

6 January 2020

Fast Facts

ASX Code: EMR
Shares on issue: 3,048 million
Market Cap: ~\$122 million
Cash: A\$14.9 million (30 September 2019)
Listed Investments: \$0.05 million (30 Sept 2019)

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
- Mineral Investment Agreement and 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
- DFS completed and demonstrates high grade, low cost, compelling development economics:
 - Ore Reserve of 14.3Mt & 2.0g/t Au for 0.9Mozs in a single open pit with waste:ore ratio of 5.8:1
 - LOM average annual production of 106,000ozs pa
 - AISC US\$754/oz over LOM
 - Using US\$1,450/oz Au gold price:
 - NPV_(5%) US\$337M pre-tax and US\$238M post-tax
 - IRR 69% pa pre-tax and 57% post-tax
 - Payback ~1.4 years pre-tax and 1.7 years post-tax
- Highly credentialed gold project development team
- Significant resource growth potential

Registered Office

1110 Hay Street
West Perth WA 6005

T: +61 8 9286 6300

F: +61 8 6243 0032

W: www.emeraldresources.com.au



Signed Mineral Investment Agreement for the Okvau Gold Project

Emerald Resources NL (ASX: EMR) ("Emerald") is pleased to announce that it has now received the final signed Mineral Investment Agreement ("MIA") for the Okvau Gold Project. As previously announced, approval had been received for the execution of the MIA from the Cambodian Council of Ministers however the MIA has now been finalised through the signing of the MIA by the Minister of Mines & Energy and the Minister of Economy & Finance.

As announced on 26 November 2019, the MIA provides for exemptions from any import tax and duties. The final execution of the MIA now allows for Emerald to commence importation of capital items for the development of the Okvau Gold Project.

The MIA provides clarity and stability of the fiscal regime for the development and operations of the Okvau Gold Project and is a significant milestone which provides a level of comfort for shareholders and other stakeholders. Key aspects of the final signed MIA include:

■ **Fiscal Incentives:**

- a) an income tax rate of 25% per annum for 5 years from the date of the MIA, thereafter the income tax rate will be applied at 30% per annum according to the Law on Taxation;
- b) a withholding tax rate of 0% of payment of dividends paid to foreign Affiliates for 5 years from the date of the MIA, thereafter the withholding tax will be applied at the rate according to applicable laws at the time (currently 14%); and
- c) an exemption from any import tax and duties on importation of equipment, machinery, mining trucks, earth moving equipment and goods and other mine facilities which are used exclusively for the purpose of this Project when the importation is done before 31 December 2022. Thereafter any import tax and duties will be applied according to applicable laws and regulations, subject to the change of law provisions as outlined below.

■ **Standstill/stability:** The MIA contains a standstill/stability clause to ensure that should there be the introduction of any new Laws and/or regulations of Cambodia which materially increase the financial burden of Renaissance, then the relevant ministry department shall negotiate in good faith to amend the terms of the MIA so as to return Renaissance to an economically equivalent position to that in which they were prior to such change or introduction, for a period of five years following the change in Law;

■ **Offshore arbitration:** offshore arbitration provisions whereby any disputes unable to be resolved by a Joint Review Committee in Cambodia will take place at the Singapore International Arbitration Centre (SIAC).

Project Finance

As announced on 26 June 2019, the Company entered into an investment committee approved term sheet with Sprott to provide a US\$60 million facility to be utilized towards the financing of the Okvau Gold Project. Sprott's financing of the Okvau Gold Project will combine the strong development credentials of the Emerald team with the financial strength of the respected Sprott group.

The key terms of the Okvau Facility were outlined in the 26 June 2019 announcement and include satisfaction of customary conditions, including the MIA. Emerald and Sprott are continuing to advance the preparation of formal documentation and satisfaction of conditions precedent to enable the drawdown of debt in the near term and the Board has committed to the development of the Okvau Gold Project subject to finalising project funding.

For further information please contact
Emerald Resources NL

Morgan Hart
Managing Director

Cambodian Gold Project

Summary

Emerald's main focus is the exploration and development of its Cambodian Gold Projects which comprise a combination of 100% owned granted licences, applications and earn-in & joint venture agreements covering a combined area of 1,442 km². The 100% owned Okvau Gold Project ('Okvau Gold Project') is the Company's most advanced project which is located approximately 275 kilometres north-east of Cambodia's capital city of Phnom Penh in the province of Mondulkiri (refer Figures 1 and 2). The town of Kratie is located on the Mekong River approximately 90 kilometres to the west and the capital of Mondulkiri, Saen Monourom is located approximately 60 kilometres to the south-east. In May 2017, Emerald completed a Definitive Feasibility Study ('DFS') on the development of the Okvau Gold Project which demonstrated a robust project producing approximately 106,000 ounces of gold per annum on average over 7 years from a single open pit.

In July 2018 the Company was granted the Industrial Mining Licence covering 11.5 km² which allows for the development of the Okvau Gold Project. The Mining Licence has an initial 15-year period with the right to two renewals of up to 10-years for each renewal in accordance with Cambodian laws. The grant of the Mining Licence followed approval of the Okvau Gold Project by the Office of Council Ministers for both the rezoning of the project area to 'Sustainable Use' and the granting of the Mining Licence. The rezoning of the Mining Licence area to 'Sustainable Use' lawfully permits commercial development under Cambodian law and follows the successful negotiation and approval by the Minister of Environment ('MoE') of the environmental contract (the 'Environmental Contract') and environmental licence ('Environmental Licence') in December 2017.

The Company has successfully completed the resettlement of 62 local families and site works to remove abandoned structures away from the Okvau Mining Licence area. Emerald has completed the installation of a security fence around the Project Development Area ('PDA') to ensure the safety of personnel, visitors and wildlife. 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 have commenced which will allow all year continuous access to the Okvau site.

Topography of the tenure area is relatively flat with low relief of 80 metres to 200 metres above sea level. The Okvau Deposit and other gold occurrences within the tenure 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).

In December 2019 the Mineral Investment Agreement ('MIA') was signed which provides certainty and stability of the fiscal regime for the development and operations of the Okvau Gold Project. Following confirmation of the key fiscal incentives of the MIA, the key assumptions and inputs of the DFS were reviewed resulting in a significant improvement in the NPV and IRR of the Project.

Figure 1 | Cambodian Gold Project | Location

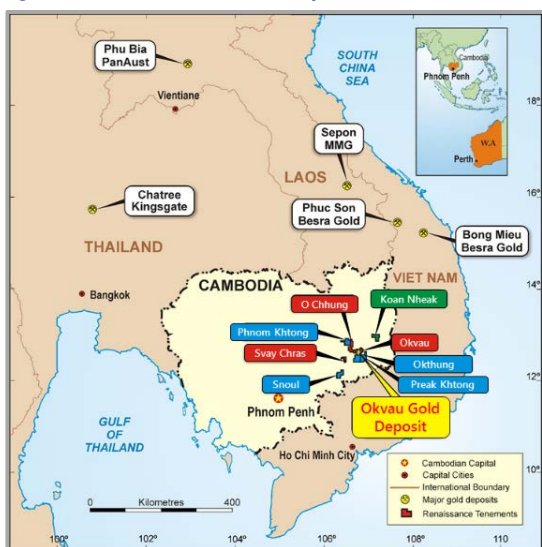
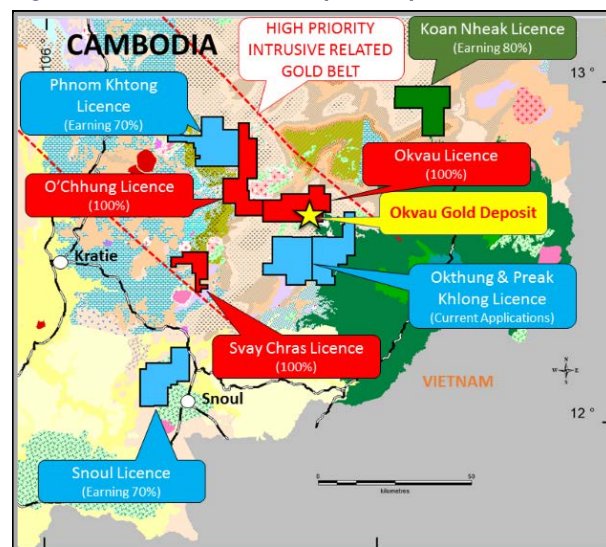


Figure 2 | Cambodian Gold Project | Exploration Licence Areas



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 and Grade Control Results is based on information compiled by Mr Keith King, who is an employee of 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 Member 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.

No New Information

To the extent that announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.