



ABN 53 117 086 745

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2012

EMMERSON RESOURCES LIMITED

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CORPORATE DIRECTORY

DIRECTORS

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

COMPANY SECRETARY

Trevor Verran

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ERM

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Perth WA 6000

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Lawyers
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22 Mitchell Street
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

EMMERSON RESOURCES LIMITED

DIRECTORS' REPORT

The Directors of Emmerson Resources Limited ("Company" or "Emmerson" or "consolidated entity") submit their report for the half-year ended 31 December 2012. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

DIRECTORS

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

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

REVIEW AND RESULTS OF OPERATIONS

Operating Results for the Half-year

The net loss for the half-year ended 31 December 2012 was \$951,771 compared to the previous half-year of \$931,138.

The major items comprising the net loss for the half-year were interest revenue of \$175,691 (2011: \$268,688) offset by consulting and legal expenses of \$121,871 (2011: \$140,292), employee benefits expense of \$594,053 (2011: \$664,739), insurance expense of \$140,664 (2011: \$129,931) and general and administrative expenses of \$120,773 (2011: \$140,337).

Financial Position

Net assets and total equity decreased by \$909,147 during the half-year predominantly due to the following movements in cash and exploration and evaluation assets:

- The net decrease in cash for half-year was \$4,289,365 and cash in bank at the end of the half-year was \$4,472,238. The decrease in cash was largely due to administration and corporate expenses and exploration expenditure incurred on mining tenements.
- Exploration and evaluation assets increased by \$3,765,101 during the half-year due to exploration expenditure incurred on mining tenements and the balance of exploration and evaluation assets carried forward at the end of the half-year was \$21,460,530.

Net assets and total equity at 31 December 2012 was \$31,743,514 (30 June 2012: \$32,652,661).

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

Review of Operations

Emmerson Resources Limited (Emmerson) is exploring the Tennant Creek Mineral Field (TCMF) both in its own right and in joint venture with Ivanhoe Australia Limited (Ivanhoe) pursuant to a Farm-in agreement whereby Ivanhoe is sole funding \$28 million in exploration to acquire and retain a 51% interest in the majority of the Group's tenements.

Emmerson is using a new generation of high technology search techniques to explore the TCMF and in late 2011 made two high-grade discoveries - called Goanna and Monitor - not only demonstrating the efficacy of this new approach but importantly ushering in a new style of mineralisation that has gone undetected by previous explorers. The value of these discoveries is enhanced by their proximity to the underground mine development at the historical Gecko deposit and also because they are within the 100% owned Emmerson sole fund blocks.

Operational focus during the half-year was focused on developing a portfolio of high quality gold targets within the 100% owned Emmerson sole fund areas.

EMMERSON RESOURCES LIMITED

DIRECTORS' REPORT

Total drill meters for the half-year of 17,410m comprising 14,731m of Reverse Circulation (RC) and 2,679m of diamond drilling focused at the Monitor and Goanna discoveries; and advancing both the resource and gold-copper strategic initiatives – all within the 100% owned Emmerson sole fund areas.

The drilling in the half-year was mainly stratigraphic and aimed at:

- gaining a better understanding of the geology and structural setting at Monitor;
- defining the strike extent of the copper mineralisation at Goanna;
- evaluating the gold potential and extending the resource at Orlando, particularly testing for extensions to lenses 2 and 7 which remain unmined but have open pit potential;
- testing for gold with the first holes under the known copper orebodies at Gecko and some deep drilling under the copper at both Monitor and Goanna; and
- an initial stratigraphic drill hole at Golden Forty South.

Goanna Drilling Results:

Drilling at Goanna has revealed two new, thick copper intersections extending the boundaries of the previously known mineralisation which have the potential to double the strike extent particularly within the Northern Shear Zone where diamond drill hole GODD024 intersected 13m at 1.77% copper, 0.48g/t gold, 3.95g/t silver and 0.26g/t bismuth. Mineralisation in the Southern Shear Zone was extended to the west in drill hole GODD027 which intersected 4m at 1.63g/t gold and 1.10% copper.

The drilling at Goanna continues to build the copper inventory and drill holes GODD027 and GODD024 confirm this but also indicate gold is increasing at depth in the presence of bismuth – as predicted. However the gold grades are not yet typical of the bonanza grades often associated with the historic deposits in the Tennant Creek Mineral Field (TCMF). Given the ever increasing size of the Goanna copper mineralisation, further work has been initiated to refine our exploration vectors to high grade gold.

Monitor Drilling Results:

Diamond drill hole GODD022 tested the upper limit of the gold zone and intersected 3.12m at 1.34% copper, 0.22g/t gold & 3.62g/t silver ~ 270m below the surface.

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 1m resplits 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 down the hole, and
- 6m at 1.38% copper & 0.45g/t gold from 328m down the hole, including;
- 1m at 1.28g/t gold & 1.50% copper from 330m down the hole;
- GRC1397 intersected 3m at 2.23% copper & 0.76g/t gold from 366m down the hole,
- GRC1398 intersected 3m at 1.51% copper from 429m down the hole.

Deep RC drilling beneath the previously intersected bonanza gold zone (12m at 16.9g/t gold, 0.13% bismuth, 2% copper and 1.59g/t silver in GODD008 – ASX 9 November, 2011) at Monitor deviated and may have just clipped the mineralised zone, reflected in the assays in GRC 1386 of 1m at 2.04% copper, 21.3g/t silver, 3.15g/t bismuth (from 321m down the hole) and a further zone of 1m at 2.27g/t gold and 1.13% copper (from 415m down the hole).

EMMERSON RESOURCES LIMITED

DIRECTORS' REPORT

Orlando Drill Results:

During October 2012, a 12 hole RC drill program at the historic Orlando gold-copper deposit was completed for a total of 2,918m designed to test for extensions to the known mineralization and in particular, a "gap" between the Orlando remnant resource and the 2 & 7 orebodies. This drilling intersected significant mineralisation with best results in drill holes: ORRC454 of 10m at 2.84g/t gold and 2% copper, including 3m at 4.56g/t gold, 5.05g/t silver and 5.10% copper. ORRC460 intersected 3m at 3.32g/t gold including 1m at 5.83g/t gold. ORCC459 intersected 4m at 1.37g/t gold and 1.86% copper incl. 1m at 3.36g/t gold and 3.8% copper. Of note is that mineralisation still remains open down dip. Valuable QAQC sampling was also completed during this program to assist in increasing the confidence in the current Resource Estimation.

Gecko Drill Results:

An RC pre collar (GODD028) aimed at testing for gold beneath the historic Gecko copper mine intersected a new, very thick zone of copper mineralisation consisting of 93m of mineralisation at 0.24% copper but include higher grade sections of 6m at 1.17% copper.

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.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 13 and forms part of the Director's Report for the half-year ended 31 December 2012.

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



Rob Bills
Managing Director & Chief Executive Officer
13 March 2013

EMMERSON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Consolidated	
	Half-year	Half-year
	ended	ended
	31 December	31 December
	2012	2011
	\$	\$
REVENUE		
Management fee – exploration services	18,630	43,164
Interest revenue	175,691	268,688
TOTAL REVENUE	194,321	311,852
OTHER INCOME		
Sundry income	700	16,612
TOTAL REVENUE AND OTHER INCOME	195,021	328,464
EXPENSES		
Compliance and regulatory expenses	76,012	70,079
Consulting and legal expenses	121,871	140,292
Depreciation expense	11,183	17,345
Employee benefits expense	594,053	664,739
Exploration expenditure impairment	27,370	42,627
Finance costs	11	183
Insurance expense	140,664	129,931
Occupancy expense	54,855	54,069
General and administration expenses	120,773	140,337
TOTAL EXPENSES	1,146,792	1,259,602
LOSS BEFORE INCOME TAX	(951,771)	(931,138)
Income tax expense	-	-
LOSS FOR HALF-YEAR	(951,771)	(931,138)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR HALF-YEAR	(951,771)	(931,138)
Basic loss per share - cents per share	(0.36)	(0.40)
Diluted loss per share - cents per share	(0.36)	(0.40)

The accompanying notes form part of these financial statements.

EMMERSON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Notes	Consolidated 31 December 2012 \$	30 June 2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents		4,472,238	8,761,603
Trade and other receivables		290,056	472,504
Other financial assets		810,000	889,682
Total Current Assets		5,572,294	10,123,789
Non-current Assets			
Property, plant and equipment		5,936,141	5,985,428
Exploration and evaluation assets	3	21,460,530	17,695,429
Total Non-current Assets		27,396,671	23,680,857
TOTAL ASSETS		32,968,965	33,804,646
LIABILITIES			
Current Liabilities			
Trade and other payables		968,719	989,809
Provisions		161,078	161,342
Interest bearing liabilities		-	834
Total Current Liabilities		1,129,797	1,151,985
Non-current Liabilities			
Provisions		95,654	-
Total Non-current Liabilities		95,654	-
TOTAL LIABILITIES		1,225,451	1,151,985
NET ASSETS		31,743,514	32,652,661
EQUITY			
Issued capital	4	40,108,622	40,111,622
Other reserves		2,802,774	2,757,150
Accumulated losses		(11,167,882)	(10,216,111)
TOTAL EQUITY		31,743,514	32,652,661

The accompanying notes form part of these financial statements.

EMMERSON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Issued Capital \$	Other Reserves \$	Accumulated Losses \$	Total Equity \$
HALF-YEAR ENDED 31 DECEMBER 2011:				
Balance at 1 July 2011	33,151,621	2,661,090	(8,565,716)	27,246,995
Loss for the half-year	-	-	(931,138)	(931,138)
Other comprehensive income	-	-	-	-
Total comprehensive income for the half-year	-	-	(931,138)	(931,138)
Transactions with owners in their capacity as owners:				
Shares issued during the half-year	6,731,799	-	-	6,731,799
Share issue costs	(452,860)	-	-	(452,860)
Share-based payments	-	54,813	-	54,813
Balance at 31 December 2011	39,430,560	2,715,903	(9,496,854)	32,649,609
HALF-YEAR ENDED 31 DECEMBER 2012:				
Balance at 1 July 2012	40,111,622	2,757,150	(10,216,111)	32,652,661
Loss for the half-year	-	-	(951,771)	(951,771)
Other comprehensive income	-	-	-	-
Total comprehensive income for the half-year	-	-	(951,771)	(951,771)
Transactions with owners in their capacity as owners:				
Shares issued during the half-year	-	-	-	-
Share issue costs	(3,000)	-	-	(3,000)
Share-based payments	-	45,624	-	45,624
Balance at 31 December 2012	40,108,622	2,802,774	(11,167,882)	31,743,514

The accompanying notes form part of these financial statements.

EMMERSON RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Half-year ended 31 December 2012 \$	Consolidated Half-year ended 31 December 2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Management fees received	26,128	15,080
Payments to suppliers and employees	(1,418,023)	(1,280,406)
Reimbursement of costs from Ivanhoe	535,067	212,008
Interest received	217,697	287,431
Interest paid	(11)	(183)
Research and development tax offset received	28,543	-
Other	700	16,612
NET CASH FLOWS USED IN OPERATING ACTIVITIES	<u>(609,899)</u>	<u>(749,458)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from withdrawal of security deposits	79,682	718,318
Purchase of property, plant and equipment	(18,977)	(25,225)
Payments for exploration	(3,736,337)	(4,423,389)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>(3,675,632)</u>	<u>(3,730,296)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	6,731,799
Payment of share issue costs	(3,000)	(34,636)
Payment of finance lease liabilities	(834)	(1,507)
NET CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES	<u>(3,834)</u>	<u>6,695,656</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(4,289,365)</u>	<u>2,215,902</u>
Cash and cash equivalents at beginning of period	<u>8,761,603</u>	<u>9,405,131</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>4,472,238</u></u>	<u><u>11,621,033</u></u>

The accompanying notes form part of these financial statements.

EMMERSON RESOURCES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance and Basis of Preparation

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134 *Interim Financial Reporting*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, financing activities and investing activities of the Company as the full financial report. Accordingly this half-year financial report be read in conjunction with the annual financial report of Emmerson Resources Limited for the year ended 30 June 2012 and considered together with any public announcements made during the half-year ended 31 December 2012 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and the *ASX Listing rules*.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report for the year ended 30 June 2012, except for the impact of new and amended accounting standards described below.

Adoption of New and Amended Accounting Standards

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

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The loss of the Company for the half-year ended 31 December 2012 amounted to \$951,771 and net cash outflows from operating activities was \$609,899. The cash balance at 31 December 2012 was \$4,472,238 and net assets as at 31 December 2012 were \$31,743,514.

In considering whether the going concern basis is appropriate for preparing this financial report, the directors recognise that current levels of working capital may be insufficient to meet its planned and proposed levels of expenditure in future years. However, the directors of the Company are confident that the necessary funds will be raised as required and have concluded that the going concern basis is the appropriate basis for preparing the financial statements based on the following key considerations:

- Expenditure can be reduced to minimum exploration expenditure commitments if necessary;
- The directors believe they will be able to access capital markets for further funds if necessary;
- The directors expect good shareholder support for fund raising;
- The company will pursue, where appropriate, potential farm out of exploration assets; and
- The company will seek, where appropriate, to obtain exemptions on exploration and mining.

2. SEGMENT INFORMATION

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

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

EMMERSON RESOURCES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	Half-year ended	Year ended
	31 December	30 June
	2012	2012
	\$	\$
<i>Costs carried forward in respect of areas of interest in pre-production exploration and evaluation phases:</i>		
Carrying amount at beginning of period	17,695,429	11,283,518
Additions	3,792,471	6,517,852
Impairment	(27,370)	(105,941)
	<hr/>	<hr/>
Carrying amount at end of period	21,460,530	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 Ivanhoe Australia Limited pursuant to the Farm-In and Exploration Joint Venture agreement to meet minimum tenement expenditure requirements.

4. ISSUED CAPITAL

(a) Fully paid ordinary shares

	Consolidated	
	Half-year ended	Year ended
	31 December	30 June
	2012	2012
	\$	\$
<i>Balance at beginning of reporting period:</i>		
260,585,213 (30 June 2012: 226,295,213) shares	40,111,622	33,151,621
468,750 (30 June 2012: 350,000) shares issued to employees under performance rights plan	-	-
nil (30 June 2012: 33,940,000) shares issued for cash under a share placement	-	7,466,800
Share issue costs	(3,000)	(506,799)
	<hr/>	<hr/>
<i>Balance at end of reporting period:</i>		
261,053,963 (30 June 2012: 260,585,213) shares	40,108,622	40,111,622

(b) Options over ordinary shares

	Consolidated	
	31 December	30 June
	2012	2012
	Number of options	Number of options
Exercise price of \$0.25 expiring 31/07/2012	-	500,000
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 \$0.50 expiring 24/11/2012	-	7,000,000
Exercise price of \$0.25 expiring 11/03/2013	500,000	500,000
	<hr/>	<hr/>
	500,000	18,000,000

EMMERSON RESOURCES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. ISSUED CAPITAL (Continued)

(c) Rights over ordinary shares

	Consolidated	
	31 December	30 June
	2012	2012
	Number of	Number of
	rights	rights
<i>Unissued ordinary shares for which employee performance rights are outstanding:</i>		
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	125,000	156,250
Exercise price of nil vesting on 04/12/14	500,000	-
Exercise price of nil vesting on 25/11/15	125,000	156,250
Exercise price of nil vesting on 04/12/15	500,000	-
Exercise price of nil vesting on 04/12/16	500,000	-
	<u>2,956,250</u>	<u>1,575,000</u>

5. RELATED PARTY TRANSACTIONS

Key management personnel continue to receive compensation in the form of short term employee benefits, post-employment benefits, share-based payments and other transactions as detailed in the 30 June 2012 annual financial report.

2,000,000 Performance Rights with various vesting dates were issued to Robert Bills on 4 December 2012 following shareholder approval at the annual general meeting held on 27 November 2012.

Other related party arrangements continue to be in place as detailed in the 30 June 2012 annual financial report.

6. COMMITMENTS AND CONTINGENCIES

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

7. EVENTS SUBSEQUENT TO REPORTING DATE

There are no events subsequent to the end of the half-year that would have a material effect on the financial report.

8. DIVIDENDS

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

EMMERSON RESOURCES LIMITED

DIRECTORS' DECLARATION

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the financial position as at 31 December 2012 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

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

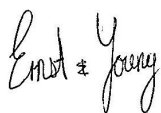
On behalf of the Board

A handwritten signature in black ink, appearing to read 'RTBills', with a stylized flourish at the end.

Rob Bills
Managing Director & Chief Executive Officer
13 March 2013

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

In relation to our review of the financial report of Emmerson Resources Limited for the half-year ended 31 December 2012, 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.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script, likely belonging to RJ Curtin.

RJ Curtin
Partner
13 March 2013

To the members of Emmerson Resources Limited,

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Emmerson Resources Limited which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Emmerson Resources Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

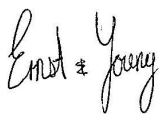
Independence

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

Conclusion

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

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A stylized, handwritten signature of the Ernst & Young firm.

Ernst & Young

A stylized, handwritten signature of RJ Curtin.

RJ Curtin
Partner
Perth
13 March 2013