



ABN 53 117 086 745

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2022

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CORPORATE DIRECTORY

DIRECTORS

Andrew McIlwain, Non-executive Chairman
Rob Bills, Managing Director and CEO
Allan Trench, Non-executive Director
Alan Tate, Non-executive Director

COMPANY SECRETARY

Rodney Wheatley

REGISTERED OFFICE

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ERM

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22 Mitchell Street
Darwin NT 0807

BANKERS

National Australia Bank
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AUDITORS

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Nedlands WA 6009

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EMMERSON RESOURCES LIMITED

DIRECTORS' REPORT

The Directors of Emmerson Resources Limited and its controlled entities ("Company" or "Emmerson" or "consolidated entity") submit their report for the half-year ended 31 December 2022. 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 follows:

Andrew McIlwain, Non-executive Chairman

Rob Bills, Managing Director and Chief Executive Officer

Allan Trench, Non-executive Director

Alan Tate, Non-executive Director

REVIEW AND RESULTS OF OPERATIONS

Operating Results for the Half-year

The net loss for the half-year ended 31 December 2022 was \$685,669 compared to the half-year ended 31 December 2021 of \$758,593.

Total revenue and other income increased from \$63,997 in the half-year ended 31 December 2021 to \$205,919 for the half-year ended 31 December 2022, predominantly due to increased interest income earned and management and consulting fees received.

Expenses increased from \$822,590 in the half-year ended 31 December 2021 to \$891,588 for the half-year ended 31 December 2022, predominately due to an increase in Employee benefits expense as a result of higher employee head count.

Financial Position

Available cash at the end of the half-year was \$7,075,196 (30 June 2022: \$8,962,413).

Net assets and total equity at 31 December 2022 were \$25,011,201 (30 June 2022: \$25,589,582).

Cash and assets utilised by the Company for the period continued to be focused on exploration activities in Tennant Creek and New South Wales, consistent with the Company's business objectives. The Directors believe the Company is in a good financial position to continue its exploration endeavors.

REVIEW OF OPERATIONS

About Emmerson Resources – that has a track record of discovery plus an emerging gold royalty business.

Emmerson Resources Limited (Emmerson or the Company) continues to deliver to our strategy of:

- Discovering the next generation of copper, gold, cobalt and bismuth mineralisation through the application of innovative exploration utilising new technologies and systematic science-based exploration.
- Creating an emerging gold royalty business through advancing discoveries for inclusion in the Tennant Creek Mining joint venture.

Emmerson has a commanding land position in the Tennant Creek Mineral Field (TCMF), one of Australia's highest-grade gold and copper districts. The region has produced over 5.5Moz of gold and 470,000t of copper from deposits including Warrego, White Devil, Orlando, Gecko, Chariot and Golden Forty. Emmerson has added to this endowment with high-grade gold discoveries at Edna Beryl, Mauretania and more recently, at Golden Forty North. In addition, Emmerson has discovered high grade copper, gold, cobalt and bismuth at its 100% owned Hermitage project within the Northern Project Area (NPA). These discoveries are the first in the TCMF for over two decades.

The recent rush of new tenement applications by both major and junior explorers in TCMF not only highlights the prospectivity of the region for copper and gold but also to Emmerson's strategic 1,700km² land holding, and proprietary knowledge gained through focussed exploration activities in the field over the past 12 years.

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DIRECTORS' REPORT

Emmerson is also exploring across four early-stage gold-copper projects in NSW, identified (with our strategic alliance partner Kenex/Duke Exploration ASX:DEX) from the application of 2D and 3D predictive targeting models – aimed at increasing the probability of discovery. Duke can earn up to 10% (to pre BFS) of any project generated providing certain success milestones are met.

The highly prospective Macquarie Arc in NSW hosts more than 80Moz gold and 13Mt copper with these resources heavily weighted to areas of outcrop or limited cover. The Company's four exploration projects contain many attributes of the known deposits within the Macquarie Arc but remain underexplored due to historical impediments, including overlying cover (farmlands and younger rocks) and a lack of effective historic exploration.

The Company's view remains that discovery of new mineral deposits provides the best uplift in value for junior companies, which combined with an emerging royalty business provides a low-risk path to self-funding.

Our emerging gold royalty business in Tennant Creek, is underpinned by a strategic alliance with our partner, the Tennant Consolidated Mining Group (TCMG). Whereby TCMG have purchased a CIL mill and are scheduled to relocate it to the TCMF in 2023. This alliance consists of both Exploration (EEJV) and Mining Joint Ventures (SMJV), with the mining and processing within the JV areas undertaken by TCMG in return for Emmerson receiving a free carried, 6% royalty on production. Under the terms of the SMJV, the minimum production royalty is a guaranteed 6% of 60,000oz of gold or the equivalent cash payment of any shortfall at the expiration of the earn-in period.

Under the Exploration Joint ventures, Emmerson are the managers and operators and TCMG must complete exploration funding of \$10.5m over a five-year period across the Northern and Southern project areas (NPA and SPA) to earn a 75% interest.

In addition, Emmerson can earn a direct 40% equity interest in any major mine discovery within the JV areas (Major Mine discovery is defined as >250,000oz gold equivalent).

TCMG continue to finalise plans for the establishment of the centralised CIL mill at Nobles Nob, adjacent to the SPA at Tennant Creek (Figure 1). Once established, this mill will unlock the value contained across many of these stranded, high-grade gold deposits, including those currently subject to the SMJV which include: Chariot, Mauretania, Black Snake and Malbec West. Given the recent success in exploration, it is anticipated that over time more projects (and royalties) will be added to the SMJV.

TCMG are a privately owned gold and copper focused resource company that has also acquired tenements and projects from other parties in the TCMF. They intend to undertake detailed mining studies with the ultimate goal of developing a portfolio of resources that will provide feed to its centralised CIL processing facility in Tennant Creek.

DIRECTORS' REPORT

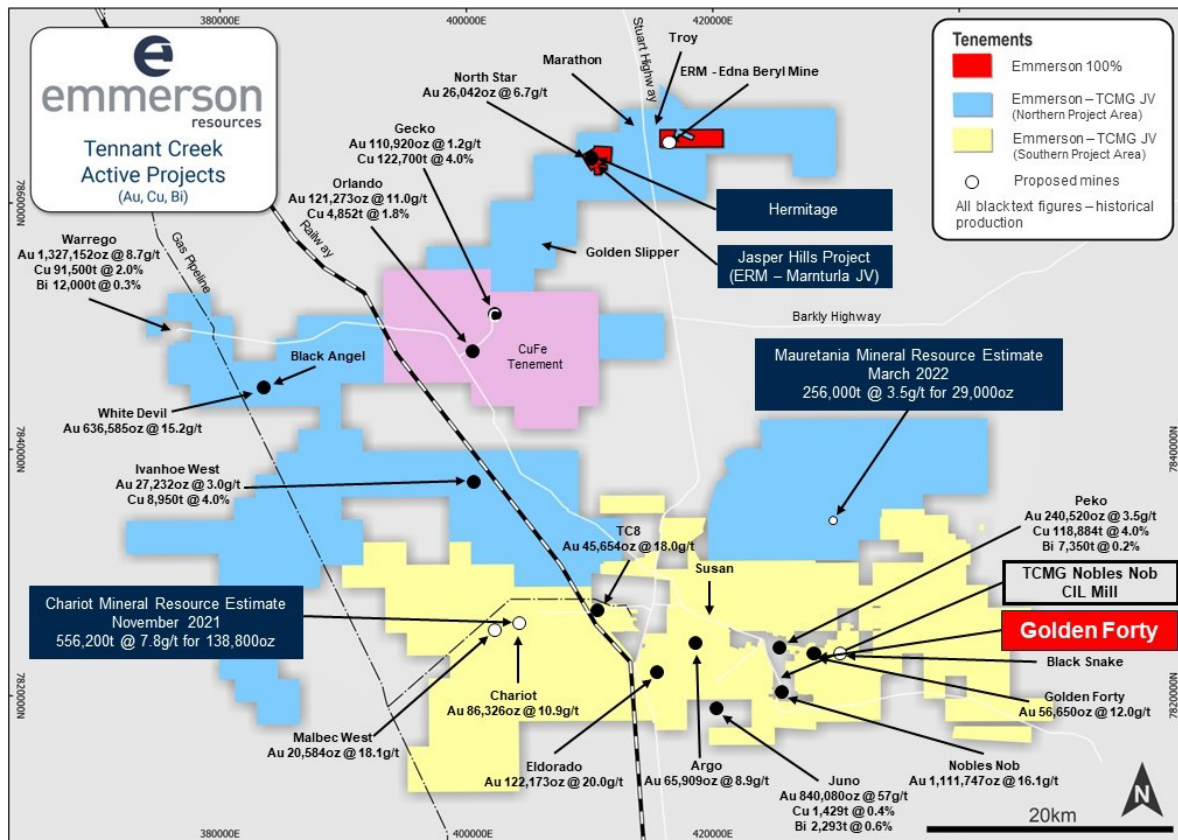


Figure 1: Map of the Emmerson Tennant Creek Project showing the Northern Project Area (NPA), and Southern Project Area (SPA), which is covered by the Exploration (EEJV) and Small Mines (SMJV). Yellow dots are potential small mines and/or remnant resources. Noting that Emmerson retains 100% of the Jasper Hills, Hermitage, North and Northern Star and Edna Beryl projects.

Note:

- Quoted production from major historical deposits after Ahmad, M. and Munson, T.J. (2013). *Geology and mineral resources of the Northern Territory, Special Publication 5*, p. 9:37.
- For Chariot mine and Malbec West mine, quoted production from *Giants Reef Mill Reconciled Production to end of month September 2005* (internal report).

HERMITAGE PROJECT (100% EMMERSON) – DISCOVERY OF HIGH-GRADE GOLD, COPPER, COBALT AND BISMUTH

Hermitage is one of a cluster of 100% Emmerson owned prospects on granted mining leases that occurs within the northern corridor at Tennant Creek. These prospects incorporate North Star, Jasper Hills, Katherine Star and Northern Star in mining lease (ML 30177) and, Edna Beryl Thrace, and Macedon in MLC705 (Figure 1).

The mineralisation encountered at Hermitage is hosted in multiple, east-west striking, structurally controlled, ironstone (hematite-magnetite) bodies that are steeply north plunging and remain open in all directions (Figures 2 & 3). The cross sectional (surface expression) of these tabular to pipeline ironstones are on scale with some of the major historical deposits in the TCMF. With the largest deposit being Warrego (1.5Moz gold and 173,000t copper) that has cross sectional dimensions of only 200m by 50m, but with significant down plunge continuity of over 600m.

The discovery RC drill hole (HERC003) at Hermitage intersected **116m at 3.4% copper and 0.88g/t gold** (ASX: 28 March 2022). This was followed up by an angled diamond drill hole (HERCDD010) which intersected **94.4m of 2.74% copper, 5.58g/t gold, 17.88g/t silver and 0.44% bismuth** including **21.6m at 25.9g/t gold, 74.89g/t silver, 4.11% copper and 1.83% bismuth, with some zones up to 0.33% cobalt** (ASX: 17 August 2022). The addition of cobalt and bismuth to the gold and copper adds to the inventory of future facing metals relevant to battery, superconductor, magnet, and 3D printing sectors.

EMMERSON RESOURCES LIMITED

DIRECTORS' REPORT

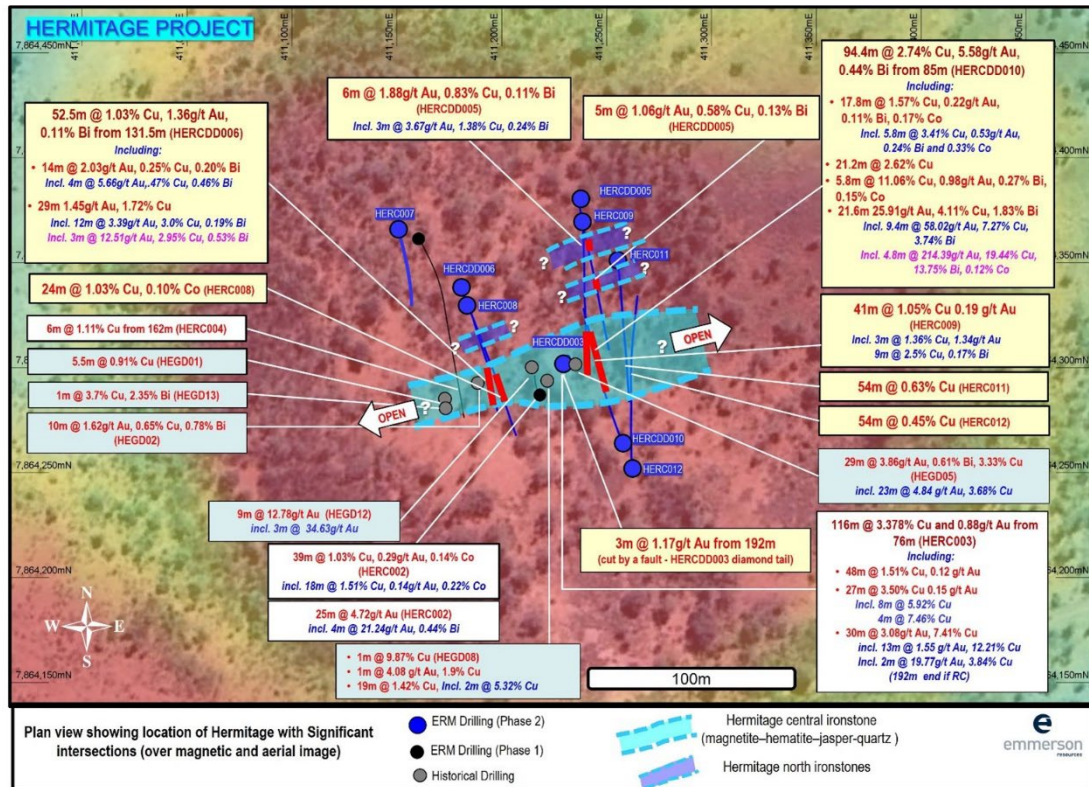


Figure 2: Phase 2 drill program at Hermitage with assay results (yellow call out boxes, ASX: 13 September 2022) plus phase 1 results (ASX: 8 December 2021- white call out boxes) and significant intersections from historical drilling (ASX: 26 October 2021 – light blue call out boxes)). Noting the known magnetite-hematite alteration (ironstone in light blue) bounded by the east-west shear zone (dark blue broken line) within the larger magnetic anomaly (red colour).

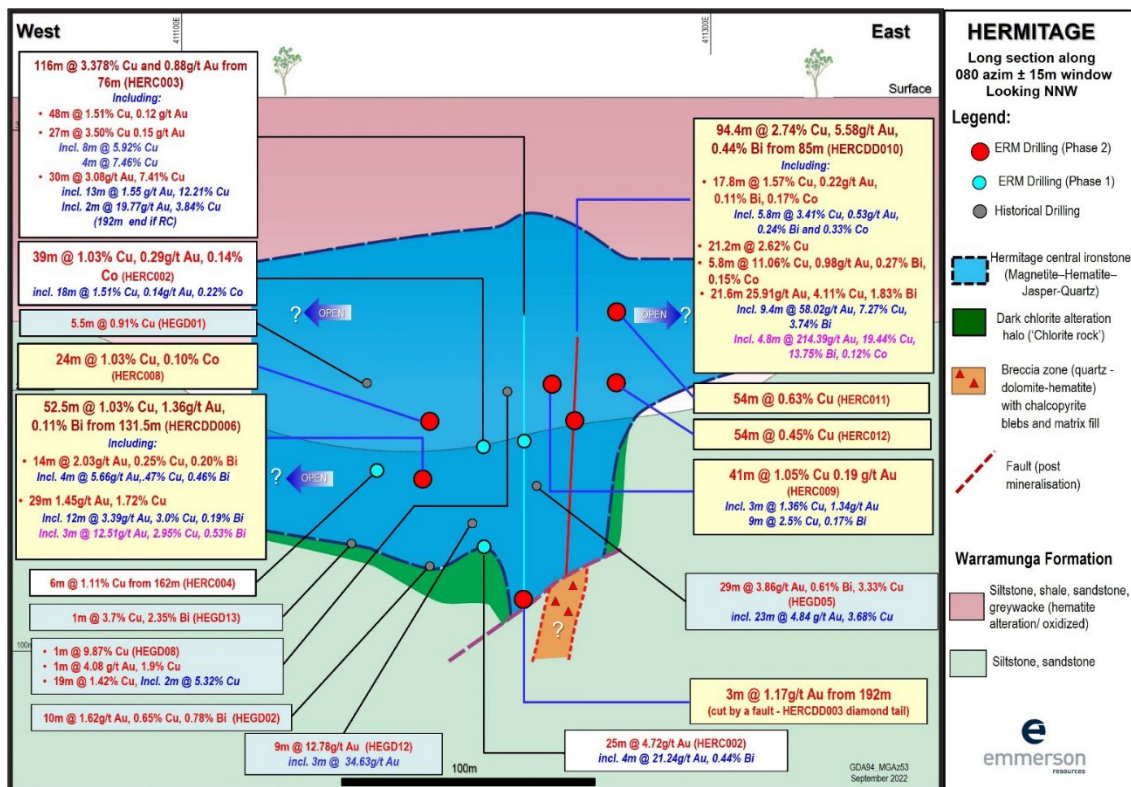


Figure 3: Long Section (looking north-northwest, within 30m wide corridor) showing the interpreted extent of the Central magnetite-hematite ironstone (IOCG in blue) that hosts the high-grade gold, copper, cobalt and bismuth mineralisation - plus drill hole pierce points(dots) and corresponding assay results (ASX: 13 September 2022).

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A downhole magnetic survey was completed in December 2022 to assist with detecting the down-plunge extent of the main ironstone and with planning the next stage of drilling.

This discovery has highlighted the potential for further such discoveries within the Northern Project where high-resolution drone surveys were completed just prior to the wet season and are currently being processed. The step change in Emmerson's discovery success of these deposit types comes from pioneering new technology and techniques. Emmerson's multi-disciplinary approach not only utilises new high resolution aeromagnetics but includes deployment of next generation ultra-fine geochemistry, ironstone fertility indices together with a deep understanding of the 3D structure, alteration and geology.

SOUTHERN PROJECT AREA (TCMG STRATEGIC ALLIANCE)

Golden Forty Project – Discovery of a new zone of high-grade gold

The Golden Forty (G40) project is located within the 100% Emmerson owned SPA where TCMG are earning an interest by funding the exploration (Figure 1).

The historic Golden Forty Mine briefly commenced production in 1938, however it was not until 1969 that full production from an underground operation was established. Mining was via a vertical shaft to a depth of 150m and from cross-cut development and open-hole stoping on four east-west levels. Production ceased abruptly when failing ground conditions and increased water ingress prevented the safe extraction of the remaining ore. The mine was decommissioned in 1983 due to these issues – not due to a lack of ore nor declining grades. The Golden Forty Mine produced 144,056 tonnes of ore at a recovered head grade of 11.9g/t gold between 1969 and 1983 (ASX: 1 September 2008).

Emmerson reviewed the potential of the area based on some exciting new results from the high resolution, magnetic data flown by our recent drone survey. The first round of drilling consisted of 20 reverse circulation (RC) and 6 diamond drill holes, totaling 4,500m that was completed in mid-October 2022 (Figure 4).

Drilling during the period targeted zones of new ironstone (magnetite-hematite) hosted gold mineralisation to the north and east of the historical workings. Some of the highlights from this new zone of mineralisation at Golden Forty North include (ASX: 17 November and 12 December 2022):

- Drill hole GFRC060 and GFRC063 intersected thick high-grade mineralisation ~50m north of the historic underground workings and returned:
 - **6m at 41.2g/t gold** from 120m including:
 - **4m at 60.6g/t gold** from 120m including **1m at 203.8g/t gold**
 - **28m at 28.3g/t gold** from 141m respectively including:
 - **9m at 84.6g/t gold and 1.14% bismuth** from 145m
 - **4m at 109g/t gold and 2.08% bismuth**

Assay results from the remaining RC (reverse circulation) and diamond drill holes, two of which were drilled at Golden Forty East (G40E) as part of the 2022 collaborative funding with the NTGS (under the NT Government Resourcing the Territory initiative), are expected back in late February to early March 2023.

In addition, work is underway with the CSIRO on refining the processing of the drone magnetics to better pinpoint potential targets at Golden Forty South - where the magnetic anomaly associated with the G40 Mine continues to the south but to date remains unexplained by the historic drilling (Figure 4). This project has been supported and awarded co-funding by the NTGS through the Geophysics and Drilling Collaboration and is pivotal to future drill testing of what is one of the largest magnetic anomalies in the TCMF.

DIRECTORS' REPORT

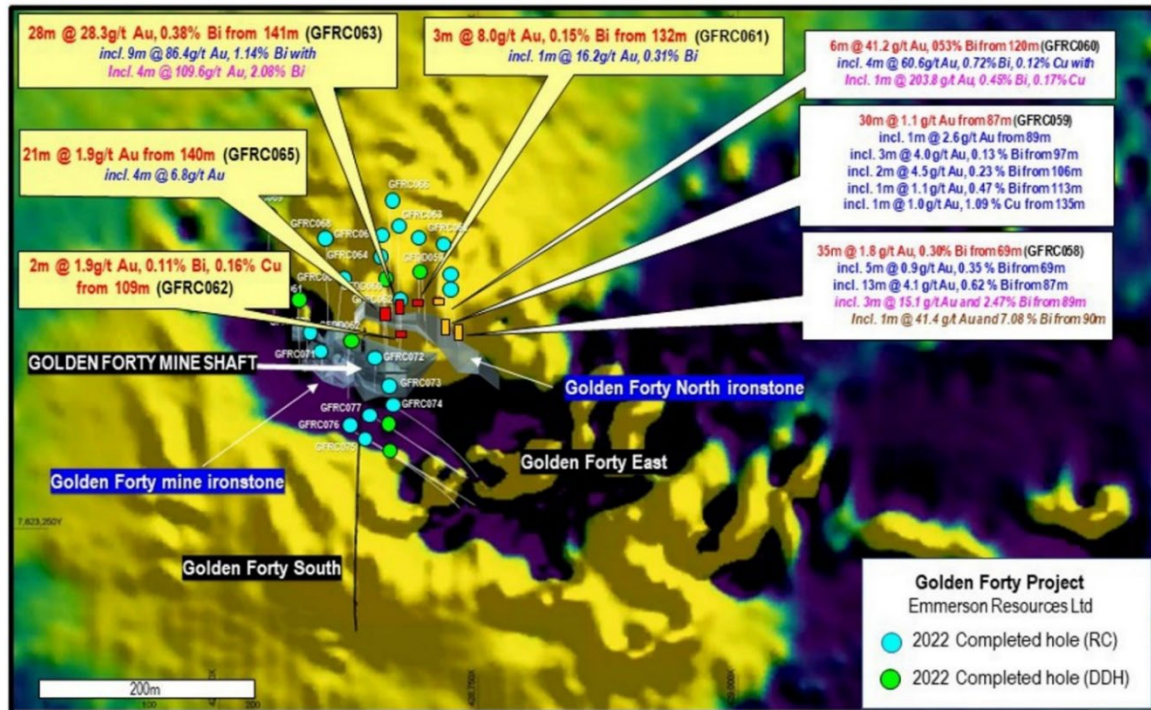


Figure 4: Position of recent high-grade gold assays (red bars) hosted by the magnetite-hematite (grey wireframe) The magnetic image (yellow) is from the new drone magnetic survey of the Golden Forty area. The assay results (call out boxes) and other collars are from the phase 1 drill program. Note the untested portion of the magnetic anomaly to the south (Golden Forty South).

Analytic and Traminer Project

The Analytic and Traminer projects are located along an undercover, structurally controlled, east-west trending corridor which historically is referred to as the “wine line”. This corridor is host to several high-grade gold mines and prospects which remain underexplored and where JV partner, TCMG is earning an interest by funding the exploration program.

A high-resolution drone magnetic survey was completed in late 2022 and data has been processed to enable refinement of drill targets. The survey indicated several untested ironstones (hematite-magnetite) which are the typical host to the high-grade gold and copper mineralisation (Figure 5).

An initial planned 1,700m, six drill hole program had to be cut short due to mechanical issues with the drill rig and the onset of the wet season.

Several historical holes at Analytic 1 attest to the potential for mineralisation, in particular ANRC001 which intersected **24m at 6.3g/t gold from 246m including 3m at 48.3g/t gold** (ASX: 15 December 2008) and ANRC004 which intersected **3m at 7.76g/t gold** from 225m (ASX: 4 June 2009).

Similarly, at the Traminer West and East projects anomalous gold and copper in surrounding historic drill holes indicates untested potential.

Resumption of drill testing of these targets is anticipated once access is restored (after the wet season) and drill contractors have been finalised.

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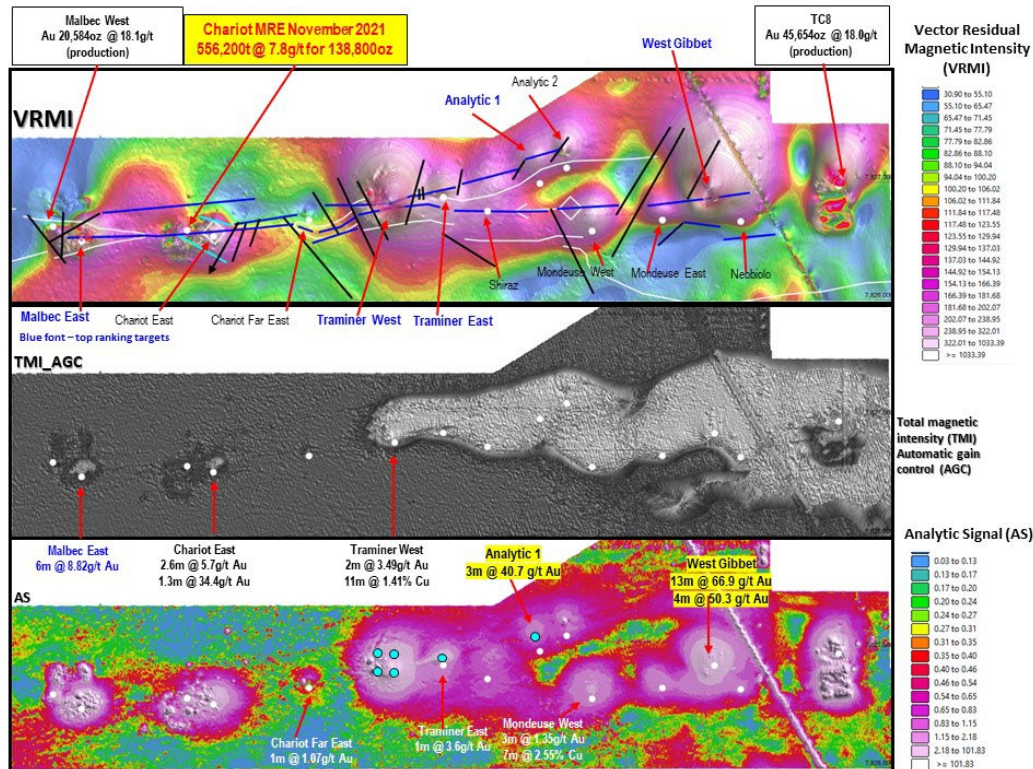


Figure 5: New drone magnetic images and prospects (white dots) within the Wine Line corridor. Also showing the interpreted structures.

Note: MRE for Chariot of 556,200t at 7.8g/t gold (ASX: 22 December 2021), resources quoted at Malbec West and TCS are based on historical production (Refer Figure 1 for reference). Significant intersections from historical drilling (ASX: 28 November 2013). Proposed holes in Analytic 1, Traminer East and Traminer West are shown as dots (cyan colour).

NEW SOUTH WALES GOLD-COPPER PROJECTS (FIGURE 6)

Kiola Project – High impact drilling for porphyry copper-gold

Emmerson's Kiola project is one of the highest ranked, early-stage gold-copper projects in the portfolio and is centered on the 15km² Kiola Geochemical Zone (KGZ) (Figure 6). It encompasses favourable Ordovician age rocks that display anomalously high gold and copper geochemistry, plus associated historic workings. Recent work has confirmed that the KGZ contains many of the attributes of world class porphyry gold-copper mineralisation and is divided into a northern area centered on the Nasdaq skarn and a southern area around the South Pole, Kiola and Right-Hand Creek mine.

Emmerson's multifaceted field program has included soil and rock chip geochemistry, with rock chip samples returning up to **19.6g/t gold and 2.16% copper** (ASX: 12 March 2020). It has also utilised aspects of the ARC Linkage project such as "green rock alteration" and age dating to refine the subsurface 3D model and provide vectors to the core of the copper and gold mineralisation. This has provided the framework for linking the surface geology and mineralisation within the 15km² KGZ to a unifying model at depth.

This recently developed 3D model derived from a large geophysical survey (MIMDAS) was a significant investment and has produced some very exciting results (ASX: 17 September 2021). The copper and gold prospects at the surface are now interpreted as part of a much larger, potentially mineralised system at depth, stretching over 5km from the Nasdaq Skarn in the north to the Yards prospect in the south (Figure 7).

The proposed 4,500m drill program is planned to commence in February 2023 having been delayed by the impacts of weather and COVID-19 restrictions.

EMMERSON RESOURCES LIMITED

DIRECTORS' REPORT

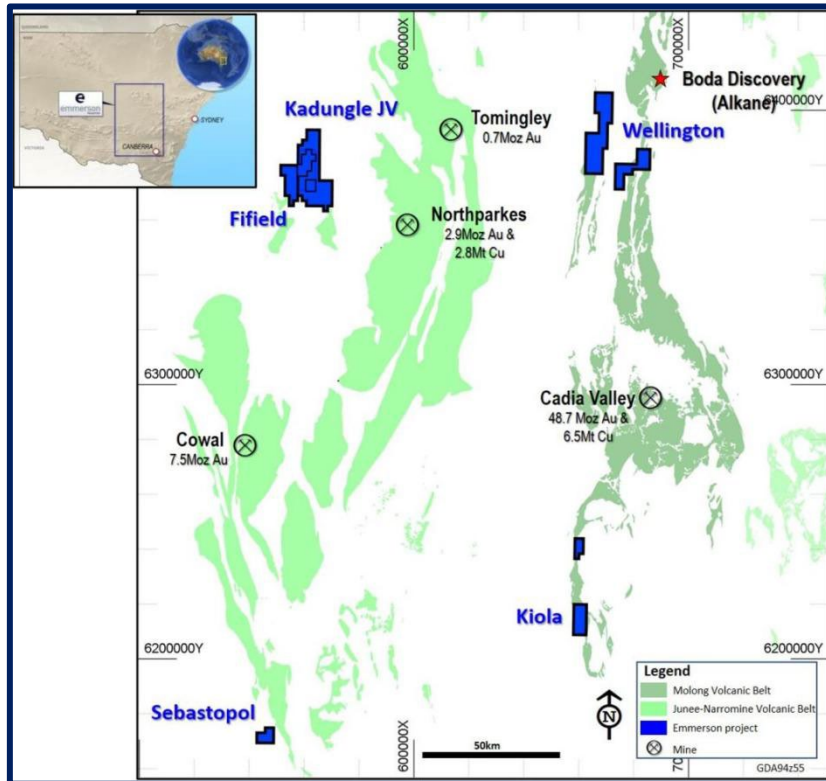


Figure 6: Macquarie Arc with Emmerson's NSW Projects (blue).

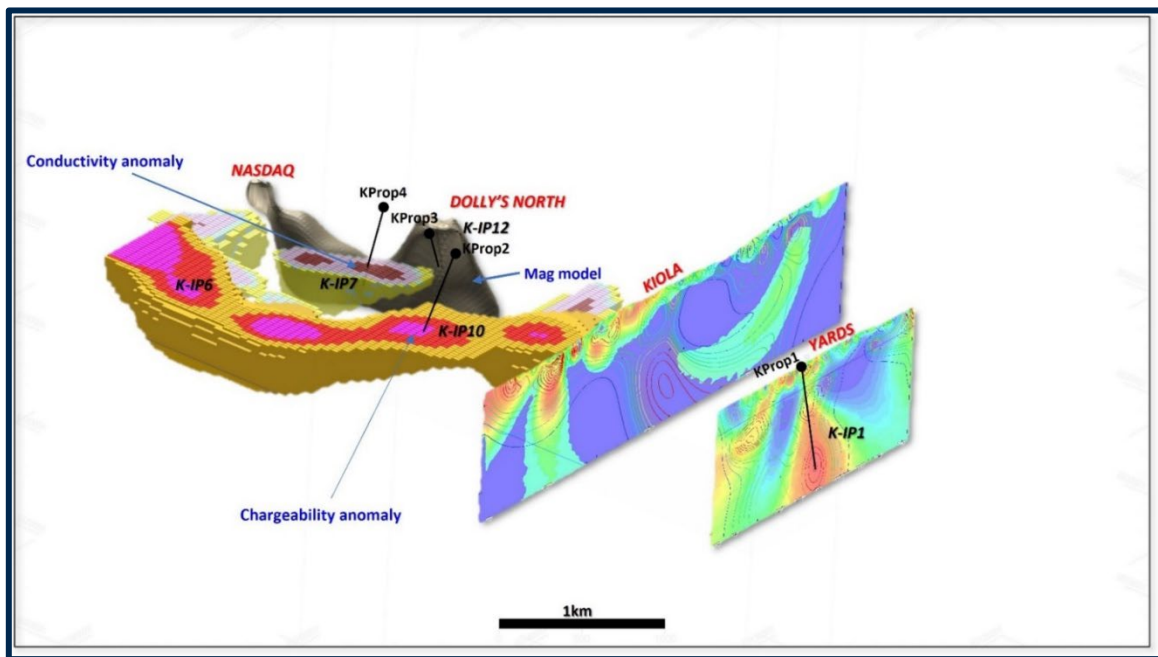


Figure 7: 3D and 2D MIMDAS Geophysical Model and inversions stretching over 5km from the mineralised Nasdaq skarn in the north to the Yards Prospect in the south. Proposed drill holes (traces) include KProp 1 to 4. Noting the red reflects chargeable and conductive anomalies centered around the Dolly's North intrusive (which is also magnetic = black).

EMMERSON RESOURCES LIMITED

DIRECTORS' REPORT

CORPORATE

Appointment of Advisors

- Corporate Advisors were appointed to undertake an internal strategic review that includes the looking at options to better reflect the value of our emerging royalty portfolio and also other opportunities to maximise shareholder value. The outcomes of this work will be considered by the Emmerson Board and help shape future corporate strategy.
- Furthermore, the Company has appointed a North American investor relations advisory firm to assist with marketing Emmerson in North America and Europe. This will be a focus throughout 2023 as the North American market has a more mature investor base for royalty generating companies.

Remuneration Review

Following a review of remuneration across the company, the Board considered that the issuance of Performance Rights was no longer an appropriate mechanism for Executive incentivisation. Post the end of the period, the Board resolved to cancel the Performance Rights and consequently, the unvested Performance Rights held by the Managing Director.

EMMERSON RESOURCES LIMITED

DIRECTORS' REPORT

COMPETENCY STATEMENT

The information in this release on Exploration Results is based on information compiled by Dr Ana Liza Cuison, MAIG, MSEG. Dr Cuison is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which she 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. Dr Cuison is a full-time employee of the Company and consents to the inclusion in this report of the matters based on her information in the form and context in which it appears.

Information in this announcement that relates to Exploration Results has been extracted from the following Company ASX announcements:

- ASX: 15 December 2008 – Significant gold intercepts at the Analytic One project, Tennant Creek
- ASX: 4 June 2009 – Drilling confirms strike extension – Analytic One Target
- ASX: 12 March 2020 Multiple Gold-Copper Drill Targets at Kiola NSW
- ASX: 14 October 2021 – Drilling of high-grade gold and copper targets underway at Tennant Creek
- ASX: 26 October 2021 – Visual Copper intersected in drilling at Hermitage project in Tennant Creek
- ASX: 13 September 2022 – Further high-grade copper-gold builds scale at Hermitage
- ASX: 8 December 2021 – Stunning 117m at 338% copper drill hit at the Hermitage Project in Tennant Creek ends in mineralisation
- ASX: 22 December 2021 – Chariot High Grade Gold Resource increased by 40%
- ASX: 28 March 2022 – Follow up drilling of 116m at 3.4% copper and 0.88g/t gold at Tennant Creek set to commence
- ASX: 17 August 2022 – Further high-grade copper-gold and cobalt-bismuth intersected at Hermitage
- ASX: 17 November 2022 – High Grade Gold and Bismuth at Golden Forty Project in Tennant Creek
- ASX: 12 December 2022 – Bonanza Gold from an emerging new ore zone at Tennant Creek

The Company confirms that it is not aware of any new information or data that materially affects the information that relates to exploration results included in previous market announcements. The Company confirms that the form and context in which the Competent Person's findings area presented have not been materially modified from the original market announcements.

The above announcements are available to view on the Company's website at www.emmersonresources.com.au

FORWARD-LOOKING STATEMENTS

This document may include forward-looking statements, opinions and projections, all preliminary in nature, prepared by the Company on the basis of information developed by itself in relation to its projects. Forward-looking statements include, but are not limited to, statements concerning Emmerson Resources Limited's anticipated future events, including future resources and exploration results, and other statements that are not historical facts. When used in this document, the words such as "could", "estimate", "plan," "expect," "intend," "may", "potential," "should," "believe", "anticipates", "predict", "goals", "targets", "aims", "outlook", "guidance", "forecasts", "may", "will", "would" or "should" or, in each case, their negative or other variations or similar expressions are forward-looking statements. By their nature, such statements involve known and unknown risks, assumptions, uncertainties, and other important factors, many of which are beyond the control of the Company, and which may cause actual results, performance, or achievements to differ materially from those expressed or implied by such statements.

Forward-looking statements speak only as at the date of this document and the Company does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change. Forward-looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. No representation is made that any of these statements or projections will come to pass or that any forecast result will be achieved, nor as to their accuracy, completeness or correctness. Similarly, no representation is given that the assumptions upon which forward looking statements may be based are reasonable. Given these uncertainties, investors should not place undue reliance on forward-looking statements. The Company cautions investors against using this announcement solely as a basis for investment decisions without regard for this disclaimer.

EMMERSON RESOURCES LIMITED

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 23 and forms part of the Directors' Report for the half-year ended 31 December 2022.

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

A handwritten signature in black ink, appearing to read 'RTBills', written in a cursive style.

Rob Bills

Managing Director & Chief Executive Officer

14 March 2023

EMMERSON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	Half-year ended 31 December 2022 \$	Half-year ended 31 December 2021 \$
REVENUE			
Management and consulting fees		96,177	48,576
Interest income		86,729	3,816
TOTAL REVENUE		182,906	52,392
OTHER INCOME			
Gain on disposal of assets		45	-
Rent received		15,200	-
Other		7,768	11,605
TOTAL REVENUE AND OTHER INCOME		205,919	63,997
EXPENSES			
Compliance and regulatory expenses		80,453	80,653
Consulting and legal expenses		85,806	145,774
Depreciation and amortisation expense		35,699	36,674
Employee benefits expense		600,244	476,126
Impairment of exploration and evaluation assets		13,398	26,201
Occupancy expense		4,083	4,206
General and administration expenses		71,905	52,956
TOTAL EXPENSES		891,588	822,590
LOSS BEFORE INCOME TAX		(685,669)	(758,593)
Income tax		-	-
NET LOSS AFTER TAX FOR THE HALF-YEAR		(685,669)	(758,593)
Basic loss per share - cents per share	6	(0.13)	(0.15)
Diluted loss per share - cents per share	6	(0.13)	(0.15)

The accompanying notes form part of these financial statements.

EMMERSON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	31 December 2022 \$	30 June 2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents		7,075,196	8,962,413
Other receivables		289,007	90,746
Prepayments		311,141	264,831
Total Current Assets		<u>7,675,344</u>	<u>9,317,990</u>
Non-Current Assets			
Other financial assets	3	383,605	383,405
Property, plant and equipment		227,554	231,911
Exploration and evaluation assets	4	17,724,119	17,505,539
Right-of-use assets		86,905	121,666
Total Non-Current Assets		<u>18,422,183</u>	<u>18,242,521</u>
TOTAL ASSETS		<u>26,097,527</u>	<u>27,560,511</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		688,579	372,324
Provisions		304,807	294,998
Lease liabilities		73,771	70,844
Farmee contributions received in advance		-	1,175,965
Total Current Liabilities		<u>1,067,157</u>	<u>1,914,131</u>
Non-current Liabilities			
Lease liabilities		19,169	56,798
Total Non-current Liabilities		<u>19,169</u>	<u>56,798</u>
TOTAL LIABILITIES		<u>1,086,326</u>	<u>1,970,929</u>
NET ASSETS		<u>25,011,201</u>	<u>25,589,582</u>
EQUITY			
Contributed equity	5	59,796,571	59,796,571
Share based payments reserve		4,112,434	4,005,146
Accumulated losses		<u>(38,897,804)</u>	<u>(38,212,135)</u>
TOTAL EQUITY		<u>25,011,201</u>	<u>25,589,582</u>

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 2022

	Contributed Equity \$	Share- based Payments Reserve \$	Accumulated Losses \$	Total Equity \$
HALF-YEAR ENDED 31 DECEMBER 2021:				
Balance at 1 July 2021	55,299,070	3,501,939	(36,705,874)	22,095,135
Loss for the half-year	-	-	(758,593)	(758,593)
Total comprehensive loss for the half-year	-	-	(758,593)	(758,593)
Transactions with owners in their capacity as owners:				
Share-based payments	-	94,784	-	94,784
Balance at 31 December 2021	55,299,070	3,596,723	(37,464,467)	21,431,326
HALF-YEAR ENDED 31 DECEMBER 2022:				
Balance at 1 July 2022	59,796,571	4,005,146	(38,212,135)	25,589,582
Loss for the half-year	-	-	(685,669)	(685,669)
Total comprehensive loss for the half-year	-	-	(685,669)	(685,669)
Transactions with owners in their capacity as owners:				
Share-based payments	-	107,288	-	107,288
Balance at 31 December 2022	59,796,571	4,112,434	(38,897,804)	25,011,201

The accompanying notes form part of these financial statements.

EMMERSON RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Half-year ended 31 December 2022 \$	Half-year ended 31 December 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Management and consulting fees received	96,177	32,353
Payments to suppliers and employees	(878,684)	(748,656)
Interest received	69,742	14,748
Interest paid	(2,831)	(4,491)
Government incentives and other income	26,969	11,605
NET CASH FLOWS USED IN OPERATING ACTIVITIES	<u>(688,627)</u>	<u>(694,441)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on disposal of property, plant and equipment	45	-
Purchase of property, plant and equipment	(35,921)	(20,916)
Payment of environmental and other security deposits	(200)	(6,239)
Payments for exploration	(2,419,557)	(1,571,642)
Proceeds received from farmee for exploration	1,291,744	781,332
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>(1,163,889)</u>	<u>(817,465)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of principal portion of lease liability	(34,701)	(31,948)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	<u>(34,701)</u>	<u>(31,948)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,887,217)	(1,543,855)
Cash and cash equivalents at beginning of period	<u>8,962,413</u>	<u>5,484,910</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>7,075,196</u></u>	<u><u>3,941,055</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

(a) Statement of Compliance and Basis of Preparation

The financial report of Emmerson Resources Limited ("Company" or "Emmerson" or "consolidated entity" or "Group") for the half-year ended 31 December 2022 is a general-purpose condensed 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 financial report was authorised for issue in accordance with a resolution of the directors on 14 March 2023. Emmerson Resources Limited is a for profit company with principal activities being mineral exploration in the Northern Territory and New South Wales, Australia.

The half-year financial report does not include all notes of the type normally included within the annual financial report. Accordingly, this half-year financial report should be read in conjunction with the annual financial report of Emmerson Resources Limited for the year ended 30 June 2022 and considered together with any public announcements made during the half-year ended 31 December 2022 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and the *ASX Listing rules*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(b) Adoption of New and Amended Accounting Standards

For the half-year ended 31 December 2022, the Consolidated Entity has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2022. Adoption of these standards and Interpretations were considered and incorporated into the Group's policies but they did not have a material effect on the financial position or performance of the group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(c) Critical accounting estimates and judgements

The preparation of financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the annual consolidated financial statements as at and for the year ended 30 June 2022.

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 has one 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. OTHER FINANCIAL ASSETS

		31 December 2022 \$	30 June 2022 \$
Non-Current:			
Bank term deposits	(a)	198,487	198,487
Environmental rehabilitation security deposits	(b)	177,245	177,245
Security deposit		7,873	7,673
		<u>383,605</u>	<u>383,405</u>

(a) 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.

(b) Cash securities held by State Governments as security for potential rehabilitation obligations in relation to exploration activities. As such the securities are not accessible to the Company.

4. EXPLORATION AND EVALUATION ASSETS

	Half-year ended 31 December 2022 \$	Year ended 30 June 2022 \$	Half-year ended 31 December 2021 \$
Carrying amount at beginning of period	17,505,539	16,102,168	16,102,168
Additions	231,978	1,431,177	609,437
Research & development tax offsets and co-funding grants	-	-	-
Impairment	(13,398)	(27,806)	(26,201)
	<u>17,724,119</u>	<u>17,505,539</u>	<u>16,685,404</u>
Carrying amount at end of period			

EMMERSON RESOURCES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. CONTRIBUTED EQUITY

(a) Fully paid ordinary shares	Half-year ended 31 December 2022 Number	Half-year ended 31 December 2022 \$	Year ended 30 June 2022 Number	Year ended 30 June 2022 \$
Ordinary shares fully paid	544,709,788	59,796,571	544,709,788	59,796,571
<i>Movements in ordinary share capital</i>				
Balance at beginning of year	544,709,788	59,796,571	498,238,489	55,299,070
Shares issued on the vesting of rights	-	-	1,080,000	-
Shares issued for cash under placement ¹	-	-	43,478,261	5,000,000
Shares issued for cash under share purchase plan	-	-	1,913,038	220,000
Share issue costs	-	-	-	(722,499)
Balance at end of year	544,709,788	59,796,571	544,709,788	59,796,571

1. Issued at \$0.115 per share to institutional and sophisticated investors.

(b) Options over ordinary shares

	31 December 2022 Number of options	30 June 2022 Number of options
Exercise price of \$0.138 expiring on 26/04/23	3,000,000	3,000,000
Exercise price of \$0.1725 expiring on 26/04/24	3,000,000	3,000,000
Exercise price of \$0.184 expiring on 26/04/25	4,000,000	4,000,000
Exercise price of \$0.16 expiring on 09/07/23	58,000,000	58,000,000
Exercise price of \$0.11 expiring on 31/12/23	3,000,000	3,000,000
Exercise price of \$0.14 expiring on 31/12/23	15,500,000	15,500,000
Exercise price of \$0.20 expiring on 31/12/25	15,384,615	15,384,615
Exercise price of \$0.115 expiring on 15/12/25	2,666,666	-
	104,551,281	101,884,615

(c) Rights over ordinary shares

	31 December 2022 Number of rights	30 June 2022 Number of rights
<i>Unissued ordinary shares for which rights are outstanding:</i>		
Expiring 29/01/24	6,000,000	6,000,000
	6,000,000	6,000,000

EMMERSON RESOURCES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2022	2021
	\$	\$

6. LOSS PER SHARE

Loss used in calculating basic and diluted loss per share	685,669	758,593
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As the company has incurred a loss inclusion of potential ordinary shares due to options and performance rights is antidilutive, therefore the diluted loss per share is disclosed as the same as basic loss per share.

	2023 Number of shares	2022 Number of shares
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	544,709,788	498,238,489

7. SHARE BASED PAYMENTS

During the half year ended on 31 December 2022 the Company issued 2,666,666 options to employees of the Company under the Incentive Option Scheme approved by shareholders at the 2020 Annual General meeting held on 29 January 2021 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 fair value of the options granted during the period were calculated using a Black-Scholes European Option Pricing Model. The following table lists the inputs to the model for unlisted options granted during the six months ended 31 December 2022:

Inputs	
Number of options	2,666,666
Exercise price	\$0.115
Grant date	5 Dec 2022
Vesting Date	5 Dec 2022
Expiry date	15 Dec 2025
Share price at grant date	\$0.079
Historical volatility (%)	70.06%
Risk-free interest rate (%)	3.27%
Fair value per share	\$0.0303

The total share-based payment expense for the half year was \$107,288 (2021: \$94,784), comprising \$80,758 in relation to the options issued to employees, and \$26,530 in relation to performance rights previously granted.

8. 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 2022 Annual Financial Report.

Other related party arrangements continue to be in place as detailed in the 30 June 2022 Annual Financial Report. Refer to note 7 for details of share-based payments issued to related parties during the period.

9. COMMITMENTS AND CONTINGENCIES

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management activities

The risk management activities are consistent with those of the previous period unless otherwise stated.

Financial instruments

Financial instruments held by the Group include cash and cash equivalents, trade and other receivables, term deposits, environmental rehabilitation security deposits, trade and other payables, the balances of which at 31 December 2022 and 30 June 2022 are shown in the Statement of Financial Position and associated notes. As at the balance date, fair values of these financial assets are approximately the same as the carrying values.

11. DIVIDENDS

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

12. EVENTS SUBSEQUENT TO REPORTING DATE

Following a review of remuneration across the company, the Board considered that the issuance of Performance Rights was no longer an appropriate mechanism for Executive incentivisation. Post the end of the period, the Board resolved to cancel the Performance Rights and consequently, the unvested Performance Rights held by the Managing Director. The fair value of the performance rights on grant date that has not yet been expensed in profit and loss, will be recorded in full in H2 FY23 notwithstanding the cancellation.

Other than the matters noted above there have not been any material events subsequent to the end of the reporting date and the date of this financial report that has not been recognised in this financial report.

EMMERSON RESOURCES LIMITED

DIRECTORS' DECLARATION

In the opinion of the Directors:

- (a) the financial statements and notes of Emmerson Resources Limited for the half-year ended 31 December 2022 are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; 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 Company 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', written over a light blue dotted line.

Rob Bills

Managing Director & Chief Executive Officer

14 March 2023

Auditor's independence declaration to the directors of Emmerson Resources Limited

As lead auditor for the review of the half-year financial report of Emmerson Resources Limited for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Emmerson Resources Limited and the entities it controlled during the financial period.



Ernst & Young



Timothy G Dachs
Partner
14 March 2023

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

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Emmerson Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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.

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 the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial 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*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities 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 control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 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*.

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.



Ernst & Young



Timothy G Dachs
Partner
Perth
14 March 2023