

Fast Facts

ASX Code: EMR
Shares on issue: 2,111 million
Market Cap: ~A\$89 million
Cash: A\$6.6 million (30 Sept 2017)

Board & Management

Simon Lee AO, Non-Exec Chairman
Morgan Hart, Managing Director
Justin Tremain, Executive Director
Ross Stanley, Non-Exec Director
Ross Williams, Non-Exec Director
Mick Evans, Chief Operating Officer
Mark Clements, Co. Secretary

Company Highlights

- First mover in an emerging gold province in Cambodia
- Okvau Deposit (100% owned): Indicated and Inferred Mineral Resource Estimate of 1.14Moz at 2.0g/t Au (refer Appendix One)
- DFS completed and demonstrates high grade, low cost, compelling development economics:
 - Ore Reserve of 14.3Mt & 2.0g/t Au for 0.9Mozs (refer Appendix One) in a single open pit with waste:ore ratio of 5.8:1
 - LOM average annual production of 106,000ozs pa
 - AISC US\$731/oz over LOM
 - Using US\$1.250/oz Au gold price:
 - NPV_(5%) US\$223M pre-tax and US\$160M post-tax
 - IRR 48% pa pre-tax and 40% post-tax
 - Payback ~2.2 years pre-tax and 2.5 years post-tax
- Highly credentialed gold project development team
- Significant resource growth potential

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Positive Licencing and Funding Progress

Emerald Resources NL (ASX:EMR) ('Emerald'; 'the Company') is pleased to announce that it continues to make positive progress towards full licencing and funding of its Okvau Gold Project and substantial exploration ground within its broader Cambodian Gold Project.

Highlights

- **Environmental rezoning of the proposed Okvau Industrial Mining Licence area expected in the coming weeks which will allow Emerald to pursue approval of the Mining Licence**
- **Exclusive rights to apply to retain the broader Okvau and adjoining O'Chhung exploration licence areas granted**
- **Approval of mandated project financing for the development of the Okvau Gold Project imminent**
- **Joint Venture with Mekong Minerals approved by Cambodian Ministry of Mines & Energy**

Okvau Industrial Mining Licence

Emerald has entered into an Environmental Contract with the Ministry of Environment ('MoE') which has also issued an Environmental Licence to Emerald for the development of the Okvau Gold Project. Under the Environmental Contract, the MoE undertook to rezone the proposed 11.5km² Okvau Industrial Mining Licence area from Conservation Use to Sustainable Use to allow for the development of Mining activities. The MoE are scheduled to complete the final survey of the area in the coming week which will allow for implementation of the rezoning, which Emerald expects to be completed shortly thereafter. Once rezoning has been granted, the Okvau Industrial Mining Licence can be legally granted by the Cambodian Ministry of Mines and Energy ('MME'). This is expected to occur early in the New Year, paving the way for finalisation of Funding arrangements.

Exploration Licences

As a result of the proposed 11.5km² Okvau Industrial Mining Licence area being extracted from the current 192km² Okvau Exploration Licence, Emerald is required to make fresh application for renewal of the residual Okvau Exploration Licence area and the adjoining 182km² O'Chhung exploration area. To ensure Emerald's tenure over these exploration areas is protected during the renewal process, the MME has granted Emerald exclusivity to complete the process, which includes compliance with updated environmental obligations. The key requirement under these obligations is the submission of a MoE approved Initial Environmental Impact Assessment ('IEIA') for proposed exploration activities. Emerald's environmental consultants are in the process of completing the IEIA requirements, with much of the work having been undertaken during application for the Environmental Contract.

The O'Chhung licence area is within an environmental zoning that allows for exploration with MoE approval(s). Emerald will request the MoE rezone the broader Okvau licence area from Conservation Use to Sustainable Use to allow Emerald to submit an exploration licence renewal (and/or further Industrial Mining Licence applications) over that area.

Exploration activities have been paused on the O'Chhung and Okvau licences pending finalisation of licencing arrangements and to ensure the Company remains adequately funded pending completion of financing arrangements in the New Year.

Once licencing and funding has been completed, Emerald will be in a position to quickly commence development activities.

Mekong Minerals Joint Venture

Emerald has also received approval from the MME for the Joint Venture with Mekong Minerals announced 13 July 2017. The final Joint Venture covers two of the four projects referred to in the 13 July 2017 announcement – the Memot Project and the Kratie North Project. The Joint Venture projects provide Emerald with 400km² of highly prospective tenure with historical drilling demonstrating significant gold discovery potential in close proximity to the Okvau Gold Project. Emerald was not satisfied with the outcomes of its legal due diligence on the other two projects, the Preak Khlong and O’Khtung Projects and subsequently excluded them from the Joint Venture. However, Emerald’s interest in the prospectivity of these projects has not diminished and will complete IEIA’s and make exploration licences applications over 400km² of these project areas in its own right.

Angkor Gold Earn-In Agreement

As announced on 13 July 2017, Emerald entered into an earn-in agreement with TSX listed company Angkor Gold Corp. (TSXV: ANK) over its Koan Nheak exploration licence covering 189km² located 50 kilometres north-east of the Okvau Gold Project, whereby Emerald may earn up to an 80% interest. Exploration work has commenced at Koan Nheak in the form geochemical sampling.

Cambodian Gold Project

Background

The Cambodian Gold Projects are located approximately 275 kilometres north-east of Cambodia’s capital city of Phnom Penh in the province of Mondulkiri (refer Figures One and Two). The town of Kratie is located on the Mekong River approximately 90 kilometres to the west and the capital of Mondulkiri, Saen Monorom is located approximately 60 kilometres to the south-east.

Topography of the project area is relatively flat with low relief of 80 metres to 200 metres above sea level. There are isolated scattered hills rising to around 400 metres. The area is sparsely populated with some limited historical small scale mining activity. An all-weather gravel haulage road servicing logging operations in the area provides good access to within 25 kilometres of the Okvau exploration camp site. The current access over the remaining 25 kilometres is sufficient for exploration activities but a new all-weather road is planned as part of project development.

The Okvau Deposit and other gold occurrences within the exploration licences are directly associated with diorite and granodiorite intrusions and are best classed as Intrusive Related Gold mineralisation. Exploration to date has demonstrated the potential for large scale gold deposits with the geology and geochemistry analogous to other world class Intrusive Related Gold districts, in particular the Tintina Gold Belt in Alaska (Donlin Creek 38Moz, Pogo 6Moz, Fort Knox 10Moz, Livengood 20Moz).

Recent joint venture and earn-in agreements, along with the new exploration licence granted, has expanded Emerald’s ground position in Eastern Cambodia from 374km² to over 1,000km².

Figure One | Cambodian Gold Project | Location

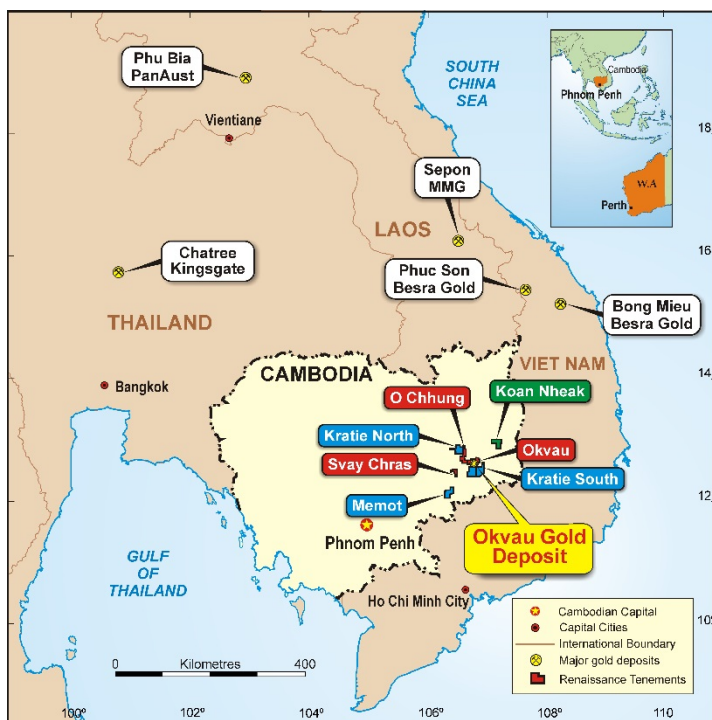
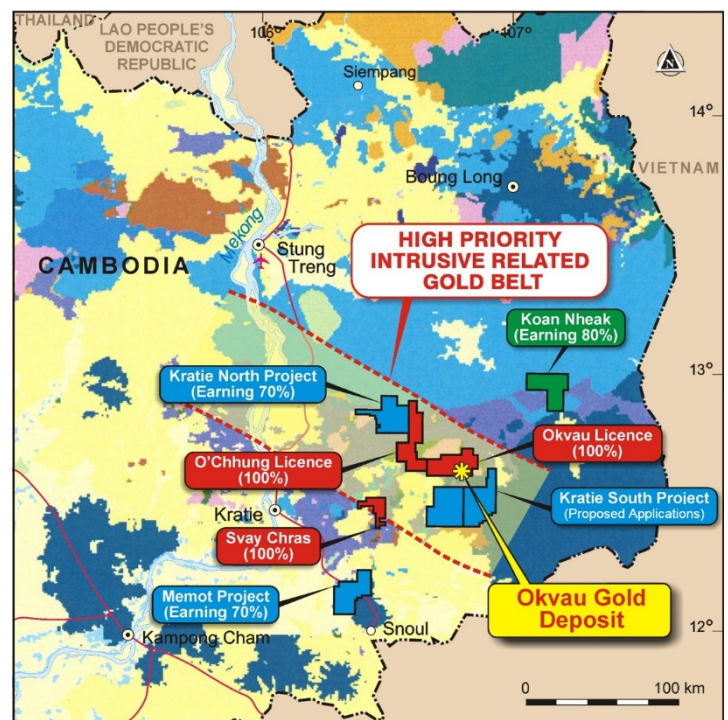


Figure Two | Cambodian Gold Project | Exploration Licence Areas



Okvau Development Economics

Okvau Gold Project | Definitive Feasibility Study

In May 2017, Emerald completed a Definitive Feasibility Study ('DFS') on the development of a 2.0Mtpa operation at the Okvau Gold Project ('Project'). The DFS confirms the robust nature of the Project with an initial operating LOM of over 7 years, producing approximately 106,000 ounces of gold per annum on average from a single open pit, with ore processed through a plant utilising a single stage crushing circuit and SAG mill, sulphide flotation, regrind mill followed by conventional cyanide leaching (refer ASX Announcement 1 May 2017).

The estimated operating costs highlight a financially robust Project with an average LOM AISC of US\$731/oz. The estimated Project development costs are US\$91M with a further US\$7M in mining contractor establishment costs and pre-production mining costs.

At a gold price of US\$1,250/oz, the Project generates a NPV_(5%) of US\$223M pre-tax and US\$160M post-tax with an Internal Rate of Return (IRR) of 48% pa pre-tax and 40% post-tax. The payback of the total capital funding requirement is expected to be 26 months pre-tax and 30 months post-tax, from first gold pour.

The Okvau Gold Deposit has an independent JORC Indicated and Inferred Mineral Resource estimate of 17.7Mt grading 2.01g/t gold containing 1.141Moz (at 0.70g/t gold cut-off) (refer Table One).

Table One | Okvau Mineral Resource Estimate - June 2017

Okvau June 2017 Mineral Resource Estimate									
Cut-off (Au g/t)	Indicated Resource			Inferred Resource			Total Resource		
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
0.70	15.11	2.08	1,008	2.57	1.61	133	17.68	2.01	1,141

The Project has a JORC Ore Reserve (Probable) estimate of 14.26Mt @ 1.98g/t Au for 907,000 ounces gold (refer Table Two).

Table Two | Okvau Ore Reserve Estimate - June 2017

Okvau June 2017 Ore Reserve Estimate		
	Tonnage (Mt)	Grade (g/t Au)
Probable Ore Reserve	14.26Mt	1.98g/t Au
		Contained Au (Koz)
		907koz

The Okvau Deposit remains open. There is significant potential to define additional ounces from both shallow extensions along strike to the north-east and at depth.

Key operating and financial outcomes of the DFS, prepared in accordance with the requirements of the JORC Code (2012 Edition), are presented in Table Three.

Emerald is continuing to progress due diligence with a mandated debt financier for the development of the Okvau Gold Project. Approval of the project financing is imminent.

Table Three | DFS Economics¹

Ore Reserve	14.3Mt @ 2.0g/t gold for 907koz contained		
LOM Strip Ratio (waste t: ore t)	5.8:1		
Throughput	2.0Mtpa		
Life of Mine	7.2 years		
Processing Recovery	84%		
Recovered Ounces	762koz		
Average Annual Production	106koz		
Pre-production Capital Costs ²	US\$98M		
Sustaining Capital Costs ³	US\$23M		
Gold Price	US\$1,100/oz	US\$1,250/oz	US\$1,400/oz
Gross Revenue	US\$838M	US\$952M	US\$1,066M
LOM Net Revenue (net of royalties ⁴ and refining)	US\$801M	US\$911M	US\$1,020M
Operating Cash Flow pre-tax	US\$309M	US\$419M	US\$528M
Project Cash Flow pre-tax	US\$188M	US\$298M	US\$407M
NPV _(5%) pre-tax	US\$133M	US\$223M	US\$313M
NPV _(5%) post-tax ⁵	US\$95M	US\$160M	US\$224M
Payback pre-tax	3.0 years	2.2 years	1.6 years
Payback post-tax	3.3 years	2.5 years	1.8 years
IRR pre-tax	32%	48% pa	63%
IRR post-tax ⁵	27%	40% pa	54%
LOM C1 Cash Costs ⁶	US\$650/oz	US\$650/oz	US\$650/oz
LOM All-In Sustaining Costs ('AISC') ⁷	US\$725/oz	US\$731/oz	US\$737/oz

¹ All economics are 100% attributable to Emerald

² Includes US\$4.4M of capital spares and first fills and US\$7.0M of mining capital and pre-production mining costs

³ Includes US\$14.4M of rehabilitation and closure costs

⁴ Royalties include Government royalty of 2.5% gross and a third party royalty of 1.5% gross (capped to A\$22.5M)

⁵ Taxation is based on current and draft Cambodian tax law and does not allow for any incentives or tax relief

⁶ C1 Cash Costs include site based mining, processing and admin operating costs plus transport and refining costs

⁷ Includes C1 Cash Costs plus royalties, sustaining capital costs, contributions to environmental & community funds and rehabilitation & closure costs

About Cambodia

Cambodia is a constitutional monarchy with a constitution providing for a multi-party democracy. The population of Cambodia is approximately 14 million. The Royal Government of Cambodia, formed on the basis of elections internationally recognised as free and fair, was established in 1993. Elections are held every five (5) years with the last election held in July 2013.

Cambodia has a relatively open trading regime and joined the World Trade Organisation in 2004. The government's adherence to the global market, freedom from exchange controls and unrestricted capital movement makes Cambodia one of the most business friendly countries in the region.

The Cambodian Government has implemented a strategy to create an appropriate investment environment to attract foreign companies, particularly in the mining industry. Cambodia has a modern and transparent mining code and the government is supportive of foreign investment particularly in mining and exploration to help realise the value of its potential mineral value.

Detailed information on all aspects of Emeralds' projects can be found on the Company's website; www.emeraldresources.com.au.

For further information please contact;
 Emerald Resources NL
 Morgan Hart
 Managing Director

Emerald Resources NL
 Justin Tremain
 Executive Director

Forward Looking Statement

This announcement contains certain forward looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about the industry in which Emerald Resources operates, and beliefs and assumptions regarding the Company's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known or unknown risks, uncertainties and other factors, some of which are beyond the control of the Company, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, which reflect the view of Emerald Resources only as of the date of this announcement. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Emerald Resources will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

This announcement has been prepared in compliance with the current JORC Code 2012 Edition and the ASX listing Rules. All material assumptions on which the forecast financial information is based have been included in this announcement.

The Company believes that it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any production targets and financial estimates, based on the information contained in this announcement. All material assumptions underpinning the production target or the forecast financial information continue to apply and have not materially changed.

100% of the production target referred to in the 1 May 2017 announcement is based on Probable Ore Reserves.

Emerald has a highly experienced management team, undoubtedly one of the best credentialed gold development teams in Australia with a proven history of developing projects successfully, quickly and cost effectively. They are a team of highly competent mining engineers and geologists who have overseen the successful development of gold projects in developing countries such as the Bonikro Gold Project in Cote d'Ivoire for Equigold NL and more recently, Regis Resources Ltd.

The Company believes it has a reasonable basis to expect to be able to fund and develop the Okvau Gold Project for the reason set out above and in this announcement. However, there is no certainty that the Company can raise funding when required.

Competent Persons Statements

The information in this report that relates to Exploration Results is based on information compiled by Mr Craig Johnson, who is an employee to the Company and who is a Member of The Australasian Institute of Geoscientists. Mr Craig Johnson has sufficient experience which is relevant to the style of mineralisation and type 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 Craig Johnson has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

The information in this report that relates to the Mineral Resources for the Okvau Gold Deposit was prepared by EGRM Consulting Pty Ltd, Mr Brett Gossage, who is a consultant to the Company, who is a Member of the Australasian Institute of Mining & Metallurgy (AIG), and has sufficient experience 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 by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Gossage has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

Information in this announcement that relates to Ore Reserves for the Okvau Gold Deposit is based on, and fairly represents, information and supporting documentation prepared by Mr Glenn Williamson, an independent specialist mining consultant. Mr Williamson is a Fellow of the Australasian Institute of Mining & Metallurgy. Mr Williamson 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 (or "CP") as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Williamson has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.