

31 January 2019

Fast Facts

ASX Code: EMR
Shares on issue: 3,042 million
Market Cap: ~\$110 million
Cash: A\$24.5 million (31 Dec 2018)
Listed Investments: A\$0.2 million (31 Dec 2018)

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
- 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 (refer Table One)
- DFS completed and demonstrates high grade, low cost, compelling development economics:
 - Ore Reserve of 14.3Mt & 2.0g/t Au for 0.9Mozs (refer Table One) in a single open pit with waste:ore ratio of 5.8:1
 - LOM average annual production of 106,000ozs pa
 - AISC US\$731/oz over LOM
 - Using US\$1,250/oz Au gold price:
 - NPV_(5%) US\$223M pre-tax and US\$160M post-tax
 - IRR 48% pa pre-tax and 40% post-tax
 - Payback ~2.2 years pre-tax and 2.5 years post-tax
- Highly credentialed gold project development team
- Significant resource growth potential

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Quarterly Report for the period ended 31 December 2018

Highlights

Cambodian Activities

Okvau Gold Project

- Completion of the second phase of the grade control drilling program with both phases totalling 368 holes for 10,166m. Interpreted results to date strongly supporting the DFS Ore Reserve estimate in the area tested, particularly in respect to gold grade;
- Power line to supply grid power to the Okvau Gold Project significantly advanced;
- Road access and bridge construction negotiations nearing completion;
- MoU signed with MACA Ltd to provide earthmoving works and equipment;
- Resettlement successfully completed with 62 local families relocated from the Okvau Mining Licence area.

Exploration, Joint Venture Agreement and other tenure

- Auger soil samples at the Phnom Khtong Project confirm and extend historical gold geochemical soil anomalies on the Oh Tron Prospect;
- Planning has commenced for Emerald's maiden reconnaissance drill testing at both the Koan Nheak and Snoul projects, with drilling to commence when preliminary environmental approvals have been received.

Corporate

- Emerald successfully completed a placement raising a total of A\$28 million allowing development activities to commence at the Okvau Gold Project;
- Mr Mick Evans joins the Board as an Executive Director bringing over 20 years experience in various mining and processing industries throughout Australia and Africa to the Board of Emerald;
- Emerald currently in discussions with a number of potential financiers for funding for the Okvau Gold Project.

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 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 Monorom 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' 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.

Topography of the tenure area is relatively flat with low relief of 80 metres to 200 metres above sea level. There are isolated scattered hills rising to around 400 metres. The area is sparsely populated with some limited historical small-scale mining activity. All-weather gravel haulage roads in the area provide good access to within 25 kilometres of the Okvau exploration camp site. A new 18 kilometre access road will be constructed as part of development of the Okvau Gold Project.

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).

Figure 1 | Cambodian Gold Project | Location

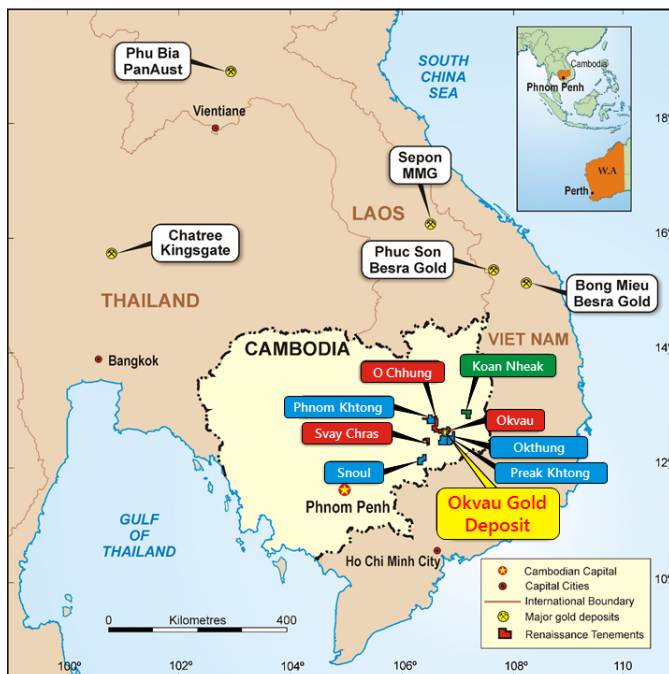
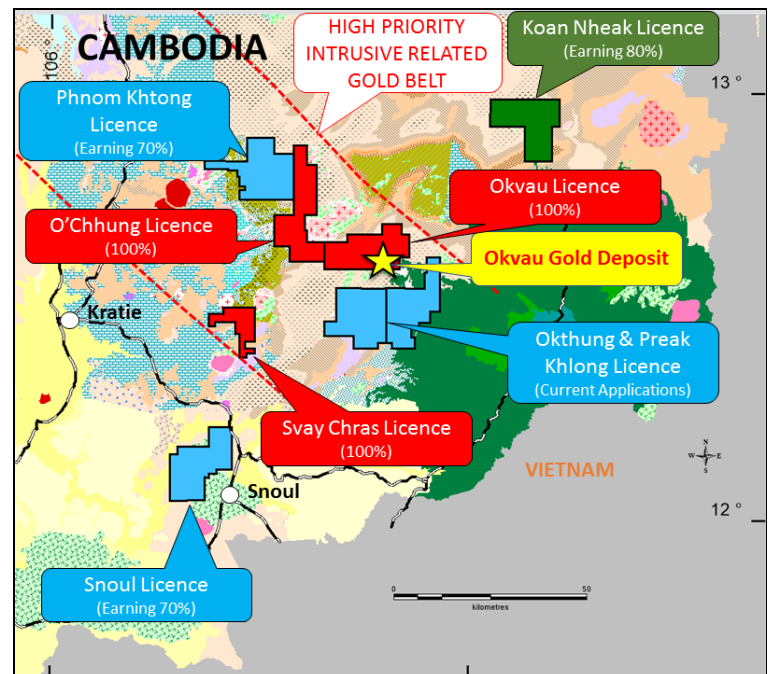


Figure 2 | Cambodian Gold Project | Exploration Licence Areas



Okvau Gold Project | Definitive Feasibility Study

The DFS was completed in May 2017 on the development of a 2.0Mtpa operation at the Okvau Gold Project and was completed to +/-15% level of accuracy (refer Table Three). 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\$731/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.

At a gold price of US\$1,250/oz, the Okvau Gold Project generates a NPV(5%) of US\$223M (A\$298M) pre-tax and US\$160M (A\$213M) post-tax with an Internal Rate of Return (IRR) of 48% pa pre-tax and 40% post-tax. The payback of the total capital funding requirement is expected to be 26 months pre-tax and 30 months post-tax, from first gold pour.

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 One).

Table 1 | Okvau Mineral Resource Estimate

Okvau Mineral Resource Estimate									
Cut-off (Au g/t)	Indicated Resource			Inferred Resource			Total Resource		
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
0.70	15.11	2.08	1,008	2.57	1.61	133	17.68	2.01	1,141

The Project has a JORC Ore Reserve (Probable) estimate of 14.26Mt @ 1.98g/t Au for 907,000 ounces gold (refer Table 2).

Table 2 | Okvau Ore Reserve Estimate

Okvau Ore Reserve Estimate		
	Tonnage (Mt)	Grade (g/t Au)
Probable Ore Reserve	14.26Mt	1.98g/t Au
		907koz

Key operating and financial outcomes of the DFS, prepared in accordance with the requirements of the JORC Code (2012 Edition), are presented in Table 3.

Table 3 | DFS Economics¹

Ore Reserve	14.3Mt @ 2.0g/t gold for 907koz contained		
LOM Strip Ratio (waste t : ore t)	5.8:1		
Throughput	2.0Mtpa		
Life of Mine	7.2 years		
Processing Recovery	84%		
Recovered Ounces	762koz		
Average Annual Production	106koz		
Pre-production Capital Costs ²	US\$98M		
Sustaining Capital Costs ³	US\$23M		
Gold Price	US\$1,100/oz	US\$1,250/oz	US\$1,400/oz
Gross Revenue	US\$838M	US\$952M	US\$1,066M
LOM Net Revenue (net of royalties ⁴ and refining)	US\$801M	US\$911M	US\$1,020M
Operating Cash Flow pre-tax	US\$309M	US\$419M	US\$528M
Project Cash Flow pre-tax	US\$188M	US\$298M	US\$407M
NPV _(5%) pre-tax	US\$133M	US\$223M	US\$313M
NPV _(5%) post-tax ⁵	US\$95M	US\$160M	US\$224M
Payback pre-tax	3.0 years	2.2 years	1.6 years
Payback post-tax	3.3 years	2.5 years	1.8 years
IRR pre-tax	32%	48% pa	63%
IRR post-tax ⁵	27%	40% pa	54%
LOM C1 Cash Costs ⁶	US\$650/oz	US\$650/oz	US\$650/oz
LOM All-In Sustaining Costs ('AISC') ⁷	US\$725/oz	US\$731/oz	US\$737/oz

¹ All economics are 100% attributable to Emerald

² Includes US\$4.4M of capital spares and first fills and US\$7.0M of mining capital and pre-production mining costs

³ Includes US\$14.4M of rehabilitation and closure costs

⁴ Royalties include Government royalty of 2.5% gross and a third-party royalty of 1.5% gross (capped to A\$22.5M)

⁵ Taxation is based on Cambodian tax law and does not allow for any incentives or tax relief

⁶ C1 Cash Costs include site based mining, processing and admin operating costs plus transport and refining costs

⁷ Includes C1 Cash Costs plus royalties, sustaining capital costs, contributions to environmental & community funds and rehabilitation & closure costs

Activities during the Quarter

Okvau Gold Project | Development Activities

Following the grant of the Okvau Mining Licence in the prior Quarter, the focus for Emerald has been to put in place initial funding which would allow for development activities to commence at the Okvau Gold Project. Following the successful A\$28 million Placement completed towards the end of the Quarter, Emerald continued to advance a number of other ancillary items allowing for commencement of development activities.

Grid Power

The power line to supply grid power to the Okvau Gold Project was advanced with the execution of a Memorandum of Understanding ('MoU') imminent to confirm power availability from December 2019. Works completed and in progress to date include:

- Route survey completed;
- Power line corridor clearing completed to site;
- Concrete foundations – 54% complete;
- Transmission towers erected - 36% complete; and
- Stringing of power lines - 12% complete.

The power line contractor continues to advise works are scheduled for completion prior to end of 2019. The provision of grid power is a critical step to production and it is an extremely positive outcome that grid power availability is expected upon commissioning of the operations.

Access Road

Negotiations for the construction of the access road continued during the Quarter and are nearing completion. The negotiations include the construction of a 35 tonne bridge across the Prek Te River. Independent to Emerald, a third party has commenced work to improve road access. Further, as part of the road access negotiations, Emerald will have the use of a temporary 20 tonne bridge to cross the Prek Te River to allow continuous access to the Okvau site throughout the May – September wet season.

Mining Contract

Discussions relating to the mining contract were advanced during the Quarter culminating in, subsequent to Quarter end, Emerald announcing that an MoU has been signed with MACA Limited ("MACA") to supply earthmoving equipment and conduct contract mining services at the Okvau Gold Project. The MoU remains subject to a final investment decision to develop the project by the Emerald Board of Directors and commits Emerald and MACA to collectively develop the Okvau Gold Project in a traditional principal contractor relationship. The MoU acknowledges that both parties are in agreement on the terms, conditions, schedule and schedule of earthmoving rates contained in a mutually negotiated mining services contract (to be signed and actioned on a final investment decision on the project by the Emerald Board of Directors). Emerald views the signing of the MoU with MACA as a very positive step in the development of the Okvau Gold Project adding a high level of confidence in the execution of the mining schedule with the highly experienced MACA earthmoving team. The contract provides for the use of new fit for purpose earthmoving equipment with an onsite expatriate management team experienced in similar international operations. The Board and Management of Emerald have worked closely with the team at MACA over the past 20 years in a multitude of different operations and are very pleased to continue the relationship on the Okvau Gold Mine Development.

Resettlement

During the Quarter the resettlement of a total of 62 local families has been agreed and successfully compensated to relocate away from the Okvau Mining Licence area. The relocation of the families clears a path for Emerald to commence site works on the project area as the schedule requires. The relocation process was governed by a committee of relevant stakeholders, and was conducted in a manner consistent with the IFC guidelines as set out in its approved Resettlement Action Plan (RAP).

Grade Control Drilling

In order to further de-risk the development of the Okvau Gold Project, Emerald completed a 10,166m, 368 hole shallow (~25m) grade control program drilled on 10m by 10m spacing. The first phase of the program consisted of an initial 152 holes for a total of 4,672m and was completed in December 2017. The second phase commenced in July 2018 and consisted of 216 holes for 5,494m, with assays results of the program announced in October 2018. Results to date support the DFS Ore Reserve, particularly in respect to gold grade. For full results refer to ASX Announcement dated 3 and 24 October 2018. The cost of the program will represent an operating cost saving.

Mineral Investment Agreement

Emerald has continued to progress the negotiation of a Mineral Investment Agreement ('MIA'). Emerald is currently working to schedule the next Inter-Ministerial Committee meeting to be attended by various Cambodian Ministries and bodies that are instrumental in the material components of the MIA, including the Ministry of Mines and Energy, Ministry of Economy and Finance and Council for the Development of Cambodia. The MIA is an agreement Emerald has requested and is allowed under the Cambodian Law on Mineral Resources to provide long term certainty regarding the operation of the Okvau Gold Project and the fiscal regime. The MIA is not required for the lawful development and operation of the Okvau Gold Project.

Project Financing

Emerald continued discussions with a number of potential financiers for the development of the Okvau Gold Project. Funds that were raised under the recent Placement and Share Purchase Plan have allowed the Company to commence development activities as noted above, whilst these discussions are currently taking place. Completion of financing will be subject to lender due diligence, formal documentation and credit approval, typical for a transaction of this nature. However, significant progress was made during the Quarter on the due diligence, particularly in respect to the technical independent expert report, which was completed following the recently completed infill drilling program which added confidence to the resource model. The technical report has been provided to prospective financiers to aid in the bidding process.

Okvau Gold Project | Resource Growth

The DFS only considered an open pit mining operation. The Okvau Deposit remains open with potential to define additional ounces from shallow extensions along strike to the north-east. There is also potential at depth with high grade shoots providing longer term underground potential. High grade resources have been defined immediately below the floor of the final pit design. Subsequent to quarter end, Emerald have commenced a drill program designed to test the geological interpretation of the contact zone of the north-east extension of the Okvau Deposit.

Regional Exploration

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

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

During the Quarter, Emerald has received results from its initial exploration program at the Phnom Khtong Project which consists of shallow and auger soil samples and rock chips which have been taken across the core of the surface geochemical anomalies previously identified by Southern Gold. The program was planned to test and confirm the anomalies defined by historical exploration which included:

- A high resolution airborne magnetic and radiometric survey over the area which assisted in identifying several probable intrusive bodies;
- A regional 100 x 800 metre shallow soil sampling program over the licence with Oh Tron being infilled down to 50 x 100 metre spacing; and
- 29 shallow RC holes (581m) have been drilled within the Oh Tron prospect (refer to ASX Announcement dated 13 July 2017).

Emerald's recent program followed up previous historical exploration with a 300 auger soil sample program which infilled the Oh Tron prospect down to a 50 x 200 metre grid. Emerald also took 30 rock chip samples coincidentally with the auger program.

An additional auger soil sampling program is currently being planned to further refine anomalism prior to the commencement of a systematic drill out of the 1.3 km strike length +30ppb core zone of the central Oh Tron anomaly and the significant rock chips associated with the 1.0 km strike length +10ppb Oh Tron West soil anomaly. For full results refer to ASX Announcement dated 26 November 2018.

Emerald also commenced an Initial Environmental Impact Assessment ('IEIA') on both the Snoul and Phnom Khtong Projects and continued planning a follow up drilling program upon approval of the IEIAs by the MoE.

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. Emerald has previously undertaken initial reconnaissance field work within the Koan Nheak exploration licence focusing in and around the Peacock Prospect. No drilling has ever been undertaken within the exploration licence.

Activities for the current Quarter related to advancing the preparation and submission of the IEIA and the planning of a maiden drill program to commence upon approval of the IEIA by the MoE.

Other Tenure | New Grants and Applications

Emerald commenced an initial broad spaced geochemical soils program on its 100% owned Svay Chras Project which covers 74.3km². The program follows the approval by the MoE of its IEIA in the prior Quarter, results to be released when available.

Emerald has submitted exploration licence applications in its own name over the Preak Khlong and O'Khtung Projects covering 392km². Emerald has completed IEIAs over these two projects and were completed to allow for the progression of the application process.

Corporate Activities

During the Quarter, Emerald successfully completed a A\$28 million Placement consisting of a two tranche Placement to existing and new institutional shareholders and a share purchase plan to existing eligible shareholders. The Placement provides funding to be used towards:-

- commence development activities at the Okvau Project;
- regional exploration program on Emerald's 1,442km² Cambodian exploration footprint;
- repayment of unsecured loans; and
- ongoing working capital requirements and costs of the Placement.

Funds raised under the Placement has allowed for the commencement of development activities whilst the Company advances discussions with multiple parties on debt finance.

On 3 October 2018, the Company announced that Mr Mick Evans had joined the Board as an Executive Director. Mr Evans was appointed Chief Operating Officer of the Company in May 2016 and has over 20 years experience in various mining and processing industries throughout Australia and Africa. Prior to joining the Company he spent 7 years with Regis Resources Ltd (ASX:RRL) firstly as Projects Manager and in April 2014 he was appointed as Chief Development Officer and was responsible for the construction of the processing plant at the Moolart Well, Garden Well and Rosemont gold mines. Before that, Mr Evans spent 10 years with Equigold NL where he was instrumental in the construction of the Bonikro processing plant in Cote D'Ivoire.

Mr Evans has developed a very strong understanding of the Okvau Project and will take responsibility for all design, development and construction activities for the Project.

Emerald's consolidated cash and listed investment position at 31 December 2018 was approximately A\$24.7 million, comprising A\$24.5 million in cash plus A\$0.2 million in listed investments. Expenditure during the Quarter mainly related to costs associated with the A\$28 million placement, further work for project licencing, due diligence costs for development financing and exploration programs undertaken to meet joint venture and earn-in commitments.

The Company holds 2,361,528 shares and 1,180,764 options (20 cents) in Riversgold Limited ('Riversgold'; ASX:RGL). At the current Riversgold share price of 6.6 cents, Emerald's holding has a value of approximately A\$0.2 million.

During the prior Quarter, entities associated with certain Directors provided unsecured loan facilities totalling up to A\$3 million 'Facility', with the Facility being drawn by A\$2 million at 30 September 2018. The Facility was with an interest rate of 8.0% pa (6.5% plus RBA Cash Rate Target) capitalising quarterly. No other fees were payable on the Facility. During the Quarter the Facility to the Directors has been repaid in line with the use of funds as outlined for the A\$28 million placement completed in December 2018.

About Cambodia

Cambodia is a constitutional monarchy with a constitution providing for elections every 5 years with last election recently held in July 2018. The population of Cambodia is approximately 16 million.

Cambodia has a relatively open trading regime and joined the World Trade Organisation in 2004. The government's adherence to the global market, freedom from exchange controls and unrestricted capital movement makes Cambodia one of the most business friendly countries in the region.

The Cambodian Government has implemented a strategy to create an appropriate investment environment to attract foreign companies, particularly in the mining industry. Cambodia has a modern and transparent mining code and the government is supportive of foreign investment particularly in mining and exploration to help realise the value of its potential mineral value.

Detailed information on all aspects of Emeralds' projects can be found on the Company's website www.emeraldresources.com.au.

For further information please contact
Emerald Resources NL
Morgan Hart
Managing Director

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 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 Fellow of the Australasian Institute of Mining & Metallurgy. Mr Williamson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or "CP") as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Williamson has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

Appendix One | Tenements

Mining and exploration tenements held at the end of December 2018 Quarter

Project	Location	Tenement	Interest at 31 December 2018
Okvau	Cambodia	Okvau Industrial Mining Licence	100%
Okvau	Cambodia	Okvau Exploration Licence ^A	100% ^A
O'Chhung	Cambodia	O'Chhung Exploration Licence ^A	100% ^A
Svay Chras	Cambodia	Svay Chras Exploration Licence	100%

^A Emerald Resources NL has been granted exclusive rights to apply for exploration rights.

Mining and exploration tenements and licenses acquired and disposed during the December 2018 quarter

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

Beneficial percentage interests in joint venture and earn-in agreements at the end of the December 2018 quarter

Project	Location	Tenement	Interest at end of quarter
Koan Nheak	Cambodia	Koan Nheak Exploration Licence	0% ^B
Phnom Khtong	Cambodia	Phnom Khtong Exploration Licence	0% ^C
Snoul	Cambodia	Snoul Exploration Licence	0% ^C

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

^C Emerald Resources NL is earning up to a 70% interest from Mekong Minerals.

Beneficial percentage interests in joint venture and earn-in agreements acquired or disposed of during the December 2018 quarter

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

Interests in royalties

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

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

Name of entity

Emerald Resources NL

ABN

72 009 795 046

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(1,657)	(3,215)
(b) development	-	-
(c) production	-	-
(d) staff costs	(127)	(251)
(e) administration and corporate costs	(250)	(437)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	19
1.5 Interest and other costs of finance paid	(52)	(52)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – Transaction costs relating to acquisition of subsidiary	-	-
1.9 Net cash from / (used in) operating activities	(2,071)	(3,936)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	125	125
2.4	Dividends received (see note 3)	-	-
2.5	Other – cash acquired on acquisition of subsidiary	-	-
2.6	Net cash from / (used in) investing activities	125	125

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	27,930	27,930
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(841)	(841)
3.5	Proceeds from borrowings	-	2,000
3.6	Repayment of borrowings	(2,000)	(2,000)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	25,089	27,089

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,313	1,178
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,071)	(3,936)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	125	125
4.4	Net cash from / (used in) financing activities (item 3.10 above)	25,089	27,089
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	24,456	24,456

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	8,386	1,243
5.2 Call deposits	16,070	70
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	24,456¹	1,313¹

¹ Note that cash and cash equivalents does not include a \$112k prepayment for future drilling.

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	106
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors Fees (\$106k)

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	20
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Rental outgoing payments made to a related entity of Ross Stanley for the office occupied at 1110 Hay Street West Perth (\$20k)

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

On 9 July 2018, entities associated with certain Company Directors have agreed to provide unsecured, loans to the Company up to a total of \$3,000,000 with a term of 12 months. Funds are to be utilised for working capital purposes whilst the Company continues working on the financing for the Okvau Gold Project. Interest under the loans is at an interest rate of 6.5% plus RBA Cash Target Rate capitalising quarterly. At the end of the prior quarter, the loan was drawn down to \$2,000,000. During the current quarter the \$2,000,000 drawn under the facility plus capitalised interest of \$52,281 has been repaid in line with the use of funds as outlined for the A\$28 million placement completed in December 2018.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	972
9.2 Development	3,893
9.3 Production	-
9.4 Staff costs	212
9.5 Administration and corporate costs	143
9.6 Other	-
9.7 Total estimated cash outflows	5,220

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Mark Clements

Company Secretary

31 January 2019

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.