

13 July 2017

#### Fast Facts

ASX Code: EMR

Shares on issue: 2,108 million

Market Cap: ~\$85 million

Cash: A\$8.5 million (30 June 2017)

#### Board & Management

Simon Lee AO, Non-Exec Chairman

Morgan Hart, Managing Director

Justin Tremain, Executive Director

Ross Stanley, Non-Exec Director

Ross Williams, Non-Exec Director

Mick Evans, Chief Operating Officer

Mark Clements, Co. Secretary

#### Company Highlights

- First mover in an emerging gold province in Cambodia
- Okvau Deposit (100% owned): Indicated and Inferred Mineral Resource Estimate of 1.14Moz at 2.0g/t Au (refer Appendix One)
- DFS completed and demonstrates high grade, low cost, compelling development economics:
  - Ore Reserve of 14.3Mt & 2.0g/t Au for 0.9Mozs (refer Appendix One) in a single open pit with waste:ore ratio of 5.8:1
  - LOM average annual production of 106,000ozs pa
  - AISC US\$731/oz over LOM
  - Using US\$1.250/oz Au gold price:
    - NPV<sub>(5%)</sub> US\$223M pre-tax and US\$160M post-tax
    - IRR 48% pa pre-tax and 40% post-tax
    - Payback ~2.2 years pre-tax and 2.5 years post-tax
- Highly credentialed gold project development team
- Significant resource growth potential.

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## **Emerald Quadruples Exploration Tenure in Cambodia**

- Earn-in agreements reached covering five exploration licenses, and the successful granting of a new exploration license application, expands Emerald's exploration ground position in Cambodia from 374km<sup>2</sup> to 1,500km<sup>2</sup>
- Earn-in agreement with Australian unlisted company, Mekong Minerals Ltd, over four exploration licences covering 861km<sup>2</sup>, whereby Emerald may earn up to an 70% interest
- Historical drilling results within the Mekong ground, which have had limited follow up, demonstrate potential for significant new gold discoveries. Historical results include (refer Appendix One for details):
  - 4m @ 11.9g/t gold from 4m
  - 16m @ 2.9g/t gold from 4m
  - 4m @ 10.2g/t gold from 56m
  - 3m @ 8.9g/t gold from 73m
  - 3m @ 12.9g/t gold from 38m
  - 3m @ 8.5g/t gold from 58m
  - 2m @ 13.5g/t gold from 89m
- Earn-in agreement reached with TSX listed company Angkor Gold Corp. (TSXV: ANK) over its Koan Nheak exploration licence covering 189km<sup>2</sup> located 50 kilometres north-east of the Okvau Gold Project, whereby Emerald may earn up to an 80% interest
- Koan Nheak covers multiple diorite intrusions with strong gold-in-stream sediment anomalies and grab samples to 33g/t gold in previous work completed by Angkor (refer Appendix One for details). No drilling has ever been undertaken
- Emerald granted a new exploration licence covering 75km<sup>2</sup> of prospective, unexplored ground located 40 kilometres south-west of Okvau Gold Project
- Debt financing proposals received from a number of International financiers. Proposals provide for a significant portion of the Okvau Gold Project development costs to be debt funded, thereby limiting potential equity dilution
- Emerald expects to mandate preferred financier(s) in the coming weeks
- Emerald remains well funded with cash reserves in excess of A\$8M to continue to de-risk the Okvau Gold Project and undertake exploration drilling in order to add shareholder value and realise the attractive economics of the Okvau Gold Project

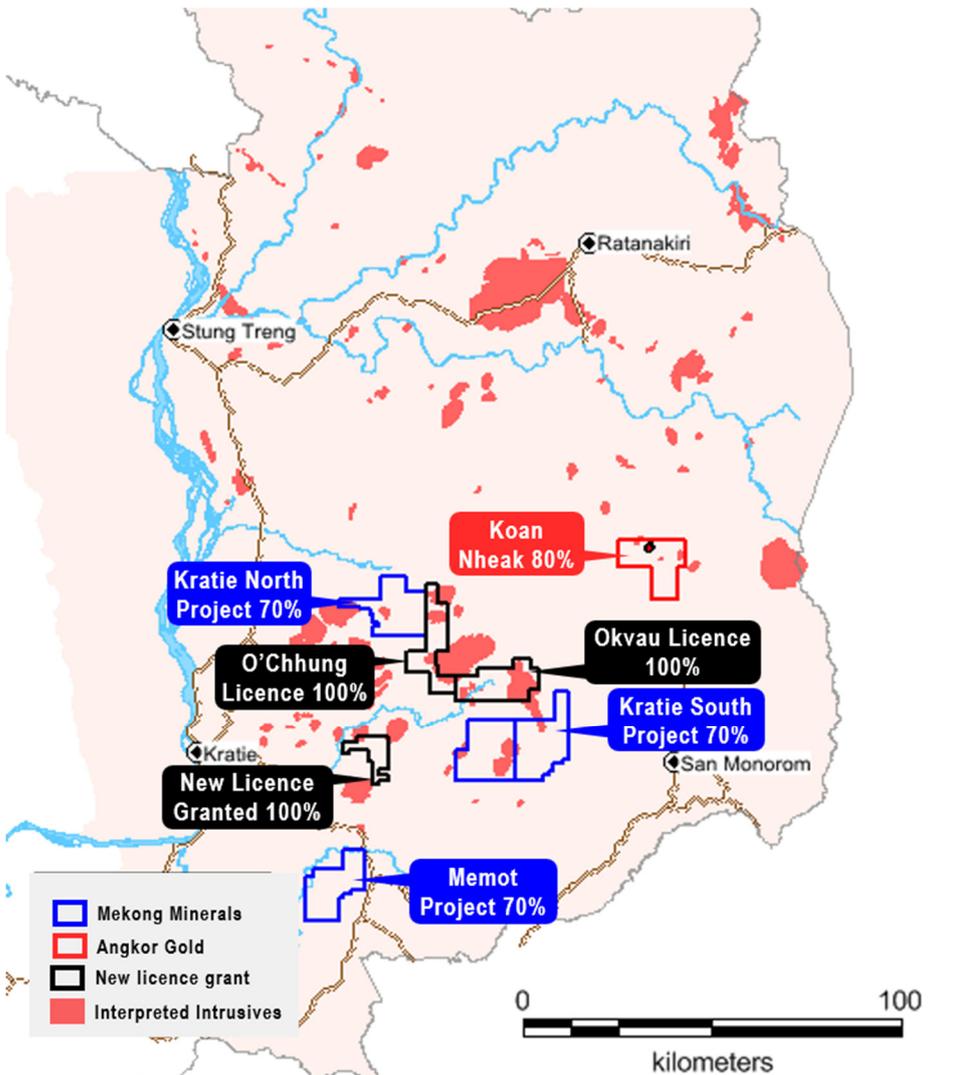
**Emerald Resources NL** (ASX: EMR) ('Emerald') is pleased to provide an update on the permitting and funding from the development of its 100% owned Okvau Gold Project and to announce that it has reached agreements to earn-in to five additional exploration licences covering a combined area of 1,050km<sup>2</sup>, prospective for large scale Intrusive Related Gold systems. All five of the licence areas are in close proximity to the Okvau Gold Project, as shown in Figure One. In addition, Emerald has been notified by the Cambodian Ministry of Mines & Energy that its application for 75km<sup>2</sup> of unexplored vacant land located 40 kilometres to the south-west of the Okvau Gold Project, has been successful. The earn-in agreements, along with the new exploration licence granted, will increase Emerald's ground position in Eastern Cambodia from 374km<sup>2</sup> to 1,500km<sup>2</sup>.

Australian based unlisted company, Mekong Minerals Ltd ('Mekong Minerals'), holds the rights to four exploration licences in Cambodia covering three projects ('Mekong Projects'); the 'Kratie South Project' (two exploration licences), the 'Kratie North Project' and the 'Memot Project'. The Mekong Projects cover a combined area of 861km<sup>2</sup>. Historical drilling undertaken at the Mekong Projects has returned highly encouraging gold results which indicate the potential for significant gold discoveries, in close proximity to Emerald's Okvau Gold Deposit.

Under a binding term sheet signed with Mekong Minerals, Emerald has the ability to earn up to a 70% interest in each of the Mekong Projects (refer 'Mekong Earn-In and Joint Venture Terms' below).

Angkor Gold Corp. ('Angkor'), a TSX listed company, holds the rights to 100% of the 'Koan Nheak Project' covering an area of 189km<sup>2</sup>. The Koan Nheak Project has been subject to limited historical exploration with past work comprising of geophysics (magnetics and IP surveys) and some surface sampling (termite mound sampling and stream sediment sampling), which has defined a number of gold and multi-element anomalies. No historical drilling has been undertaken at the Koan Nheak Project. Emerald and Angkor have entered into Earn-In Agreement whereby Emerald has the ability to earn up to an 80% interest in the Koan Nheak Project (refer 'Angkor Earn-In Agreement Terms' below).

**Figure One | Project Locations**



## Okvau Gold Project Development Update

### Development Financing

Emerald has received indicative debt financing proposals from a number of well-regarded International mining project financiers. The financing proposals provide for the debt funding of a significant portion of the Okvau Gold Project development costs thereby limiting potential equity dilution to existing shareholders.

Emerald expects to mandate the preferred debt financier(s) in the coming weeks to allow for completion of technical due diligence, final lender approvals and documentation.

### Development Permitting

As previously advised, Emerald has submitted to the Ministry of Mines & Energy of Cambodia an application for an Industrial Mining Licence over an area of approximately 11 km<sup>2</sup> within the existing Okvau Exploration Licence. Emerald continues to have positive discussion with the Ministry of Mines & Energy and understands that the application for the Industrial Mining Licence is well advanced and is confident of it being granted shortly following environmental approval of the Okvau Gold Project.

A comprehensive Environment & Social Impact Assessment ('ESIA') has been submitted to the Ministry of Environment for approval. The ESIA has undergone a number of revisions following numerous workshops with the Ministry of Environment. The ESIA is now in its final form and Emerald negotiating the terms and conditions of the environmental approval (the 'Environmental Contract') which will then allow for the ESIA and Environmental Contract to be presented to the Minister of Environment for approval.

In addition, Emerald is in discussions with the Royal Government of Cambodia regarding the negotiation of a Mineral Investment Agreement to provide all stakeholders long term certainty regarding the operation of the Okvau Gold Project and the fiscal regime.

Emerald is confident all the key elements of the approvals and material licences will be in place by 3rd Quarter of 2017 and not hinder the development of the project scheduled to commence towards the end of the 4th Quarter 2017.

### New Exploration Earn-In and Joint Venture Agreements

#### Mekong Minerals Agreement

Mekong currently holds an interest in four exploration licences covering; the 'Kratie South Project' (two exploration licences), the 'Kratie North Project' and the 'Memot Project'. The two licences covering the Kratie South Project require the completion of an 'exploration environmental impact assessment' to be approved by the Cambodian Ministry of Environment.

#### Kratie South Project

The Kratie South Project displays similar mineralisation characteristics to Emerald's 1.1 Moz Okvau Gold Deposit (refer Appendix Two) and is located just 15 kilometres to the south of the Okvau deposit.

Systematic soil sampling has been completed within the Kratie South Project area, principally over mapped and interpreted intrusives and associated alteration haloes with the aim of identifying near surface gold and base metal mineralisation. Although relatively shallow style soils sampling, the work seems to have highlighted several mineralised systems well.

Within the western licence of the two exploration licences that make up the Kratie South Project, airborne magnetics have identified two areas of interpreted intrusive with hornfels alteration haloes (refer Figure Two). The two prospect areas identified are the 'Preak Khlong NW Prospect' and the 'Gossan Prospect'. At the Preak Khlong NW Prospect, a 100 metre wide alteration zone hosts a consistent gold mineralised corridor with a thickness of 10 to 30 metres. A total of 7 RC holes and 6 diamond holes have been drilled at the Preak Khlong Prospect which returned highly encouraging results. Significant results (+10 gram metre) included (refer Appendix One for complete results):

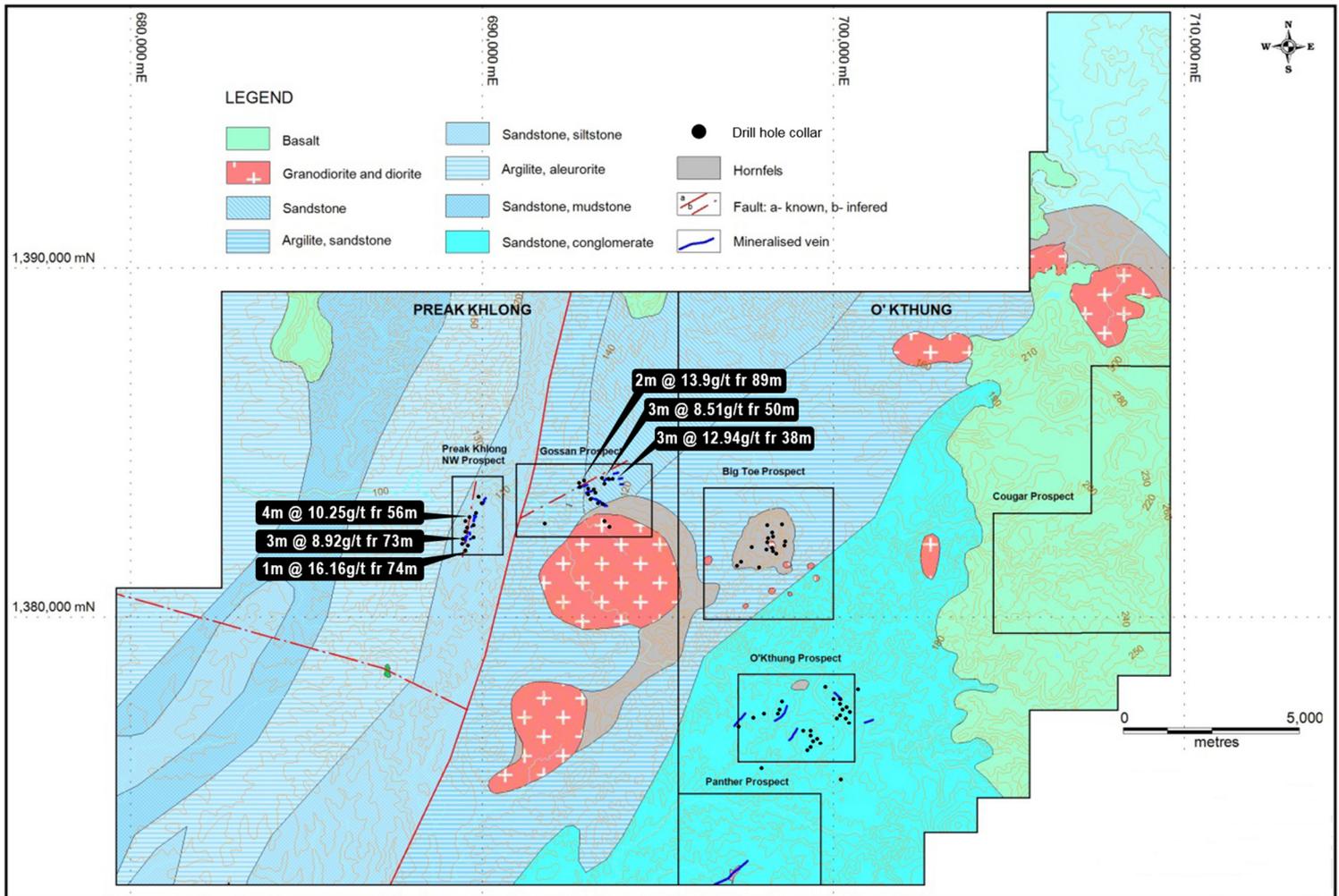
- 1m @ 16.16g/t gold from 74m (RC09-PKL-001)
- 3m @ 8.92g/t gold from 73m (DD10-PKL-002)
- 4m @ 10.25g/t gold from 56m (DD11-PKL-006)

Artisanal workings at the Gossan Prospect contain quartz-galena-pyrite veins. Sections of the area have a well formed laterite cover which was previously mapped as gossanous material, hence the name of the prospect. A total of 17 diamond holes have been drilled at the Gossan Prospect. Significant results (+10 gram metre) included (refer Appendix One for complete results):

- 3m @ 12.94g/t gold from 38m (DD10GSN003A)
- 3m @ 8.51g/t gold form 58m (DD11GSN009)
- 2m @ 13.49g/t gold from 89m (DD11GSN015)

Within the eastern of the two exploration licences that make up the Kratie South Project, soil sampling has identified several north east trending zones with anomalous gold plus silver, copper, lead, zinc and arsenic (refer Figure Two). A gold-in-soil anomaly delineated at the 'O'Khtung SE Prospect' extends for an area of 800 metres x 100 metres. A gold-in-soil anomaly at the 'Big Toe Prospect' extends for an area of 950 metres x 300 metres. A total of 19 diamond holes and 3 RC holes have been drilled in these areas which returned anomalous but not significant gold results. This drilling was based almost solely on soil geochemistry rather than geological structural mapping and interpretation. Emerald believes its geological understanding of the region will provide valuable insight into future exploration and drilling programs. In addition a high priority gold anomaly has been detected at the 'Panther Prospect' which remains 'open'. No drilling has been undertaken on this prospect.

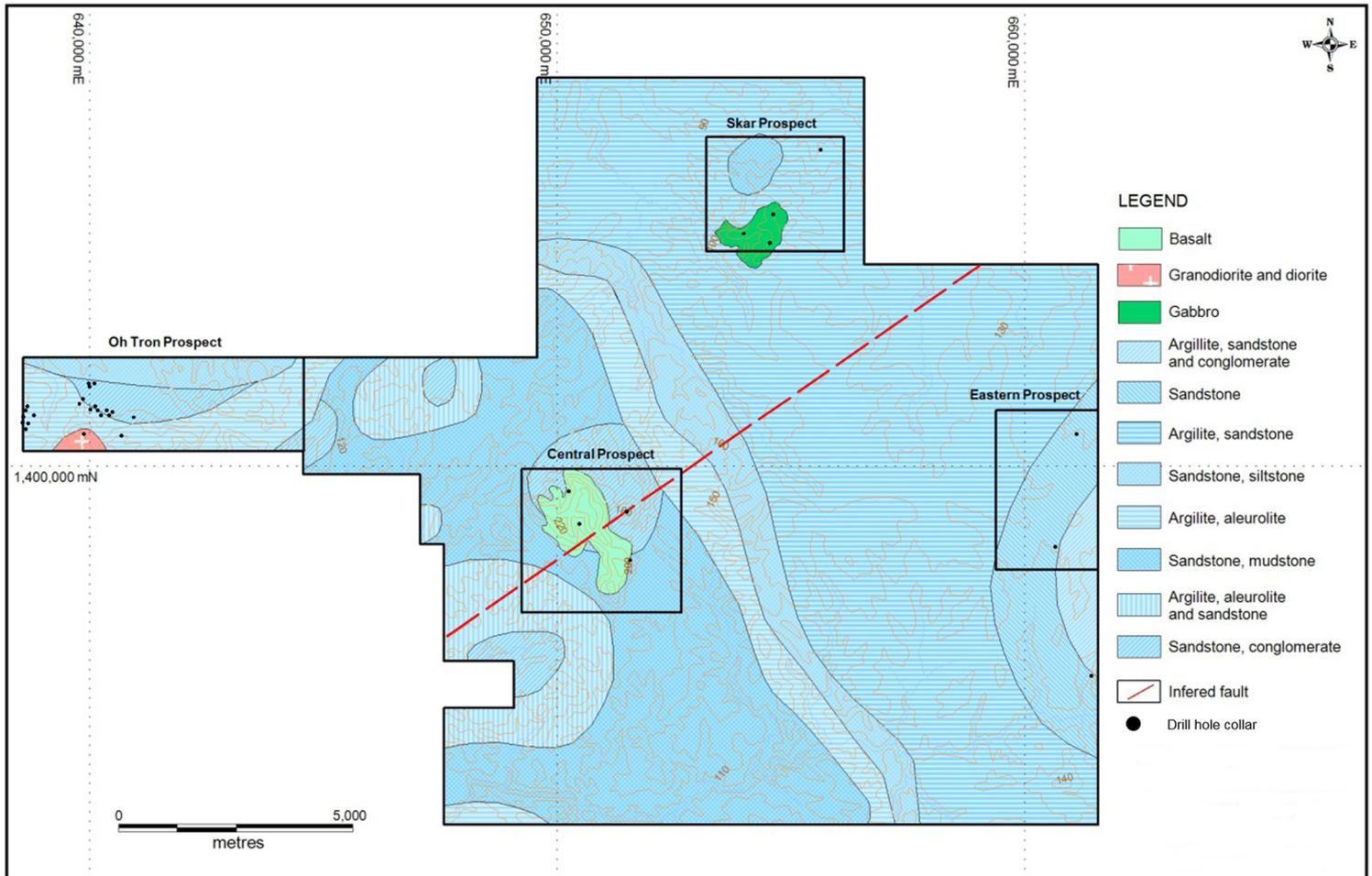
**Figure Two | Kratie South Project Geology**



### Kratie North Project

The Kratie North Project is located almost immediately to the west of Emerald's 100% owned O'Chhung exploration licence and 35 kilometres from the Okvau deposit. A high resolution airborne magnetic and radiometric survey has previously been undertaken over the area which assisted Mekong Minerals in mapping several probable intrusive bodies with surrounding hornfels haloes. A total of 41 RC holes have been drilled within the Kratie North Project area and did not return any significant gold results. However, this drilling predominately targeted base metals prospectivity with limited work targeting potential gold mineralisation.

**Figure Three | Mekong's Kratie North Project Geology**

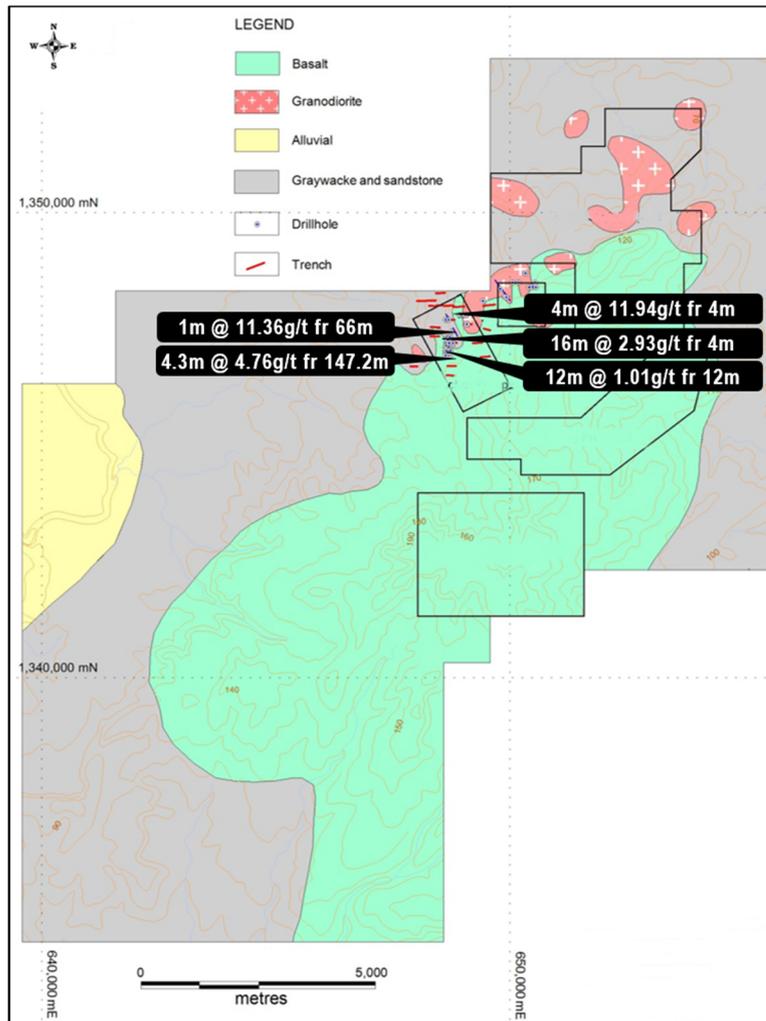


### Memot Project

The Memot Project is located approximately 70 kilometres to the south-west of Emerald's Okvau Gold Deposit. Airborne magnetic data indicates the project area contains at least six intrusives with associated hornfels alteration haloes. Gold occurrences within the licence area are associated with a series of north-west striking sulphide rich altered veins with a cluster of diorite intrusions (refer Figure Four). A total of 10 RC holes and 37 diamond holes have been drilled within the project area. This historical drilling returned encouraging results and, in Emerald's view, have not be adequately tested. Significant results (+10 gram metre) included (refer Appendix One for complete results):

- 4m @ 11.94g/t gold from 4m (SNRC002)
- 16m @ 2.93g/t gold form 4m (SNRC009)
- 12m @ 1.01g/t gold from 12m (SNRC010)
- 1m @ 11.36g/t gold from 66m (DD09ANC013)
- 4.3m @ 4.76g/t gold from 147.2m (DD10ANC025)

**Figure Four | Mekong's Memot Project Geology**



### Mekong Earn In and Joint Venture Terms

Under a pre-existing agreement between Mekong Minerals and Southern Gold Ltd ("Southern Gold"), Southern Gold holds a 15% interest in the Mekong Projects which is free carried to completion of a Definitive Feasibility Study. Southern Gold also holds a 2% gross royalty capped to US\$11 million and 1% gross royalty thereafter across all the Mekong Projects. Southern Gold has consented in principal to the term sheet between Emerald and Mekong Minerals.

Emerald and Mekong Minerals have entered into a binding term sheet whereby:

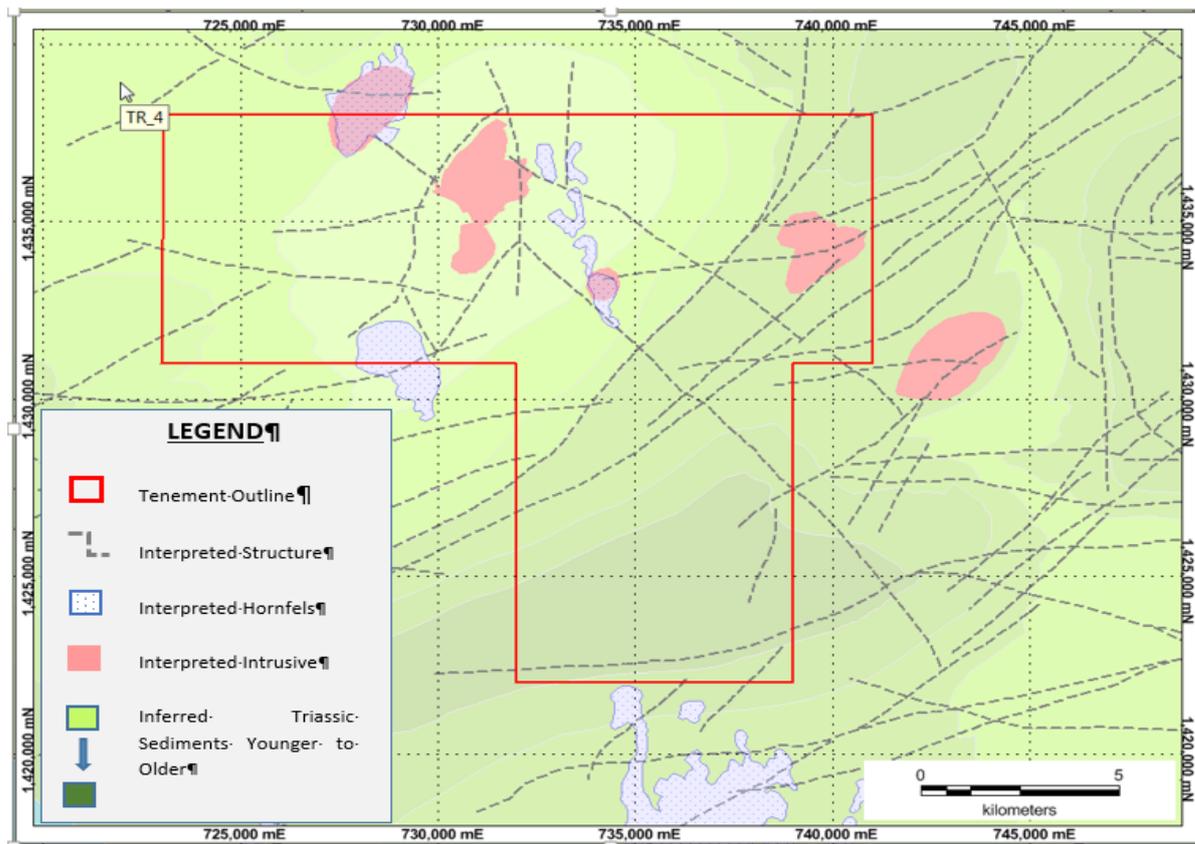
- Southern Gold's existing 15% interest will be maintained;
- Emerald to assume responsibility for the completion of the exploration environmental impact assessment on the Kratie South Project;
- Emerald has the right to withdraw any of the exploration licences from the Earn-in & Joint Venture at any time;
- Emerald is to sole fund US\$0.5 million of exploration expenditure on each of the exploration licences within the initial 2 years to earn an effective interest of 20%;
- Emerald is then to sole fund a further US\$1.0 million of exploration expenditure on each of the exploration licences over the following 2 years, to increase its effective interest to 51%;
- Upon Emerald earning an effective 51% interest, Mekong Minerals may elect to either contribute to maintain its interest of 34% (Southern Gold remains free carried for 15%) or not contribute and be free carried to completion of a DFS for a 15% interest;
- If Mekong Minerals has not elected to contribute, Emerald will earn an effective interest of 70% upon completion of a DFS;
- Emerald will be the Manager;
- The binding term sheet with Mekong Minerals is conditional upon legal due diligence to Emerald's satisfaction, finalisation of a formal Earn-In & Joint Venture Agreement (which is to be in a form satisfactory to Southern Gold) and approval of the Earn-In & Joint Venture by Cambodian Ministry of Mines and Energy.

## Angkor Gold Earn-In Agreement

### Koan Nheak Project

The Koan Nheak Project approximately 50 kilometres north-east of Emerald's 100% owned Okvau Gold Project, in the north-east of the Mondulkiri Province. The Koan Nheak Project area covers three prospects of interest: Peacock in the west, centred on a diorite intrusive which is surrounded by multiple stream sediment geochemical anomalies; East Ring in the east, centred on a very much smaller diorite with strong anomalous gold found in a stream sediment survey; and Straddle in the south, where two contiguous arsenic anomalies occur in the stream sediment survey (refer Figure Five). Numerous sulphide-rich quartz veins have been mapped within the licence area, with field grab samples returning up to 33.2 g/t gold. Rock chip sampling undertaken by Emerald as part of its field review of the Koan Nheak Project returned up to 10g/t gold.

**Figure Five | Angkor's Koan Nheak Project Geology**



### Angkor Earn In Agreement Terms

Emerald and Angkor have entered into Earn-In Agreement covering the Koan Nheak Project whereby Emerald has the ability to earn an 80% on the following terms:

- Emerald can elect to acquire a 51% interest, by sole funding US\$2.0 million in exploration by no later than 1<sup>st</sup> March 2020 and by making a cash payment of US\$0.2 million on or before 1<sup>st</sup> March 2020. Emerald must spend a minimum of US\$0.5 million within the initial 12 months of the Earn-In Agreement before it has the right to withdraw;
- Emerald may then increase its interest to 80% by sole funding the completion of a Definitive Feasibility Study. Emerald must complete the Definitive Feasibility Study by 7<sup>th</sup> March 2022;
- Upon Emerald earning an 80% interest, Angkor may elect to continue to hold a 20% participating interest or to convert its 20% participating interest into a 3.5% Net Smelter Royalty ('NSR');
- If Angkor elects to convert its participating interest to a 3.5% NSR, Emerald may (at its sole discretion) at any time purchase back 1.0% of the NSR (to reduce the NSR to 2.5%) for a payment of US\$1.5 million and then a further 0.5% of the NSR (to reduce NSR to 2.0%) for a further payment of US\$1.5 million;
- Should Angkor choose to hold its 20% participating interest and not convert to a NSR, Emerald shall continue to fund Angkor's 20% share of costs which would be repaid by Angkor from future revenue derived from the Project;
- Emerald will be the 'Manager' of the Koan Nheak Project; and
- The Earn-In Agreement is subject to the approval of the Cambodian Ministry of Mines and Energy.

## About Cambodia

Cambodia is a constitutional monarchy with a constitution providing for a multi-party democracy. The population of Cambodia is approximately 14 million. The Royal Government of Cambodia, formed on the basis of elections internationally recognised as free and fair, was established in 1993. Elections are held every five (5) years with the last election held in July 2013.

Cambodia has a relatively open trading regime and joined the World Trade Organisation in 2004. The government's adherence to the global market, freedom from exchange controls and unrestricted capital movement makes Cambodia one of the most business friendly countries in the region.

The Cambodian Government has implemented a strategy to create an appropriate investment environment to attract foreign companies, particularly in the mining industry. Cambodia has a modern and transparent mining code and the government is supportive of foreign investment particularly in mining and exploration to help realise the value of its potential mineral value.

Detailed information on all aspects of Emeralds' projects can be found on the Company's website [www.emeraldresources.com.au](http://www.emeraldresources.com.au).

For further information please contact  
Emerald Resources NL  
Morgan Hart  
Managing Director

Emerald Resources NL  
Justin Tremain  
Executive Director

### **Forward Looking Statement**

This announcement contains certain forward looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about the industry in which Emerald Resources operates, and beliefs and assumptions regarding the Company's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known or unknown risks, uncertainties and other factors, some of which are beyond the control of the Company, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, which reflect the view of Emerald Resources only as of the date of this announcement. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Emerald Resources will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

This announcement has been prepared in compliance with the current JORC Code 2012 Edition and the ASX listing Rules. All material assumptions on which the forecast financial information is based have been included in this announcement.

The Company believes that it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any production targets and financial estimates, based on the information contained in this announcement.

### **Competent Persons Statements**

The information in this report that relates to Exploration Results is based on information compiled by Mr Craig Johnson, who is an employee to the Company and who is a Member of The Australasian Institute of Geoscientists. Mr Craig Johnson has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Craig Johnson has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

The information in this report that relates to the Mineral Resources for the Okvau Gold Deposit was prepared by EGRM Consulting Pty Ltd, Mr Brett Gossage, who is a consultant to the Company, who is a Member of the Australasian Institute of Mining & Metallurgy (AIMM), and has sufficient experience 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 by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Gossage has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

Information in this announcement that relates to Ore Reserves for the Okvau Gold Deposit is based on, and fairly represents, information and supporting documentation prepared by Mr Glenn Williamson, an independent specialist mining consultant. Mr Williamson is a Fellow of the Australasian Institute of Mining & Metallurgy. Mr Williamson 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 (or "CP") as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Williamson has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

**Appendix One | Historical Drill Hole Results - Mekong Projects**

Hole Name	Easting	Northing	RL	Azi	Dip	End Depth (m)	Intersection			Gold (g/t)
							From (m)	To (m)	Interval (m)	
<b><u>Kratie South Project</u></b>										
RC09-PKL-001	689568	1382301	118	264	-65	105	74	75	1	16.16
DD10-PKL-002	689547	1382200	126	294	-65	201	69	70	1	1.37
							73	76	3	8.92
DD10-PKL-004	689650	1382370	133	305	-66.5	200	190	191	1	1.29
DD11-PKL-006	689543	1382255	127	305	-66.5	259	22	23	1	1.00
							56	60	4	10.25
							64	65	1	3.76
DD10GSN002	693600	1383920	117	0	-65	110	88	90	2	1.44
DD10GSN003A	693465	1383207	118	30	-60	55	38	41	3	12.94
DD10GSN004	693400	1383195	121	34	-66	200	74	76	2	2.83
DD11GSN006	693554	1383909	118	34	-65	201	130	132	2	2.82
DD11GSN010	692847	1383707	116	356	-60	71	55	57	2	2.87
DD11GSN015	692960	1383707	113	355	-60	100	89	91	2	13.49
<b><u>Kratie North Project</u></b>										
RC10HTN011A	649707	1421102	105	90	-60	54	46	48	2	1.30
RC10HTN015	648816	142302	115	90	-60	80	15	16	1	1.48
<b><u>Memot Project</u></b>										
SNRC002	649050	1347800	83	90	-60	50	4	8	4	11.94
SNRC006	649101	1347599	77	90	-60	50	12	16	4	1.25
SNRC009	648695	1347196	78	90	-60	50	4	20	16	2.93
SNRC010	648777	1347199	83	90	-60	50	12	24	12	1.01
DD09ANC011	648630	1347200	83	96	-60	128	33	34	1	1.49
							49	50	1	9.09
							57	58	1	1.41
DD09ANC012	648757	1347197	79	96	-62	100	57	58	1	1.04
DD09ANC013	648659	1347150	81	94	-60	75	45	66	1	1.02
							46	67	1	11.36
DD10ANC025	648629	1347148	86	90	-60	251	147.2	151.5	4.3	4.76
DD10ANC024	648763	1347150	90	90	-60	100	37	38	1	4.02
DD09ANC017	648918	1347802	67	90	-65	138	62	63	1	1.37
							98	99	1	2.24

## Appendix Two | Okvau Resource and Reserve Estimate

### Okvau Mineral Resource Estimate

Okvau Mineral Resource Estimate									
Indicated Resource				Inferred Resource			Total Resource		
Cut-off (Au g/t)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
0.70	15.11	2.08	1,008	2.57	1.61	133	17.68	2.01	1,141

### Okvau Ore Reserve Estimate

Okvau Ore Reserve Estimate			
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
Probable Ore Reserve	14.26	1.98g/t	907

## Appendix Three | JORC Code, 2012 Edition | 'Table 1' Report

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Historical drilling results in this ASX release refer to historical drilling records from Mekong Minerals Ltd</li> <li>Historical diamond drilling sampling was conducted on intervals determined by the geologist at the time corresponding to visually interpreted mineralised intervals at the time of sampling. No specific information is available for the sub sampling methodology used to generate samples for laboratory submission. Retention of sample as a geological record cannot be verified.</li> <li>Historical RC drilling samples were through a cyclone on a 1 metre basis. The specific sub-sampling equipment utilised is not known and therefore representivity is not known.</li> <li>Emerald undertook field investigations to confirm collar locations and evidence of work areas on the Kratie South Project where possible. The findings of this field investigation corresponded well with the reported works.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>A combination of RC and diamond drilling has been reported on information derived from Mekong Minerals statutory reporting to the Cambodian Mines and Energy Department. The diamond core hole and RC hole diameter is unknown</li> <li>It is unknown at this stage if orientation surveys were undertaken.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>The drilling results relate to historical sampling results. Drill recoveries are not known.</li> <li>It is not possible to confirm the relationship between sample recovery and grade.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>All RC chips and diamond core was routinely logged (qualitatively) by a geologist. Emerald cannot verify the detail and full scope of this logging from the available reports.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>The data available to Emerald is such that Emerald cannot reliably confirm that the historical RC samples were dry and free of free of significant contamination. Emerald cannot specifically confirm that the RC drilling results have not been compromised due to excessive moisture of contaminationsture.</li> <li>The data available is such that Emerald cannot reliably confirm the specific subsampling techniques and sample preparation used to generate samples to be sent for assay. It is not known whether a subsample was retained as a geological record.</li> <li>No review of historic sampling practices has been completed nor was possible from the data available to Emerald for this announcement</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>Drill samples for the historical results were sent to laboratories including McPhar Geoservices (Philippines), ALS (Lao) and Intertek (China and Philippines). The specific assay methods and specific assay laboratories used for the specific drill samples is not known.</li> <li>Adherence to appropriate sample preparation and analytical quality control programmes cannot be verified. Adherence to industry standard QAQC protocols for the historical sampling and assays cannot be verified.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Historical sampling and assay verification processes are unknown.</li> <li>No sample recording procedures are known for reported data from historic drilling. Currently supplied data is in pdf format. Data is currently being migrated to Emerald's database.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> </ul>	<ul style="list-style-type: none"> <li>Survey methods for historic drilling are unreported and Emerald intends to complete handheld GPS survey pick up for historic drilling where collars can be located to verify the survey accuracy</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Quality and adequacy of topographic control.</li> </ul>	
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Given the early stage of exploration there is no regular drill spacing</li> <li>Current drill spacing is inadequate to establish geological and grade continuity required for estimation of resources</li> <li>No compositing has been applied</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Due to the early stage of exploration, determination of true widths and definition of mineralised directions encountered in drilling is not always possible.</li> <li>Drilling has been done at various orientations</li> <li>The risk of significant sampling orientation bias is not known at this time.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>No information is available regarding sample security procedures for the historical drilling results reported</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No review has been completed due to data availability for historical drilling.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section).

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The Mekong Projects area comprised of four exploration licences: the Preak Khlong Exploration Licence, the O'Khtung Exploration Licence, the Snoul Exploration Licence and the Phnum Khtong Exploration Licence. All are held in the name of Mekong Minerals (Cambodia) Limited</li> <li>The tenure is considered to be secure.</li> <li>Emerald has entered into a binding term sheet with Mekong Minerals to enter into a earn-in and joint venture agreement covering the Mekong Projects</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Exploration completed by previous explorers; Mekong Minerals Ltd and Southern Gold Ltd has included soil sampling, geophysical data collection and drilling. This announcement concerns historical exploration results generated by these previous explorers and require verification by Emerald.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>Gold occurrences within the Mekong Projects are interpreted as an "intrusion-related gold mineralisation". Mineralisation is hosted mostly in Cretaceous age intrusions and, to a lesser extent, in surrounding hornfels (metamorphosed, fine-grained clastic sediments). Gold mineralization is typically hosted within a complex array of sulphide veins.</li> <li>Mineralisation is structurally controlled and mostly confined to the diorite.</li> <li>The Cretaceous-aged intrusions in eastern Cambodia are believed to be related to an ancient subduction zone that was located to the east, off the coast of current Vietnam.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:             <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>A summary of all drilling results and details are shown in Appendix One</li> <li>Only intercepts with a minimum width of 3 metres at a 0.5g/t gold cut-off and intercepts with a width less than 3 metres at 1.0g/t gold cut-off are considered significant and reported in Appendix One.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Significant drill intercepts are reported at a 0.5g/t Au cut-off grade, with a maximum internal dilution of 4m (in a single zone of waste). A weighted average grade is calculated as the sum of the products of sample length and grade for each sample in the relevant interval, divided by the total length of the interval.</li> <li>No high grade top cuts have been applied.</li> <li>No rounding has been applied.</li> <li>All results reported are gold only</li> </ul>

Criteria	Explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>• All reported intersections are down hole lengths. True widths are unknown and vary depending on the orientation of target structures</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to, a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate maps are included in the body of this release.</li> <li>• They are restricted to plan maps. As work completed by Emerald progresses and geological models are developed and drilling verified, prospect scale details and sections will be generated.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>• All significant drilling results being intersections with a minimum width of 3 metres at a cut-off of 0.5g/t gold and intercepts with a width of less than 3 metres at 1.0g/t gold cut-off are reported in Appendix One.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>• No other exploration data that has been collected is considered meaningful to this announcement.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>• Verification of historical drilling and compilation of the drill hole database from previous explorer is required. A geological model is to be constructed to provide context and direction for further exploration work.</li> <li>• Further exploration programs are to be considered and assessed.</li> </ul>