

31 October 2017

Fast Facts

ASX Code: EMR
Shares on issue: 2,108 million
Market Cap: ~\$95 million
Cash: A\$6.6 million (30 Sept 2017)
Listed Investments: A\$0.5 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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Quarterly Report for the period ended 30 September 2017

Highlights

Cambodian Activities

Okvau Gold Project

- Advanced the environmental approval and mining licence application
- Emerald remains confident of the key permits and licences being obtained in the coming weeks to allow commencement of development of the Project by end of 2017
- Commencement of an 11,000 metre resource infill drilling program representing the acceleration of production grade control drilling

Exploration Drilling

- Completed approximately 2,500 metres of first pass reconnaissance RC drilling on a number of prospects
- Follow-up drilling undertaken on Samnang Prospect adjacent to the Okvau Deposit (awaiting results)

Joint Venture Agreements

- Two earn-in and joint venture agreements reached expanding Emerald's exploration ground position in Cambodia from 374km² to 1,500km²
- Government approval obtained for the Earn-In Agreement with Angkor Gold over its Koan Nheak exploration licence covering 189km² with an initial surface geochemical sampling program commenced during the Quarter
- Ongoing due diligence on the Mekong Minerals Joint Venture Agreement comprising four exploration licenses covering 861km²

Corporate

- Project financier mandated for the provision of debt funding for the development of the Okvau Gold Project
- Approval of the indicative terms of the Project Finance facility would fund the majority of the development costs
- Emerald's consolidated cash and listed investment position at 30 September 2017 was approximately \$7.1 million

Cambodian Gold Project

Background

Following recently announced joint venture and earn-in agreements, Emerald has expanded its ground position in Eastern Cambodia from 374km² to 1,500km². The main focus for the company is the permitting and development of the 100% owned Okvau Gold Project ('Project'). The Project is 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.

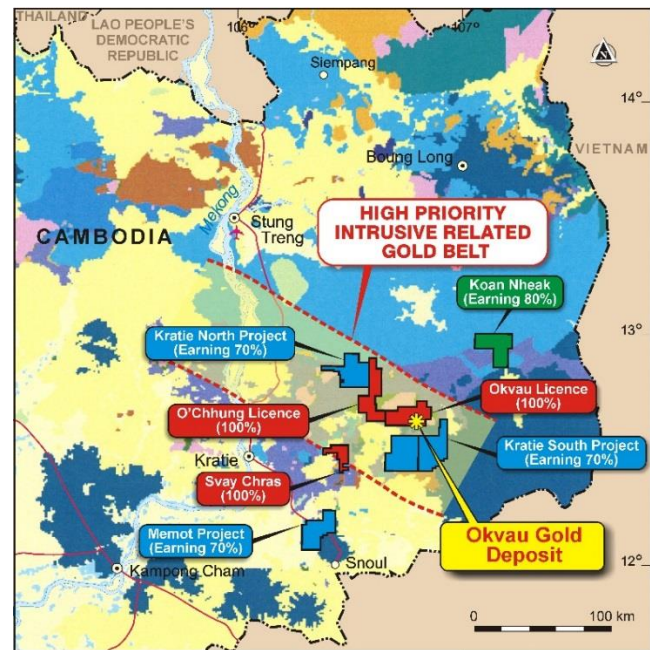
Topography of the Project area is relatively flat with low relief of 80 metres to 200 metres above sea level. There are isolated scattered hills rising to around 400 metres. The area is sparsely populated with some limited historical small scale mining activity. An all-weather gravel haulage road servicing logging operations in the area provides good access to within 15 kilometres of the Okvau exploration camp site. The current access over the remaining 15 kilometres is sufficient for exploration activities but a new all-weather road is planned as part of project development.

The Project is based on the open pit mining of the Okvau Deposit. 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).

Figure One | Cambodian Gold Project | Location



Figure Two | Cambodian Gold Project | Exploration Licence Areas



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 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.

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). 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.

Table One | Okvau Mineral Resource Estimate - June 2017

Okvau June 2017 Mineral Resource Estimate									
Indicated Resource				Inferred Resource			Total Resource		
Cut-off (Au g/t)	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)
Contained Au (Koz)		
Probable Ore Reserve	14.26Mt	1.98g/t Au
		907koz

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.

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

Activities during the Quarter

Okvau Gold Project | Development Activities

Development Permitting

The focus for Emerald during the Quarter was progression of the environmental approval and mining licence application to allow for development of the Okvau Gold Project.

A comprehensive Environment & Social Impact Assessment ('ESIA') has been submitted to the Ministry of Environment for approval. The ESIA has undergone a number of revisions following numerous workshops with the Ministry of Environment. The ESIA has now been accepted by the Ministry of Environment with no further amendments required. Emerald is finalising the negotiation of terms and conditions of the approval (the 'Environmental Contract') and environmental licence ('Environmental Licence'). Both the Environmental Contract and Environmental Licence have been presented to the Minister of Environment for signing.

Emerald has previously submitted an Industrial Mining Licence application to the Ministry of Mines & Energy of Cambodia. The application area covers approximately 11km² within the existing Okvau Exploration Licence. The Industrial Mining Licence application cannot be finalised prior to environmental approval. Emerald expects the Ministry of Mines & Energy to issue the Industrial Mining Licence within 4-6 weeks following environmental approval of the Project.

Emerald is also in discussions with the Ministry of Economy & Finance regarding the negotiation of a Mineral Investment Agreement ('MIA') which is provided for under Cambodian mining law. The MIA is an agreement Emerald has requested to provide long term certainty and is not required for the development and operation of the Project. The MIA will provide all stakeholders long term certainty regarding the operation of the Project and the fiscal regime. Emerald is working to finalise the MIA in early 2018.

Emerald remains confident of the key permits and licences being obtained in the coming weeks and allow commencement of development of the Project by end of 2017.

Project Financing

During the Quarter, Emerald mandated a project financier for the provision of debt funding for the development of the Project. Technical due diligence is well advanced and is expected to be completed in the coming weeks. Approval of the indicative terms of the Project Finance facility would fund the majority of the development costs.

Development Work

During the Quarter, ongoing discussions were held with the Electricite du Cambodge ('EDC') in Cambodia regarding the supply of high voltage grid power to the Project. The EDC generates, transmits, and distributes electric power to distribution systems and bulk power consumers in Cambodia. Discussions with the EDC have been very positive and Emerald understands the EDC is planning to commence construction of a high voltage transmissions lines from the current National grid to the Okvau Project area during December 2017. Emerald is also in advanced contract discussions with a reputable Australian mining and civil contractor. These discussions advanced during the Quarter with both companies nearing agreement on scheduling and costings.

Subsequent to the end of the Quarter, Emerald commenced a significant resource infill drilling program which represents the acceleration of production grade control drilling. The program consists of over 11,000 metres of shallow (~30 metres) Reverse Circulation ('RC') drill holes and will provide a very high level of confidence in the initial 6 months of mill feed.

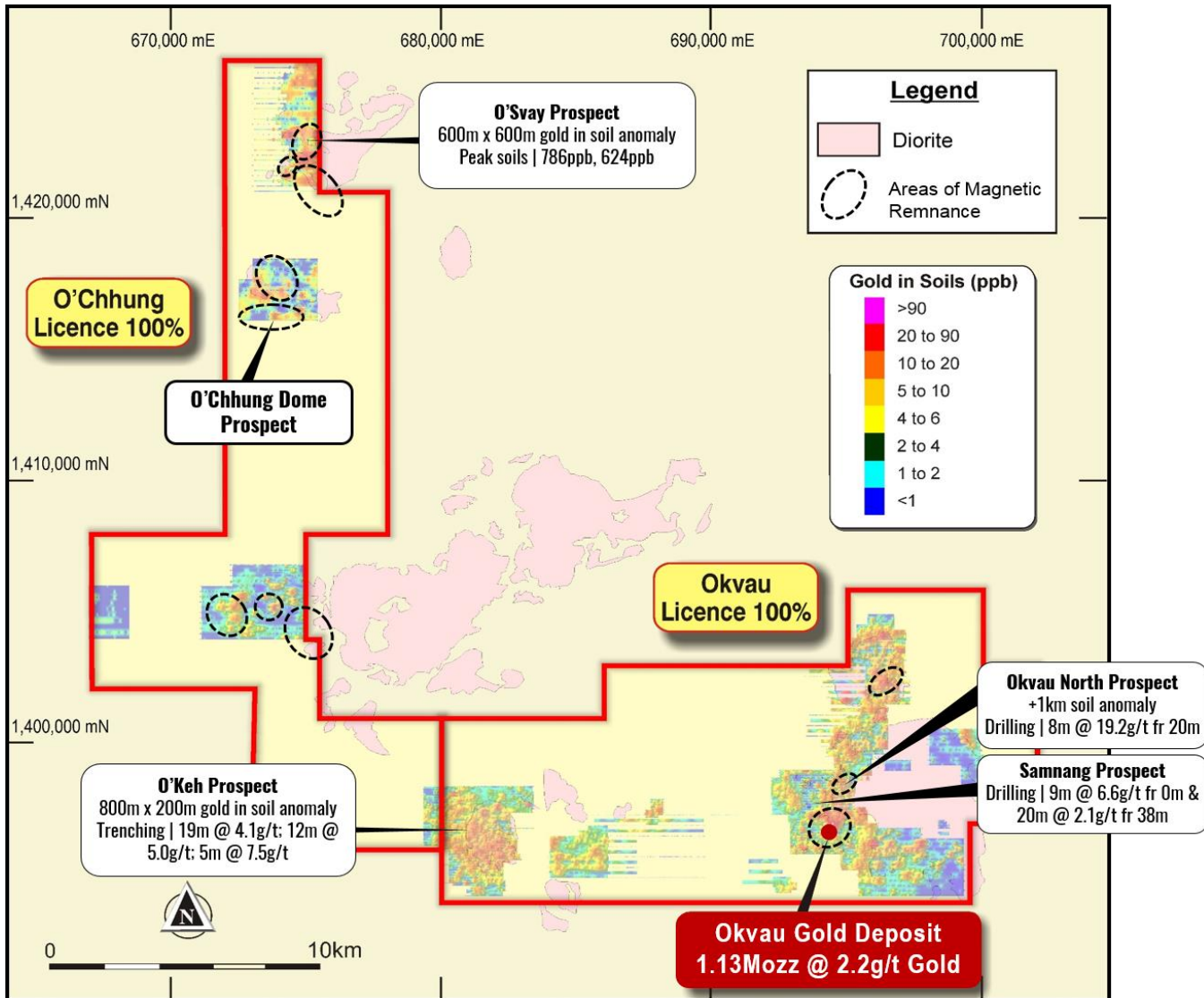
Okvau Gold Project | Exploration Activities

Exploration Drilling

During the Quarter, notwithstanding the wet season, Emerald completed approximately 2,450 metres of first pass reconnaissance RC drilling on a number of Prospects, including O'Svay (17 holes for 948 metres), O'Chhung Dome (11 holes for 619 metres) and O'Keh (12 holes for 883 metres) Prospects (refer Figure Three). No significant results were returned however anomalous results provide valuable information for follow up drill testing at a later date.

Towards the end of the Quarter, Emerald commenced follow up RC drilling at the Samnang Prospect located adjacent to the Okvau Deposit. Fifteen holes for 1,404 metres of RC drilling was completed before drill rig was moved to commence the grade control drilling on the Okvau Deposit noted above. No assay results have been received from the drilling at Samnang at the time of this report.

Figure Three | Okvau Surrounds, Geochemistry



New Tenure | Joint Venture Agreements

During the Quarter, Emerald reached agreements to earn-in to five additional exploration licences covering a combined area of 1,050km², all prospective for large scale Intrusive Related Gold systems (refer ASX announcement 13 July 2017).

Angkor Gold Corp. | Earn-In Agreement

Angkor Gold Corp. ('Angkor'), a TSX listed company, holds the rights to 100% of the 'Koan Nheak Project' covering an area of 189km² located approximately 50 kilometres north-east of Emerald's 100% owned Okvau Deposit. The Koan Nheak Project has been subject to limited historical exploration with past work comprising of geophysics (ground magnetics and IP surveys) and some surface sampling (termite mound sampling and stream sediment sampling), which has defined a number of gold and multi-element anomalies. Numerous sulphide-rich quartz veins have been mapped within the licence area, with Angkor field grab samples returning up to 33.2 g/t gold. No historical drilling has been undertaken at the Koan Nheak Project. Emerald and Angkor have entered into Earn-In Agreement whereby Emerald has the ability to earn up to an 80% interest in the Koan Nheak Project (refer ASX announcement dated 13 July 2017 for Earn-In Agreement terms). This agreement was approved by the Cambodian Ministry of Mines & Energy during the Quarter and an initial surface geochemical sampling program commenced.

Mekong Minerals Ltd | Earn-In Agreement

Australian based unlisted company, Mekong Minerals Ltd ('Mekong Minerals'), holds the rights to four exploration licences in Cambodia covering three projects ('Mekong Projects'); the 'Kratie South Project' (two exploration licences), the 'Kratie North Project' and the 'Memot Project'. The Mekong Projects cover a combined area of 861km². Historical drilling undertaken at the Mekong Projects has returned highly encouraging gold results which indicate the potential for significant gold discoveries, in close proximity to Emerald's Okvau Gold Deposit.

Significant historical drilling results (+10 gram metre) from the Kratie South Project included (refer ASX announcement dated 13 July 2017):

- 1m @ 16.16g/t gold from 74m (RC09-PKL-001)
- 3m @ 8.92g/t gold from 73m (DD10-PKL-002)
- 4m @ 10.25g/t gold from 56m (DD11-PKL-006)
- 3m @ 12.94g/t gold from 38m (DD10GSN003A)
- 3m @ 8.51g/t gold from 58m (DD11GSN009)
- 2m @ 13.49g/t gold from 89m (DD11GSN015)

Significant historical drilling results (+10 gram metre) from the Memot Project included (refer ASX announcement dated 13 July 2017):

- 4m @ 11.94g/t gold from 4m (SNRC002)
- 16m @ 2.93g/t gold from 4m (SNRC009)
- 12m @ 1.01g/t gold from 12m (SNRC010)
- 1m @ 11.36g/t gold from 66m (DD09ANC013)
- 4.3m @ 4.76g/t gold from 147.2m (DD10ANC025)

Under a binding term sheet signed with Mekong Minerals, Emerald has the ability to earn up to a 70% interest in each of the Mekong Projects (refer ASX announcement dated 13 July 2017 for earn-in terms). The Mekong Earn-In remains subject to due diligence to Emerald's satisfaction and the Cambodian Ministry of Mines & Energy approving the agreement.

Corporate Activities

Emerald's consolidated cash and listed investment position at 30 September 2017 was approximately A\$7.1 million, comprising A\$6.6 million in cash plus A\$0.5 million in listed investments.

The company holds 2,361,528 shares and 1,180,764 options (20 cents) in the recent IPO of Riversgold Limited ('Riversgold'). Emerald's investment in Riversgold is subject to an escrow to July 2018. At the current Riversgold share price of 19.5 cents, Emerald's holding has a value of approximately A\$0.5 million. This share and option holding was the result of Emerald's wholly owned subsidiary Renaissance Minerals Ltd vending the Quicksilver Gold Project in Alaska into an unlisted company which was subsequently vended into Riversgold for share and option consideration.

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.

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 ASX Announcement dated 1 May 2017. 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 this 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. In particular, the Managing Director, Mr Morgan Hart, who has overseen the successful development of gold projects for Equigold NL and, most recently, as Operations Director of Regis Resources Ltd. His experience in developing countries includes the development of the Bonikro Gold Project in Cote d'Ivoire. He has assembled a team of highly competent mining engineers and geologists for the development of the Okvau Gold Project.

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 document. 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.

Appendix One | Tenements

Exploration tenements held at the end of September 2017 Quarter

Project	Location	Tenement	Interest at 30 September 2017
Okvau Gold Project	Cambodia	Okvau	100%
O'Chhung Gold Project	Cambodia	O'Chhung	100%
Svay Chras Gold Project	Cambodia	Svay Chras	100%

Mining and exploration tenements and licenses acquired and disposed during the September 2017 quarter

Project	Location	Tenement	Interest at beginning quarter	Interest at end quarter
<u>Tenements Disposed</u>				
Nil				
<u>Tenements Acquired</u>				
Svay Chras Gold Project	Cambodia	Svay Chras	0%	100%

Beneficial percentage interests in joint venture and earn-in agreements at the end of the September 2017 quarter

Project	Location	Tenement	Interest at end of quarter
Koan Nheak Gold Project	Cambodia	Koan Nheak	0% ^A

^A Emerald Resources NL is earning up to an 80% interest from Angkor Gold Corp.

Beneficial percentage interests in joint venture and earn-in agreements acquired or disposed of during the September 2017 quarter

Project	Location	Tenement	Interest at beginning of quarter	Interest at end of quarter
<u>Joint Venture Interests Disposed</u>				
Nil				
<u>Joint Venture Interests Acquired</u>				
Nil				

Interests in royalties

The Company has a 5% overriding royalty interest in all gas production from various oil and gas interests located in Magoffin County, Kentucky. During the Quarter, there was no product recovered and sold from the Leases and the royalty received for the period was Nil.