

Okvau Gold Project Update

Fast Facts

ASX Code: EMR
Capital Structure
Shares on issue: 3,042 million
Market Cap: ~A\$119 million
Cash: A\$24.5 million (31 Dec 2018)
Listed Investments: A\$0.2 million (31 Dec 2018)

Board & Management

Simon Lee AO, Non-Executive Chairman
Morgan Hart, Managing Director
Mick Evans, Executive Director
Ross Stanley, Non-Executive Director
Ross Williams, Non-Executive Director
Mark Clements, Company Secretary
Brett Dunnachie, Chief Financial Officer

Company Highlights

- First mover in an emerging gold province in Cambodia
- Industrial Mining Licence granted over the Okvau Gold Project (100% owned) allowing for the development of the Okvau Deposit
- Okvau Deposit: Indicated and Inferred Mineral Resource Estimate of 1.14Moz at 2.0g/t Au (Refer Table 1)
- DFS completed and demonstrates high grade, low cost, compelling development economics:
 - Ore Reserve of 14.3Mt & 2.0g/t Au for 0.9Moz 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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HIGHLIGHTS

- Commencement of access road and bridge construction following MoU with the Mondulkiri Provincial Department of Rural Development
- Successful resettlement process and site clean up of project development area
- Construction of power line to supply grid power well advanced
- Commencement of early works engineering design
- Advanced discussions with potential financiers of the Okvau Gold Project

Emerald Resources NL (ASX: EMR) ("Emerald") is pleased to provide an update on the significant progress made on development activities at the Okvau Gold Project.

Access Road and Bridge Construction

Negotiations for the construction of the access road have been finalised resulting in the signing of a binding MoU with the Mondulkiri Provincial Department of Rural Development. The MoU agrees the construction of a 35 tonne bridge across the Prek Te River, upgrades to an existing rural road and the construction of a new section of planned road which will allow continuous access to the Okvau site throughout the May – September wet season. Construction activities have now commenced with completion expected in line with the project development timeline requirements.

Resettlement and site clean up

Following the successful resettlement of a total of 62 local families away from the Okvau Mining Licence area, Emerald completed site works to dismantle and remove abandoned structures from the Okvau Project Development Area ("PDA").

Figure 1 | Dismantled Structures



Figure 2 | Site Clean Up



Upon completion of the site clean up, Emerald commenced the installation of a security fence around the PDA to ensure the safety of personnel, visitors and wildlife. Completion of the installation of the security fence is expected in the current quarter.

Figure 3 | Okvau PDA Fencing



Grid Power

The construction of a power line to supply grid power to the Okvau Gold Project is well advanced. The contractor commenced works on the power line in early 2018 and has completed clearance of the power line corridor from the Cambodian National grid sub-station at Kratie to the Okvau site, poured a large portion of the tower footings from Kratie to site (with the latest footings on the Okvau PDA), erected towers and progressed the stringing of power lines to within approximately 20km of the Okvau PDA. The power line contractor expects completion prior to the end of 2019.

The provision of grid power is a critical step to production and is on track to be available upon commissioning of operations.

Figure 4 | Powerline Tower



Figure 5 | Tower Footings on Okvau PDA



Early works design engineering

Emerald engaged Mintrex Pty Ltd to undertake early works engineering which has been substantially advanced during the last quarter. The early works engineering scope broadly includes development and issue of key process design documents along with elements of the process plant and civils design and has been developed to assist with achieving the project construction schedule in line with the project development timeline requirements.

Financing

Following the distribution of the independent technical expert report to a number of prospective financiers to aid in the bidding process, discussions continue to advance with these parties for funding the development of the Okvau Gold Project. Completion of financing will be subject to terms usual for a transaction of this nature including lender due diligence, formal documentation and credit approval. Whilst these discussions continue, funds raised under the A\$28 million Placement and Share Purchase Plan completed in December 2018 have allowed the Company to significantly progress development activities.

Exploration

Emerald has also recently undertaken a drill program to test the potential near mine extensions of the Okvau deposit and to test the stratigraphy of the north eastern diorite contact. An exploration update will be provided shortly.

Corporate

In line with the Company's strategy and development capability, Emerald continues to identify and review prospective mineral exploration and development projects that offer value enhancing opportunities to its shareholders. Emerald notes the ASX announcement released by Capricorn Metals Ltd (ASX: CMM) ("Capricorn") dated 2 April 2019 relating to a non-binding indicative and incomplete letter of intent ("NBIO") received from Emerald. Emerald considered the Karlawinda Gold Project ("Karlawinda") was complementary to the Company's existing flagship project, the Okvau Gold Project and that Karlawinda would establish a pipeline of projects for Emerald's experienced development team following the Okvau construction phase.

In particular, Emerald was confident that the Karlawinda Gold Project and Capricorn shareholders would benefit from the Emerald team's proven capability to reduce capital expenditure for the development of similar projects.

Emerald has noted the Capricorn Board's dismissal of the NBIO in the ASX announcement of 2 April 2019 and its preference to pursue a capital raising at a heavily discounted price to the NBIO offer price.

Emerald reserves its rights to re-engage with Capricorn in the future but will only do so if the capital structure and valuation of Capricorn remains accretive to Emerald shareholders.

Emerald will continue to assess global mineral development opportunities which complement the Company's primary focus of enhancing the resource potential of the Okvau Gold Project and continuing to progress its development.

Detailed information on all aspects of Emerald's 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

Table 1 | Okvau Mineral Resource Estimate

Okvau 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

Table 2 | Okvau Ore Reserve Estimate

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

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. Reference is made to the Company's ASX release dated 1 May 2017 titled Okvau DFS Delivers Ore Reserve of 907,000oz. 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 and Grade Control Results is based on information compiled by Mr Keith King, who is an employee to the Company and who is a Member of The Australasian Institute of Mining & Metallurgy. Mr Keith King 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 Keith King has reviewed the contents of this 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.