



ASX Announcement

19 July 2016

EMERALD RESOURCES AND RENAISSANCE MINERALS TO MERGE

Highlights of the Merger

- **Emerald proposing to merge with Renaissance via an off-market takeover offer under which Emerald will acquire all of the shares in Renaissance that it does not already own by offering 1.55 new Emerald shares for every 1 Renaissance share**
- **The Offer is recommended by all independent directors of Renaissance, in the absence of a superior proposal**
- **The merged entity will create a well-funded gold development company which is well placed to develop its assets and pursue any value enhancing opportunities which may arise. Subject to completion, the merged entity will have a pro-forma market capitalisation of approximately A\$95 million¹ and approximately A\$20 million of cash²**
- **The Offer values Renaissance at approximately A\$40 million, or 7 cents per share³ and provides a 27% premium to the Renaissance 30-day volume weighted average price (VWAP)⁴**
- **Emerald has obtained pre-bid acceptances agreements from Renaissance shareholders representing in aggregate 9.4% of Renaissance shares, giving it a relevant interest of 19.4% when combined with Emerald's existing 10% shareholding in Renaissance**
- **Renaissance has received statements from certain shareholders intending to accept the offer, in the absence of a superior proposal, representing in aggregate 15% of Renaissance shares**
- **The merged entity will have a strong board and management team that can deliver the proposed strategy and growth going forward**
- **100% project ownership under one entity and management team; improved funding options and broader equity market appeal from scale, liquidity and simplified ownership**

Emerald Resources NL (ASX:EMR) (**Emerald**) and Renaissance Minerals Limited (ASX:RNS) (**Renaissance**) jointly announce that they have entered into a definitive Bid Implementation Agreement (**Implementation Agreement**) in relation to a proposal to merge the two companies. It is proposed that Emerald will acquire all of the issued shares of Renaissance that it does not already own in a share based transaction by way of an off-market takeover offer (**Offer**).

Under the Offer, Renaissance shareholders will receive 1.55 new Emerald shares for every 1 Renaissance share held, which represents a 27% premium to the 30-day volume weighted average price (VWAP)⁴. Based on Emerald's closing share price of 4.5 cents on the ASX on 15 July 2016 (being the last day Emerald and Renaissance shares traded before this announcement), the Offer values Renaissance at approximately A\$40 million or 7.0 cents per share³.

In the absence of a superior proposal, the Emerald proposal is unanimously recommended by all of the directors of Renaissance, other than Mr Ross Williams, who is also a Director of Emerald and therefore abstains from making a recommendation (**Recommending Directors**). All Renaissance directors intend to accept Emerald's Offer in respect of all shares they own or control, in the absence of a superior proposal.

Renaissance has engaged BDO Corporate Finance to prepare an independent expert's report on whether the Offer is fair and reasonable to shareholders (**IER**). The IER will be provided to Renaissance shareholders with the Target's Statement.

Strategic Rationale for the Transaction

The merged entity creates a mid-tier gold company which is well positioned for continued project expansion and development and further opportunities. Key features of the merged entity include:

- 100% owned Cambodian Gold Project:
 - Okvau and adjoining O'Chhung exploration licences covering approximately 400km² of project area in the core of a prospective Intrusive Related Gold district in the eastern plains of Cambodia
 - 1.13Moz resource estimate at the Okvau Gold Deposit
 - PFS completed for single open pit containing 829,000oz at 2.2g/t gold⁵. DFS underway
 - Substantial exploration and project generation potential
- Simplified single ownership structure and operational management of assets allows for acceleration of exploration and development
- Synergies through removal of duplicated corporate and head office administrative functions
- Pro forma market capitalisation of merged entity of approximately A\$95 million¹
- Strong balance sheet with A\$20 million of cash² and no debt
- Well positioned for continued project expansion and development
- Highly credentialed and experienced Emerald Board to be expanded with appointment of Mr Justin Tremain as Executive Director
- Enhanced financing options and broader equity market appeal from scale, improved liquidity and ability to source development financing

Management and Governance

Simon Lee AO, Chairman of Emerald, will remain as Chairman of the Board of the combined group. Morgan Hart, Managing Director of Emerald will remain as Managing Director of the combined group. Ross Stanley and Ross Williams, Non-Executive Directors of Emerald will remain as Non-Executive Directors of the combined group and Justin Tremain, Managing Director of Renaissance, will be offered a position as Executive Director on the Board of the combined group. Justin's appointment will retain long term knowledge of the Cambodian Gold Project and allow for a focus on corporate promotion, business development and project financing.

Emerald Chairman, Simon Lee AO, said:

"We are aligned with the Renaissance Board's assessment of the strong potential of this advanced development gold project with an excellent exploration upside. The merger formalises this position and simplifies the process of enhancing the value of this project for the benefit of all shareholders. I look forward to Justin's contribution to our highly experienced Board and management team to achieve this objective."

Renaissance Chairman, Hamish Halliday, said:

"Having developed a strong partnership with Emerald following the successful joint venture of the Cambodian Gold Project, this merger represents a natural progression for both companies and provides a robust corporate platform for the development of the Okvau Gold Deposit. A successful merger will create an emerging gold producer with a highly credentialed management team, a strong balance sheet and a company very well positioned to deliver growth for all shareholders."

Transaction Details

The Offer will be implemented by way of an off-market takeover offer under the Corporations Act. Emerald will offer 1.55 new Emerald shares for every 1 Renaissance share.

The Offer extends to any Renaissance shares that are issued as a result of the exercise of Renaissance options during the Offer. In addition, Emerald intends to enter into private treaty arrangements with Renaissance's option holders pursuant to which their Renaissance options will be cancelled or transferred in exchange for new Emerald options with an exercise price equal to the exercise price of the relevant Renaissance option divided by 1.55, and an expiry date the same as the relevant Renaissance option.

The Offer is subject to the satisfaction or waiver of the conditions in Schedule 2 of the Implementation Agreement, and which are summarised below:

- a 90% minimum acceptance condition;
- no prescribed occurrence (as defined in the Implementation Agreement) occurring in relation to Renaissance during the Offer period;
- no material adverse change (as defined in the Implementation Agreement) occurs in relation to the affairs of Renaissance during the Offer period;
- no material acquisitions, disposals or new commitments being undertaken by Renaissance during the Offer period; and
- no material litigation being threatened or commenced against Renaissance during the Offer period.

Each of the conditions can be waived in Emerald's sole discretion.

Renaissance has agreed to customary exclusivity arrangements including "no shop", "no talk" and no due diligence restrictions, and notification rights, subject to a customary fiduciary exception to allow it to consider competing proposals.

The Implementation Agreement sets out the terms of the Offer in full. Further details of the Offer will also be included in the Bidder's Statement and Target's Statement that will be despatched to Renaissance shareholders shortly.

Under the indicative timetable, the Offer is expected to close late in the third quarter of 2016 (unless extended in accordance with the Corporations Act).

Emerald will remain headquartered in Perth, Western Australia and will maintain its listing on the Australian Securities Exchange.

Pre-bid Acceptances and Shareholder Intention Statements

Renaissance shareholders representing 9.4% of Renaissance shares have entered into binding pre-bid acceptance agreements to accept the Offer in respect of their Renaissance shares. The obligation of Renaissance shareholders to accept the Offer will cease in limited circumstances, including if a superior proposal is made and recommended by the Recommending Directors. The effect of the pre-bid acceptance agreements combined with Emerald's existing holding of 10% of Renaissance shares means Emerald currently has a relevant interest in 19.4% of Renaissance shares on issue.

The full terms and conditions of the pre-bid acceptance agreements are attached to Emerald's change in substantial shareholder interest notice, in relation to Renaissance, which has been lodged on the ASX announcements platform.

In addition, certain Renaissance shareholders, holding in the aggregate 86,381,625 shares equating to 15% of Renaissance shares, have indicated their intention to accept the Offer in full no earlier than 21 days after commencement of the Offer period in the absence of a superior proposal (**Shareholder Intention Statements**).

Signed Shareholder Intention Statements have been received by the following Renaissance Shareholders:

- 39,381,625 shares held by Ingalls & Snyder Value Partners L.P. which equates to voting power of 6.8%;
- 22,000,000 shares held Mr Robert L Gipson which equates to voting power of 3.8%;
- 15,000,000 shares held by PS Consulting Pty Ltd which equates to voting power of 2.6%; and
- 10,000,000 shares held by JA Advisory Services Pty Ltd which equates to voting power of 1.7%.

Indicative Timetable

The indicative timetable for the Offer is set out below:

Event	Target Date
Expected date of lodgement of Bidder's Statement and Target's Statement with ASIC and ASX	16 August 2016
Expected date of despatch of Bidder's Statement and Target's Statement to Renaissance shareholders	23 August 2016
Expected Offer open date	23 August 2016
Expected Offer close date (unless extended in accordance with the Corporations Act)	23 September 2016

Advisers

Steinepreis Paganin is acting as Australian legal adviser to Emerald.

Euroz Securities Limited is acting as financial adviser to Renaissance and Gilbert + Tobin is acting as Australian legal adviser to Renaissance.

This announcement lifts the trading halt that Emerald and Renaissance requested on Monday 18 July 2016. Emerald and Renaissance are not aware of any reason why the ASX would not allow trading to recommence immediately.

For and on behalf of the Emerald and Renaissance Boards.

MORGAN HART
Managing Director
Emerald Resources NL

JUSTIN TREMAIN
Managing Director
Renaissance Minerals Limited

- ¹ The pro forma indicative market capitalisation of the merged entity is calculated based on the last traded share price of Emerald prior to this announcement multiplied by the number of Emerald shares which would be on issue assuming it acquires all of the issued shares in Renaissance under the Offer, and does not take into account any options. There is no guarantee of the price at which Emerald's shares will trade on completion of the Offer.
- ² Based on cash position of Emerald and Renaissance of approximately A\$16 million and A\$4 million respectively at 31 March 2016. The pro forma cash position does not take into account events subsequent to 31 March 2016 and does not take into account the costs of the Offer.
- ³ Based on the last traded price of Emerald shares of 4.5 cents, the Offer of 1.55 Emerald shares for 1 Renaissance share and 574,444,444 Renaissance shares on issue
- ⁴ Based on the 30 day VWAP of Emerald and Renaissance of 4.64 cents and 5.66 cents respectively to 15 July 2016
- ⁵ Reference is made to Renaissance's ASX release dated 27 July 2015 titled Okvau PFS Demonstrates Compelling Project Economics. All material assumptions underpinning the production target or the forecast financial information continue to apply and have not materially changed.

Okvau Mineral Resource Estimate - July 2015

July 2015 JORC Resource (0.6g/t gold cut-off)			
	Tonnage (Mt)	Grade (g/t Au)	Gold (Koz)
Indicated	13.2	2.3	962
Inferred	2.7	2.0	169
Total	15.8Mt	2.2g/t	1,131

Competent Persons Statement

The information in this report that relates to the Mineral Resources for the Okvau Gold Deposit was prepared by International Resource Solutions Pty Ltd (Brian Wolfe), who is a consultant to Renaissance Minerals Limited, who is a Member of the Australian Institute of Geoscientists (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 Wolfe consents to the inclusion of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This announcement has been jointly prepared by Emerald and Renaissance. This document contains background information about Emerald and Renaissance and their related entities current at the date of this announcement. This is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement. This announcement is for information purposes only. Neither this document nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.

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Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, Emerald and Renaissance do not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions or circumstances on which any such forward-looking statement is based.