



ABN 53 117 086 745

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2014

EMMERSON RESOURCES LIMITED

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CORPORATE DIRECTORY

DIRECTORS

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

COMPANY SECRETARY

Trevor Verran

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Darwin NT 0807

BANKERS

National Australia Bank
Level 1, 1238 Hay Street
West Perth WA 6005

AUDITORS

Ernst & Young
The Ernst & Young Building
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Perth WA 6000

SHARE REGISTER

Computershare Investor Services
Level 2, 45 St Georges Terrace
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Perth WA 6840
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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 2014. 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 (appointed 3 March 2015)
Simon Andrew, Non-executive Director (resigned 3 March 2015)

REVIEW AND RESULTS OF OPERATIONS

Operating Results for the Half-year

The net loss for the half-year ended 31 December 2014 was \$626,384 compared to the half-year ended 31 December 2013 of \$735,031.

The major items comprising the net loss for the half-year were management and consulting fees received of \$176,355 (2013: \$115,403) offset by employee benefits expense of \$442,220 (2013: \$546,514) and exploration and evaluation assets impairment of \$179,693 (2013: \$151,844).

Financial Position

Net assets and total equity increased by \$941,801 during the half-year predominantly due to an increase in cash and a decrease in payables offset by a reduction in the fair value of available-for-sale financial assets and an impairment of exploration and evaluation assets.

During the half-year Evolution Mining Limited (Evolution) subscribed for 49,144,000 shares in the Company under a subscription agreement at a price of \$0.0381 per share for cash consideration of \$1,872,386 resulting in Evolution holding 13% of the Company's issued capital.

The increase in cash for the half-year was \$1,117,708 and cash in the bank at the end of the half-year was \$2,746,650. The increase in cash was largely due to proceeds from the issue of shares to Evolution on 7 July 2014 partially offset by administration and corporate expenses.

The fair value of available-for-sale financial assets decreased by \$384,673 due the reduction in market value determined directly by reference to published price quotations in an active market.

Exploration and evaluation assets decreased by \$178,033 during the half-year due to an impairment of exploration expenditure and the balance of exploration and evaluation assets carried forward at the end of the half-year was \$18,026,297.

Net assets and total equity at 31 December 2014 was \$26,168,168 (30 June 2014: \$25,226,367).

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

Review of Operations

Emmerson is exploring the Tennant Creek Mineral Field (TCMF) in the Northern Territory, one of Australia's most prolific gold-copper districts producing over 5.5 Mozs of gold and 470,000 tonnes of copper from a variety of deposits including Gecko, Orlando, Warrego, White Devil, Chariot and Golden Forty, all of which are within Emerson's exploration portfolio. Utilising modern exploration techniques, Emmerson 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 the innovative exploration techniques recently applied to the TCMF

EMMERSON RESOURCES LIMITED

DIRECTORS' REPORT

and is confident that, with further exploration, discovery of previously “unseen” mineralisation is possible.

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.

Pursuant to Farm-in agreement entered into with Evolution Mining Limited (Evolution) on 11 June 2014, Evolution is currently sole funding exploration expenditure of \$15 million over three years to earn a 65% interest (Stage 1 Farm-in) in Emmerson's tenement holdings in the TCMF. An option to spend a further \$10 million minimum, sole funded by Evolution over two years following the Stage 1 Farm-in, would enable Evolution to earn an additional 10% (Stage 2 Farm-in) of the tenement holdings. Evolution must spend a minimum of \$7.5 million on exploration, or pay Emmerson the balance in cash, before it can terminate the farm-in. Emmerson is acting as manager during the Stage 1 Farm-in and is receiving a management fee during this period.

During the half-year, Emmerson (on behalf of the Farm-in agreement with Evolution) conducted 16,677m drilling consisting of 10,590m of RAB (Rotary Air Blast), 4,397m of RC (including pre collars) and 1,690m of diamond drilling. Exploration expenditure attributable to the Stage 1 Farm-in during the half-year was \$2,552,733.

Brownfields exploration conducted within the half-year consisted of testing for extensions around the high grade mines at Chariot and Eldorado. The Chariot resource was last updated in 2013 and stands at 170,000t at 17.4g/t gold. Eldorado was one of the more significant historical producers (producing some 122,000 ounces at 17.9g/t gold), closing before the deeper, fault offset mineralisation (Eldorado Deeps) was fully explored.

Drilling at Chariot East confirm the high grade nature of the gold, copper and bismuth mineralisation within the Chariot East Zone.

Diamond drilling at Eldorado (drill hole ELDD046) intersected a new shallow zone of copper mineralisation which assayed 4m at 1.24% copper including 1m at 2.99% copper from 160m down the hole) and reverse circulation drill holes such as ELDR049 and ELDR050 intersected 3m at 1.78g/t gold and 6m at 0.3g/t gold respectively providing additional geological data to better interpret the plunge to the high grade Eldorado Deeps mineralization as released to the ASX in the September and December 2014 quarterly activities reports.

The intersection of favourable ironstone with chlorite alteration (the host to the majority of the TCMF mineralisation) in most drill holes provides encouragement for undertaking further work, particularly given many of the holes are significant “step outs” from the previously defined JORC resource.

A large regional geochemical RAB survey (269 holes for 10,590m of drilling) over the Billy Boy area in the Eastern Project Area comprised of 7 lines spaced some 1.7km apart and drilled on 80m centres – whilst the results and trends are still being analysed, it is apparent that many of the assays indicate leakage of anomalous gold, copper and bismuth – most outside of known prospects and when integrated with the aeromagnetics, will provide some high priority areas for the currently planned 2015 exploration program.

A total of 4,091 line km of magnetics, radiometrics and digital terrain was flown over the Eastern Project Area. In conjunction with the geochemical program described above, this will be instrumental in constructing a new structural interpretation of the entire area – in particular, looking for favourable dilational zones that correspond with the above anomalous geochemistry.

Four lines of seismic reflection were collected over Gecko (AN1, K44), Goanna and the Chariot mineralisation. These locations were selected as “orientation” sites where there is good control on the geology, ironstones, and mineralisation. Interpretation of this survey is underway and if successful, may provide a new and innovative tool to map the major faults that control the mineralisation at these prospects and in the best case, directly map the ironstones (which typically host the gold and copper).

EMMERSON RESOURCES LIMITED

DIRECTORS' REPORT

Collaboration with Kenex Ltd and based on findings from an Emmerson supported PhD on the Tennant Creek Mineralisation has led to a very comprehensive understanding of the key controls and fingerprints of some of the high grade deposits that the TCMF is renowned. In addition, this work has identified a number of new target areas that contain all the attributes of the known TCMF deposits, yet appear to have been overlooked by previous explorers. Whilst further work is required, it is anticipated that these targets will form part of the brownfields and greenfields pipeline of drill targets for 2015.

Operations during the half-year have provided new data and insights into the formation of high grade gold deposits within the TCMF. These results will feed into the 2015 exploration program with the two-fold strategy consisting of near mine/brownfields exploration aimed at rapidly expanding existing resources ahead of an eventual return to production and, longer timeframe regional exploration focused on utilising new concepts and technology to discover a whole new generation of gold-copper deposits.

Mineral Resources

The Company's current Reserve and Resource inventory in the table below released to the ASX on 28 November 2013 takes the global mineral resources to 6.79mt at 3.6g/t gold equivalent or 900,000 gold equivalent ounces.

Classification	Tonnes	Gold grade (g/t)	Copper grade (%)	Gold equivalent grade (g/t)	Gold ounces	Copper metal (t)	Gold equivalent ounces
Gecko - Anomaly 3, L25 and K44 Lower (reported above a 1% copper cut-off)							
Indicated	1,400,000	-	2.5	4.2	-	35,600	190,000
Inferred	80,000	-	1.6	2.7	-	1,300	10,000
Sub-total Gecko	1,480,000	-	2.5	4.1	-	36,900	200,000
Orlando – (Lenses 2 & 7, below open pit & 'the gap' - reported above a 1.0 g/t gold equivalent cut-off)							
Indicated	1,710,000	1.9	1.5	4.4	100,000	25,700	240,000
Inferred	510,000	1.7	1.1	3.6	30,000	5,800	60,000
Sub-total Orlando	2,220,000	1.8	1.4	4.2	130,000	31,500	300,000
Goanna (reported above a 1.0 % Cu cut-off)							
Indicated							
Inferred	2,918,000	0.16	1.84	3.2	15,000	53,700	300,000
Sub-total Goanna	2,918,000	0.16	1.84	3.2	15,000	53,700	300,000
Chariot – Open Pittable & Remnant Underground (reported above a 1.0 g/t gold equivalent cut-off)							
Indicated	60,000	15.9	-	15.9	32,000	-	32,000
Inferred	110,000	18.8	-	18.8	67,000	-	67,000
Sub-total Chariot	170,000	17.4	-	17.4	99,000	-	99,000
TOTAL	6,790,000	1.1	1.8	3.6	246,000	122,100	900,000

Gold Equivalent Calculation

Gold equivalent results are calculated using a gold price of US\$1,363/oz and a copper price of US\$7,297/t. Copper-rich ore would be processed using a conventional crush, grind and flotation route to a copper concentrate which would then be sold. Benchmarking of this processing route suggests that a copper recovery of 90-92% would be appropriate. Gold would be recovered by an industry standard carbon-in-pulp process leading to the generation of gold bars. No unconventional processing such as roasting or biological leaching is contemplated, therefore typical recoveries for such gold processing plants is in the range of 90-94%. Given the relative recoveries of both gold and copper are essentially identical, the equivalence formula has not been adjusted for recovery. The gold equivalent calculation used is $AuEq (g/t) = Au (g/t) + ((Cu(\%) * 7297) / 43.82)$, i.e. 1.0%Cu = 1.67g/t Au. The totals may not sum exactly due to rounding.

EMMERSON RESOURCES LIMITED

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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: 500,000 Shares and 112,500 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.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 15 and forms part of the Directors' Report for the half-year ended 31 December 2014.

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



Rob Bills
Managing Director & Chief Executive Officer
12 March 2015

EMMERSON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Consolidated Half-year ended 31 December 2014 \$	Half-year ended 31 December 2013 \$
REVENUE		
Management and consulting fees	176,355	115,403
Dividends received	25,044	-
Interest revenue	68,276	45,996
TOTAL REVENUE	269,675	161,399
OTHER INCOME		
Rent received	10,060	-
Vehicle & equipment hire	8,090	10,860
Sundry income	-	510
TOTAL REVENUE AND OTHER INCOME	287,825	172,769
EXPENSES		
Compliance and regulatory expenses	55,932	49,574
Consulting and legal expenses	89,736	29,644
Depreciation expense	4,009	6,639
Employee benefits expense	442,220	546,514
Exploration expenditure impairment	179,693	151,844
Insurance expense	12,175	19,533
Occupancy expense	56,841	57,617
General and administration expenses	73,603	46,435
TOTAL EXPENSES	914,209	907,800
LOSS BEFORE INCOME TAX	(626,384)	(735,031)
Income tax	-	-
LOSS FOR THE HALF-YEAR	(626,384)	(735,031)
OTHER COMPREHENSIVE LOSS		
Amounts that may be recycled to profit and loss:		
Net change in fair value of available-for-sale financial assets	(384,673)	-
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR	(1,011,057)	(735,031)
Basic loss per share - cents per share	(0.17)	(0.28)
Diluted loss per share - cents per share	(0.17)	(0.28)

The accompanying notes form part of these financial statements.

EMMERSON RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Notes	Consolidated 31 December 2014 \$	30 June 2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents		2,746,650	1,628,942
Trade and other receivables		627,999	473,273
Other financial assets	3	790,000	810,000
Total Current Assets		4,164,649	2,912,215
Non-Current Assets			
Other financial assets	3	1,615,327	2,000,000
Property, plant and equipment		2,757,426	2,767,592
Exploration and evaluation assets	4	18,026,297	18,204,330
Total Non-Current Assets		22,399,050	22,971,922
TOTAL ASSETS		26,563,699	25,884,137
LIABILITIES			
Current Liabilities			
Trade and other payables		248,274	503,432
Provisions		50,956	60,978
Total Current Liabilities		299,230	564,410
Non-Current Liabilities			
Provisions		96,301	93,360
Total Non-Current Liabilities		96,301	93,360
TOTAL LIABILITIES		395,531	657,770
NET ASSETS		26,168,168	25,226,367
EQUITY			
Contributed equity	5	43,986,502	42,036,824
Other reserves		2,312,441	2,693,934
Accumulated losses		(20,130,775)	(19,504,391)
TOTAL EQUITY		26,168,168	25,226,367

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 2014

	Contributed Equity \$	Other Reserves \$	Accumulated Losses \$	Total Equity \$
HALF-YEAR ENDED 31 DECEMBER 2013:				
Balance at 1 July 2013	40,282,497	2,723,800	(15,008,727)	27,997,570
Loss for the half-year	-	-	(735,031)	(735,031)
Other comprehensive income	-	-	-	-
Total comprehensive income for the half-year	-	-	(735,031)	(735,031)
Transactions with owners in their capacity as owners:				
Share issue costs	(4,650)	-	-	(4,650)
Share-based payments	120,500	(29,830)	-	90,670
Balance at 31 December 2013	40,398,347	2,693,970	(15,743,758)	27,348,559
HALF-YEAR ENDED 31 DECEMBER 2014:				
Balance at 1 July 2014	42,036,824	2,693,934	(19,504,391)	25,226,367
Loss for the half-year	-	-	(626,384)	(626,384)
Net change in fair value of available-for-sale financial assets	-	(384,673)	-	(384,673)
Total comprehensive income for the half-year	-	(384,673)	(626,384)	(1,011,057)
Transactions with owners in their capacity as owners:				
Shares issued during the half-year	1,872,386	-	-	1,872,386
Share issue costs	(10,365)	-	-	(10,365)
Share-based payments	87,657	3,180	-	90,837
Balance at 31 December 2014	43,986,502	2,312,441	(20,130,775)	26,168,168

The accompanying notes form part of these financial statements.

EMMERSON RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Consolidated	
	Half-year	Half-year
	ended	ended
	31 December	31 December
	2014	2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Management and consulting fees received	214,306	105,661
Payments to suppliers and employees	(866,698)	(685,248)
Dividends received	25,044	-
Interest received	71,447	47,787
Research and development tax offset received	36,410	-
Other	7,892	11,370
NET CASH FLOWS USED IN OPERATING ACTIVITIES	<u>(511,599)</u>	<u>(520,430)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from withdrawal of security deposits	20,000	-
Purchase of property, plant and equipment	(24,736)	-
Payments for exploration	(2,567,704)	(1,056,434)
Exploration costs reimbursed by Evolution Mining Limited	2,339,726	359,914
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>(232,714)</u>	<u>(696,520)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,872,386	-
Payment of share issue costs	(10,365)	(4,650)
NET CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES	<u>1,862,021</u>	<u>(4,650)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,117,708	(1,221,600)
Cash and cash equivalents at beginning of period	<u>1,628,942</u>	<u>2,421,919</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>2,746,650</u></u>	<u><u>1,200,319</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 half-year financial report 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 12 March 2015.

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 2014 and considered together with any public announcements made during the half-year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and the *ASX Listing rules*.

(b) Adoption of New and Amended Accounting Standards

The accounting policies adopted in the preparation of the half year report are consistent with those followed in the preparation of the consolidated entity's annual financial statements for the year ended 30 June 2014.

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The loss of the Company for the half-year ended 31 December 2014 amounted to \$626,384 and net cash outflows from operating activities were \$511,599. The cash balance at 31 December 2014 was \$2,746,650 and net assets as at 31 December 2014 were \$26,168,168.

Notwithstanding the above, the Directors have reviewed the business outlook, assets and liabilities of the consolidated entity and are confident that additional funds can be raised if required. The Directors have concluded that the going concern basis is the appropriate basis for preparing the financial statements since Evolution will fund all exploration in the Tennant Creek Mineral Field for the next 2.5 years under a farm-in agreement, and thus the Company will be free-carried during this period and the majority of its cash commitments will relate only to corporate and administrative costs.

The Directors therefore believe there are sufficient funds to meet the consolidated entity's working capital requirements, and as at the date of this report the directors believe they can meet all liabilities as and when they fall due.

2. SEGMENT INFORMATION

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

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

EMMERSON RESOURCES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. OTHER FINANCIAL ASSETS

	Consolidated	
	31 December	30 June
	2014	2014
	\$	\$

Current:

Bank term deposits	790,000	810,000
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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.

Non-current:

Available-for-sale financial assets at fair value:

Australian listed equity securities (Initial consideration receivable under farm-in agreement)	1,615,327	2,000,000
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On 11 June 2014 the Company entered into the Tennant Creek Mineral Field Farm-in with Evolution Mining Limited (Evolution). Under this agreement, initial consideration of 2,504,383 Evolution shares at an issue price of \$0.7986 per share (value \$2 million) was receivable within 5 working days of the Commencement Date of 30 June 2014. The shares were physically transferred within this timeframe on 7 July 2014. The fair value has been determined directly by reference to published price quotations in an active market (Level1). The net decrease in fair value of available-for-sale financial assets of \$384,673 for the half-year ended 31 December 2014 has been recognised directly in equity and disclosed in other comprehensive income.

4. EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	Half-year ended	Year ended
	31 December	30 June
	2014	2014
	\$	\$

Costs carried forward in respect of areas of interest in pre-production exploration and evaluation phases:

Carrying amount at beginning of period	18,204,330	19,630,149
Additions	2,554,393	1,249,427
Exploration costs reimbursed or reimbursable by Evolution	(2,552,733)	(492,690)
Disposals (consideration received from Evolution)	-	(2,000,000)
Impairment	(179,693)	(182,556)
Carrying amount at end of period	18,026,297	18,204,330

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the continuance of the consolidated entity's rights to tenure, and intention to explore the area of interest, the results of future exploration, and the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Expenditure on mineral exploration tenements is being incurred by Evolution Mining Limited pursuant to the Farm-In agreement entered into on 11 June 2014 to meet minimum tenement expenditure requirements.

EMMERSON RESOURCES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. CONTRIBUTED EQUITY

(a) Fully paid ordinary shares

	Consolidated	
	Half-year ended	Year ended
	31 December	30 June
	2014	2014
	\$	\$
<i>Balance at beginning of reporting period:</i>		
327,629,954 (30 June 2014: 261,053,963) shares	42,036,824	40,282,497
49,144,000 (30 June 2014: nil) shares issued for cash under cash placement	1,872,386	-
862,500 (30 June 2014: 1,050,000) shares issued to employees under performance rights plan	87,657	170,500
Nil (30 June 2014: 65,525,991 shares issued for cash under non-renounceable entitlements issue	-	1,638,150
Share issue costs	(10,365)	(54,323)
<i>Balance at end of reporting period:</i>		
377,636,454 (30 June 2014: 327,629,954) shares	43,986,502	42,036,824

(b) Options over ordinary shares

	Consolidated	
	31 December	30 June
	2014	2014
	Number of options	Number of options
Exercise price of \$0.0485 expiring 31/12/2017 (refer Note7)	9,000,000	-

(c) Rights over ordinary shares

	Consolidated	
	31 December	30 June
	2014	2014
	Number of rights	Number of rights
<i>Unissued ordinary shares for which employee performance rights are outstanding:</i>		
Exercise price of nil vesting on 01/09/14	-	156,250
Exercise price of nil vesting on 25/11/14	-	512,500
Exercise price of nil vesting on 04/12/14	-	500,000
Exercise price of nil vesting on 25/11/15	175,000	318,750
Exercise price of nil vesting on 04/12/15	500,000	500,000
Exercise price of nil vesting on 25/11/16	118,750	193,750
Exercise price of nil vesting on 04/12/16	500,000	500,000
	1,293,750	2,681,250

EMMERSON RESOURCES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. 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 2014 Annual Financial Report.

Other related party arrangements continue to be in place as detailed in the 30 June 2014 Annual Financial Report.

7. SHARE-BASED PAYMENTS

The Company provides benefits to directors and employees in the form of share-based payment transactions, whereby options and rights to acquire ordinary shares are issued as an incentive to improve employee and shareholder goal congruence and provide a retention incentive for participants.

9,000,000 options at an exercise price of \$0.0485 expiring on 31 December 2017 were granted to directors on 5 December 2014 following shareholder approval at the 2014 Annual General Meeting.

The fair value of options and rights are recognized as an expense over the period from grant to vesting date. The amount recognised as part of employee benefits expense during the half-year was \$90,837 (2013: \$90,669).

8. COMMITMENTS AND CONTINGENCIES

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

9. EVENTS SUBSEQUENT TO REPORTING DATE

There are no events subsequent to the end of the half-year that would have a material effect on the financial report. On 3 March 2015, Simon Andrew resigned as a director of the Company and was replaced on the Board by Allan Trench.

10. DIVIDENDS

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

11. FINANCIAL INSTRUMENTS

As at 31 December 2014, all financial instruments are recognised at carrying amounts that approximate their fair values.

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 2014 are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the financial position as at 31 December 2014 and the 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) subject to achieving the matters set out in Note 1(c) 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



Rob Bills
Managing Director & Chief Executive Officer
12 March 2015

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

In relation to our review of the financial report of Emmerson Resources Limited for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Peter McIver
Partner
12 March 2015

To the members of Emmerson Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Emmerson Resources Limited, which comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Emmerson Resources Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Peter McIver
Partner
Perth
12 March 2015