC8 Lease	100%	MLC71	Warrego	100%
MLC529	Cats Whiskers	49%	MLC595	TC8 Lease	100%	MLC72	Warrego	100%
MLC53	Golden Forty	49%	MLC596	TC8 Lease	100%	MLC73	Warrego	100%
MLC530	Lone Star	49%	MLC597	TC8 Lease	100%	MLC74	Warrego	100%
MLC535	Eldorado No 5	49%	MLC598	Golden Forty	100%	MLC75	Warrego	100%
MLC54	Golden Forty	49%	MLC599	Mt Samuel	100%	MLC76	Warrego	100%
MLC546	The Mount	49%	MLC60	Verdot	49%	MLC78	Gecko	100%
MLC55	Golden Forty	49%	MLC601	TC8 Lease	100%	MLC83	Warrego	100%
MLC551	Orlando	100%	MLC602	TC8 Lease	100%	MLC84	Warrego	100%
MLC552	Orlando	100%	MLC603	TC8 Lease	100%	MLC85	Gecko	100%
MLC554	White Devil	49%	MLC604	TC8 Lease	100%	MLC86	Gecko	100%
MLC557	White Devil	49%	MLC605	TC8 Lease	100%	MLC87	Gecko	100%
MLC558	New Hope	49%	MLC606	Lone Star	49%	MLC88	Gecko	100%
MLC559	White Devil	49%	MLC607	Lone Star	49%	MLC89	Gecko	100%
MLC56	Golden Forty	49%	MLC608	Lone Star	49%	MLC90	Gecko	100%
MLC560	White Devil	49%	MLC609	Lone Star	49%	MLC91	Carraman/Klond	100%
MLC562	North Star	49%	MLC61	Verdot	49%	MLC92	Carraman/Klond	100%
MLC563	North Star	49%	MLC610	Lone Star	49%	MLC93	Carraman/Klond	100%
MLC564	North Star	49%	MLC611	Lone Star	49%	MLC94	Carraman/Klond	100%
MLC565	North Star	49%	MLC612	Lone Star	49%	MLC95	Carraman/Klond	100%
MLC566	North Star	49%	MLC613	Lone Star	49%	MLC96	Osprey	49%
MLC567	North Star	49%	MLC614	Lone Star	49%	MLC97	Osprey	49%
MLC568	North Star	49%	MLC615	Lone Star	49%	MLC98	Warrego	100%
MLC569	North Star	49%	MLC616	Lone Star	49%	MLC99	Warrego	100%
MLC57	Perserverence	100%	MLC617	Mt Samuel	100%	MLCA708		49%