



ABN 72 009 795 046

Half-Year Report

31 December 2019

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Simon Lee AO

Managing Director

Morgan Hart

Executive Director

Michael Evans

Non-Executive Directors

Ross Stanley

Ross Williams

Company Secretary

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Securities Exchange Listing

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: EMR

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Emerald Resources NL for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
12 March 2020



L Di Giallonardo
Partner

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Your directors present their report on the consolidated entity (or "Group") consisting of Emerald Resources NL ('Emerald' or the 'Company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Directors

The following persons were directors of Emerald during the half-year and up to the date of this report:

Simon Lee AO	Non-Executive Chairman
Morgan Hart	Managing Director
Michael Evans	Executive Director
Ross Stanley	Non-Executive Director
Ross Williams	Non-Executive Director

Review of Operations

Cambodian Gold Project

Background

Emerald's main focus is the exploration and development of its Cambodian Gold Projects which comprise of 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 Mondulhiri (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 Mondulhiri, 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 11.5km² which allows for the development of the Okvau Gold Project ('Mining Licence'). 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' within the Phnom Prich Wildlife Sanctuary ('PPWS') 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 has now been completed with substantial completion of upgrades to the existing 50km of dirt roads and current finalisation of the construction of 14km of new road to site which will allow for 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.

Review of Operations (continued)

Table 1 | Okvau Mineral Resource Estimate

Okvau June 2019 Mineral Resource Estimate									
Indicated Resources				Inferred Resources			Total Resources		
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 oz gold (refer Table 2).

Figure 1 | Cambodian Gold Project | Location

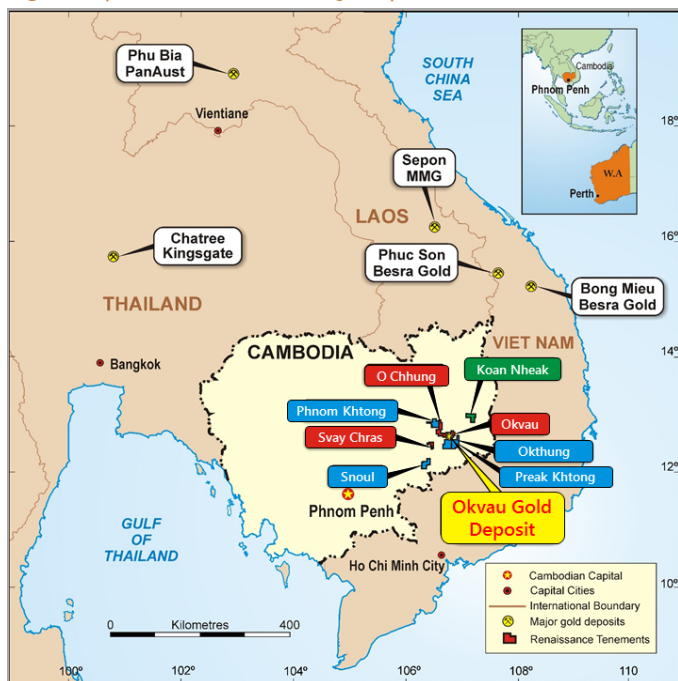
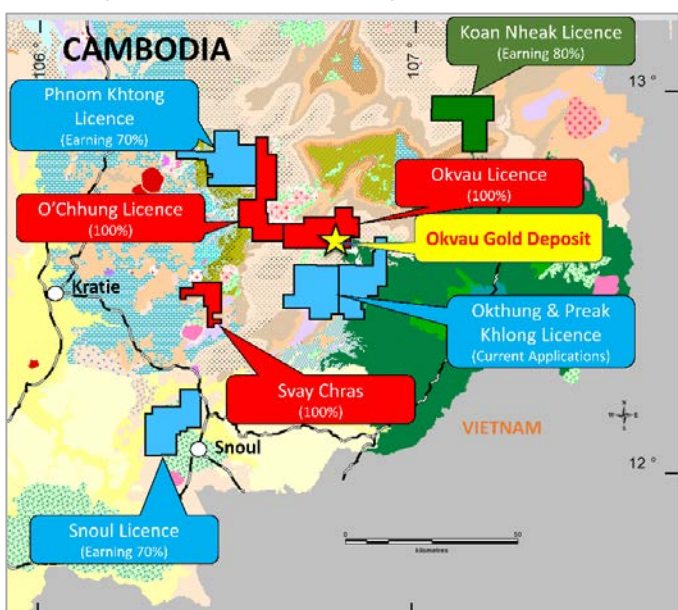


Figure 2 | Cambodian Gold Project | Exploration Licence Areas



Okvau Gold Project | Definitive Feasibility Study

Following the approval of the MIA by the Cambodian Council of Ministers and subsequent execution by the Minister of Mines & Energy and the Minister of Economy & Finance, Emerald reviewed key assumptions and inputs of its DFS and the financial incentives of the MIA. Based on the prevailing gold price of US\$1,450/oz, and updating the key assumptions and inputs, the NPV (5%) of the Okvau Gold Project significantly improved to US\$337M (A\$488M) pre-tax and US\$238M (A\$345M) post-tax with an outstanding Internal Rate of Return (IRR) of 69% pa pre-tax and 57% post-tax. The payback of the total capital funding requirement is now expected to be 17 months pre-tax and 20 months post-tax, from first gold pour.

The significant improvement in the NPV and IRR is the result of an ongoing effort by Emerald to critically examine and pursue improvements in all aspects of the 1.14Moz at 2.0g/t Au Okvau Gold Project economics. The comparison to the NPV announced as part of the DFS is outlined at Table 3. Of note, the uplift is primarily based upon a gold price of US\$1,450/oz and concessions negotiated within the MIA.

An initial DFS was completed in May 2017 which was subsequently updated in November 2019 for the development of a 2.0Mtpa operation at the Okvau Gold Project and was completed to +/-15% level of accuracy (refer Table 3). The completion of the DFS fulfilled a milestone set by Emerald since becoming involved in the project in March 2016. The DFS confirms an initial operating LOM of over 7 years, producing approximately 106,000 ounces of gold per annum on average, 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\$754/oz. The estimated development costs are US\$91M with a further US\$7M in mining contractor establishment costs and pre-production mining costs. The development costs include a US\$4.4M allowance for spare parts and first fills.

An updated independent JORC Indicated and Inferred Mineral Resource estimate for the Okvau Deposit of 17.7Mt grading 2.01g/t gold containing 1.141Moz (at 0.70g/t gold cut-off) was updated by independent resource consultant EGRM Consulting Pty Ltd as part of the DFS (refer Table 1).

DIRECTORS' REPORT



Review of Operations (continued)

Table 2 | Okvau Ore Reserve Estimate

Okvau June 2019 Ore Reserve Estimate			
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
Probable Ore Reserve	14.26	1.98	907

Key operating and financial outcomes of the DFS were revised and announced to market on 26 November 2019, prepared in accordance with the requirements of the JORC Code (2012 Edition), are presented in Table 3.

Table 3 | Revised 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\$1,250/oz	US\$1,450/oz	US\$1,600/oz
Gross Revenue	US\$952M	US\$1,104M	US\$1,219M
LOM Net Revenue (net of royalties ⁴ and refining)	US\$906M	US\$1,051M	US\$1,160M
Operating Cash Flow pre-tax	US\$408M	US\$554M	US\$663M
Project Cash Flow pre-tax	US\$290M	US\$435M	US\$544M
NPV ^(5%) pre-tax	US\$217M	US\$337M	US\$426M
NPV ^(5%) post-tax ⁵	US\$155M	US\$238M	US\$296M
Payback pre-tax	2.2 years	1.4 years	1.2 years
Payback post-tax	2.4 years	1.7 years	1.3 years
IRR pre-tax	48%	69% pa	85%
IRR post-tax ⁵	40%	57% pa	70%
LOM C1 Cash Costs ⁶	US\$658/oz	US\$658/oz	US\$658/oz
LOM All-In Sustaining Costs ('AISC') ⁷	US\$745/oz	US\$754/oz	US\$761/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 3.0% gross and a third-party royalty of 1.5% gross (capped to A\$22.5m).

5 Taxation is based on the Mineral Investment Agreement and includes tax incentives for the first 5 years.

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, contributions to environmental & community funds and rehabilitation & closure costs. Reference is made to the Company's ASX release dated 1 May 2017 titled Okvau DFS Delivers Ore Reserve of 907,000oz and ASX announcement dated 26 November 2019. All material assumptions underpinning the production target or the forecast financial information continue to apply and have not materially changed.

Okvau Gold Project | Project Implementation

During the current half-year period, Emerald announced that it had achieved a significant milestone with the approval of the Mineral Investment Agreement. Following the approval of the agreement, the focus has been to finalise the financing for the development of the project while continuing to advance various aspects of early works and awarding contracts to order long lead items.

Emerald will manage the construction and development of the Okvau Gold Project with its own internal construction team. Key senior members of this team have been actively involved in the DFS and have many years' experience working together on the development of other successful gold projects, within Australia and overseas. Certain works will be outsourced to independent consultants and contractors as required.

Cambodia is well located for the cost-effective procurement of key equipment and materials. An important objective will be to maximise the extent of procurement from within Cambodia.

Site Activities

During the half-year period the installation of a security fence around the PDA was completed, ensuring the safety of personnel, visitors and wildlife. The completion of the fence allows the site to be secured for construction activities.

Review of Operations (continued)

Long Lead Capital Equipment

The Company executed a contract for the supply of major mineral processing equipment long lead items for development of its 100%-owned Okvau Gold Project in Cambodia with the multinational technology and service company, Outotec Pty Ltd. Major equipment included in the contract is an 8.5m diameter by 6.1m Effective Grinding Length 8,000Kw SAG Mill, 1,800Kw HIG Mill, Flotation Circuit and High Rate Thickeners.

Contract negotiations are advanced with other specialist companies for supply of crushing and conveying plant and equipment, CIL tanks and design and construction of the Electrical Substation.

Grid Power

The power line to supply grid power to the Okvau Gold Project is progressing in line with expectations. Civil works between the Kratie sub station and site are complete. Erection of towers are now complete to within 4km of the project and stringing of lines to within 18km, refer to Figures 3 and 4. The provision of grid power is a critical step to production and is on track to be available well ahead of commissioning of operations.

Figure 3 | Aerial View Powerline Towers and Corridor 15 km from site



Figure 4 | Erection of towers to supply grid power at Okvau



Access Road

During the current half-year period, site access construction activities continued on the Okvau Access Road and are now materially complete. The construction of a 35 tonne bridge across the Prek Te River has now been completed, refer to Figure 6. Activities on the upgrades to the existing 50km of rural dirt road are now substantially complete and the Company continues to finalise the completion of a new 14km section of planned road through to site, refer to Figure 5. The Okvau Access Road remains in line with the commitments included in the binding MoU with the Mondulhiri Provincial Department of Rural Development.

Figure 5 | New Road Construction



Figure 6 | Bridge Construction



Review of Operations (continued)

Grade Control

As announced on 16 January 2020, Emerald has embarked on a third phase of drilling to define the mineralised domain. The programme was designed to delineate the mineralisation in the oxide portion of the Okvau Gold Project. This programme consists of a total of 1,200 shallow holes (~10m), infilling previous drilling to a 5m x 5m spacing (refer Figure 7). Currently 705 (5,542m) of the 835 (6,880m) drill collars have assay results returned.

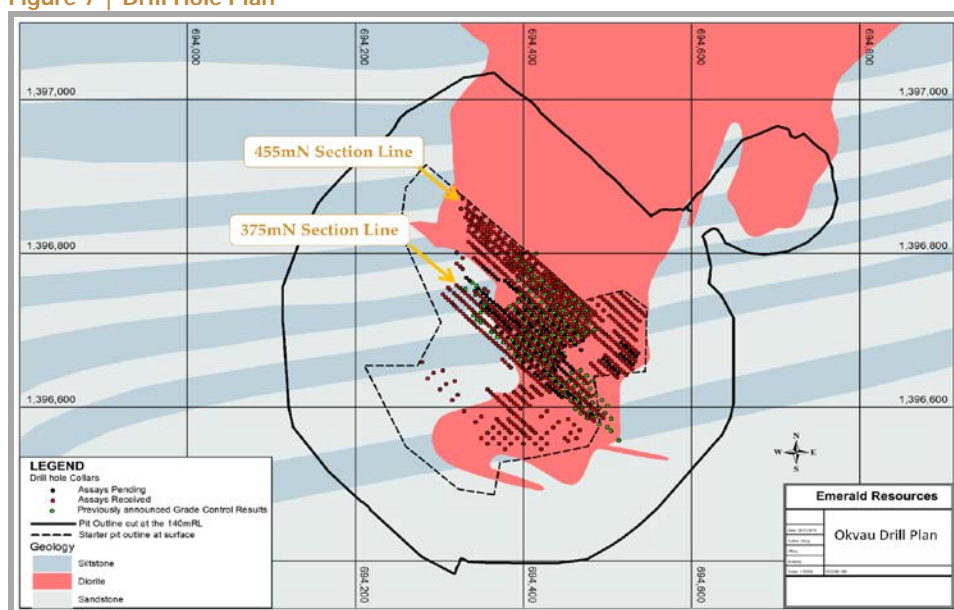
Select results (+20gm) from these holes include (refer ASX Announcement dated 16 January 2020):

5m @ 9.26g/t from 5m (G53001) (EOH);	10m @ 2.75g/t from 0m (G39032) (EOH);
9m @ 4.82g/t from 0m (G47009) (EOH);	10m @ 2.62g/t from 0m (G41021);
9m @ 4.06g/t from 0m (G47011) (EOH);	10m @ 2.52g/t from 0m (G49010) (EOH);
7m @ 4.96g/t from 3m (G43062);	9m @ 2.65g/t from 0m (G45018) (EOH);
9m @ 3.70g/t from 0m (G47010) (EOH);	8m @ 2.78g/t from 0m (G43043);
9m @ 3.53g/t from 0m (G45030) (EOH);	3m @ 7.35g/t from 0m (G03004);
7m @ 4.40g/t from 0m (G41045);	7.5m @ 2.81g/t from 0m (G37015) (EOH);
0.5m @ 59.50g/t from 6m (G35008) (EOH);	9m @ 2.25g/t from 0m (G42012) (EOH);
2m @ 13.78g/t from 0m (G39030);	6m @ 3.37g/t from 0m (G37020).

The results from the previously announced Phase 1 and Phase 2 simulated grade control drill programmes (refer ASX Announcements 27 December 2017, 10 January 2018, 3 October 2018 and 24 October 2018) will be incorporated with this current drill programme to produce the final production ore blocks.

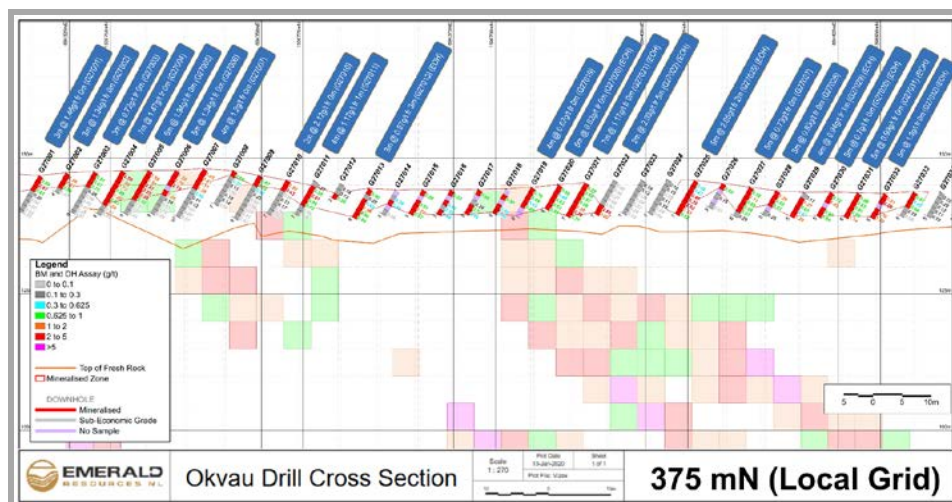
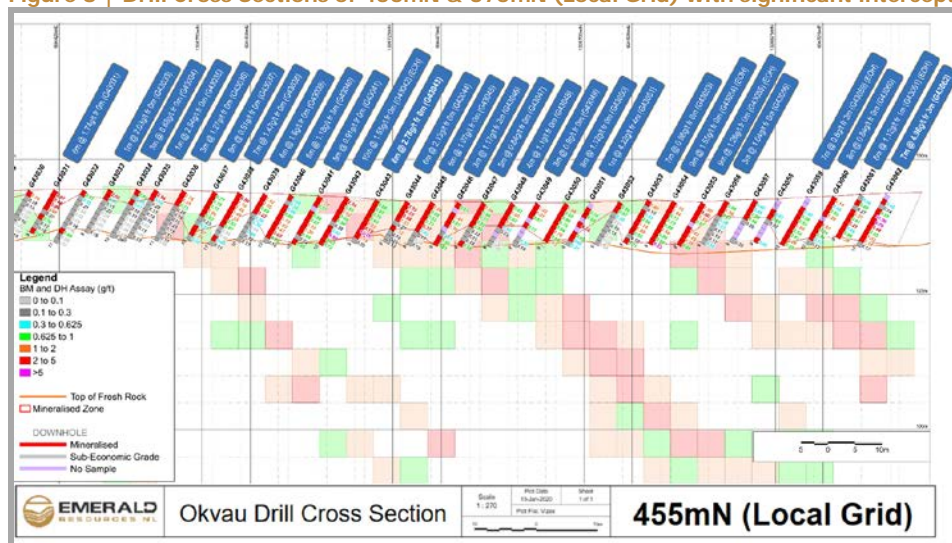
The results to date have indicated additional mineralisation outside the current reserve blocks in the near surface oxide material (refer Figure 4). This has likely been caused by a combination of natural processes such as supergene enrichment and the flattening of mineralised structures during the oxidation processes and the relocation of surface material by historical, artisanal mining activities.

Figure 7 | Drill Hole Plan



Review of Operations (continued)

Figure 8 | Drill Cross Sections of 455mN & 375mN (Local Grid) with significant intercepts



Project Finance

On 26 June 2019 the Company announced that it had entered into a US\$60m Okvau Facility with Sprott Private Resource Lending II (Collector), LP ('Sprott') for development of the Okvau Gold Project and subsequent to half-year end announced that it had signed the Credit Agreement in relation to the Okvau Facility. The signing of the Okvau Facility is a significant milestone for the development of the Okvau Gold Project and follows the completion of an extensive due diligence process and preparation of all facility related documentation. Financial close and first draw down remains subject to customary conditions precedent which includes execution of all facility documentation and perfection of security which is expected to be completed by the end of Quarter 1 2020.

Key terms of the Okvau Facility:

Facility amount:	US\$60 million
Term:	5 years
Interest:	6.50% per annum, plus LIBOR
Structuring/Arrangement Fee:	~1.6%
Gold Price Participation Agreement:	1,449 ounces per month to a total of 62,307 ounces. US\$1,100 per ounce (Sprott receive the differential between US\$1,100 and the spot price on date of delivery);

The Okvau Facility remains subject to satisfaction of customary conditions.

In addition to the Okvau Facility, Emerald has granted Sprott the exclusive right to fund future acquisition or development project opportunities by way of a US\$100 million Acquisition and Development Facility. Access to the Acquisition and Development Facility is subject to, among other things, full due diligence by Sprott, its internal approval process having regard to the nature of the project opportunity, as well as negotiation and settlement of definitive documentation and implementation of security, which will include other customary and specific conditions precedent required by Sprott. The fees associated with arrangement of the Acquisition and Development Facility are expected to be commensurate with facilities of this nature (circa 1.0%). Further details will be provided once project specific terms have been agreed.

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.

Review of Operations (continued)


Mineral Investment Agreement ('MIA')


During the current half-year period, the Company announced that it had received approval from the Cambodian Council of Ministers for the execution of a MIA for the Okvau Gold Project. Subsequent to the approval of the MIA by the Council of Ministers, the MIA was finalized through the signing of the MIA by the Minister of Mines & Energy and the Minister of Economy & Finance (refer ASX Announcement dated 6 January 2020).

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:

- 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;
- 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
- 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; and

 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).

Okvau Gold Project | Resource Growth

The Company has undertaken a drilling programme to endeavour to grow the resource delineated by the DFS which only considered an open pit mining operation at the Okvau Gold Project. Drilling results received from the near mine drill holes has indicated the potential discovery of an eastern feeder zone to the flat lying intrusive related gold mineralisation of the Okvau gold reserve. Drill hole RC19OKV390 returned a high-grade intersection of **15m @ 11.92g/t from 143m** and drill hole RC19OKV397 returned a high-grade intersection of **8m @ 19.98g/t from 172m**. Further work is continuing to understand the significance of the potential feeder zone which potentially leads to a positive impact to the Okvau Gold Project economics.

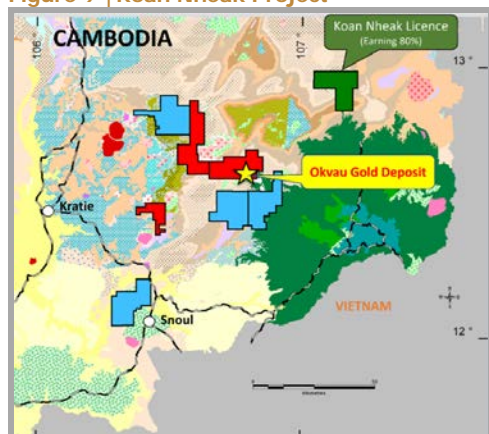
Refer to the Company's ASX release dated 2 July 2019.

Regional Exploration

Angkor Gold Corp. | Earn-In Agreement (Emerald Earning 80% Interest)

The Koan Nheak Project is a Joint Venture with Angkor Gold Corp ('Angkor Gold', TSX listed) whereby Emerald may earn up to an 80% interest (refer Figure 9). Emerald has previously undertaken initial reconnaissance field work within the Koan Nheak exploration licence focusing in and around the Peacock Prospect. Prior to Emerald's recent first pass RC drilling programme, no drilling has ever been undertaken within the exploration licence.

Figure 9 | Koan Nheak Project



Review of Operations (continued)

During the current half-year period, Emerald received the results from a recently completed first pass RC drill programme on the previously announced gold-in-soil Peacock anomaly (refer to ASX Announcement dated 3 August 2018). The 1,194 metre (15 collars) RC drill programme was designed to both test the peaks of the gold-in-soil anomalism and also the most prospective geophysical IP anomalies and was drilled down to an average depth of 80 metres (refer Figure 10).

10 of the 15 drill holes intersected zones of quartz breccia with sulphide mineralisation. Each of these geologically noteworthy zones were associated with low level ($>0.1\text{g/t}$) gold mineralisation confirming the existence of a gold mineralised system with the best intersection (8m @ 3.61g/t) being hosted by the diorite intrusive (refer Figure 10). The significant drill intersections are listed in Table 4.

Table 4 | Significant Drill Intersections

Collar	From	To	Thickness	Au g/t	Interval
RC19PCK002	7	8	1	3.43	1.00 m @ 3.43 g/t Au
RC19PCK003	21	23	2	0.96	2.00 m @ 0.96 g/t Au
RC19PCK003	31	39	8	3.61	8.00 m @ 3.61 g/t Au
RC19PCK009	58	59	1	1.45	1.00 m @ 1.45 g/t Au
RC19PCK011	0	2	2	1.36	2.00 m @ 1.36 g/t Au

Refer to ASX Announcement dated 31 October 2019 for full results.

The drill programme confirmed the soil anomaly and identified that the best opportunity for additional exploration success is within the diorite itself. The geological logging has identified the mineralisation as a similar style to the 1.14Moz Okvau Gold Deposit being both hosted in a diorite intrusive and associated with sulphide mineralisation. The best intersection, 8m @ 3.61g/t in hole RC19PCK003, is planned to be tested northward along strike into the prospective diorite intrusive when drilling on untested gold-soil-anomaly, Peacock North (refer Figure 9) commences early next year.

Figure 10 | Drill Status Plan

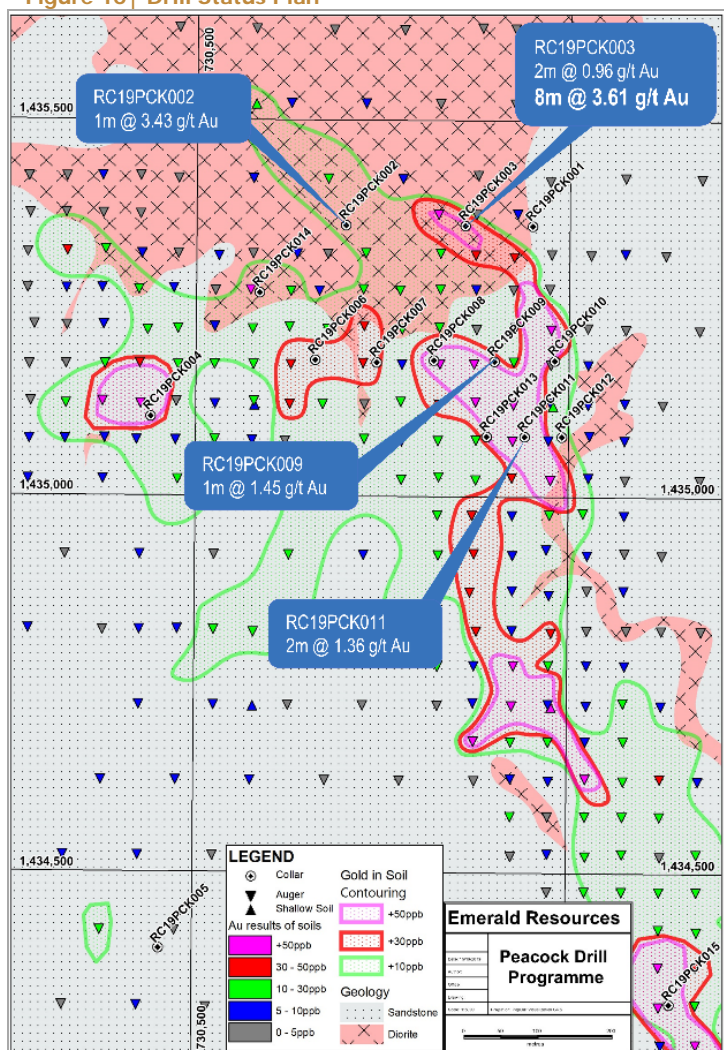
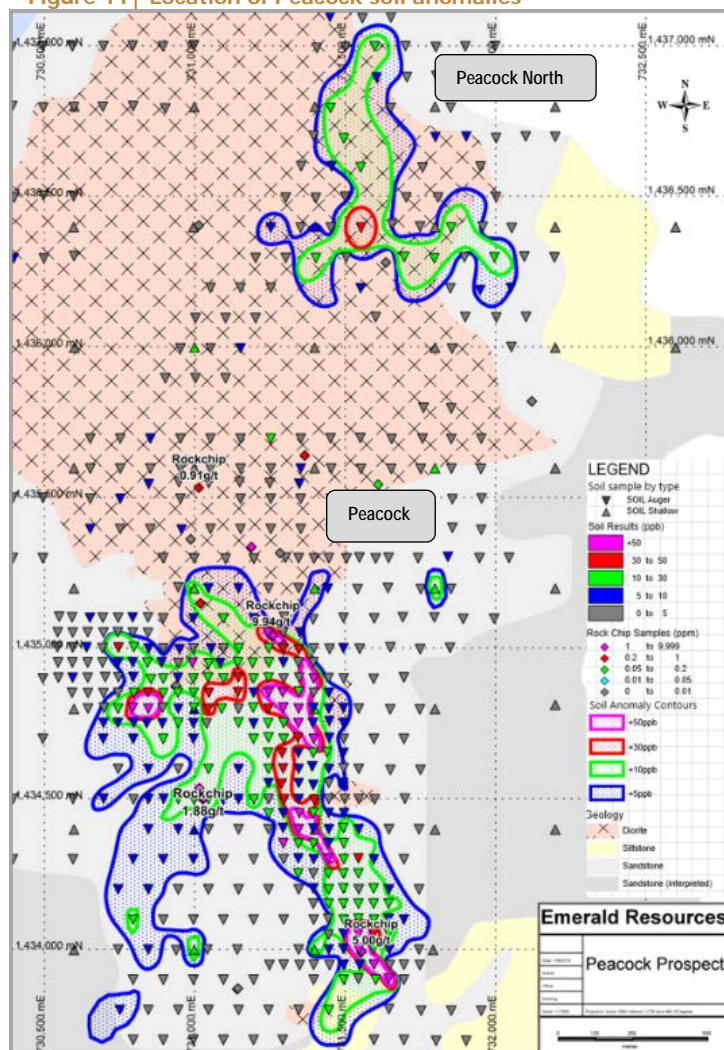


Figure 11 | Location of Peacock soil anomalies

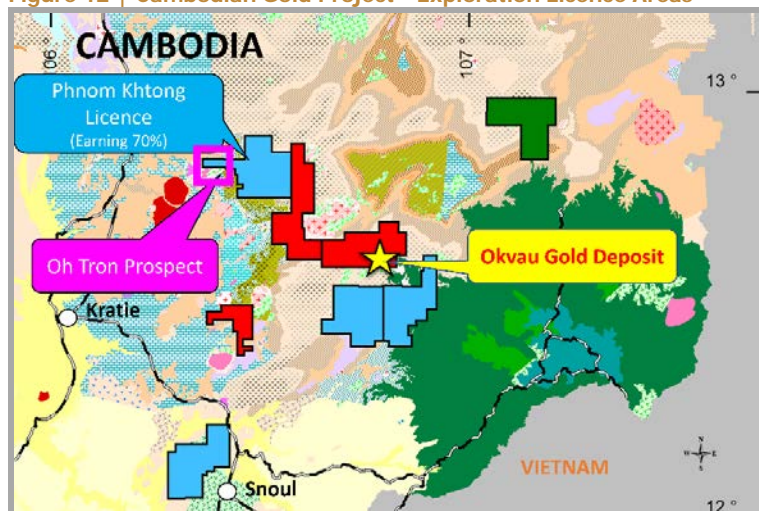


Review of Operations (continued)

Mekong Minerals Ltd / Joint Venture (Emerald Earning 70% Interest)

The Snoul and Phnom Khtong projects cover 411km² of highly prospective tenure with historical drilling demonstrating significant gold discovery potential in close proximity to the Okvau Gold Project.

Figure 12 | Cambodian Gold Project - Exploration Licence Areas



As announced on 31 October 2019, during the current half-year period, Emerald received 333 results from a recently completed auger soil geochemical programme at the Snoul Project designed to follow up on previously announced auger programme and historical drill results. Historical drilling consisted of a total of 10 RC holes and 37 diamond holes and was targeted partly on a gold anomaly defined by shallow soil samples.

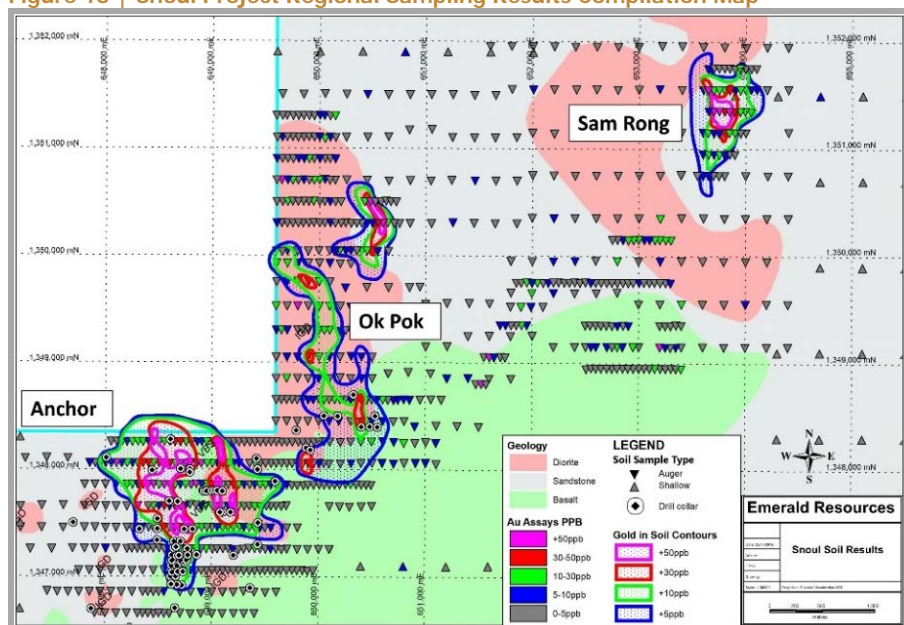
These recent results have infilled the Ok Pok anomaly down to a nominal 100 x 100m spacing and extended the anomaly to the north by an additional 500 metres and identified a new 1,000m x 400m soil anomaly on the Sam Rong prospect (refer Figure 13).

These results will assist with the planning of a proposed drill programme to infill the significant results referred to below.

Significant results (+10 gram metre) from historical drilling included (refer to ASX Announcement dated 13 July 2017 for complete results):

- ☺ 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).

Figure 13 | Snoul Project Regional Sampling Results Compilation Map



Refer to ASX Announcement dated 31 October 2019 for full results.

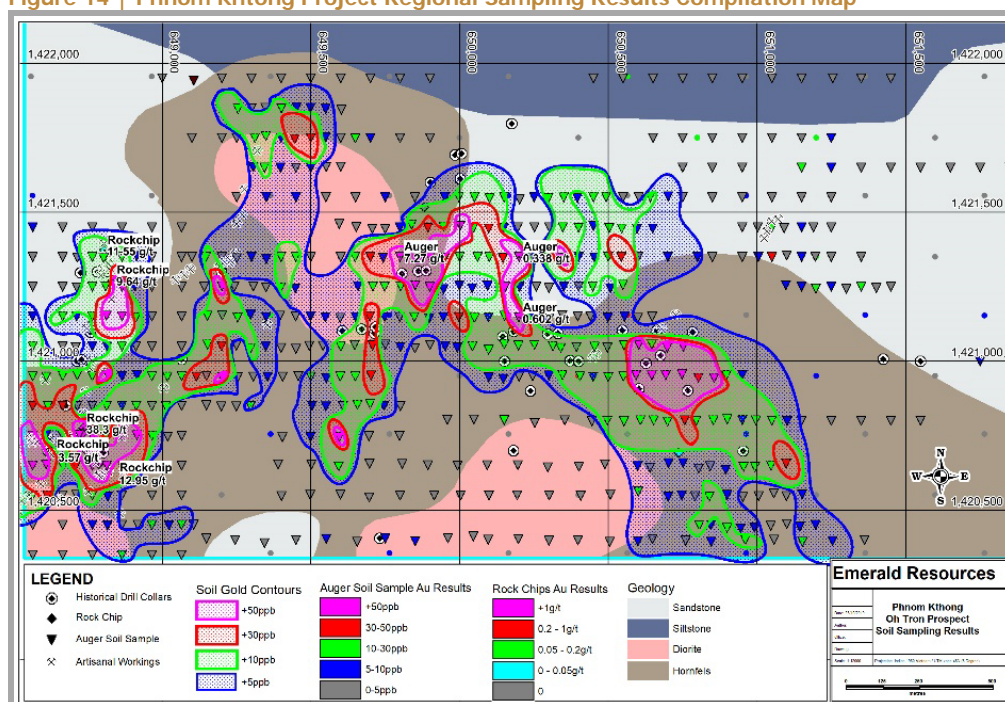
Review of Operations (continued)

The current soil sampling programme at the Phnom Khtong Project followed up on Emerald's initial exploration programme which consisted of infill auger samples taken across the core of the surface geochemical anomaly previously identified by Southern Gold. During the current programme, additional auger soil samples have infilled the Oh Tron prospect to a nominal 100m x 50m grid (refer Figure 14). These results infilled the 500 metre gap between the eastern and western anomalies, joining them together as well as increasing the core of the highest grade contour (+50ppb) by 300 metres on the eastern side of the anomaly.

This current auger soil sampling programme contained 350 samples and returned peak values of 370, 221 and 217 ppb Au. These significant results are in addition to the previously announced (refer to ASX Announcement dated 28 November 2018) auger sampling values of 7,270, 1,570, 602 and 338 ppb Au, and peak rock chip values 38.30, 12.95, 11.55, 9.64, 3.57 g/t Au.

To date, 950 Auger samples have been taken from the Oh Tron prospect by Emerald. These results will assist with the planning of a proposed drill programme.

Figure 14 | Phnom Khtong Project Regional Sampling Results Compilation Map



Other Tenure | New Grants and Applications

Emerald has submitted exploration licence applications in its own name over the Preak Khlong and O'Chhung Projects covering 392km². Emerald has completed IEIAs over these two projects and received formal approval by the MoE.

Corporate

Emerald's consolidated cash position at 31 December 2019 was approximately A\$10.7 million. Expenditure during the period mainly related to development of the Okvau project, exploration programmes undertaken to meet joint venture and earn-in commitments and costs associated with the debt financing due diligence.

Events occurring subsequent to the reporting period

On 6 January 2020 the Company announced the final, signed Mineral Investment Agreement had been received from the Cambodian Government. The MIA provides for exemptions from any import tax and duties. The execution of the MIA allowed for the commencement of importation of capital items for the development of the Okvau Gold Project.

On 20 January 2020, the Company announced a capital raising of A\$75 million (before costs) via a two-tranche placement of 1,875 million new shares to raise A\$75m. Terms of the placement are:

- ☺ Tranche 1 - unconditional placement of 735.8 million shares at \$0.04 to sophisticated and professional investors for approximately A\$30.5 million.
- ☺ Tranche 2 - conditional placement of 1,139.2 million shares at \$0.04 to sophisticated and professional investors for approximately A\$44.5 million, subject only to shareholder approval.

The funds will be used to complete the financing of the Okvau Project, regional exploration programme on Cambodian tenure and ongoing working capital requirements.

At the date of this report, Tranche 1 has been completed and funds have been settled.

Events occurring subsequent to the reporting period (continued)

On 12 February 2020, the Company announced that it had executed a contract with Outotec for the supply of long lead equipment, including a SAG Mill, HIG Mill, Flotation Circuit and High Rate Thickeners.

On 12 February 2020 the Company announced that as part of the Okvau Facility, Sprott can apply for up to US\$3.5 million worth of shares at an issue price of \$0.04 per share (deemed \$0.0382 per share post subscription costs) on a pre-consolidation basis subject to the Okvau Facility becoming unconditional and available for drawdown.

On 11 March 2020 the Company announced that it had signed the Credit Agreement with Sprott for the US\$60 million Okvau Facility. The signing of the Credit Agreement followed the completion of an extensive due diligence process and preparation of all facility related documentation. Financial close and first draw down remains subject to customary conditions precedent which includes execution of all facility documentation and perfection of security which is expected to be completed by the end of Quarter 1 2020.

On 12 March 2020 the Company announced that it had issued 5,812,500 shares upon the conversion \$0.0323 unlisted options expiring 30 September 2020. The Company also announced the issue of 6,000,000 unlisted options with a exercise price of \$0.051 expiring 12 March 2025.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the company under ASIC Corporations Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

This report is made in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporation Act 2001*.



Morgan Hart
Managing Director

Perth, Western Australia, 12 March 2020

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 and the 26 November 2019 announcements are 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 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.

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by Emerald Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This interim financial report covers the consolidated entity consisting of Emerald Resources NL and its subsidiaries.

The financial report is presented in the Australian currency.

Emerald Resources NL is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Emerald Resources NL
 Ground Floor
 1110 Hay Street
 West Perth WA 6005

A description of the nature of the Group's operations is included in the directors' report on pages 5 - 14, which is not part of this financial report.

The financial report was authorised for issue by the directors on 12 March 2020. The company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial reports and other information are available on our website: www.emeraldresources.com.au.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME



For the half-year ended 31 December 2019

	Notes	31 December 2019 \$'000s	31 December 2018 \$'000s
Revenue from continuing operations		91	31
Other income	3	-	136
Administrative costs		(164)	(142)
Consultancy expenses		(75)	(66)
Employee benefits expense		(550)	(288)
Share-based payment expense	10	(114)	(98)
Occupancy expenses		(50)	(44)
Compliance and regulatory expenses		(78)	(62)
Insurance expenses		(44)	(33)
Depreciation expense		(30)	(34)
Finance costs		(3)	(54)
Fair value loss on financial assets		(34)	(104)
Exploration and evaluation expenditure		(2,759)	(3,506)
(Loss) before income tax		(3,810)	(4,264)
Income tax benefit/(expense)		-	-
(Loss) for the period		(3,810)	(4,264)
(Loss) attributable to members of the parent		(3,810)	(4,264)
<i>Other comprehensive income:</i>			
Items that may be reclassified to profit or loss			
- Exchange differences on translation of foreign operations	9	(73)	3
Total comprehensive (loss) for the period		(3,883)	(4,261)
Total comprehensive (loss) attributable to members of the parent		(3,883)	(4,261)
<i>Earnings per share</i>			
Basic and diluted (loss) per share – (cents per share)		(0.13)	(0.19)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



As at 31 December 2019

	Notes	31 December 2019 \$'000s	30 June 2019 \$'000s
<i>Current assets</i>			
Cash and cash equivalents	4	10,654	17,521
Trade and other receivables		394	290
Financial assets at fair value through profit or loss		39	73
Total current assets		11,087	17,884
<i>Non-current assets</i>			
Property, plant and equipment		137	115
Mine properties	6	40,164	36,416
Other non-current assets	7	1,025	-
Total non-current assets		41,326	36,531
Total assets		52,413	54,415
<i>Current liabilities</i>			
Trade and other payables		2,713	1,144
Total current liabilities		2,713	1,144
<i>Non-current liabilities</i>			
Provisions		123	90
Total non-current liabilities		123	90
Total liabilities		2,836	1,234
Net assets		49,577	53,181
<i>Equity</i>			
Issued capital	8	115,813	115,648
Reserves	9	1,159	2,540
Accumulated losses		(67,395)	(65,007)
Total equity		49,577	53,181

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



For the half-year ended 31 December 2019

	Issued Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Balance at 1 July 2018	88,609	2,340	(1)	(56,147)	34,801
Net loss for the period	-	-	-	(4,264)	(4,264)
Exchange differences on translation of foreign operations	-	-	3	-	3
Total comprehensive loss for the period	-	-	3	(4,264)	(4,261)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity	27,930	-	-	-	27,930
Transaction costs of issuing capital	(889)	-	-	-	(889)
Share-based payment transactions	-	98	-	-	98
	27,041	98	-	-	27,139
Balance at 31 December 2018	115,650	2,438	2	(60,411)	57,679
Balance at 1 July 2019	115,648	2,544	(4)	(65,007)	53,181
Net loss for the period	-	-	-	(3,810)	(3,810)
Exchange differences on translation of foreign operations	-	-	(73)	-	(73)
Total comprehensive loss for the period	-	-	(73)	(3,810)	(3,883)
<i>Transactions with owners recorded directly in equity:</i>					
Contributions of equity	200	-	-	-	200
Transaction costs of issuing capital	(35)	-	-	-	(35)
Share based payment transactions	-	114	-	-	114
Expiry of options	-	(1,422)	-	1,422	-
	165	(1,308)	-	1,422	279
Balance at 31 December 2019	115,813	1,236	(77)	(67,395)	49,577

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS



For the half-year ended 31 December 2019

	Notes	31 December 2019 \$'000s	31 December 2018 \$'000s
<i>Cash flows from operating activities</i>			
Payments to suppliers and employees		(869)	(687)
Interest received		118	19
Payments for exploration and evaluation		(3,177)	(3,215)
Payments for interest and other costs of finance		-	(52)
Net cash (used in) operating activities		(3,928)	(3,935)
<i>Cash flows from investing activities</i>			
Payments for development		(2,210)	-
Purchase of property, plant and equipment		(51)	(1)
Proceeds from repayment of loan		-	125
Net cash provided (used in)/provided by investing activities		(2,261)	124
<i>Cash flows from financing activities</i>			
Proceeds from issue of shares		103	27,930
Share issue transaction costs		(36)	(841)
Transaction costs related to loans and borrowings		(745)	-
Net cash (used in)/provided by financing activities		(678)	27,089
Net (decrease)/increase in cash and cash equivalents		(6,867)	23,278
Cash and cash equivalents at the start of the period	4	17,521	1,178
Effect of exchange rates on cash holding in foreign currencies		-	-
Cash and cash equivalents at the end of the period	4	10,654	24,456

Amounts shown above relating to payments to suppliers and employees are inclusive of goods and services tax.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Statement of significant accounting policies

(a) Basis of preparation of half-year report

This general purpose interim financial report for the half-year reporting period ended 31 December 2019 has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 *Interim Financial Reporting*.

The interim financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended the interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2019 and any public announcements made by Emerald Resources NL and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The interim financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments. Cost is based on the fair value of the consideration given in exchange for assets.

The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

(b) New and revised accounting requirements applicable to the current half-year reporting

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those followed in preparation of the Group's annual consolidated financial statements for the year ended 30 June 2019 and the corresponding half-year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

In the period ended 31 December 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations on issue not yet effective to 31 December 2019

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the half-year financial statements of the Group.

(c) Statement of compliance

The interim financial statements were authorised for issue on 12 March 2020.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

1. Statement of significant accounting policies (continued)

(d) Significant accounting judgments and key estimates

The preparation of half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2019.

(e) Going concern

The interim financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

2. Dividends

No dividends have been paid or recommended during the current or prior interim reporting period or subsequent to reporting date.

	31 December 2019	31 December 2018
	\$'000s	\$'000s
3. Other income		
Foreign exchange gains	-	11
Repayment of loan from previously consolidated entity	-	125
Total other income	-	136

	31 December 2019	30 June 2019
	\$'000s	\$'000s
4. Cash and cash equivalents		
Cash at bank and in hand	6,584	4,451
Deposits	4,070	13,070
Total cash and cash equivalents	10,654	17,521

Cash at bank bears interest rates between 0.00% and 0.45% (30 June 2019: 0.00% and 0.60%).
Deposits are bearing interest rates between 0.90% and 1.54% (30 June 2019: 1.43% and 2.40%).

5. Exploration and evaluation expenditure		
Non-current		
Opening balance	-	33,601
Transfer to mine properties (note 6)	-	(33,601)
Total non-current exploration and evaluation expenditure	-	-

6. Mine properties		
Mine properties under development		
Opening balance	36,416	-
Construction expenditure	2,175	2,815
Restoration fund	1,570	-
Transfer from exploration and evaluation expenditure (note 5)	-	33,601
Effect of exchange rates	3	-
Total mine properties under development	40,164	36,416

7. Other non-current assets		
Transaction costs	1,025	-
	1,025	-

The transaction costs represent amounts directly attributable to establishing the debt facility negotiated for the Okvau Gold Project. These amounts will be reclassified to borrowings upon drawdown of the facility.

	Shares	Total
	No.	\$'000s
8. Issued capital		
Movements – half-year to 31 December 2019		
Opening balance at 1 July 2019	3,042,252,533	115,648
Exercise of options	6,200,000	200
Less: Transaction costs	-	(35)
Closing balance as at 31 December 2019	3,048,452,533	115,813
Movements – year ended 30 June 2019		
Opening balance at 1 July 2018	2,111,252,533	88,609
Share purchase plan	31,000,000	930
Placement funds	900,000,000	27,000
Less: Transaction costs	-	(891)
Closing balance as at 30 June 2019	3,042,252,533	115,648
	31 December 2019	30 June 2019
	\$'000	\$'000
9. Reserves		
Option reserve		
Opening balance	2,544	2,340
Options issued as remuneration during the period	114	204
Options expired and transferred to accumulated losses	(1,422)	-
Closing balance	1,236	2,544
Foreign currency translation reserve		
Opening balance	(4)	(1)
Exchange differences arising on translation of foreign operations	(73)	(3)
Closing balance	(77)	(4)
Total reserves		
Option reserve	1,236	2,544
Foreign currency translation reserve	(77)	(4)
Total reserves	1,159	2,540

	31 December 2019	31 December 2018
	\$'000	\$'000

10. Share-based payment expense

Recognised share-based payments expense

Options issued to directors, management, employees and consultants

Total share-based payments expense

114 98

114 98

The fair value of the options issued is recognised over the vesting period of the options. There were no options issued as part of remuneration during the period.

All options are issued as part of the incentive component of remuneration packages and are all subject to vesting conditions as follows:

- ☺ 50% of options issued vest 24 months from the date of appointment of the employee; and
- ☺ The remaining 50% of options issued vest 36 months from the date of appointment.

Summary of options granted

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options on issue during the period:

	Half year ended 31 December 2019		Year ended 30 June 2019	
	No.	WAEP	No.	WAEP
Balance at start of period	72,115,000	\$0.0365	64,452,500	\$0.0361
Granted during the period	-	-	9,000,000	\$0.0420
Exercised during the period	(6,200,000)	\$0.0323	-	-
Forfeited during the period	-	-	(1,337,500)	\$0.0510
Balance at end of period	65,915,000	\$0.0369	72,115,000	\$0.0365
Exercisable at end of period	36,013,750	\$0.0306	40,963,750	\$0.0302

11. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For the purposes of segment reporting the chief operating decision maker has been determined as the board of directors. The board monitors the entity primarily from a geographical perspective, and has identified four operating segments, being exploration and evaluation within Cambodia, Australia and the corporate/head office function.

The segment information provided to the board of directors for the reportable segments for the half-year ended 31 December 2019 is as follows:

Consolidated	Exploration, evaluation and development		Corporate	Total
	Cambodia \$'000s	Australia \$'000s	\$'000s	\$'000s
Half-year ended 2019				
Total segment revenue	-	-	91	91
Interest revenue	-	-	91	91
Total segment gain/(loss) before income tax	(2,553)	(151)	(1,106)	(3,810)
Half-year ended 2018				
Total segment revenue	-	-	31	31
Interest revenue	-	-	31	31
Total segment gain/(loss) before income tax	(3,485)	(47)	(732)	(4,264)
Total segment assets				
31 December 2019	41,836	-	10,577	52,413
30 June 2019	36,700	-	17,715	54,415
Total segment liabilities				
31 December 2019	(2,080)	-	(756)	(2,836)
30 June 2019	(388)	-	(846)	(1,234)

12. Commitments and contingencies

The Group has additional commitments under its Environmental Contract with the Ministry of Environment. These amounts relate to US\$5,500,000 as a bond for rehabilitation commitments over a five year period and a further annual contribution of US\$368,889 for a nine year period with funds applied to Environmental and Social initiatives. During the half-year, upon signing of the MIA, the Group recognised US\$1,100,000 of the rehabilitation bond commitment.

There have been no other significant changes to the commitments and contingencies disclosed in the most recent financial report.

13. Events occurring subsequent to reporting date

On 6 January 2020 the Company announced the final, signed Mineral Investment Agreement had been received from the Cambodian Government. The MIA provides for exemptions from any import tax and duties. The execution of the MIA allowed for the commencement of importation of capital items for the development of the Okvau Gold Project.

On 20 January 2020, the Company announced a capital raising of A\$75 million (before costs) via a two-tranche placement of 1,875 million new shares to raise A\$75m. Terms of the placement are:

- Tranche 1 - unconditional placement of 735.8 million shares at \$0.04 to sophisticated and professional investors for approximately A\$30.5 million
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The funds will be used to complete the financing of the Okvau Project, regional exploration programme on Cambodian tenure and ongoing working capital requirements.

At the date of this report, Tranche 1 has been completed and funds have been settled.

On 12 February 2020, the Company announced that it had executed a contract with Outotec for the supply of long lead equipment, including a SAG Mill, HIG Mill, Flotation Circuit and High Rate Thickeners.

On 12 February 2020 the Company announced that as part of the Okvau Facility, Sprott can apply for up to US\$3.5 million worth of shares at an issue price of \$0.04 per share (deemed \$0.0382 per share post subscription costs) on a pre-consolidation basis subject to the Okvau Facility becoming unconditional and available for drawdown.

On 11 March 2020 the Company announced that it had signed the Credit Agreement with Sprott for the US\$60 million Okvau Facility. The signing of the Credit Agreement followed the completion of an extensive due diligence process and preparation of all facility related documentation. Financial close and first draw down remains subject to customary conditions precedent which includes execution of all facility documentation and perfection of security which is expected to be completed by the end of Quarter 1 2020.

On 12 March 2020 the Company announced that it had issued 5,812,500 shares upon the conversion \$0.0323 unlisted options expiring 30 September 2020. The Company also announced the issue of 6,000,000 unlisted options with a exercise price of \$0.051 expiring 12 March 2025.

14. Financial instruments

Fair value measurement

This note provides information about how the Group determines fair value of various financial assets and financial liabilities.

Measured at fair value on a recurring basis

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observe ability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial assets within the statement of financial position of \$39,000 (June 2019: \$73,000) are Level 1 assets.

DIRECTOR'S DECLARATION



In the directors' opinion:

- (a) the financial statements and notes set out on pages 17 to 26 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Emerald Resources NL will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

A handwritten signature in blue ink, appearing to read "MHA", with a long horizontal flourish extending to the right.

Morgan Hart
Managing Director

Perth, Western Australia, 12 March 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Emerald Resources NL

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Emerald Resources NL ("the company") which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Emerald Resources NL is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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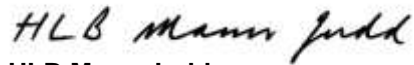
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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
12 March 2020



L Di Giallonardo
Partner