

12 June 2014

Emmerson secures landmark transaction with Evolution Mining

- Emmerson Joint Venture with Evolution Mining (ASX: EVN) to fast-track exploration and development of the Tennant Creek Mineral Field (TCMF), Northern Territory.
- Evolution to invest up to A\$28.87m as follows:
 - Evolution to sole fund A\$15m of exploration over 3 years for a 65% interest in the TCMF.
 - Evolution can earn an additional 10% interest in the TCMF by spending a further A\$10m over two years.
 - Evolution to subscribe for A\$1.87m of Emmerson shares.
 - Emmerson to receive A\$2m in Evolution script.
- This significant investment in exploration reflects Evolution's commitment to maximise value through new discoveries in one of Australia's highest grade goldfields.

Emmerson Resources Limited (ASX: ERM) has signed a binding Term Sheet with Evolution Mining (ASX: EVN) to fast-track the discovery of world-class gold and copper deposits within its 100% owned tenements at Tennant Creek in the Northern Territory (figure 1).

Evolution, one of Australia's fastest growing mining companies, will work with Emmerson to advance the expansion of the existing JORC resources identified by Emmerson at Tennant Creek and will drill test a number of high quality gold-copper targets aimed specifically at a rapid resumption of mineral production.

Under the terms of the Farm-in and Joint Venture, Evolution will sole fund expenditure of **A\$15 million** on exploration over the next three years to earn a 65% interest in Emmerson's 2,500km² tenement package at Tennant Creek.

A further **A\$10 million** minimum, sole funded by Evolution over 2 years following the execution of the joint venture, will allow Evolution to earn an additional 10% (total of 75%) of the Tennant Creek project.



Exploration and near mine drill programmes focussed on rapidly expanding existing JORC resources and discovering the next high-grade gold-copper deposits within the renowned Tennant Creek Mineral Field will commence shortly. It will include an aggressive drill commitment by Evolution, managed and operated by Emmerson but encapsulating the development and exploration expertise of Evolution via a joint "Exploration Management Committee".

Emmerson's Managing Director, Rob Bills, said, *"This announcement is the culmination of a focussed and determined effort to introduce a partner to the Tennant Creek Mineral Field who sees the potential beyond that previously identified. The Joint Venture agreement with Evolution will set the scene for the discovery of major new gold-copper resources, building on Emmerson's work in recent years which began to unlock the secrets of finding a new generation of gold-copper deposits in the Tennant Creek area."*

"This agreement effectively secures the future for Emmerson by providing the funding to underpin a very significant exploration effort- to build on the existing JORC resources and to test a range of new generation gold-copper targets, which, if successful, will be fast-tracked through to development"

"We have already established an excellent working relationship with Evolution, share a very similar approach to science driven exploration and are delighted by their commitment to rapidly build a substantive resource base ahead of production."

"Both parties also recognise the importance of continuing to build strong relationships with all stakeholders including the Traditional Owners, the Central Land Council, Northern Territory Government and various communities and businesses in the Tennant Creek Township," Mr Bills added.

This agreement represents a very significant development in Emmerson's history as a listed company and a very significant milestone in the history of the renowned Tennant Creek Mineral Field – which has produced over 5.5 million ounces of gold and 470,000 tonnes of copper with average grades of 15-20g/t gold and 2-4% copper.

Since listing in 2007, Emmerson has invested heavily in the application of modern and innovative exploration techniques to target a new generation of high-grade gold-copper deposits. In 2011, Emmerson discovered the Monitor and Goanna copper-gold mineralisation that were "blind" to previous explorers and were the first such discoveries in over a decade. In addition, Emmerson conducted "near mine" exploration and resource reviews at Orlando, Gecko and Chariot – resulting in a new global mineral resource of 6.79mt at 3.6g/t gold equivalent or 900,000 gold equivalent ounces (ASX 28 November, 2013).

While decisions on the 2014 exploration and near mine drill program are still to be finalised, it is envisaged that the next round of drilling will commence at Chariot East and West – aimed at expanding the Chariot deposit which contains ~170,000t at 17.4g/t gold (ASX 28 November, 2013). Other near-mine projects to be tested include targets around the historic Eldorado Mine. This mine was a significant historical producer with a head grade of 17.9g/t gold and consistent with our success to date, will involve applying new technology and ideas to rapidly expand existing JORC resources. In particular, exploiting the new understanding that high-grade gold is often associated with hematite, is thus non-magnetic and "blind" to aeromagnetic based exploration – as used by many previous explorers.

Evolution to subscribe for A\$1.87m of Emmerson shares and ERM receives A\$2m Script in Evolution

In addition to the Joint Venture, Evolution has agreed to subscribe for 49,144,000 of Emmerson shares at a price of 0.0381 cents per share (the 20 day VWAP) to raise A\$1.872 million (the Placement). In addition, Emmerson will receive approximately 2,504,383 million Evolution shares at an issue price of 0.7986 cents per share (the 20 day VWAP) to the value of A\$2m (the script).

Following completion of the Placement, Emmerson will have cash reserves¹ of approximately A\$3.5 million and A\$2m in Evolution script, strengthening its financial position and providing a great foundation to pursue its growth strategy - not only within the Tennant Creek region but also expanding its expertise and track record to new opportunities afforded by the current market downturn.

Conditions to the Transaction

- Evolution does not earn any interest in Emmerson's tenements until it has met the subscription, placement and Farm-in obligations.
- Evolution must spend a minimum of A\$7.5m on exploration before it can terminate the Farm-in.
- Evolution will subscribe for A\$1.87m new shares in Emmerson (equivalent to ~13% shareholding in Emmerson) to be held in escrow for 12 months.
- Evolution will issue new shares to Emmerson to the value of A\$2.0m to be held in escrow for 12 months.
- On signing of the binding Term sheet and agreeing to the Initial Programme, Evolution will contribute \$500,000 toward the initial drill programme, which is non-refundable if Evolution withdraws or the Conditions Precedent are not satisfied.
- The agreement is subject to and conditional upon a number of conditions precedent being satisfied or waived on or before 30 June 2014 (or later agreed date), including:
 - Evolution completing due diligence investigations
 - Certain third party consents being obtained

Resignation of non executive Director

Mr Timothy Kestell resigns effective 11 June 2014. The Board of Emmerson would like to thank Mr Kestell for his service to the company. He has served as a non executive director since the founding of Emmerson in 2005. As a founding director Mr Kestell had the foresight and vision to see the potential of the Tennant Creek Mineral Field. He acted as the company's interim managing director and played an important role in hiring our current management team. His guidance on capital markets and the strategic direction of the company have been invaluable. Mr Kestell has made an outstanding contribution to Emmerson and the board and management wish him well in his future endeavours.

ENDS

¹ Un-audited



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About Evolution

Evolution Mining (ASX: EVN www.evolutionmining.com.au) is a leading, growth focused Australian gold company. It owns and operates five gold and silver mines in Queensland and Western Australia. The company holds 100% interest in all of its operations. Group production for the year ended 30 June 2013 totalled 392,290 ounces gold equivalent. Evolution Mining was created in late 2011 to form a mid-tier Australian gold producer through a merger of Catalpa Resources Ltd and Conquest Mining Ltd and the concurrent acquisition of Newcrest Mining's interests in the Cracow and Mt Rawdon mines. Evolution has developed a track record of consistently delivering to production and cash cost guidance. The company has a strong balance sheet which provides the flexibility to fully fund current exploration, development and production activities and also assess value-accretive growth opportunities.

About Emmerson

The Tennant Creek Mineral Field (TCMF) is one of Australia's highest grade gold and copper fields producing over 5.5 Mozs of gold and 470,000 tonnes of copper from a variety of deposits including Gecko, Orlando, Warrego, White Devil, Chariot and Golden Forty, all of which are within Emmerson Resources (ASX: ERM) exploration portfolio. These deposits are considered to be highly valuable exploration targets. Utilising modern exploration techniques, Emmerson has discovered copper and gold mineralisation at Goanna and Monitor in late 2011, the first discoveries in the TCMF for over a decade.

To date, Emmerson has only covered 5.5% of the total tenement package (in area) with these innovative exploration techniques and is confident that, with further exploration, more such discoveries will be made. Emmerson holds 2,500km² of ground in the TCMF, owns the only gold mill in the region and holds a substantial geological database plus extensive infrastructure and equipment. Emmerson has consolidated 95% of the highly prospective TCMF where only 8% of the historical drilling has penetrated below 150m.

Emmerson is led by a board and management group of experienced Australian mining executives including Andrew McIlwain as non-executive chairman, and Rob Bills as Managing Director and CEO.

Competency Statement

The information in this report which relates to Exploration Results is based on information compiled by Mr Steve Russell BSc, Applied Geology (Hons), MAIG, MSEG. Mr Russell 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 he is undertaking to qualify as a Competent Person as defined in the 2004 edition and the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Russell is a full time employee of the Company and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Russell holds an interest in the following securities in the Company: 350,000 Shares and 262,500 Performance Rights.

The information in this report which relates to Mineral Resources is based upon information compiled by Mr Ian Glacken, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Ian Glacken is an employee of Optiro Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition and the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ian Glacken consents to the inclusion in this report of a summary based upon his information in the form and context in which it appears.

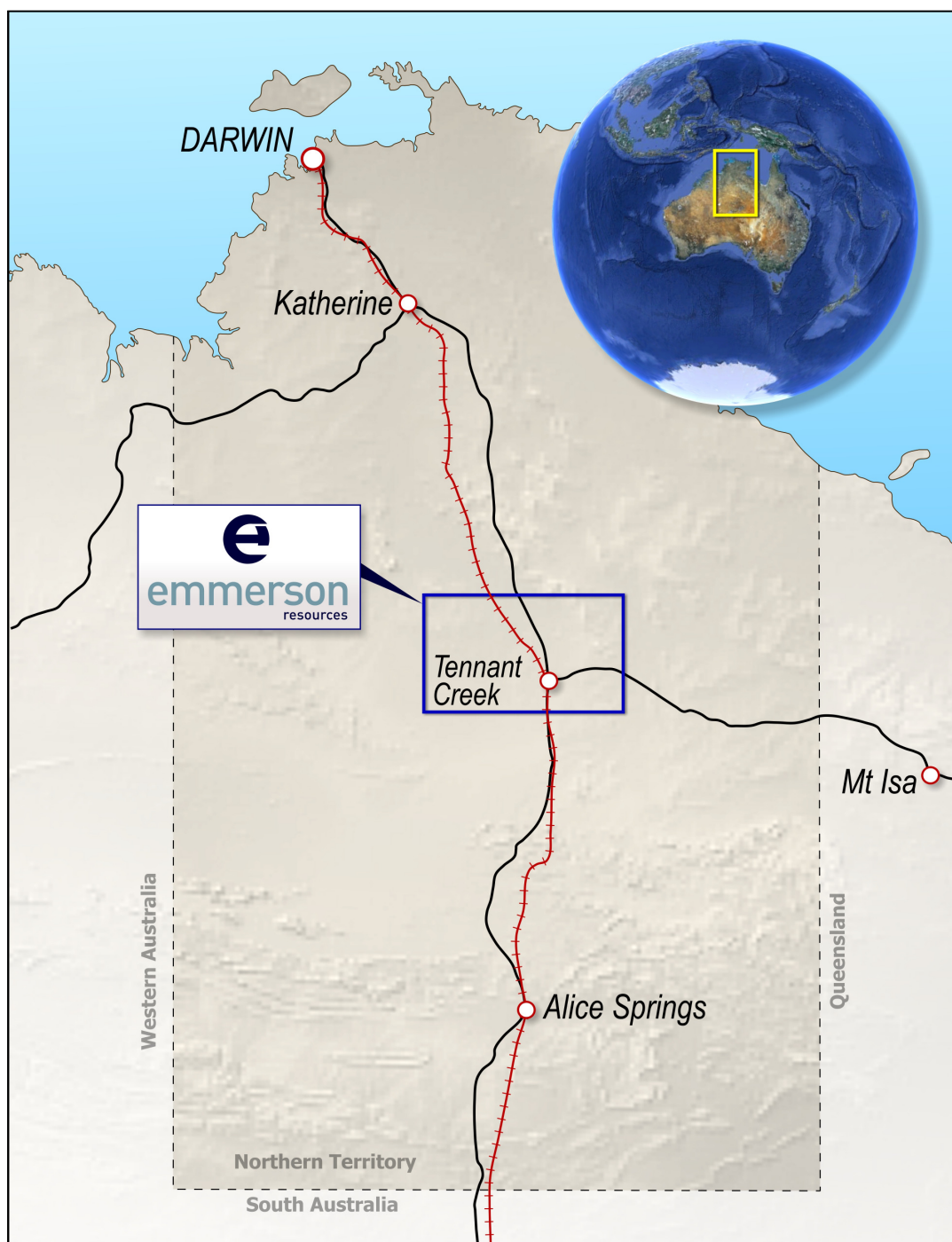


Figure 1: Tennant Creek Location