

- **Accelerated Mining and Gold Production**
- **Completion of Strategic Alliance with Territory Resources for Tennant Creek**
- **\$2m Placement at 56.8% premium**

### Highlights

- Emmerson secures Strategic Alliance with TRL Tennant Creek Pty Ltd (a subsidiary of Territory Resources Ltd) (TTY) that includes a Mining and Exploration Joint Venture covering the Southern Project Area (SPA) at Tennant Creek.
- TTY to subscribe for A\$2m of new Emmerson shares priced at A\$0.1035 a share, a 56.82% premium to the last traded price (completed within Emmerson's placement capacity under Listing Rule 7.1).
- Emmerson has sold its mothballed Warrego Mill to TTY, with TTY committing to construction of a modern 300,000tpa Carbon in Pulp mill on the site.
- Mining and Exploration Joint Venture over the SPA at Tennant Creek aims to accelerate the discovery of new deposits and/or extensions to the existing mines for processing at the new mill:
  - Emmerson to receive a 12% and 6% gross revenue (less refining costs) royalty of all gold produced for the life of the Edna Beryl and Chariot mines respectively.
  - Emmerson to receive a 25% profit share from any other mine developed within the SPA (other than Edna Beryl and Chariot) in exchange for TTY developing, mining and processing the gold at its cost.
  - Ore from the SPA, Edna Beryl and Chariot to be given priority processing by TTY at the new mill on an agreed "cost plus" basis.
  - TTY to fund A\$5m of exploration over five years across the SPA to earn a 75% interest in the SPA.
- Emmerson to retain 100% ownership of the majority of the Tennant Creek Mineral Field (circa 75% of the existing tenement package), including the recently announced Mauretania gold and Jasper Hills gold-copper-cobalt projects, plus the high-grade Edna Beryl Gold Mine.

**Emmerson's Managing Director; Mr Rob Bills commented:**

*"This Strategic Alliance is transformational for Emmerson and the wider Tennant Creek Region. We welcome Territory Resources as a new shareholder and partner following the formalisation of our Strategic Alliance.*

*For Emmerson shareholders, it provides a low-risk pathway to commercial production from our smaller mines and importantly will generate funding for ongoing exploration programs in the Northern Territory and New South Wales. The A\$5 million earn-in funding being provided by TTY for the Southern Project Area will further build the pipeline of mining projects to feed the new milling facility under construction by TTY.*

*This Strategic Alliance and milling facility will see the re-establishment of Tennant Creek as an integrated exploration, mining, and processing hub – thus realising Emmerson's long-held vision and that of the NT Government. Construction work on this important regional facility has commenced with the first production scheduled for late 2018/early 2019.*

*The structure of the Mining and Processing Agreement will see Emmerson receive a 25% profit share from the mining operations except for Edna Beryl and Chariot, where Emmerson will be entitled to a portion of the gold dore produced (12% and 6% respectively).*

*Emmerson will continue to apply its expertise as exploration manager across the entire Tennant Creek project, including the 100% owned Northern Project Area which hosts the promising Edna Beryl Gold Mine, Mauretania gold and Jasper Hills gold-copper-cobalt projects."*

**Territory Resources Chairman Mr Yuzheng Xie commented:**

*"TTY's investment in Tennant Creek and Emmerson Resources is what we believe will be a long-term involvement with the company and the region both of which we consider to be highly prospective. The long history of profitable gold production from the Tennant Creek Mineral Field is well known. The Exploration and Mining JVs aim, with support from traditional owners, local stakeholders and government, to build on this long history. The combination of Emmerson's tenement package and exploration expertise with TTY's mining and processing experience just makes sense. Together we have the potential to unlock significant value and provide opportunities throughout the region."*

**The Mayor of the Barkly and Tennant Creek, Mr Steve Edgington commented:**

*"This a great outcome for the Tennant Creek region with the construction of the central milling facility and mining likely to generate 20-30 new employment opportunities. Providing this venture between Emmerson Resources and Territory Resources is successful, the economic future for our region looks very promising and realises our Council's vision of re-establishing Tennant Creek as a major mining and services centre in the NT."*

**Strategic Alliance with Territory Resources (figure 1)**

Emmerson is pleased to advise it has finalised a Strategic Alliance with TRL Tennant Creek Pty Ltd (a subsidiary Territory Resources Ltd) (TTY), including a Mining and Exploration Joint Venture covering Emmerson's Southern Project Area (SPA) at Tennant Creek. The SPA represents approximately 25% of Emmerson's total Tennant Creek landholding.

The three components of this alliance will facilitate the construction of a modern 300,000tpa Carbon in Pulp (CIP) mill; fast-track the development of Emmerson's small mining projects and; provide substantial funding for exploration within the SPA.

### **TTY Investment in Emmerson**

As part of the Strategic Alliance, TTY has subscribed for 19,323,671 Emmerson shares priced at A\$0.1035 a share, representing a 56.82% premium to the last traded price. The investment will raise A\$2 million (in 2 tranches of A\$1 million each) to support Emmerson's ongoing exploration activities in both the NT and NSW, provide general working capital and importantly align the interests of both companies.

Following the placement, TTY will hold approximately 4.55% of Emmerson shares on issue. An Appendix 3B reflecting the issue of new shares under the placement will be released separately.

These shares will be issued within Emmerson's existing placement capacity under Listing Rule 7.1.

### **Warrego Mill Sale**

Emmerson has entered into a binding agreement to sell its mothballed Warrego Mill and Mining Lease 30888 (together, the Warrego Sale) to TTY in exchange for TTY building a 300,000tpa CIP processing facility on the site. See ASX announcement 31 May 2018.

The modular nature of the processing facility under construction means TTY expects the plant to be in operation by the end of 2018/early 2019, subject to the receipt of regulatory approvals.

Recently, Emmerson received formal approval for the extinguishment of the Rehabilitation Agreement associated with the Warrego and other historical mines. This approval not only satisfies the conditions of the Warrego Sale to TTY, triggering a further payment, but is a very positive step in establishing a commercially viable, integrated mining and processing hub in Tennant Creek. This has been facilitated by the 2017 NT legislative changes that provide for rehabilitation under the newly established environmental security bonds.

### **Accelerated Mining and Processing**

TTY is an experienced mining and processing operator with a successful track record at other sites around Australia.

Emmerson and TTY have negotiated profit share and gold royalty agreements pertaining to the development and mining of Emmerson's portfolio of potential mining projects within the SPA under a Mining Joint Venture Agreement. Mine planning and scheduling by TTY are well underway, with a number of both open cut and underground mines planned concurrently.

The proposed activity schedule under the SPA Mining Joint Venture Agreement includes the following projects:

Project Area	Mining Potential	Upcoming Work
Edna Beryl Mine	Existing underground Tribute Mining Area plus extensions	Mine existing Tribute Area and establish the Exploration Drill drive
Chariot Mine	Open pit and underground	Evaluate Chariot East and develop underground mine plans
Eldorado	Open pit and underground	Further drilling required
Black Snake	Underground	Exploration approvals granted by the NT Government
Golden Kangaroo East	Open pit	Further drilling required
Malbec West	Open pit and underground	Further work required
Golden Forty	Underground	Further work required
West Gibbet	Underground/open pit	Further work required

Note: most of these projects do not have JORC compliant Resources (except Chariot) and are considered as Exploration Targets. The Chariot project has a JORC (2012) Indicated and Inferred Resource of 170,000 tonnes at a grade of 17.4g/t gold for 99,000oz, as per Table 1 repeated below (Refer to ASX announced on 28 November 2013).

**Table 1: Chariot Mineral Resource Estimation November 2013**

Classification	Tonnes	Gold grade (g/t)	Copper grade (%)	Gold ounces	Gold equivalent grade (g/t)	Copper metal (t)	Gold equivalent ounces
<b>Chariot Potential Open Pit (reported above a 1.0 g/t gold cut-off)</b>							
Indicated	10,000	11.1		11.1	5,000		5,000
Inferred	60,000	19.2		19.2	37,000		37,000
<b>Chariot Potential Underground (reported above a 6.0 g/t gold cut-off)</b>							
Indicated	50,000	16.0		16.0	27,000		27,000
Inferred	50,000	18.4		18.4	31,000		31,000
<b>TOTAL</b>	<b>170,000</b>	<b>17.4</b>		<b>17.4</b>	<b>99,000</b>		<b>99,000</b>

Emmerson confirms it is not aware of any new information or data that materially affects the information set out above or the material assumptions or technical parameters underpinning these estimates, which continue to apply and have not materially changed.

The other projects are considered Exploration Targets<sup>1</sup> and add a further 160,000 – 180,000oz of gold at an estimated grade of 15 – 20g/t gold (based on historical reports). This excludes any additional ounces added from the planned near mine exploration programs. This Exploration Target is conceptual in nature. It must be noted that there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

<sup>1</sup> Refer to Cautionary/Forward-looking Statement on page 7

Under the terms of the agreement with TTY, Emmerson will receive a 25% profit share from any mine within the SPA, other than Edna Beryl and Chariot (where Emmerson will receive a gross revenue (less refining costs) royalty of 12% and 6% respectively of the gold produced).

TTY will receive a 75% share of profits in exchange for them undertaking all of the planning, funding, development and operation of the mines. At this stage, Emmerson's 25% portion of the profit share cannot be determined until the mining, processing, and recoveries can be better ascertained for each individual mining project.

### **Earn-in and JV**

As part of the Strategic Alliance, TTY has entered into an earn-in and joint venture over Emmerson's SPA (Figure 1). Historically, the southern area contains the highest gold endowment of the Tennant Creek Mineral Field and hosts the notable historical deposits of Nobles Nob, Juno, Peko, and Eldorado.

Under the terms of the earn-in, TTY will contribute A\$5m over 5 years to earn a 75% equity interest in the SPA. After the earn-in phase, a Joint Venture can be formed whereby Emmerson can elect to either maintain its equity position in the SPA by contributing 25% to the exploration programs, dilute or convert to a royalty.

During the earn-in, Emmerson will be the operator and manager and will apply its systematic, science-based exploration that has been successful in other parts of the Tennant Creek Mineral Field (figure 2). Emmerson will be paid a fee by TTY for this service. Both parties will work collaboratively under an Exploration Management Committee aimed at identifying additional resources to feed the new Warrego Mill.

Emmerson retains 100% control of its Tennant Creek Project outside of the SPA (collectively called the Northern Project Area (NPA)), equating to approximately 75% of the entire project area wholly owned by Emmerson. The NPA will continue to be advanced by Emmerson on a standalone basis and includes the high-grade Mauretania gold and Jasper Hills gold-copper-cobalt prospects.

### **Conclusion and Next Steps**

Emmerson is pleased to have concluded the Strategic Alliance with TTY, including securing a A\$2 million investment from TTY at a significant premium to the prevailing market price.

Subject to the receipt of requisite approvals, TTY has commenced refurbishment of the Warrego Mill and anticipates commissioning by the end of 2018 or early 2019.

Exploration within the SPA is expected to begin within the coming weeks with surface drilling targeted at pre-development drilling and extending the gold resources around the small mines.

Exploration in Emmerson's 100% owned NPA is awaiting ground clearance of drill pads at Jasper Hills and finalisation of drill targets from the recently flown airborne geophysical survey.

### **About Emmerson Resources, Tennant Creek and New South Wales**

Emmerson recently commenced exploration on new gold-copper projects in NSW, identified (with our strategic alliance partner Kenex Limited) from the application of 2D and 3D predictive targeting models – aimed at increasing the probability of discovery. The highly prospective Macquarie Arc in NSW hosts >80Moz gold and >13Mt copper with these resources heavily weighted to areas of outcrop or limited cover. Emmerson's five exploration projects contain many attributes of the known deposits within the Macquarie Arc but remain underexplored due to historical impediments, including an overlying cover (plus farmlands) and a lack of exploration focus. Kadungle is a JV with Aurelia Metals covering 43km<sup>2</sup> adjacent to Emmerson's Fifield project.

In addition, Emmerson is exploring the Tennant Creek Mineral Field (TCMF), one of Australia's highest-grade gold and copper fields producing over 5.5Moz of gold and 470,000 tonnes of copper from deposits including Warrego, White Devil, Orlando, Gecko, Chariot and Golden Forty. These high-grade deposits are highly valuable exploration targets, and to date, discoveries include high-grade gold at Edna Beryl and Mauretania, plus copper-gold at Goanna and Monitor. These are the first discoveries in the TCMF for over a decade.

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

### **About Territory Resources**

Territory Resources Limited (TTY) explores, mines, rails iron ore and exports out of the Darwin Port in Northern Territory Australia. The company primarily holds an interest in the Frances Creek mine, located to the south of Darwin, Northern Territory. The Company also has interests in the Mt Bundey project and the Yarram project both located in Northern Territory. The Company was incorporated in 2002 and is based in West Perth, Australia. As of February 28, 2018, TTY operates as a subsidiary of Gold Valley Holdings Pty Ltd. TTY is currently expanding its operations into gold projects in the NT, including advancing the +300koz gold project at Nobles Nob and Juno mines in Tennant Creek. TTY is a major shareholder in Maroon Gold, which recently purchased the Black Jack gold processing facility in Charters Towers.



**Regulatory Information**

*The Company does not suggest that economic mineralisation is contained in the untested areas, the information contained relating to historical drilling records have been compiled, reviewed and verified as best as the Company was able. As outlined in this announcement the Company is planning further drilling programs to understand the geology, structure and potential of the untested areas. The Company cautions investors against using this announcement solely as a basis for investment decisions without regard for this disclaimer.*

**Competency Statement**

*The information in this report which relates to Tennant Creek Exploration Results and Exploration Targets 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 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.*

**Reserves and Resources**

*The information in this report which relates to the Mineral Resources at Chariot is based upon information compiled by 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 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.*

**Forward-Looking Statements**

*This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Emmerson Resources Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Emmerson believes that its expectations reflected in these forward- looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in the estimation of a Mineral Resource.*

**For further information, please contact:****Rob Bills**

Managing Director and CEO

E: [rbills@emmersonresources.com.au](mailto:rbills@emmersonresources.com.au)

T: +61 8 9381 7838

**Media enquiries**

Michael Vaughan, Fivemark Partners

E: [michael.vaughan@fivemark.com.au](mailto:michael.vaughan@fivemark.com.au)

T: +61 422 602 720

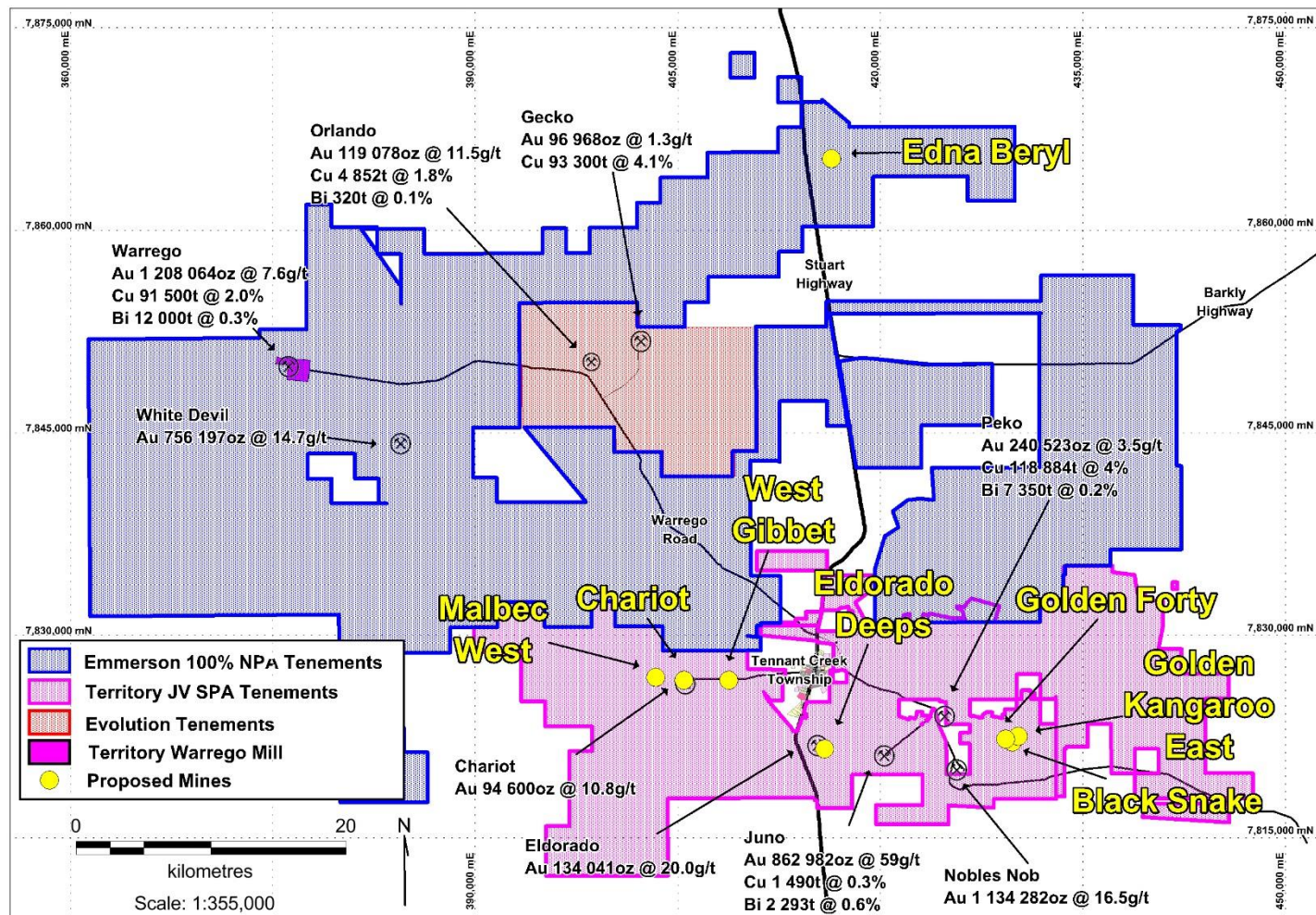


Figure 1: Emmerson Resources 100% owned Tennant Creek project (blue), proposed Centralised Processing Facility (Warrego Mill), general area of proposed JV with Territory Resources (pink) and the Small Mines in the current Mining Schedule Projects (yellow dots). Also note the Evolution Mining tenements (red).



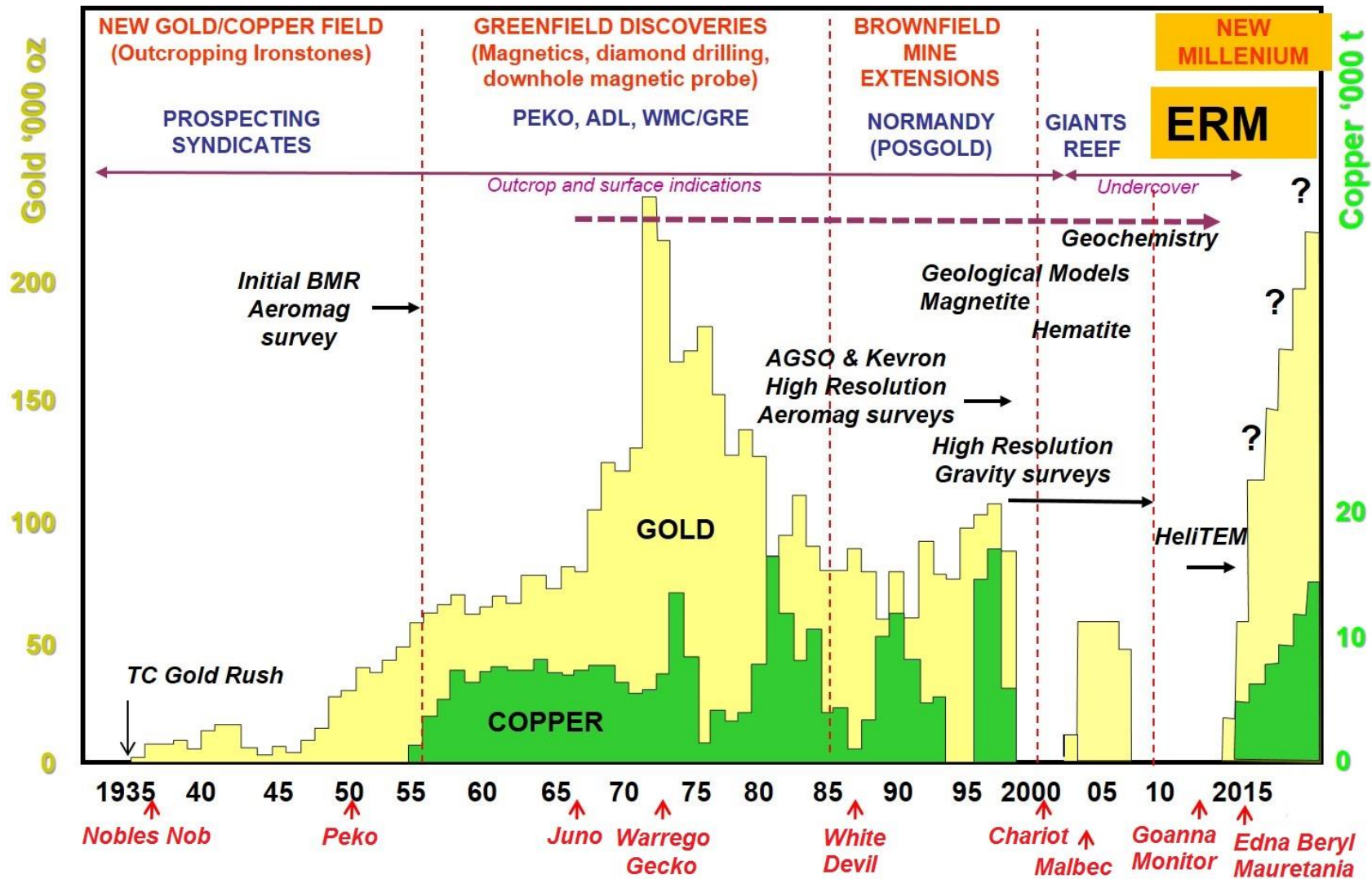


Figure 2: Application of Technology as a Driver of Discovery in the Tennant Creek Mineral Field. Gold (yellow – in '000's of ozs) on the 'Left' 'Y' axis, copper (green – in '000's of t's) on the 'right' 'Y' axis and the year (black) on the 'X' axis, also denoted on the 'X' axis are the names of the discoveries (red). Note ERM discoveries from a multifaceted approach utilising new exploration models and technology.