

Strategic Alliance with Territory Resources to build Tennant Creek Processing Hub to support Small Mines

Highlights

- Emmerson has entered into an Asset Sale and Purchase Agreement plus a Strategic Alliance with Territory Resources Ltd (TTY) as follows:
 - Sale of Emmerson's Warrego Mill Lease to TTY for construction and commissioning of a Central Processing Facility
 - Proposed 300,000tpa facility to be the hub for feed from Emmerson's 100% owned small mines which have priority over other third party feed
 - TTY to pay an initial \$100,000 non-refundable deposit to Emmerson with further payments subject to final negotiations and transfer of liabilities
 - TTY to assess Emmerson's small mines for future mining and processing on a profit share or royalty basis
 - Negotiation of a farm-in and JV over Emmerson's southern tenements and TTY's Nobles Nob and Juno projects – further consolidating the ownership of the Tennant Creek Mineral Field
 - Emmerson to manage and operate the exploration program of any future farm-in and JV
- Black Snake Mine granted approval by Northern Territory government – Emmerson's second small mining operation after Edna Beryl
- Emmerson to continue its primary focus on its active exploration campaigns in Tennant Creek and New South Wales

Emmerson's Managing Director; Mr Rob Bills commented: *"The development of a modern centralised processing facility at Warrego is a major step forward to establishing an integrated exploration, mining and processing hub in the Tennant Creek Mineral Field. This is something Emmerson has been championing for some time as it has the potential to unlock stranded gold assets in the region and is consistent with our strategy of monetising our smaller, high grade resources. This will generate additional funding for one of the most exciting exploration programs in the history of Emmerson – aimed at discovery of high grade gold, copper and cobalt, similar to our recent discoveries at Edna Beryl and Jasper Hills.*

"We thank the Minister for Primary Industry and Resources, Ken Vowles, for recently announcing the approval for Emmerson's second mine at Black Snake and the election promise to develop Tennant Creek as a mining hub to create jobs and boost the local economy. This central processing facility is a transformational enabler for the region.

Emmerson is very excited to welcome Territory Resources to the district and believe that its milling and mining expertise, combined with Emmerson's exploration track record, will prove to be a winner for all stakeholders."

Territory Resources Ltd Chairman, Mr Yuzheng Xie commented: *“Territory Resources has been operating in the NT for the past decade, primarily in mining and processing iron ore, and now we are expanding into mining and processing high grade gold and other mineral deposits. I am confident the combination of Territory’s operational expertise with Emmerson’s exploration skills will drive a very successful partnership in Tennant Creek. This Strategic Alliance will bring new life back to Tennant Creek with the potential to create many new jobs and encourage more exploration in the region. Our ambition is to start mining multiple high grade small deposits to feed the centralised processing facility as soon as possible.”*

Warrego Mill Sale

Emmerson has entered into a binding agreement to sell its mothballed Warrego Mill Lease (ML 30888) to Territory Resources Ltd (TTY). In exchange, TTY will build a modern processing facility on the site and prioritise the processing of ore from Emmerson’s assets over other third party ore. The deal is subject to a number of conditions subsequent, including negotiation with the NT Government on the existing Environmental Liabilities. Emmerson has already fulfilled its commitment for the rehabilitation of the Warrego Town site and any remaining liabilities are expected to be transferred to TTY as part of the sale agreement.

Mining and Processing

Emmerson and TTY will work collaboratively to establish profit share or royalty agreements pertaining to the mining and processing of Emmerson’s portfolio of mines and tailings at Warrego. TTY’s intention is to construct a modern, 300,000tpa processing facility on the Warrego Mill lease. First gold production is projected to occur in late 2018 – contingent on receiving the necessary regulatory approvals.

TTY is an experienced mining and processing operator with a successful track record at other sites around Australia – allowing Emmerson to remain focussed on its core objective of exploration and discovery.

Emmerson aims to accelerate and monetise its portfolio of high grade gold projects to provide additional funding for one of the most exciting exploration programs ever undertaken in the Tennant Creek Mineral Field. This program is well underway, with a 2,400m drill program and innovative helicopter-borne geophysical survey completed. This geophysical survey has potential to pinpoint further high grade cobalt, gold and copper deposits within Emmerson’s northern project area. Examples of which include the recently announced Jasper Hills project with best grades from drill holes of 28m at 5.83g/t gold, 0.17% cobalt and 8.52% copper, and Edna Beryl which is now in production via a Tribute Agreement with specialist small miner, the Edna Beryl Mining Company. This mine is producing at grades in excess of 30-40g/t gold.

Earn-in and JV

As part of the strategic alliance, TTY will enter into an earn-in and potential joint venture over Emmerson’s southern tenements, subject to reaching agreement on the commercial terms (see Figure 1). This area is the most gold endowed portion of the Tennant Creek Mineral Field. It contains the historical Nobles Nob and Juno deposits (now owned by TTY) and the gold tailings from these projects will provide a source of feed to the Central Processing Facility. Under the contemplated earn-in and JV, Emmerson will conduct systematic, science-based exploration utilising modern techniques, aimed at making further discoveries or extensions to these historic mines.

Black Snake Gold Project

Emmerson's Black Snake gold project is located in the southern tenements, some 70km southeast from the proposed Central Processing Facility.

The mineralisation at Black Snake is interpreted to strike East-North-East within a vertical dipping shear zone, and where gold occurs within hematite shale and veins that have yet to be closed off by drilling. Previous drill results include 14m at 60.9g/t gold from 15m, including 9m at 92.8g/t gold from 18m highlighting the high-grade and shallow nature of the mineralisation (refer to ASX announcement 17 May 2017).

The approval by the NT Government for a mining operation at Black Snake gives Emmerson an opportunity to fast-track development of a second small mining project. The proposed small mine would involve the construction of an exploration drive and underground drill platforms to test the potential for high-grade mineralisation beyond the current limit of surface drilling, along with the production of high-grade gold ore for processing.

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 Bunday 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. More recently, TTY purchased the Black Jack gold processing facility in Charters Towers.

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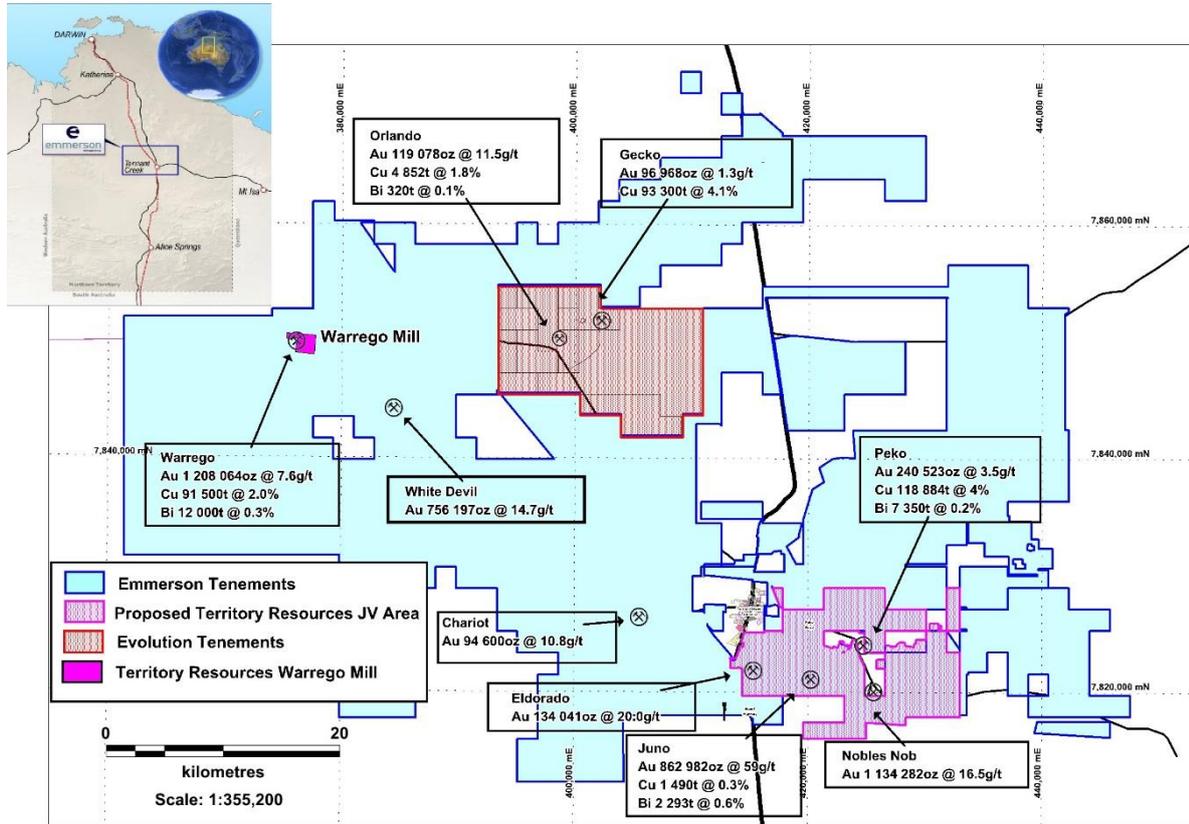


Figure 1. Emmerson Resources 100% owned Tennant Creek project (blue), proposed Centralised Processing Facility (Warrego Mill), general area of proposed JV with Territory Resources (purple) but note the Emmerson small mines (Mining Leases) and the Nobles Nob and Juno Mining Leases are excluded. Also note the Evolution Mining tenements (red).