

Emmerson Resources

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Emmerson Resources' Rob Bills talks investor interaction and gold production plans in Proactive Q&A Sessions™



Emmerson Resources Ltd (ASX:EMR) attended and presented at the 2017 Beavor Creek Precious Metals Summit this week.

Rob Bills, managing director for Emmerson, talks exclusively with Proactive Investors about the interaction with investors at the summit, and the next steps for the company's portfolio.

Welcome Rob.

Proactive Investors: What were the take home messages from investors?

Rob Bills: The interest in smaller precious metals companies at the conference was intense, as investors are now looking at the next generation of producers, given most of the larger companies are fully valued.

Also, the macro settings for gold have never been better, largely driven by global uncertainty and high levels of government debt.

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Proactive Investors: How did this interest translate for Emmerson, and how did the company distinguish itself from the other junior explorers?

Rob Bills: We had unprecedented interest in the company – on one of the days we set a record of 12 back to back meetings with well credentialed American, London and German funds.

We do have a unique story as we are one of the few companies that are developing an ultra high-grade gold mine at Edna Beryl, and have aggressive but fully-funded exploration underway at our Tennant Creek project in the Northern Territory.

We are also exploring five new gold and copper-gold projects within the highly metal endowed, Macquarie Arc of New South Wales.

The company's tenement package at Tennant Creek Mineral Field covers 2800 square kilometres.

Proactive Investors: How does Emmerson use technology to pinpoint where to drill and does it work?

Rob Bills: Firstly, we have made four discoveries within our Tennant Creek project so have a solid track record.

These discoveries are at various stages but all are distinguished by their above average gold and copper grades and thus I remain confident that with further drilling they have good potential to become mines.

The use of technology by Emmerson is all about increasing the probability of both predicting where the next deposit will be within a large package of tenements, and then detecting it or being able to find it.

As typically all the easy deposits that crop out at the surface have been discovered, leaving the next generation hidden, so this is why technology becomes increasingly important.

On the predictive front we have formed a strategic alliance with a small New Zealand-based company called Kenex Limited that specialise in putting together multiple levels of computer generated data such as geology, geochemistry and geophysics.

These independent data layers are interrogated in an unbiased manner to ascertain their correlation with mineralisation.

If highly correlated, the predictive probability increases.

This reduces the area to a manageable size, and allows deployment of various detection tools/techniques to pinpoint the mineralisation.

The overall aim is to be at the forefront of discovery and use new and innovative ways to objectively target new underexplored areas for gold and copper.

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Proactive Investors: With gold production impending from the Edna Beryl mine, can you provide an update on progress?

Rob Bills: As most will know, Emmerson is monetising a pipeline of small ultra high-grade gold projects at Tennant Creek.

We are using a unique Tribute style agreement with a specialist small mining company.

This agreement mitigates the risks for Emmerson as the onus is on the miner to develop and process the ore, with Emmerson receiving a portion of the gold dore, depending on the amount produced.

The first of these Tribute areas is at Edna Beryl, where we have excised a 3D envelope around one of the high-grade ore shoots.

To date most of the development is complete and interim processing via the State Battery at Tennant Creek is about to commence.

As the gold mostly occurs as free gold, it is believed that this simple process will liberate 70-80% of the gold.

Longer term, plans are underway for either a modular Central Toll Treatment Plant – which is the subject of a feasibility study by the Northern Territory Government, or alternatively our Tribute miner is looking at the installation of a dedicated, mobile plant.

This is a very unique and innovative addition to the main focus of exploration.

Proactive Investors: Can you elaborate on the advantages of the small mines strategy from a shareholders' view?

Rob Bills: The small mines provide a revenue stream but perhaps most importantly it de-risks exploration/discovery – for example at Edna Beryl we have been grappling with the distribution of the gold based on drilling, yet the first 1200 tonnes of development ore, which is sitting on the surface ready for processing, has a bulk grade of 35-40g/t gold.

Statistically this is a much better representation of the likely head grade and would make Edna Beryl one of the highest-grade gold mines in Australia.

We also know that small mines often turn into large mines and so are now in the throes of planning an underground exploration drive from the bottom of the Edna Beryl shaft.

This drive is outside of the designated tribute area and will provide more effective and cheaper underground drilling and sampling, plus enable our geologists to get a better handle on what controls the mineralisation.

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Proactive Investors: Outside of the small mines initiative at Tennant Creek, what is happening on the Joint Venture with Evolution Mining?

Rob Bills: It is business as usual as we prepare for the next round of drilling.

In contrast to previous drill campaigns that have been focused solely on gold, this drilling will be looking for extensions to the Goanna, high-grade copper and gold project that Emmerson discovered back in 2012.

It marks the realisation of the potential for a big high-grade system but requires more drilling to ascertain the size of the resource.

Some of the better drill results from this discovery include: 15 metres at 8.13g/t gold, including 3 metres at 34g/t gold and 11.1% copper.

So we are looking forward to getting this program underway within the next month.

Proactive Investors: Lastly what can you tell us about your new gold and copper foray into New South Wales?

Rob Bills: These five new projects are early stage but have been targeted using the predictive approach outlined above.

Interestingly they also drew the most attention at Beavor Creek, as the early drill results from the Kadungle project are highly encouraging, intersecting shallow, high level epithermal gold and deeper copper-gold.

We are now in the detection mode and have just completed a large, deep penetrating Induced Polarisation survey – which for the non-technical is a geophysical technique that can assist in pinpointing sulphides and alteration at depth.

Preliminary results are very encouraging and consistent with the presence of a large, underlying porphyry copper-gold and associated shallow epithermal gold system.

Once all the data is interpreted, further drilling will be scheduled for later this year.

For the other projects, we have finished flying detailed aeromagnetics over most and are now out on the ground reviewing the results.

These projects are not part of the joint venture with Evolution Mining, but given the interest from many larger companies, may become the subject of a joint venture down the track.

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