



ASX Announcement

26 April 2016

**QUARTERLY ACTIVITIES AND CASHFLOW REPORT
31 March 2016**

The Board of Emerald Resources NL (**EMR** or **Company**) is pleased to announce the Quarterly Activities Report and Appendix 5B Quarterly Cashflow Report for the period ended 31 March 2016.

Yours sincerely,

MORGAN HART
Managing Director

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Joint Venture with Renaissance Minerals Limited (ASX:RNS) – Cambodian Gold Project

As announced on 29 January 2016, EMR’s Board and team of highly experienced mining consultants have been engaged in evaluating suitable projects in the energy and broader resources sector to assess their commercial value in the current investment climate.

Following a due diligence program, including geological and technical analysis, site visits and legal review, on 3 February 2016, the Company advised that it had entered into a legally binding Memorandum of Agreement (MoA) with Renaissance Minerals Limited (Renaissance)(ASX:RNS) whereby Emerald may earn up to a 51% interest in Renaissance’s Cambodian Gold Project by sole funding a Definitive Feasibility Study (DFS) for the development of Okvau Gold Deposit inclusive of an Environmental and Social Impact Assessment (ESIA) and a 2 year exploration program of US\$3 million.

Cambodian Gold Project

The Okvau Gold Project and adjoining O’Chhung licences which also form part of the MoA cover approximately 400km² of project area and are located within the core of a prospective Intrusive Related Gold province in the eastern plains of Cambodia (Cambodian Gold Project). The Project is located in the Mondulkiri Province of Cambodia approximately 265 kilometres north-east of the capital Phnom Penh (Figure 1).

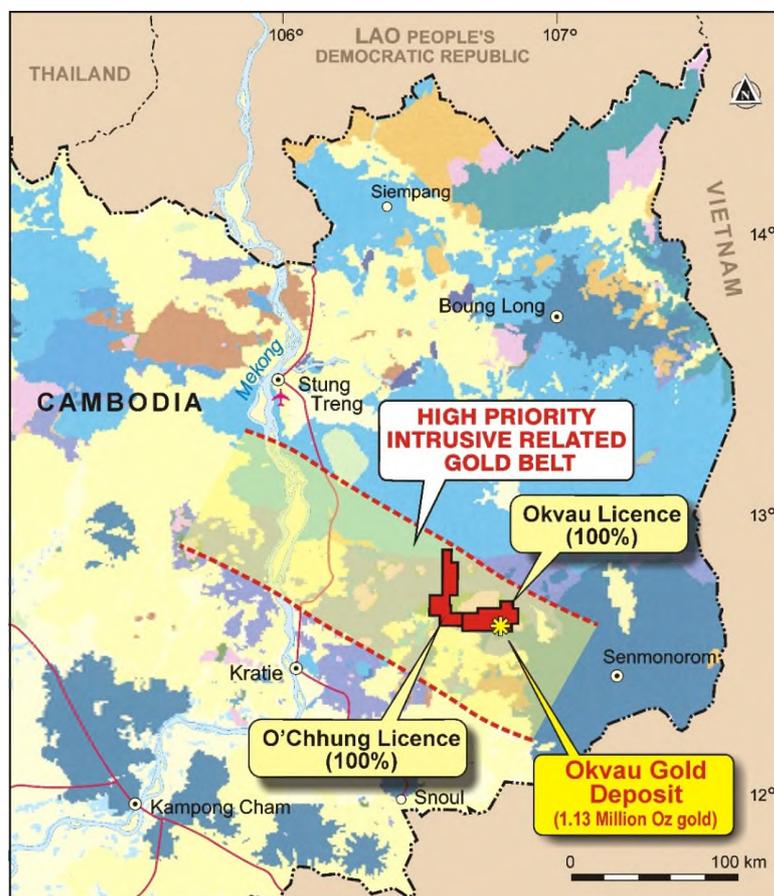


Figure 1: Location of Okvau and O’Chhung licences

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An independent JORC Indicated and Inferred Resource estimate of 15.8Mt at 2.2g/t for 1.131Moz of gold was completed for the Okvau Deposit in July 2015 (as announced by Renaissance on 27 July 2015)(Appendix 1). Importantly, approximately 85% the resource estimate is in the Indicated category. The resource estimate comprises 13.2Mt at 2.3g/t gold for 0.96Moz of gold in the Indicated resource category plus 2.7Mt at 2.0g/t gold for 0.17Moz of gold in the Inferred resource category (Appendix 1).

Renaissance completed a Pre-Feasibility Study (Study) in July 2015 for the development of a 1.5Mtpa operation based only on the Okvau Deposit via an open pit mining operation. The Study was completed to +/-20% level of accuracy and there has been no material change.

The Study demonstrates the potential for a robust, low cost development with an initial Life of Mine of 8 years, producing on average 91,500 ounces of gold per annum via conventional open pit mining methods from a single pit to be mined in three stages. A summary of these results based on the ASX market release dated 27 July 2015 by Renaissance is set out in Appendix 2.

Farm-in and Joint Venture Agreement

On 30 March 2016, the Company announced that it had executed a Farm-in and Joint Venture Agreement (Agreement) with Renaissance as contemplated by the MoA.

The material terms of the Joint Venture are as follows;

- Emerald’s interest in the Joint Venture will be progressive, based on a combination of exploration expenditure and Definitive Feasibility Study (DFS) completion as shown below:

Cumulative Exploration Spend (non DFS costs)	DFS Status	Time	Emerald Interest
US\$0.5 million	N/A	9 months	5%
US\$2.5 million	N/A	24 months	30%
US\$3.0 million	Completed	24 months	51%

- Completion of a DFS is to include the completion of an ESIA;
- Emerald will be the manager of the DFS. Renaissance and Emerald will be joint managers of the exploration program until such time that Emerald has earned its 51% interest. All Joint Venture decisions regarding development commitments and development expenditure will be subject to a 75% voting approval;
- Emerald may only withdraw from the Joint Venture after 6 months and spending a minimum of US\$0.5 million. If Emerald elects to withdraw prior to completing a DFS and has earned a 30% interest, Renaissance can opt to dilute Emerald to a 10% interest by spending US\$2 million. If either party dilutes to a 10% interest the other party may elect to convert that party’s interest to a 2% royalty;
- Provision for further opportunities secured by either party in Cambodia will form part of the Joint Venture;
- Customary mutual pre-emptive rights, expenditure and dilution formulas will apply.

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Emerald and Renaissance have agreed the standard of DFS that Emerald is required to complete. This is based on a comprehensive criteria and to a level of accuracy that will be acceptable to bona-fide project financiers.

As at the date of this report, the Agreement remains subject to the following conditions precedent:

- ASX granting Emerald conditional approval for the securities in Emerald to be re-instated to trading on the ASX following re-compliance with Chapters 1 and 2 of the ASX Listing Rules; and
- Renaissance and Emerald obtaining necessary approvals and consents from the Cambodian Government.

Placement

The Company also subscribed for 57.4 million shares in Renaissance as part of an equity placement of 114.8 million shares at 3 cents per share to raise \$3.4 million. The remaining 57.4 million shares have been placed to institutional and sophisticated investors. Emerald now holds a 10% interest in Renaissance and has nominated Ross Williams as a Non-Executive Director to the Renaissance Board.

New Projects

EMR continues to identify complementary projects in the energy and broader resources sector and evaluate their commercial value in the current investment climate. As part of this process, EMR has engaged highly experienced mining consultants who have achieved a significant level of commercial success in developing global resource projects and maximising shareholder returns.

Appalachian Gas - Magoffin County, Kentucky *(Emerald 5% Overriding Royalty Interest)*

The Company has a 5% overriding royalty interest in all gas production from various oil and gas interests located in Magoffin County, Kentucky (Leases). The royalty interest continues over any new oil and gas lease where that new oil and gas lease is in respect of any part of an area that was the subject of the Leases that may be relinquished, surrendered or not renewed.

During the quarter, there was no product recovered and sold from the Leases and the royalty received for the period was nil.

Corporate

Directors

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

Change of Activities

The proposed transaction with Renaissance constitutes a change in the nature and scale of activities from oil and gas in the United States to gold exploration and development in Cambodia.

As such, Emerald was required pursuant to Listing Rule 11.1.2 to obtain approvals from shareholders to progress with the transaction and this was provided at the general meeting of shareholders held on 31 March 2016. Emerald was also required, pursuant to Listing Rule 11.1.3 to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

As part of the recompliance process, Emerald issued a prospectus for a nominal capital raising and only to satisfy the requirements of Chapters 1 and 2 as the Company does not presently require any additional capital. On this basis, there was no material change to Emerald's current capital structure and the prospectus was closed on 1 April 2016.

As at the date of this report, Emerald's shares are suspended from trade pending ASX's approval of the Company's recompliance with Chapters 1 and 2 of the ASX Listing Rules and completion of the transaction with Renaissance.

Cash and Cash Equivalents

At 31 March 2016 the Group had \$14.76m cash on hand (31 December 2015: \$16.85m) and investments in ASX listed companies, including Renaissance, of \$2.82m (31 December 2015: \$0.9m).

Issued Capital

Issued capital as at 31 March 2016 was 1,306,594,114 fully paid ordinary shares.

Public Announcements

The Company made the following announcements since 1 January 2016 to the date of this report:

Date	Headline
1/04/2016	Prospectus Offer Closed Fully Subscribed
31/03/2016	Results of Meeting
31/03/2016	Suspension Request
31/03/2016	Suspension from Official Quotation
30/03/2016	Prospectus
30/03/2016	RNS: Execution of Joint Venture Agreement
30/03/2016	Joint Venture Agreement Signed With Renaissance
7/03/2016	Half Yearly Report and Accounts
29/02/2016	Notice of General Meeting/Proxy Form
22/02/2016	Change of Director's Interest Notice
15/02/2016	Revised Notice of Change of Substantial Holding
12/02/2016	Change in substantial holding
12/02/2016	Becoming a substantial holder
12/02/2016	Change of Director's Interest Notices
11/02/2016	Change in substantial holding
10/02/2016	Change of Director's Interest Notice
9/02/2016	Becoming a substantial holder for RNS
3/02/2016	Emerald To Earn Into Okvau Gold Deposit
3/02/2016	RNS: Renaissance Secures Funding and Development Partner
1/02/2016	Trading Halt Request
1/02/2016	Trading Halt
29/01/2016	Quarterly Activities and Cashflow Report December 2015

For more information please contact:

MORGAN HART
Managing Director

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Appendix 1 - Okvau Mineral Resource Estimate - July 2015

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

Appendix 2 – Okvau Pre-Feasibility Study Results – refer to ASX release dated 27 July 2015¹

In Pit Mineral Resource	11.6Mt @ 2.2g/t gold for 829,000 ounces contained		
LOM Strip Ratio (waste:ore)	7.7:1		
Throughput	1.5Mtpa		
Life of Mine	8 years		
Processing Recovery	85%		
Average Annual Production Target	91,500 ounces		
Pre-production Capital Costs²	US\$120M		
Gold Price	US\$1,100/oz	US\$1,250/oz	US\$1,400/oz
LOM Net Revenue (net of royalties³ & refining)	US\$756M	US\$860M	US\$964M
Operating Cash Flow Before Capital Expenditure	US\$272M	US\$376M	US\$479M
Project Cash Flow After Capital Expenditure	US\$142M	US\$245M	US\$349M
NPV⁴ (5%)	US\$90M	US\$174M	US\$257M
Payback	3.2 years	2.6 years	1.9 years
IRR pre-tax	21% pa	35% pa	47% pa
IRR post-tax (excluding any incentives)	19% pa	29% pa	38% pa
LOM C1 Cash Costs⁵	US\$684/oz	US\$684/oz	US\$684/oz
LOM All-In Sustaining Costs ('AISC')⁶	US\$731/oz	US\$735/oz	US\$738/oz

¹Renaissance has 100% ownership with no third party or Government equity interests and therefore economics are 100% attributable to Renaissance Under the proposed terms of the Joint Venture with Emerald, the ownership interest of Renaissance is subject to change.

²Capital Costs include working capital and 10% contingency

³Government royalty fixed at 2.5% of gross revenue

⁴After royalties but before corporate tax

⁵C1 Cash Costs include all mining, processing and general & administration costs

⁶AISC include C1 Cash Costs plus royalties, refining costs, sustaining capital and closure costs

Competent Persons Statement

The information in this report that relates to the Mineral Resources for the Okvau Gold Deposit was prepared by International Resource Solutions Pty Ltd (Brian Wolfe), who is a consultant to Renaissance Minerals Limited, who is a Member of the Australian Institute of Geoscientists (AIG), and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Wolfe consents to the inclusion of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Emerald Resources NL

ABN

009 795 046

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	-	(149)
(b) development	-	-
(c) production	-	-
(d) administration	(141)	(418)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	137	431
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(4)	(136)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(1,890)	(2,834)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	104	104
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(1,786)	(2,730)
1.13 Total operating and investing cash flows (carried forward)	(1,790)	(2,866)

+ See chapter 19 for defined terms.

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,790)	(2,866)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1	1
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (costs of prospectus)	(298)	(298)
	Net financing cash flows	(297)	(297)
	Net increase (decrease) in cash held	(2,087)	(3,163)
1.20	Cash at beginning of quarter/year to date	16,853	17,929
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	14,766	14,766

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	32
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

The amount above includes payments to directors and to companies associated with the directors for this quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	657
4.2 Development	-
4.3 Production	-
4.4 Administration	180
Total	837

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,946	133
5.2 Deposits at call	12,820	16,720
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	14,766	16,853

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A			
6.2 Interests in mining tenements acquired or increased	N/A			

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Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	N/A			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	1,306,594,114	1,306,594,114		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	N/A			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	20,000,000	-	<i>Exercise Price</i> \$0.025	<i>Expiry Date</i> 21 January 2020
7.8 Issued during quarter	-			
7.9 Exercised during quarter	-			
7.10 Expired during quarter	-			
7.11 Debentures <i>(totals only)</i>	N/A			
7.12 Unsecured notes <i>(totals only)</i>	N/A			

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

MARK CLEMENTS
Company Secretary

26 April 2016

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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