EMERALD RESOURCES NL

ABN 72 009 795 046

Annual Report
2017

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Corporate Directory

Non-Executive Chairman
Simon Lee

Managing Director
Morgan Hart

Executive Director
Justin Tremain

Non-Executive Directors
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Company Secretary
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Stock Exchange Listing
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: EMR

Website Address
www.emeraldresources.com.au

Dear Fellow Shareholders,

On behalf of the Board of Directors of Emerald Resources NL ('Emerald' or the 'Company') I am pleased to present to shareholders the Company's Annual Report and Financial Statements for the year ended 30 June 2017.

The last twelve months have been an extremely busy and exciting period for the Company. After the commencement of initial activities at the project in early 2016 under an initial Joint Venture arrangement with Renaissance Minerals Limited ('Renaissance'), in July 2016 Emerald moved to increase its interest in the Okvau Gold Project to 100%. This was achieved through a successful merger with Renaissance under the Bid Implementation Agreement where it was proposed for Emerald to acquire all of the issued shares of Renaissance by way of an off-market takeover offer ('Offer').

The Offer went unconditional in October 2016 with a 96% acceptance by Renaissance shareholders with Emerald then completing the compulsory acquisition of the remaining Renaissance shares in November 2016. The merged entity created a well-funded gold development company with a strong board and management team that is well placed to develop the Cambodian Gold Project and pursue other value enhancing opportunities. The merger also saw our Board gain the highly credentialed and experienced Mr Justin Tremain who joined our Board in September 2016 as an Executive Director.

Following the successful completion of the Offer and gaining a 100% interest in the Okvau Gold Project, the Company has rapidly advanced the project which has culminated in the successful delivery of a Definitive Feasibility Study ('DFS') in May 2017. The Company has also commenced a significant exploration program over its exploration portfolio around the Okvau Gold Project. The DFS delivered the Company its maiden gold ore reserve estimate of 907,000 ounces at 1.98g/t gold and demonstrated the robust nature of the Okvau Gold Project with an initial operating life of mine of over 7 years, producing approximately 106,000 ounces of gold per annum on average from a single open pit with expected AISC of US$731/ounce.

Emerald is now in the process of obtaining the necessary regulatory approvals as well as working with potential financiers to obtain proposals for the project funding to commence the development of the Okvau Gold Project. The Company looks forward with anticipation to achieve these milestones and commencing plant construction in the coming months. The Company will also continue with its exploration programs over its current portfolio of projects with a view to increasing shareholder value through exploration success.

I would also like to take this opportunity to acknowledge the continued support the Company has received from the Royal Government of Cambodia and the local communities in which we are working.

On behalf of the directors of Emerald, I would like to welcome our new shareholders that have come to the register through the successful acquisition of Renaissance and to thank our existing shareholders for their continued support over the past year. I would also like to thank our dedicated management, employees and contractors for their continued efforts throughout the year.

Yours faithfully,

Simon Lee AO
Chairman

The Directors of Emerald Resources NL ('Emerald' or 'the Company') submit herewith the consolidated financial statements of the Company and its controlled entities for the year ended 30 June 2017 in order to comply with the provisions of the *Corporations Act 2001*.

1. Directors

The following persons were Directors of Emerald during the whole of the financial year and up to the date of this report, unless otherwise stated:

Simon Lee AO	Non-Executive Chairman	
Morgan Hart	Managing Director	
Justin Tremain	Executive Director	(Appointed 27 September 2016)
Ross Stanley	Non-Executive Director	
Ross Williams	Non-Executive Director	

2. Principal Activities

The principal activity of the consolidated entity during the financial year was mineral exploration primarily in Cambodia and advancing the Company's Okvau Gold Project. There were no significant changes in the nature of the consolidated entity's principal activities during the financial year.

3. Operating Results

The loss attributable to owners of the consolidated entity after providing for income tax amounted to $8,472,128 (2016: $1,346,254).

4. Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

5. Financial Position

The consolidated entity has $8,529,435 in cash and cash equivalents as at 30 June 2017 (2016: $11,728,281). The completion of the Definitive Feasibility Study confirmed the Okvau Gold Project in Cambodia as a robust and compelling project. The Company is assessing financing proposals from a number of international mining project debt financiers to assist with the development of the Okvau Gold Project.

6. Business Strategies & Prospects for the Forthcoming Year

Emerald will remain focused on developing the Okvau Gold Project and actively exploring for gold mineralisation within its current portfolio of projects in Cambodia with the object of identifying commercial resources. Emerald may also continue to identify new opportunities within Cambodia and throughout the rest of the World for further potential acquisitions which may offer value enhancing opportunities for shareholders.

Material business risks that may impact the results of future operations include Government approvals, further exploration results, future commodity prices and funding.

7. Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the consolidated entity occurred during the financial year:

- On 19 July 2016, Emerald announced it had entered into a definitive Bid Implementation Agreement in relation to a proposal to merge with Renaissance Minerals Limited ('Renaissance'). The merger was to be implemented by Emerald making an off-market takeover offer in a share based transaction ('Offer') for all of the issued shares of Renaissance that it did not already own.
- On 23 September 2016, Emerald announced that it had received acceptances under the Offer giving it an interest of over 90% in Renaissance. The Offer closed on 30 September 2016 with Emerald holding a relevant interest in Renaissance of 96.0% at which time Emerald moved to compulsory acquire any Renaissance shares that remained outstanding.
- On 14 November 2016, the compulsory acquisition process was completed at which time Renaissance became a wholly owned subsidiary of Emerald.
- On 1 May 2017, the Company announced the completion of the Definitive Feasibility Study which confirmed the Okvau Gold Project in Cambodia as a robust and compelling project.

8. Review of Operations

Corporate

During the 2017 Financial Year ('Year') Emerald announced it entered into a definitive Bid Implementation Agreement ('Implementation Agreement') in relation to a proposed merger with Renaissance Minerals Limited ('Renaissance'). The merger was to be implemented by Emerald making an off-market takeover offer in a share based transaction ('Offer') for all of the issued shares of Renaissance that it did not already own.

Key features of the merged entity included:

- Simplified single ownership structure and operational management of assets allows for acceleration of exploration and development
- Synergies through removal of duplicated corporate and head office administrative functions
- Strong balance sheet and no debt
- Well positioned for continued project expansion and development
- Enhanced financing options and broader equity market appeal from scale, improved liquidity and ability to source development financing

On 23 September 2016, Emerald announced that it had received acceptances under the Offer giving it an interest of over 90% in Renaissance. The Offer closed on 30 September 2016 with Emerald holding a relevant interest in Renaissance of 96.0%. Emerald moved to compulsorily acquire the remaining outstanding Renaissance shares with the compulsory acquisition process being completed on 14 November 2016 at which time Renaissance became a wholly owned subsidiary of Emerald.

The merged entity created a well-funded gold development company with a strong board and management team which is well placed to develop the Cambodian Gold Project and pursue other value enhancing opportunities.

8. Review of Operations (continued)

Cambodian Gold Project

Background

The Cambodian Gold Projects are located approximately 275 kilometres north-east of Cambodia's capital city of Phnom Penh in the province of Mondulkiri (refer Figures One and Two). The town of Kratie is located on the Mekong River approximately 90 kilometres to the west and the capital of Mondulkiri, Saen Monorom is located approximately 60 kilometres to the south-east.

Emerald, through its 100% owned Cambodian subsidiary company, Renaissance Minerals (Cambodia) Limited, holds a 100% interest in the Okvau Exploration Licence and the adjoining O'Chhung Exploration Licence.

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) with an initial Ore Reserve of 14.3Mt grading 1.98g/t gold containing 907,000oz was released in May 2017 (refer Table One and Table Two).

Topography of the project area is relatively flat with low relief of 80 metres to 200 metres above sea level. There are isolated scattered hills rising to around 400 metres. The area is sparsely populated with some limited historical small scale mining activity. An all-weather gravel haulage road servicing logging operations in the area provides good access to within 25 kilometres of the Okvau exploration camp site. The current access over the remaining 25 kilometres is sufficient for exploration activities but a new all-weather road is planned as part of project development.

The depth and geometry of the resource make it amenable to open pit mining with 90%, or 907,000 ounces of the total Indicated resource estimate converting to Ore Reserves within the single open pit mine design.

The Okvau Deposit remains open. There is significant potential to define additional ounces from both shallow extensions along strike to the north-east and at depth.

The Okvau Deposit and other gold occurrences within the exploration licences are directly associated with diorite and granodiorite intrusions and are best classed as Intrusive Related Gold mineralisation. Exploration to date has demonstrated the potential for large scale gold deposits with the geology and geochemistry analogous to other world class Intrusive Related Gold districts, in particular the Tintina Gold Belt in Alaska (Donlin Creek 38Moz, Pogo 6Moz, Fort Knox 10Moz, Livengood 20Moz).

Subsequent to year end, Emerald reached agreements to earn-in to five additional exploration licences covering a combined area of 1,050km^2, prospective for large scale Intrusive Related Gold systems. All five of the licence areas are in close proximity to the Okvau Gold Project, as shown in Figure Two.

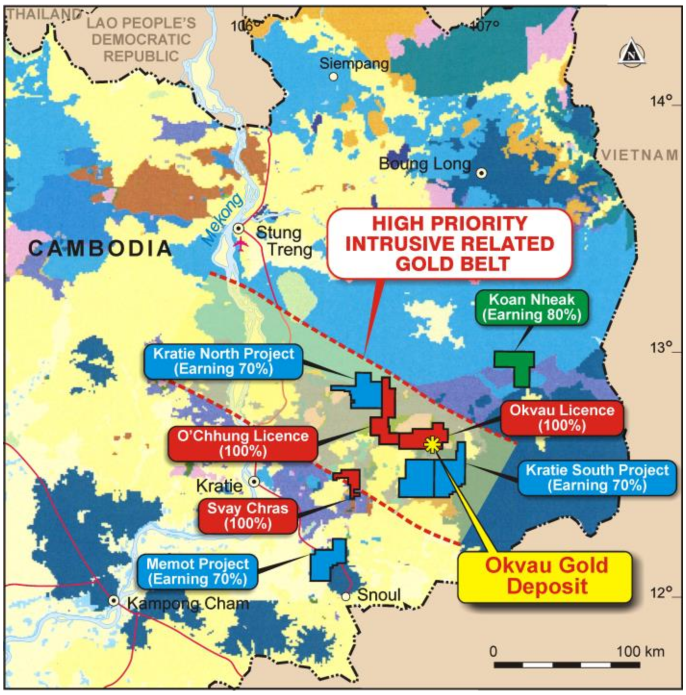
In addition, Emerald has been notified by the Cambodian Ministry of Mines & Energy that its application for 75km^2 of unexplored vacant land located 40 kilometres to the south-west of the Okvau Gold Project, has been successful. The 100% owned new licence area being Svay Chras.

The earn-in agreements, along with the new exploration licence granted, expands Emerald's ground position in Eastern Cambodia from 374km^2 to 1,500km^2.

8. Review of Operations (continued)

Figure One| Cambodian Gold Project | Location

Figure Two| Cambodian Gold Project | Exploration Licence Areas



Okvau Development Economics

Okvau Gold Project | Definitive Feasibility Study

In May 2017, Emerald completed a Definitive Feasibility Study ('DFS') on the development of a 2.0Mtpa operation at the Okvau Gold Project ('Project'). The DFS was completed to $^{+/-}$15% level of accuracy (refer Table Three) and fulfilled a milestone set by the Company since becoming involved in the project in March 2016.

The DFS confirms the robust nature of the Project with an initial operating LOM of over 7 years, producing approximately 106,000 ounces of gold per annum on average from a single open pit, with ore processed through a plant utilising a single stage crushing circuit and SAG mill, sulphide flotation, regrind mill followed by conventional cyanide leaching.

The estimated operating costs highlight a financially robust Project with an average LOM AISC of US$731/oz. The estimated Project development costs are US$91M with a further US$7M in mining contractor establishment costs and pre-production mining costs. The development costs include an US$4.4M allowance for spare parts and first fills.

At a gold price of US$1,250/oz, the 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).

8. Review of Operations (continued)

Table One | Okvau Mineral Resource Estimate - June 2017

Okvau June 2017 Mineral Resource Estimate									
	Indicated Resource			Inferred Resource			Total Resource		
Cut-off (Au g/t)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
0.70	15.11	2.08	1,008	2.57	1.61	133	**17.68**	**2.01**	**1,141**

The updated Mineral Resource estimate was determined using Multiple Indicator Kriging and takes into account additional dilution when compared to the previous Mineral Resource estimate.

The DFS delivered a maiden Ore Reserve (Probable) estimate of 14.26Mt @ 1.98g/t Au for 907,000 ounces gold (refer Table Two).

Table Two| Okvau Ore Reserve Estimate - June 2017

Okvau June 2017 Ore Reserve Estimate			
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
Probable Ore Reserve	**14.26Mt**	**1.98g/t Au**	**907koz**

The mineralised vein system of the Okvau Deposit has a current strike extent of 500 metres across a width of 400 metres.

The Okvau Deposit remains open. There is significant potential to define additional ounces from both shallow extensions along strike to the north-east and at depth. The current resource estimate is underpinned by 217 drill holes for 42,257 metres, of which 112 holes or 31,447 metres is diamond core drilling with the remainder being reverse circulation drilling. Infill drilling completed by Emerald reduced the drill spacing on the top 120 metres of the deposit to 25 metres by 25 metres which was incorporated into the updated resource estimate.

The Okvau Deposit will be mined by conventional open pit mining methods from a single pit at a relatively constant mining rate. Mining will be undertaken by drilling and blasting ore and waste with load and haul using a mining contractor.

The proposed plant has a throughput of 2Mtpa will utilise a single stage crushing circuit and SAG milling circuit, sulphide flotation, regrind mill followed by conventional cyanide leaching. The Project has an initial operating mine life of 7.2 years. The DFS is based entirely on Probable Reserves. Inferred Resources which total approximately 7,000 ounces within the final pit design, have not been included in the DFS. The site layout is shown in Figure Three.

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

8. Review of Operations (continued)

Figure Three | Okvau Gold Project Site Layout Plan

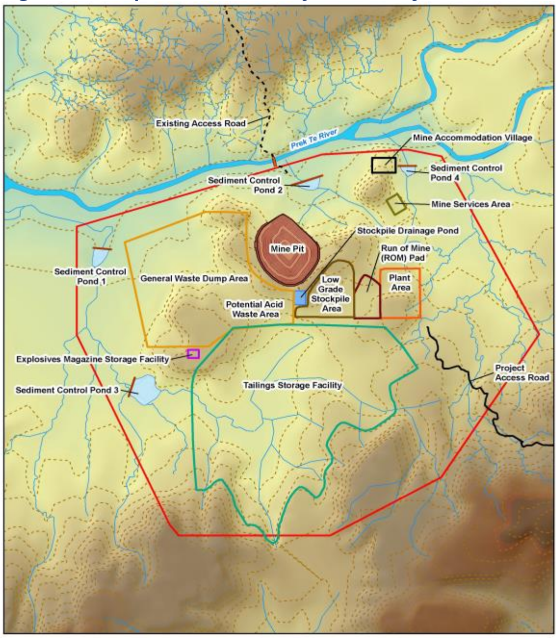


Table Three| Study Results[1]

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

[1] All economics are 100% attributable to Emerald
[2] Includes US$4.4M of capital spares and first fills and US$7.0M of mining capital and pre-production mining costs
[3] Includes US$14.4M of rehabilitation and closure costs
[4] Royalties include Government royalty of 2.5% gross and a third party royalty of 1.5% gross (capped to A$22.5M)
[5] Taxation is based on current and draft Cambodian tax law and does not allow for any incentives or tax relief
[6] C1 Cash Costs include site based mining, processing and admin operating costs plus transport and refining costs
[7] Includes C1 Cash Costs plus royalties, sustaining capital costs, contributions to environmental & community funds and rehabilitation & closure costs

8. Review of Operations (continued)

Okvau Gold Project | Project Implementation

Emerald will manage the construction and development of the 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.

Okvau Gold Project | Development Update

Development Financing

Emerald has received indicative debt financing proposals from a number of well-regarded International mining project debt financiers. The financing proposals provide for the debt funding of a significant portion of the Okvau Gold Project development costs thereby limiting potential equity dilution to existing shareholders.

Development Permitting

Emerald has submitted to the Ministry of Mines & Energy of Cambodia an application for an Industrial Mining Licence over an area of approximately 11km^2 within the existing Okvau Exploration Licence. Emerald continues to have positive discussion with the Ministry of Mines & Energy and understands that the application for the Industrial Mining Licence is well advanced and is confident of it being granted shortly following environmental approval of the Okvau Gold Project.

A comprehensive Environment & Social Impact Assessment ('ESIA') has been submitted to the Ministry of Environment for approval. The ESIA has undergone a number of revisions following numerous workshops with the Ministry of Environment. The ESIA is now in its final form and Emerald negotiating the terms and conditions of the environmental approval (the 'Environmental Contract') which will then allow for the ESIA and Environmental Contract to be presented to the Minister of Environment for approval.

In addition, Emerald is in discussions with the Royal Government of Cambodia regarding the negotiation of a Mineral Investment Agreement to provide all stakeholders long term certainty regarding the operation of the Okvau Gold Project and the fiscal regime.

8. Review of Operations (continued)

Growth Potential and Exploration Earn-In Agreements

Substantial opportunities exist for new gold discoveries across the broader Okvau licence area and recently acquired project areas with Emerald's tenure in Cambodia covering approximately 1,500km^2 (refer Figure Four).

Further drilling around the Okvau Deposit and exploration targets within close proximity to the Okvau Deposit offer an opportunity to expand the existing resource inventory and add to the current production target, both in terms of annual production and mine life.

The Okvau Deposit remains open to the north and north-east where anomalous gold-in-soils and geophysics indicate the potential for additional mineralisation.

The DFS only considered an open pit mining operation. The Okvau Deposit remains 'open' 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 (refer Figure Five).

Figure Four | Cambodian Gold Project | Exploration Licence Areas

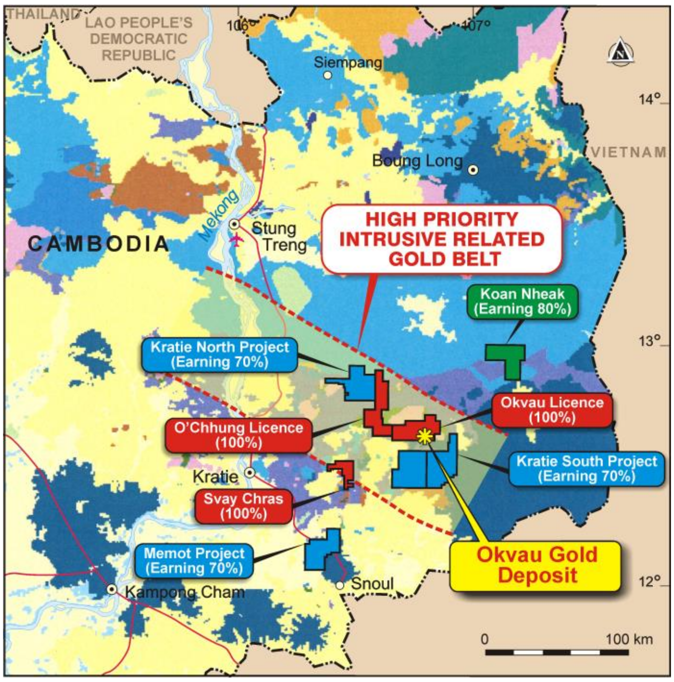
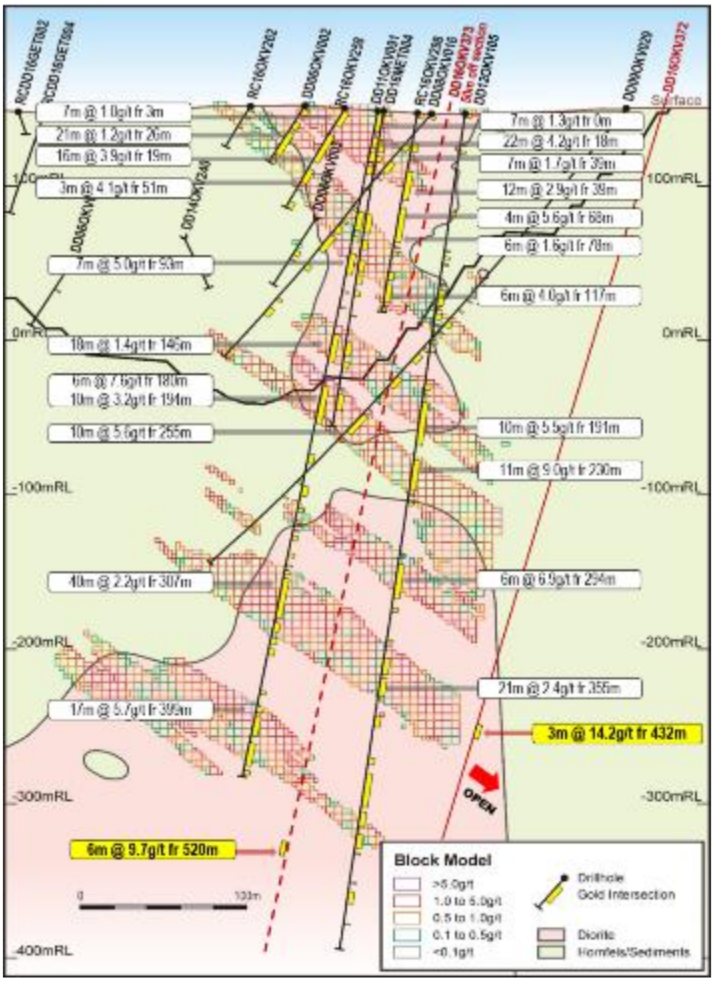


Figure Five | Depth Potential at the Okvau Gold Deposit



Historical drilling results beneath the DFS pit design include:

- 17m @ 4.5g/t gold from 320m (DD11OKV091)
- 11m @ 8.4g/t gold from 399m (DD11OKV091)
- 10m @ 9.7g/t gold from 411m (DD12OKV108)

During the previous Quarter, two deep diamond core holes were drilled to test for strike and down dip continuity of high grade gold zones intersected with previous deeper drilling. Results included (refer Figure Five):

- 3m @ 14.3g/t gold from 432m (DD16OKV372)
- 6m @ 9.7g/t gold from 520m (DD16OKV373)

8. Review of Operations (continued)

Subsequent to year end, Emerald reached agreement to earn-in to five additional exploration licences covering a combined area of 1,050km^2, all prospective for large scale Intrusive Related Gold systems.

Australian based unlisted company, Mekong Minerals Ltd ('Mekong Minerals'), holds the rights to four exploration licences in Cambodia covering three projects ('Mekong Projects'); the 'Kratie South Project' (two exploration licences), the 'Kratie North Project' and the 'Memot Project'. The Mekong Projects cover a combined area of 861km^2. Historical drilling undertaken at the Mekong Projects has returned highly encouraging gold results which indicate the potential for significant gold discoveries, in close proximity to Emerald's Okvau Deposit.

Under a binding term sheet signed with Mekong Minerals, Emerald has the ability to earn up to a 70% interest in each of the Mekong Projects. The binding term sheet is conditional upon legal due diligence to Emeralds satisfaction and approval of the Earn-In and Joint Venture by the Cambodian Ministry of Mines and Energy (refer 'Mekong Earn-In and Joint Venture Terms' below).

Angkor Gold Corp. ('Angkor'), a TSX listed company, holds the rights to 100% of the 'Koan Nheak Project' covering an area of 189km^2. The Koan Nheak Project has been subject to limited historical exploration with past work comprising of geophysics (magnetics and IP surveys) and some surface sampling (termite mound sampling and stream sediment sampling), which has defined a number of gold and multi-element anomalies. No historical drilling has been undertaken at the Koan Nheak Project. Emerald and Angkor have entered into Earn-In Agreement whereby Emerald has the ability to earn up to an 80% interest in the Koan Nheak Project (refer 'Angkor Earn-In Agreement Terms' below).

In addition to the four exploration licences, Emerald has been notified by the Cambodian Ministry of Mines & Energy that its application for 75km^2 of unexplored vacant land located 40 kilometres to the south-west of the Okvau Gold Project, has been successful. The 100% owned new licence area being Svay Chras.

The earn-in agreements, along with the new exploration licence granted, increases Emerald's ground position in Eastern Cambodia from 374km^2 to 1,500km^2.

Mekong Minerals Earn-In & Joint Venture Agreement

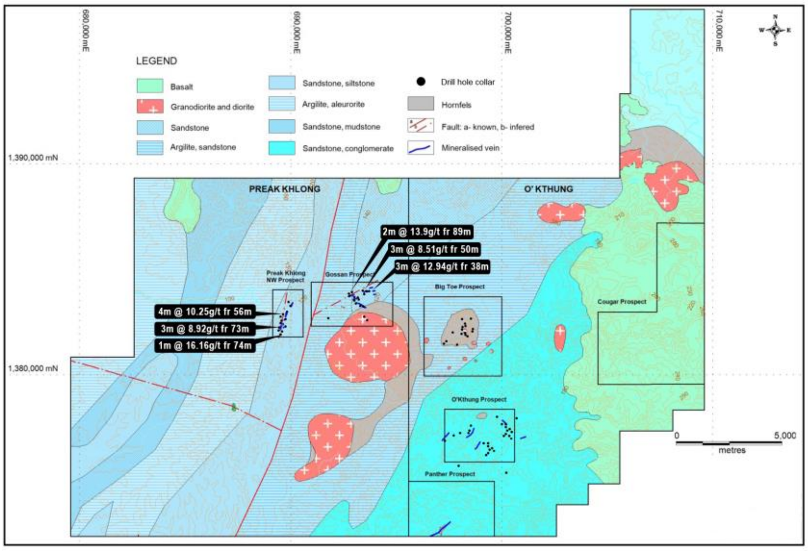
Mekong currently holds an interest in four exploration licences covering; the 'Kratie South Project' (two exploration licences), the 'Kratie North Project' and the 'Memot Project'. The two licences covering the Kratie South Project require the completion of an 'exploration environmental impact assessment' to be approved by the Cambodian Ministry of Environment.

Kratie South Project

The Kratie South Project displays similar mineralisation characteristics to Emerald's 1.1Moz Okvau Gold Deposit (refer Table One) and is located 15 kilometres to the south of the Okvau Deposit.

Systematic soil sampling has been completed within the Kratie South Project area, principally over mapped and interpreted intrusives and associated alteration haloes with the aim of identifying near surface gold and base metal mineralisation. Although relatively shallow style soils sampling, the work seems to have highlighted several mineralised systems well.

Figure Six | Kratie South Project Geology



8. Review of Operations (continued)

Within the western licence of the two exploration licences that make up the Kratie South Project, airborne magnetics have identified two areas of interpreted intrusive with hornfels alteration haloes (refer Figure Six). The two prospect areas identified are the 'Preak Khlong NW Prospect' and the 'Gossan Prospect'. At the Preak Khlong NW Prospect, a 100 metre wide alteration zone hosts a consistent gold mineralised corridor with a thickness of 10 to 30 metres. A total of 7 RC holes and 6 diamond holes have been drilled at the Preak Khlong Prospect which returned highly encouraging results.

Significant results (+10 gram metre) included:

- 1m @ 16.16g/t gold from 74m (RC09-PKL-001)
- 4m @ 10.25g/t gold from 56m (DD11-PKL-006)
- 3m @ 8.92g/t gold from 73m (DD10-PKL-002)

Artisanal workings at the Gossan Prospect contain quartz-galena-pyrite veins. Sections of the area have a well formed laterite cover which was previously mapped as gossanous material, hence the name of the prospect. A total of 17 diamond holes have been drilled at the Gossan Prospect.

Significant results (+10 gram metre) included:

- 3m @ 12.94g/t gold from 38m (DD10GSN003A)
- 2m @ 13.49g/t gold from 89m (DD11GSN015)
- 3m @ 8.51g/t gold from 58m (DD11GSN009)

Within the eastern licence of the two exploration licences that make up the Kratie South Project, soil sampling has identified several north-east trending zones with anomalous gold plus silver, copper, lead, zinc and arsenic (refer Figure Six). A gold-in-soil anomaly delineated at the 'O'Khtung SE Prospect' extends for an area of 800 metres x 100 metres. A gold-in-soil anomaly at the 'Big Toe Prospect' extends for an area of 950 metres x 300 metres. A total of 19 diamond holes and 3 RC holes have been drilled in these areas which returned anomalous but not significant gold results. This drilling is based almost solely on soil geochemistry rather than geological structural mapping and interpretation. Emerald believes its geological understanding of the region will provide valuable insight into future exploration and drilling programs. In addition a high priority gold anomaly has been detected at the 'Panther Prospect' which remains 'open'. No drilling has been undertaken on this prospect.

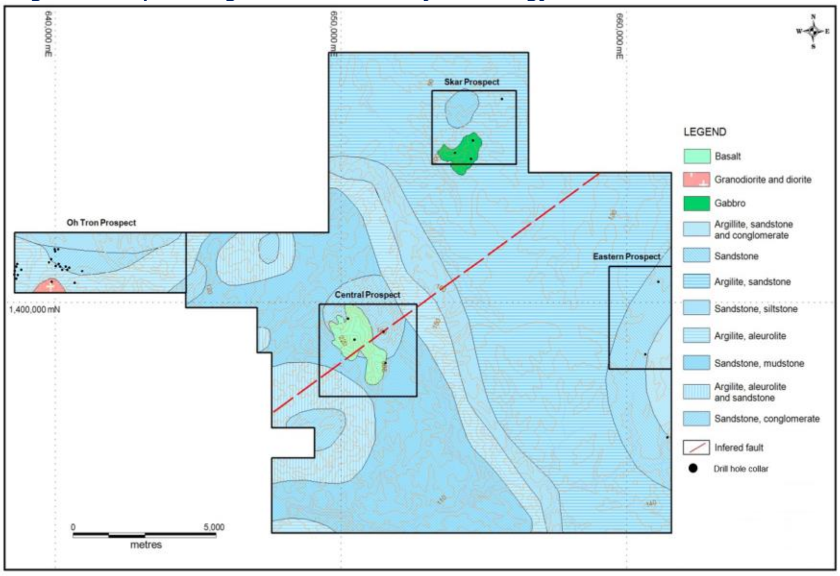
Kratie North Project

The Kratie North Project is located almost immediately to the west of Emerald's 100% owned O'Chhung exploration licence and 35 kilometres from the Okvau Deposit.

A high resolution airborne magnetic and radiometric survey has previously been undertaken over the area which assisted Mekong Minerals in mapping several probable intrusive bodies with surrounding hornfels haloes.

A total of 41 RC holes have been drilled within the Kratie North Project area and did not return any significant gold results. However, this drilling predominately targeted base metals prospectivity with limited work targeting potential gold mineralisation.

Figure Seven| Mekong's Kratie North Project Geology



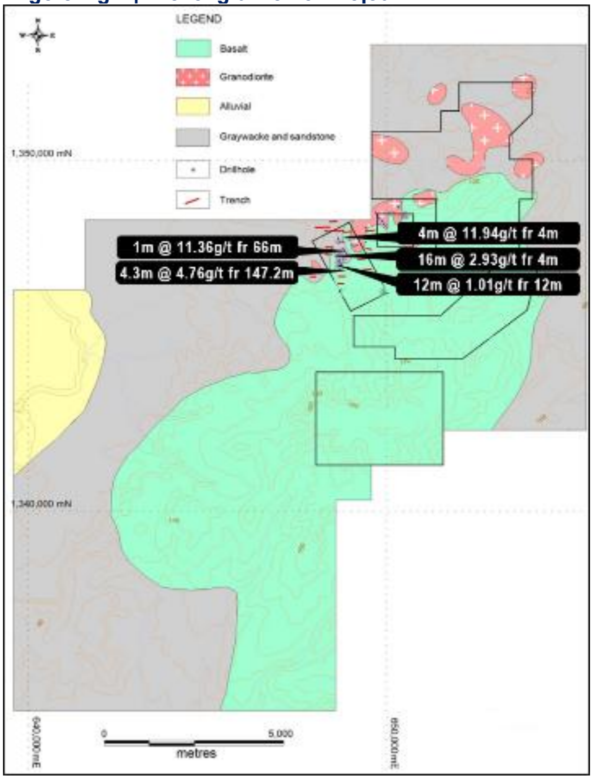
8. Review of Operations (continued)

Memot Project

The Memot Project is located approximately 70 kilometres to the south-west of Emerald's Okvau Gold Deposit. Airborne magnetic data indicates the project area contains at least six intrusives with associated hornfels alteration haloes.

Gold occurrences within the licence area are associated with a series of north-west striking sulphide rich altered veins with a cluster of diorite intrusions (refer Figure Eight). A total of 10 RC holes and 37 diamond holes have been drilled within the project area. This historical drilling returned encouraging results and, in Emerald's view, have not be adequately tested.

Figure Eight| Mekong's Memot Project



Significant results (+10 gram metre) included:

- 4m @ 11.94g/t gold from 4m (SNRC002)
- 16m @ 2.93g/t gold form 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)

Mekong Earn In and Joint Venture Terms

Under a pre-existing agreement between Mekong Minerals and Southern Gold Ltd ('Southern Gold'), Southern Gold holds a 15% interest in the Mekong Projects which is free carried to completion of a Definitive Feasibility Study. Southern Gold also holds a 2% gross royalty capped to US$11 million and 1% gross royalty thereafter across all the Mekong Projects. Southern Gold has consented in principal to the term sheet between Emerald and Mekong Minerals.

Emerald and Mekong Minerals have entered into a binding term sheet whereby:

- Southern Gold's existing 15% interest will be maintained;
- Emerald to assume responsibility for the completion of the exploration environmental impact assessment on the Kratie South Project;
- Emerald has the right to withdraw any of the exploration licences from the Earn-in & Joint Venture at any time;
- Emerald is to sole fund US$0.5 million of exploration expenditure on each of the exploration licences within the initial 2 years to earn an effective interest of 20%;
- Emerald is then to sole fund a further US$1.0 million of exploration expenditure on each of the exploration licences over the following 2 years, to increase its effective interest to 51%;
- Upon Emerald earning an effective 51% interest, Mekong Minerals may elect to either contribute to maintain its interest of 34% (Southern Gold remains free carried for 15%) or not contribute and be free carried to completion of a DFS for a 15% interest;
- If Mekong Minerals has not elected to contribute, Emerald will earn an effective interest of 70% upon completion of a DFS;
- Emerald will be the Manager;
- The binding term sheet with Mekong Minerals is conditional upon legal due diligence to Emerald's satisfaction, finalisation of a formal Earn-In & Joint Venture Agreement (which is to be in a form satisfactory to Southern Gold) and approval of the Earn-In & Joint Venture by Cambodian Ministry of Mines and Energy.

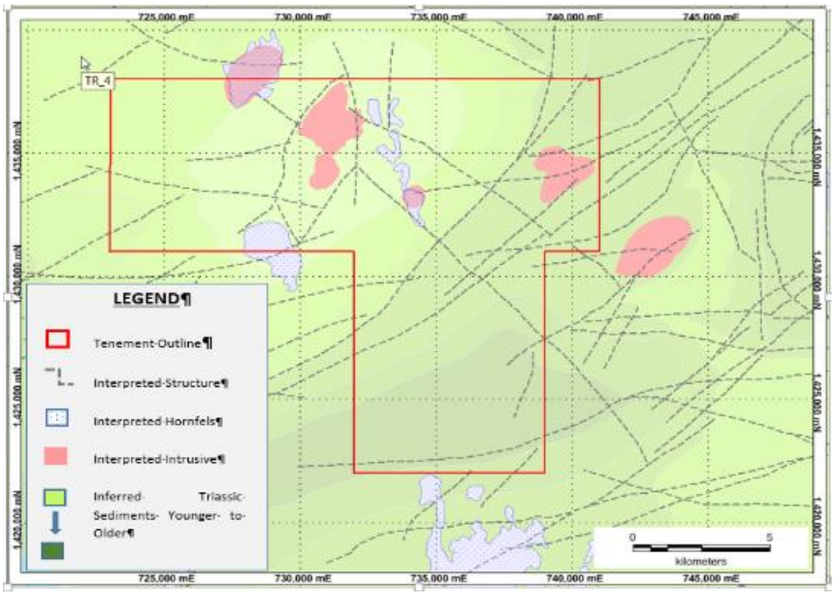
8. Review of Operations (continued)

Angkor Gold Earn-In Agreement

Koan Nheak Project

The Koan Nheak Project is located approximately 50 kilometres north-east of Emerald's 100% owned Okvau Gold Project, in the north-east of the Mondulkiri Province. The Koan Nheak Project area covers three prospects of interest: Peacock in the west, centred on a diorite intrusive which is surrounded by multiple stream sediment geochemical anomalies; East Ring in the east, centred on a very much smaller diorite with strong anomalous gold found in a stream sediment survey; and Straddle in the south, where two contiguous arsenic anomalies occur in the stream sediment survey (refer Figure Nine). Numerous sulphide-rich quartz veins have been mapped within the licence area, with field grab samples returning up to 33.2 g/t gold. Rock chip sampling undertaken by Emerald as part of its field review of the Koan Nheak Project returned up to 10g/t gold.

Figure Nine | Angkor's Koan Nheak Project Geology



Angkor Earn In Agreement Terms

Emerald and Angkor have entered into Earn-In Agreement covering the Koan Nheak Project whereby Emerald has the ability to earn an 80% on the following terms:

- Emerald can elect to acquire a 51% interest, by sole funding US$2.0 million in exploration by no later than 1 March 2020 and by making a cash payment of US$0.2 million on or before 1 March 2020. Emerald must spend a minimum of US$0.5 million within the initial 12 months of the Earn-In Agreement before it has the right to withdraw;
- Emerald may then increase its interest to 80% by sole funding the completion of a Definitive Feasibility Study. Emerald must complete the Definitive Feasibility Study by 7 March 2022;
- Upon Emerald earning an 80% interest, Angkor may elect to continue to hold a 20% participating interest or to convert its 20% participating interest into a 3.5% Net Smelter Royalty ('NSR');
- If Angkor elects to convert its participating interest to a 3.5% NSR, Emerald may (at its sole discretion) at any time purchase back 1.0% of the NSR (to reduce the NSR to 2.5%) for a payment of US$1.5 million and then a further 0.5% of the NSR (to reduce NSR to 2.0%) for a further payment of US$1.5 million;
- Should Angkor choose to hold its 20% participating interest and not convert to a NSR, Emerald shall continue to fund Angkor's 20% share of costs which would be repaid by Angkor from future revenue derived from the Project;
- Emerald will be the 'Manager' of the Koan Nheak Project; and

The Earn-In Agreement is subject to the approval of the Cambodian Ministry of Mines and Energy.

8. Review of Operations (continued)

Environmental and Social Impact Assessment

Emerald appointed Earth Systems to assist it with the execution of the Environmental and Social Impact Assessment ('ESIA') studies. Earth Systems has previous experience in Cambodia and the region and will utilise the services of a local consultancy, E&A Consultants, in undertaking many of the studies and the preparation of the documents required for the development approvals.

The Okvau project area is sparsely populated, with only a small village inhabited by local artisanal miners and their families. There is no agriculture use or farming in the area. Emerald undertakes regular (6 monthly) census surveys to monitor the activity of these artisanal miners. An updated survey was undertaken in October 2015 which showed continued reduction in local population with an estimated total population of 141 (adult male 63; adult female 47; children 31), accommodated in approximately 53 houses with approximately 20 people involved in artisanal mining. A recent survey undertaken by the Resettlement Committee appointed by the Government to manage the relocation, showed the final number of households that require resettlement was 58 households.

The Okvau Deposit is located outside the Core Zone of the Phnom Prich Wildlife Sanctuary but within the outer boundaries of that sanctuary. Accordingly, the Company recognizes the need to undertake a rigorous ESIA before any mining activities can commence. Local surface artisanal mining activity at Okvau has caused significant disturbance to the area and the development of a modern mining operation, undertaken to the highest environmental standards, will provide the opportunity to remediate some of this disturbance.

Public consultation at local district and provincial levels have been ongoing with very positive feedback from Government and key stakeholders. The final ESIA was submitted to the Ministry of Environment late June 2017. Workshops and site visits with the Ministry of Environment have been conducted subsequent to the end of the reporting period.

Community Relations

The Company continues to maintain regular and co-operative stakeholder consultations and initiatives with local, provincial and central level government and community representatives.

The most recent initiative by Emerald has been to establish a Seedling Propagation Program at five secondary and primary schools within the Mondulkiri District. The key is to educate students on sustainable development and to demonstrate the Company's commitment to the environment and the rehabilitation of lands affected by operations. The Seedling Propagation Program is a long term commitment between Emerald and the communities and is supported by local and provincial Governors, Forestry Cambodia and the Phnom Prich Wildlife Sanctuary.

Photo One | Meeting Provincial Governor, Keo Seima

Photo Two | Seedling Planting, Keo Seima

Photo Three | Keo Seima Primary School

Photo Four | Mondulkiri Secondary School

8. Review of Operations (continued)

Project Generation

The Company is continuously seeking to identify and review prospective opportunities and additional mineral exploration projects to satisfy the Company's objectives and offer value enhancing opportunities to its shareholders.

About Cambodia

Cambodia is a constitutional monarchy with a constitution providing for a multi-party democracy. The population of Cambodia is approximately 14 million. The Royal Government of Cambodia, formed on the basis of elections internationally recognised as free and fair, was established in 1993. Elections are held every five (5) years with the last election held in July 2013.

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

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

9. Matters Subsequent to the End of the Financial Year

The following material events have occurred subsequent to balance date:

- On 7 July 2017, the Company issued 2,500,000 options under the Company's Share Option Plan with an exercise price of $0.049 expiring 6 July 2022.
- On 13 July 2017, the Company announced that it had entered into a binding term sheet with Mekong Minerals Ltd ('Mekong Minerals') to earn up to a 70% interest in the Kratie North, Kratie South and Memot Projects which consist of four exploration licences covering 861km^2.
- On 13 July 2017, the Company also announced that it had entered into a, Earn-In Agreement with Angkor Gold Corp. ('Angkor') to earn up to an 80% interest in the Koan Nheak Project which consists of one exploration licence covering 189km^2.

There are no further material events subsequent to balance date.

10. Likely Developments and Expected Results of Operations

The Company is focused upon the development of the Okvau Gold Project in Cambodia and to advance the necessary approvals and financing to develop the project. The Company is also focussed on exploration within its current portfolio of projects and will also continue to assess other opportunities which may offer value enhancing opportunities for shareholders.

Material business risks that may impact the results of future operations include Government approvals permitting the development of the Okvau Gold Project, further exploration results, future commodity prices and funding.

Further information on likely developments in the operations of the group and the expected results of operations have not been included in the Annual Report because the directors believe it would be likely to result in unreasonable prejudice to the group.

11. Environmental Regulation

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all appropriate regulations when carrying out any exploration work throughout the World.

12. Information on Directors and Company Secretary

Simon Lee AO	**Non-Executive Chairman**	
Appointed	20 August 2014	
Experience	Mr Lee has had extensive management experience with a diverse range of business enterprises in a career that has based him in Asia, England, Canada and Australia. Mr Lee has held a number of positions, which included Board Member of the Australian Trade Commission (AUSTRADE) and President of the Western Australian Chinese Chamber of Commerce Inc. In 1993, he received the Advance Australia Award for his contribution to commerce and industry and in 1994, he was bestowed an Officer of the Order of Australia. Mr Lee has a successful track record in the resources industry which has included building gold mining companies, Great Victoria Gold NL, Samantha Gold NL and Equigold NL.	
Interest in Securities	Fully Paid Ordinary Shares	114,000,000
Other Directorships	MOD Resources Limited (since 13 January 1997)	
Morgan Hart	**Managing Director**	
Appointed	30 July 2014	
Experience	Mr Hart is a Geologist and experienced Mining Executive. He was formerly an Executive Director and Chief Operating Officer of Regis Resources Ltd, responsible for the development of three gold mines in four years (Moolart Well, Garden Well and Rosemont). Prior to that, Mr Hart was Executive Director and Chief Operating Officer of Equigold NL, responsible for the development and construction of the Bonikro Gold Project in Ivory Coast West Africa in addition to the management of Equigold's Australian Mining Operations.	
Interest in Securities	Fully Paid Ordinary Shares	260,000,000
Other Directorships	Renaissance Minerals Limited (since 27 September 2016)	
Justin Tremain	**Executive Director**	
Appointed	27 September 2016	
Experience	Mr Tremain graduated from the University of Western Australia with a Bachelor of Commerce degree. Mr Tremain has over 10 years' investment banking experience in the natural resources sector. He has held positions with Investec, NM Rothschild & Sons and Macquarie Bank and has extensive experience in the funding of natural resource projects in the junior to mid-tier resource sector. Mr Tremain has undertaken numerous advisory assignments for resource companies, including acquisition and disposal assignments and project advisory roles.	
Interest in Securities	Fully Paid Ordinary Shares	4,340,000
	6.45 cent Options expiring 15 October 2017	5,812,500
	3.23 cent Options expiring 30 September 2020	6,200,000
Other Directorships	Berkut Minerals Limited (since 18 February 2016) Renaissance Minerals Limited (since 18 December 2009)	

12. Information on Directors and Company Secretary (continued)

Ross Stanley	**Non-Executive Director**
Appointed	20 August 2014
Experience	Mr Stanley is a well-respected mining executive with extensive experience both in Australian and African mining enterprises. Mr Stanley was formally the majority shareholder and Managing Director of ASX Listed Stanley Mining Services prior to its merger with Layne Christensen in 1997. Stanley Mining Services was the dominant drill services provider in Ghana in the 1990's. Ross also served as Non-Executive Director of Equigold NL.
Interest in Securities	Fully Paid Ordinary Shares 222,163,613
Other Directorships	Nil
Ross Williams	**Non-Executive Director**
Appointed	4 October 2013
Experience	Mr Williams is a founding shareholder of mining and civil contractor, MACA Limited and up until July 2014 held the position of CFO and Finance Director with responsibility for capital management, finance, financial reporting and corporate strategy. He played a key role in the highly successful initial public offering of MACA in 2010 and was pivotal to its subsequent success as a publicly listed company. Mr Williams is a Non-Executive Director of Emerald.
Interest in Securities	Fully Paid Ordinary Shares 25,000,000
Other Directorships	Neon Capital Limited (since 25 March 2015) Renaissance Minerals Limited (since 25 February 2016) MACA Limited (from 22 June 2010 until 23 February 2015)

Company Secretary

Mark Clements - Mr Clements gained a Bachelor of Commerce degree from the University of Western Australia. He is a Fellow of Chartered Accountants Australia and New Zealand and a member of both the Australian Institute Company Directors and Chartered Secretaries Australia. Mr Clements currently holds the position of Company Secretary of a number of publically listed companies and has experience in corporate finance, accounting and administration, capital raising and ASX Compliance and regulatory requirements.

13. Audited Remuneration Report

The Directors are pleased to present this remuneration report which sets out remuneration information for Emerald Resources NL's Non-Executive Directors, Executive Directors and other Key Management Personnel ('KMP') for the year ended 30 June 2017.

Given the challenges presented by the current market conditions, the Board continued to carefully consider and adjust the Company's remuneration framework to ensure it remains appropriate and is consistent with the Company's desire to maintain stringent cost saving measures. The remuneration report for the year ended 30 June 2016 received more than 99.48% of "Yes" votes at the 2016 AGM.

The following sections are included within this report:

A. Directors and key management personnel disclosed in this report
B. Remuneration governance
C. Use of remuneration consultants
D. Executive remuneration policy and framework
E. Relationship between remuneration and Emerald Resources NL's performance
F. Non-Executive Director remuneration policy
G. Voting and comments made at the company's 2016 Annual General Meeting
H. Details of Remuneration
I. Details of share based compensation
J. Service Agreements
K. Equity instruments held by Directors' and key management personnel
L. Loans to key management personnel
M. Other transactions with key management personnel

A. Directors and key management personnel disclosed in this report

This report details the nature and amount of remuneration for all KMP of Emerald Resources NL and its subsidiaries. The information provided within this remuneration report has been audited as required by section 308(C) of the *Corporations Act 2001*. The individuals included in this report are:

Non-Executive Directors	
Mr S Lee	Non-Executive Chairman
Mr R Stanley	Non-Executive Director
Mr R Williams	Non-Executive Director
Executive Directors	
Mr M Hart	Managing Director
Mr J Tremain	Executive Director
Other Key Management Personnel	
Mr M Evans	Chief Operating Officer
Mr B Dunnachie	Chief Financial Officer

B. Remuneration governance

In May 2017, the Board established a Remuneration Committee in response to the change in the organisation structure post the acquisition of Renaissance Minerals Limited. The Remuneration Committee consists of the following;

Mr R Williams	Remuneration Committee Chairman
Mr S Lee	Remuneration Committee Member
Mr R Stanley	Remuneration Committee Member

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees. The Remuneration Committee is responsible for reviewing and recommending the remuneration arrangements for the Executive and Non-Executive Directors and KMP each year in accordance with the Company's remuneration policy approved by the Board. This includes an annual remuneration review and performance appraisal for the Executive Directors and other KMP, including their base salary, short-term and long-term incentives, bonuses, superannuation, termination payments and service contracts.

Further information relating to the Remuneration Committee can be found within the Corporate Governance Report on the Company's website, refer to http://www.emeraldresources.com.au/corporate_governance.

13. Audited Remuneration Report (continued)

C. Use of remuneration consultants

The Company has not engaged or contracted remuneration consultants during the financial year.

D. Executive remuneration policy and framework

Remuneration Policy

The remuneration policy of the Group has been designed to appropriately align the Executive KMP incentives with the goals and achievements of the Group. The Board recognizes the importance of retaining highly skilled, qualified and motivated people to ensure the Group's performance and success. Accordingly, remuneration needs to be competitive whilst taking into account the Group's current activities and stage of its projects. The Board believes shareholder transparency of remuneration is extremely important.

The Board endeavours to ensure that the mix of executive compensation between fixed, variable, long-term, short-term and cash versus equity is appropriate. The group may reduce cash expenditure by providing a greater proportion of compensation in the form of equity instruments. This allows cash resources to be directed towards exploration and project development programs with a view to advance the Group's projects.

The remuneration policy provides a mix of fixed and variable "at risk" remuneration and a blend of short and long-term incentives. The remuneration for Executives has three components:

- Fixed remuneration, inclusive of superannuation and allowances;
- Short-term incentives (STI's) under a performance based cash bonus incentive plan; and
- Long-term incentives (LTI's) which includes participation in the Company's shareholder approved equity incentive plans.

Fixed Remuneration

Fixed remuneration of Executive KMP will be set by the Board each year and is based on market relativity and individual performance. Market relativity is benchmarked against a defined "remuneration peer group" of listed comparable companies to ensure that fixed remuneration is fair and competitive with the market in which the Company operates.

Further details of the fixed remuneration of the Executive KMP are noted in Section J of the Remuneration Report.

Variable Remuneration – short-term incentive (STI)

Under the Group's current remuneration policy, Executive KMP can from time to time receive short-term incentives in the form of cash bonuses. The Board can use its discretion when paying bonuses and may determine relevant industry key performance targets such as definition and growth of existing resources, commencement of production, managing stakeholder relations and interests and achieving the Company's strategic objectives. The Board believes that the criteria of eligibility for short-term incentives appropriately aligns shareholder wealth and Executive remuneration as the completion of key performance targets have the potential to increase share price growth.

No short-term incentives were paid during the 2017 financial year as the Board is of the opinion that the variable long-term remuneration provided to Executives is sufficient to align the interest of management with shareholders.

Variable Remuneration – long-term incentive (LTI)

Currently long-term incentives are mainly facilitated through the issue of options to Executive KMP to align their long-term interests with Shareholders as there exists a direct correlation between Shareholder wealth and Executive remuneration. The Board as a whole agrees upon an appropriate level of remuneration incentive for each Executive KMP, relative to their involvement in the management of the consolidated entity.

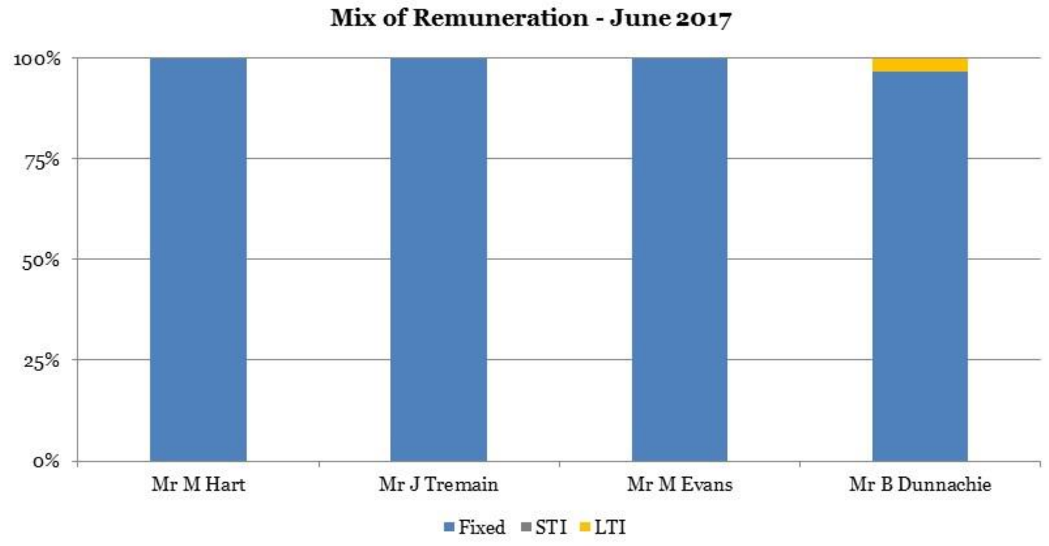
On the resignation of the Executive, the options that have been issued as remuneration lapse within 3 months unless exercised.

Executive KMP are encouraged by the Board to hold shares in the Group to provide an incentive for participants to partake in the future growth of the Group and, to participate in the Group's profits and dividends that may be realised in future years.

Further details of Executive KMP interests in options and shares are noted in Section K of the Remuneration Report.

13. Audited Remuneration Report (continued)

The following table sets out the mix of remuneration for Executive KMP between fixed, short-term incentives and long-term incentives for the 2017 financial year.



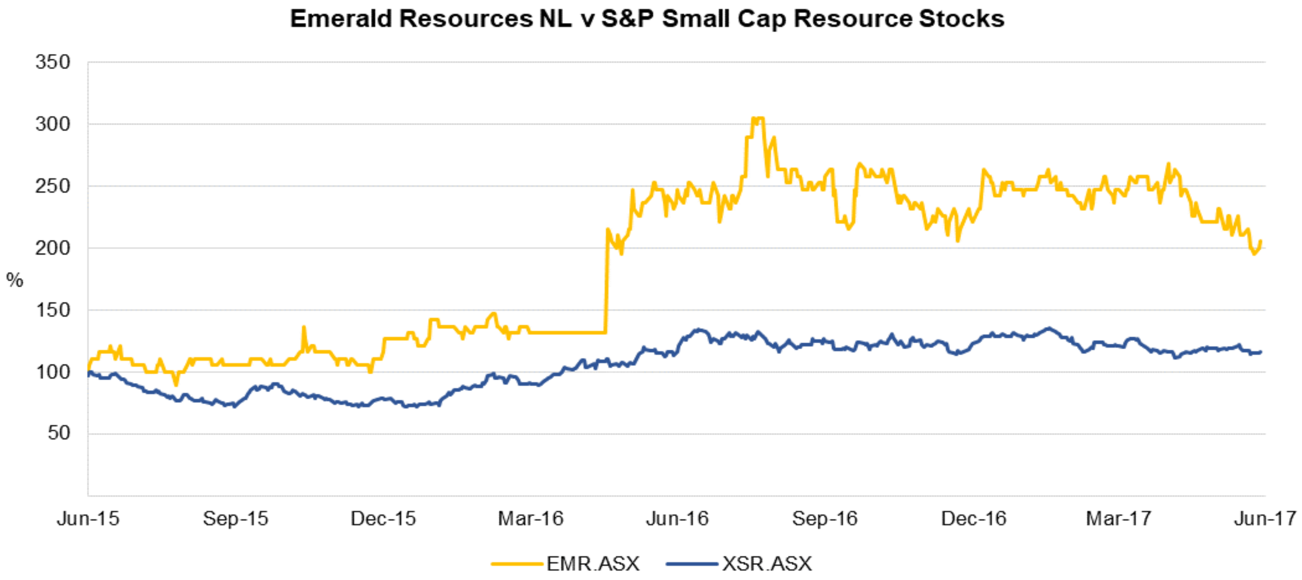
E. Relationship between remuneration and Emerald Resources NL's performance

Company Performance, Shareholder Wealth & Executive Remuneration

The remuneration policy has been tailored to increase goal congruence between Shareholders and Executives. This has been achieved by the consideration of short-term incentives and the issue of long-term incentive options. This structure rewards Executives for both short-term and long-term shareholder wealth development.

As the Company is an exploration company emerging into development, it has no income producing mines. As such measuring performance requires a pragmatic approach. The most meaningful measure of internal performance is against goals which have a project exploration and development focus as well in relation to safety, environment, sustainability and community. The most appropriate measure for external performance is a change in the share price.

The chart below shows the volatility in the Company share price over the prior years. Emeralds share price has tracked with that of its peers through to early 2016. Positive shareholder returns were experienced from this point which is as a result of the company entering into the Earn-In Agreement with Renaissance Minerals Limited and the subsequent merger announced in July 2016. This is evidenced by the performance of the S&P Small Cap Resource Stocks (XSR) detailed below.



13. Audited Remuneration Report (continued)

Values derived on a base of 100

	2013	2014	2015	2016	2017
Revenue	$152,404	$241,706	$608,239	$471,949	$253,110
Net (Loss)/Gain	($8,821,673)	$354,306	($1,424,983)	($1,346,254)	($8,472,128)
Share Price	$0.01	$0.02	$0.02	$0.05	$0.04
Dividends	Nil	Nil	Nil	Nil	Nil

F. Non-Executive Director remuneration policy

The Boards policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Fees for Non-Executive Directors are not linked to the performance of the group to maintain independence and impartiality. The Company does not pay retirement allowances to Non-Executive Directors in accordance with ASX Corporate Governance Recommendations.

In determining competitive remuneration rates, the Board review local and international trends among comparative companies and industry generally.

Typically, the Company will compare Non-Executive remuneration to companies with similar market capitalisations in the exploration and resource development business group. These ongoing reviews are performed to confirm that Non-Executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

Non-Executive Director fees are as follows:

Name	Fee[A]
Non-Executive Chairman	48,000
Non-Executive Directors	36,000

[A] Including superannuation where applicable

Non-Executive Directors may also be entitled to a termination benefit of up to 6 months of base fees dependent upon the circumstances in which the engagement is terminated.

Further to ongoing reviews, the maximum aggregate amount of fees that can be paid to Non-Executive Directors is set within the Company's constitution and can only be increased by approval of shareholders at a General Meeting. The maximum aggregate amount is currently set at $200,000 per annum. The current level of total Non-Executive Director remuneration actually paid remains well below this maximum aggregated amount.

G. Voting and comments made at the company's 2016 Annual General Meeting

At the 2016 Annual General Meeting more than 99.48% of the votes received supported the remuneration report for the 2016 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

13. Audited Remuneration Report (continued)

H. Details of Remuneration

The remuneration of Directors and KMP of Emerald Resources NL and the Group for the year ended 30 June 2017 are set out in the table below.

	Short-Term Employee Benefits			Post-Employment	Securities	Total
	Cash Salary & Fees	Incentives	Other Amounts	Super-annuation	Options	$
2017						
Non-Executive Directors						
Mr S Lee	48,000	-	3,581[1]	-	-	**51,581**
Mr R Stanley	36,000	-	3,581[1]	-	-	**39,581**
Mr R Williams	36,000	-	3,581[1]	-	-	**39,581**
Executive Directors						
Mr M Hart	48,000	-	3,581[1]	4,560	-	**56,141**
Mr J Tremain[2]	207,498	-	2,685[1]	19,713	-	**229,896**
Other Key Management Personnel						
Mr M Evans	275,000	-	-	26,125	-	**301,125**
Mr B Dunnachie[3]	66,667	-	-	6,250	2,571	**75,488**
Total Remuneration	**717,165**	**-**	**17,009**	**56,648**	**2,571**	**793,393**

1: This represents Directors & Officers insurance premiums.

2: Mr J Tremain was appointed on 27 September 2016. Prior to being appointed a Director of Emerald Resources NL, Mr Tremain was the Managing Director of Renaissance Minerals Limited which was acquired by Emerald Resources NL on 16 September 2016. Remuneration under Mr Tremain's agreement with Renaissance prior to commencement date is not included in the above remuneration table. Further a final termination/bonus payment of $290,000 exclusive of superannuation made by Renaissance Minerals Limited subsequent to being appointed a Director of Emerald Resources NL is not included in the above remuneration table.

3: Mr B Dunnachie commenced employment with Emerald and became part of the Key Management on 1 March 2017. Prior to commencement of employment, Mr Dunnachie was the Company Secretary of Renaissance Minerals Limited which was acquired by Emerald Resources NL on 16 September 2016. Remuneration under Mr Dunnachie's agreement with Renaissance prior to commencement date is not included in the remuneration table. Further a final termination/bonus payment of $55,200 made by Renaissance Minerals Limited subsequent to commencing employment with Emerald Resources NL is not included in the above remuneration table.

	Short-Term Employee Benefits			Post Employment	Securities	Total
	Cash Salary & Fees	Incentives	Other Amounts	Super-annuation	Options	$
2016						
Non-Executive Directors						
Mr S Lee	48,000	-	-	-	-	**48,000**
Mr R Stanley	36,000	-	-	-	-	**36,000**
Mr R Williams	36,000	-	-	-	-	**36,000**
Executive Director						
Mr M Hart	48,000	-	-	4,560	-	**52,560**
Other Key Management Personnel						
Mr M Evans[1]	36,178	-	-	3,437	-	**39,615**
Total Remuneration	**204,178**	**-**	**-**	**7,997**	**-**	**212,175**

1: Mr M Evans was appointed on 9 May 2016.

13. Audited Remuneration Report (continued)

I. Details of Share Based Compensation

Issue of Options

The terms and conditions of each grant of options affecting remuneration in the current or future reporting periods are as follows:

Grant Date	Expiry Date	Exercise Price	Fair Value Per Option	Price of Shares on Grant Date	Estimated Volatility	Risk Free Interest Rate	Dividend Yield	% Vested
8 Mar 17	9 Mar 22	5.7 cents	$0.021	$0.044	80%	2.35%	0.00%	0.00%

Options granted carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share. The table shows the percentages of the options granted that vested and forfeited during the year. Further information on the options is set out in the Note 16 and Note 24 to the financial statements.

Options are issued to Directors and Executives from time to time as part of their remuneration. The options are issued to directors and executives of Emerald Resources NL and its subsidiaries to increase goal congruence between Executives, Directors and Shareholders.

During the financial year the Company issued options as part of remuneration to Directors and KMP as follows:

	Granted No.	Options Granted Part of Remuneration $	Total Remuneration Represented by Options	Exercised No.	Other changes No.	Lapsed No.
30 June 2017						
Other Key Management Personnel						
Mr B Dunnachie	872,500	2,571	3%	-	-	-

Director	Issue Date	Expiry Date	% Vested in Year	Exercise Price	Number of Options
30 June 2017					
Other Key Management Personnel					
Mr B Dunnachie	8 Mar 17	9 Mar 22	0%	$0.057	872,500

The assessed fair value at grant date of options granted is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected share price volatility, the expected dividend yield and the risk-free rate for the term of the option.

13. Audited Remuneration Report (continued)

J. Services Agreements

On appointment to the Board all Non-Executive Directors enter into a service agreement in the form of a letter of appointment. The letter sets out the Company's policies and terms including compensation relevant to the director. Refer to Section F of this Remuneration Report for current fees for Non-Executive Directors.

Remuneration and other key terms of employment for the Managing Director and other KMP are formalised in Executive Service Agreements. Termination benefits are within the limits set by the Corporations Act 2001. Major provisions of the agreements relating to remuneration are set out below:

Name	Term of agreement	Base salary[A]	Termination benefit
Mr M Hart Managing Director	No fixed term	$48,000	1 to 12 months[B]
Mr J Tremain Executive Director	No fixed term	$275,000	1 to 12 months[B]
Mr M Evans Chief Executive Officer	No fixed term	$275,000	1 to 12 months[B]
Mr B Dunnachie Chief Financial Officer	No fixed term	$200,000	1 month

[A] Excluding superannuation

[B] Termination benefits range from 1 to 12 months and are dependent upon the circumstances in which the agreement is terminated.

K. Equity instruments held by Directors and Key Management Personnel

The tables below show the number of:

(I) options over ordinary shares in the Company that were held during the financial year by Directors and KMP of the group, including their family members and entities related to them, and

(II) shares held in the Company that were held during the financial year by Directors and KMP of the group, including their family members and entities related to them.

Option Holdings

The number of options over ordinary shares in the Company held during the financial year by each Director and KMP of Emerald Resources NL, including their personally related parties, are set out below:

	Balance at start of the year	Granted as remuneration	Exercised	Other changes, appointments, resignations	Balance at end of the year	Vested and exercisable
2017						
Non-Executive Directors						
Mr S Lee	-	-	-	-	-	-
Mr R Stanley	-	-	-	-	-	-
Mr R Williams	-	-	-	-	-	-
Executive Directors						
Mr M Hart	-	-	-	-	-	-
Mr J Tremain	-	-	-	12,012,500	12,012,500	12,012,500
Other Key Management Personnel						
Mr M Evans	10,000,000	-	-	-	10,000,000	-
Mr B Dunnachie	-	872,500	-	1,627,500	2,500,000	1,627,500

13. Audited Remuneration Report (continued)

Option Holdings (continued)

	Balance at start of the year	Granted as remuneration	Exercised	Other changes, appointments, resignations	Balance at end of the year	Vested and exercisable
2016						
Non-Executive Directors						
Mr S Lee	-	-	-	-	-	-
Mr R Stanley	-	-	-	-	-	-
Mr R Williams	-	-	-	-	-	-
Executive Directors						
Mr M Hart	-	-	-	-	-	-
Other Key Management Personnel						
Mr M Evans[1]	-	-	-	10,000,000	10,000,000	-

1: Mr M Evans was appointed on 9 May 2016.

Share holdings

The number of shares in the Company held during the financial year by each Director and KMP of Renaissance Minerals Limited, including their personally related parties, are set out below.

	Balance at start of the year	Received on exercise of options	Other changes, appointments, resignations	Balance at the end of the year
2017				
Non-Executive Directors				
Mr S Lee	114,000,000	-	-	114,000,000
Mr R Stanley	222,163,613	-	-	222,163,613
Mr R Williams	25,000,000	-	-	25,000,000
Executive Directors				
Mr M Hart	257,318,823	-	2,681,177	260,000,000
Mr J Tremain[1]	-	-	4,340,000	4,340,000
Other Key Management Personnel				
Mr M Evans	1,100,000	-	4,085,000	5,185,000
Mr B Dunnachie[2]	-	-	-	-
2016				
Non-Executive Directors				
Mr S Lee	64,000,000	-	50,000,000	114,000,000
Mr R Stanley	95,839,781	-	126,323,832	222,163,613
Mr R Williams	25,000,000	-	-	25,000,000
Executive Directors				
Mr M Hart	257,318,823	-	-	257,318,823
Other Key Management Personnel				
Mr M Evans[3]	-	-	1,100,000	1,100,000

1: Mr J Tremain was appointed on 27 September 2016.
2: Mr B Dunnachie was appointed on 1 March 2017.
3: Mr M Evans was appointed on 9 May 2016.

There were no shares granted during the year as compensation.

13. Audited Remuneration Report (continued)

L. Loans to Key Management Personnel

There were no loans made to Directors and other KMP of the group, including their family members.

M. Other transactions with Key Management Personnel

The following transactions occurred with related parties:

	Consolidated 2017 $	2016 $
Receipts from director related entities:		
Receipts from Berkut Minerals Limited for costs recharged	10,962	-
Payments to director related entities:		
Payments made to Castillo Pty Ltd for office space rental	85,481	76,686
Outstanding balances arising from recharges/purchases with Director Related Parties:		
Current payables – corporate reimbursement	-	3,494
Outstanding balances with Key Management Personnel:		
Current payables – accrued directors' fees	137,548	101,549

End of remuneration report.

14. Shares under Option

Unissued ordinary shares of Emerald under option at the date of this report are as follows:

Expiry Date	Exercise Price	Number under Option
15 October 2017	$0.0645	15,190,000
21 January 2020	$0.0250	20,000,000
30 September 2020	$0.0323	22,552,500
6 January 2022	$0.0520	2,500,000
9 March 2022	$0.0570	3,372,500
6 July 2022	$0.0490	2,500,000

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

15. Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings. The Company was not a party to any such proceedings during the year.

16. Meetings of Directors

The number of Directors' meetings held during the financial year that each Director who held office during the financial year was eligible to attend and the number of meetings attended by each Director were:

	Directors Meetings	
Director	Number Eligible to Attend	Meetings Attended
Mr S Lee	6	6
Mr M Hart	6	6
Mr J Tremain	4	4
Mr R Stanley	6	6
Mr R Williams	6	6

17. Insurance of Officers

During the financial year, Emerald paid a premium of $20,590 to insure the Directors and secretary of the Company and its controlled entities. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

18. Auditors Independent Declaration & Non-Audit Services

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 30 of the Directors' report. No fees were paid or payable to the auditors for non-audit services performed during the year ended 30 June 2017.

Signed in accordance with a resolution of the Board of Directors.

Morgan Hart
Managing Director
Perth, 26 September 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Emerald Resources NL for the year ended 30 June 2017, 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 audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
26 September 2017

N G Neill
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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These financial statements are the consolidated financial statements of the consolidated entity consisting of Emerald Resources NL and its subsidiaries. The financial statements are 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 consolidated entity's operations and its principal activities is included in the review of operations and activities on pages 5 to 17 in the Directors' report, both of which are not part of these financial statements.

The financial statements were authorised for issue by the Directors on 26 September 2017. The Company has the power to amend and reissue the financial statements.

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

	Note	Consolidated 2017 $	2016 (Restated) $
Revenue from continuing operations	3	253,110	471,949
Other income	4	296,260	83,546
Administrative costs		(205,525)	(125,380)
Consultancy expenses		(300,304)	(272,038)
Employee benefits expense	5(a)	(668,026)	(200,758)
Share based payment expenses	24(a)	(21,942)	-
Occupancy expenses		(112,337)	(84,974)
Compliance and regulatory expenses		(122,559)	(85,689)
Insurance expenses		(80,533)	(34,462)
Depreciation expense	5(b)	(53,310)	(3,197)
Finance costs	5(c)	(4,916)	(1,698)
Fair value loss on financial assets		(2,000)	(17,235)
Exploration and feasibility expenditure expensed	12	(7,449,887)	(1,076,318)
Other expenditure		(159)	-
(Loss) before income tax		**(8,472,128)**	**(1,346,254)**
Income tax benefit/(expense)	7	-	-
(Loss) for the year		**(8,472,128)**	**(1,346,254)**
Other comprehensive income:			
Items that may be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		(16,059)	(23)
- Revaluations of available-for-sale financial assets		(1,321,222)	1,321,222
Items that will not be classified to profit or loss		-	-
Total comprehensive (loss) for the year		**(9,809,409)**	**(25,055)**
(Loss) for the year is attributable to:			
Owners of the parent		(8,472,128)	(1,346,254)
Non-controlling interest		-	-
		(8,472,128)	**(1,346,254)**
Total comprehensive (Loss) for the year is attributable to:			
Owners of the parent		(9,806,259)	(21,565)
Non-controlling interest		(3,150)	(3,490)
		(9,809,409)	**(25,055)**
Basic earnings/(loss) per share (cents per share)	18	(0.5)	(0.1)
Diluted earnings/(loss) per share (cents per share)	18	N/A	N/A

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2017

	Note	Consolidated 30 June 2017 $	Consolidated 30 June 2016 (Restated) $
Current Assets			
Cash and cash equivalents	8	8,529,435	11,728,281
Trade and other receivables	9	517,282	128,262
Financial assets at fair value through profit and loss	10	30,000	3,421,556
Other financial assets	10	-	2,820,000
Total Current Assets		**9,076,717**	**18,098,099**
Non-Current Assets			
Property, plant and equipment	11	121,149	11,690
Exploration and evaluation expenditure	12	37,900,933	-
Total Non-Current Assets		**38,022,082**	**11,690**
Total Assets		**47,098,799**	**18,109,789**
Current Liabilities			
Trade and other payables	13	944,579	433,271
Total Current Liabilities		**944,579**	**433,271**
Non-Current Liabilities			
Trade and other payables	13	-	-
Total Non-Current Liabilities		**-**	**-**
Total Liabilities		**944,579**	**433,271**
Net Assets		**46,154,220**	**17,676,518**
Equity			
Contributed equity	14	88,460,333	50,778,054
Reserves	15(d)	2,519,756	3,249,055
Accumulated losses		(44,723,325)	(36,251,197)
Total equity attributable to owners of the parent		46,256,764	17,775,912
Non-controlling interest		(102,544)	(99,394)
Total Equity		**46,154,220**	**17,676,518**

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

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2017

Consolidated	Issued Capital $	Option Reserve $	Available-for-sale Securities Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Equity Attributable to Owners of the Parent $	Non-Controlling Interest $	Total Equity $
Balance at 1 July 2015	51,057,425	1,711,132	-	213,234	(34,904,943)	18,076,848	(95,904)	17,980,944
Change in accounting policy	-	-	-	-	-	-	-	-
Balance as at 1 July 2015 (Restated)	51,057,425	1,711,132	-	213,234	(34,904,943)	18,076,848	(95,904)	17,980,944
Net loss for the year	-	-	-	-	(1,346,254)	(1,346,254)	-	(1,346,254)
Net change in fair value of available for sale securities	-	-	1,321,222	-	-	1,321,222	-	1,321,222
Exchange differences on translation of foreign operations	-	-	-	3,467	-	3,467	(3,490)	(23)
Total comprehensive loss for the period	-	-	1,321,222	3,467	(1,346,254)	(21,565)	(3,490)	(25,055)
Transactions with owners in their capacity as owners:								
Issue of ordinary shares	1,000	-	-	-	-	1,000	-	1,000
Transaction costs of issuing capital	(280,371)	-	-	-	-	(280,371)	-	(280,371)
Share based payment transactions	-	-	-	-	-	-	-	-
	(279,371)	-	-	-	-	(279,371)	-	(279,371)
Balance at 30 June 2016 (Restated)	**50,778,054**	**1,711,132**	**1,321,222**	**216,701**	**(36,251,197)**	**17,775,912**	**(99,394)**	**17,676,518**
Balance at 1 July 2016 (Restated)	50,778,054	1,711,132	1,321,222	216,701	(36,251,197)	17,775,912	(99,394)	17,676,518
Net loss for the year	-	-	-	-	(8,472,128)	(8,472,128)	-	(8,472,128)
Net change in fair value of available for sale securities	-	-	(1,321,222)	-	-	(1,321,222)	-	(1,321,222)
Exchange differences on translation of foreign operations	-	-	-	(12,909)	-	(12,909)	(3,150)	(16,059)
Total comprehensive loss for the period	-	-	(1,321,222)	(12,909)	(8,472,128)	(9,806,259)	(3,150)	(9,809,409)
Transactions with owners in their capacity as owners:								
Issue of ordinary shares	37,682,279	-	-	-	-	37,682,279	-	37,682,279
Transaction costs of issuing capital	-	-	-	-	-	-	-	-
Share based payment transactions	-	604,832	-	-	-	604,832	-	604,832
	37,682,279	604,832	-	-	-	38,287,111	-	38,287,111
Balance at 30 June 2017	**88,460,333**	**2,315,964**	**-**	**203,792**	**(44,723,325)**	**46,256,764**	**(102,544)**	**46,154,220**

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

For the Year Ended 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 (Restated) $
Cash Flows from Operating Activities			
Payments to suppliers and employees		(1,208,701)	(543,383)
Interest received		306,426	520,856
Payments for exploration and evaluation		(7,705,901)	(1,076,318)
Payments for the costs of the merger		(1,064,791)	-
Net cash (outflow) from operating activities	19	**(9,672,967)**	**(1,098,845)**
Cash Flows from Investing Activities			
Payments for financial assets at fair value through profit or loss		-	(3,262,554)
Payments for other financial assets		-	(2,820,000)
Proceeds from disposal of financial assets at fair value through profit or loss		495,257	1,228,531
Proceeds from disposal of other financial assets		2,873,000	-
Purchase of property, plant and equipment		(15,371)	(5,279)
Cash acquired on acquisition of subsidiary		3,139,651	-
Net cash inflow (outflow) from investing activities		**6,492,537**	**(4,859,302)**
Cash Flows from Financing Activities			
Proceeds from issue of shares		-	1,000
Share issue transaction costs		-	(280,371)
Net cash inflow (outflow) from financing activities		**-**	**(279,371)**
Net (decrease) in cash and cash equivalents		(3,180,430)	(6,237,518)
Cash and cash equivalents at the start of the year		11,728,281	17,965,799
Effect of exchange rates on cash holding in foreign currencies		(18,416)	-
Cash and cash equivalents at the end of the year	8	**8,529,435**	**11,728,281**

Amounts relating to payments to suppliers and employees as set out above are inclusive of goods and services tax. The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the financial years presented, unless otherwise stated. These financial statements cover Emerald Resources as a consolidated entity consisting of Emerald Resources NL and its subsidiaries ('the consolidated entity' or 'the group').

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and the *Corporations Act 2001*.

(i) Compliance with IFRS

The consolidated financial statements of Emerald Resources NL ('Group') also comply with Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes as presented comply with International Financial Reporting Standards ('IFRS').

For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Renaissance Minerals Limited as at 30 June 2017 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations of the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies of the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) Joint venture entities

A joint venture entity is an entity in which the group holds a long-term interest and which is jointly controlled by the consolidated entity and one or more other venturers. Decisions regarding the financial and operating policies essential to the activities, economic performance and financial position of that venture require the consent of each of the venturers that together jointly control the entity.

(iii) Jointly controlled assets

The group has certain contractual arrangements with other participants to engage in joint activities where all significant matters of operating and financial policy are determined by the participants such that the operation itself has no significant independence to pursue its own commercial strategy. These contractual arrangements do not create a joint venture entity due to the fact that the policies are those of the participants, not a separate entity carrying on a trade or a business of its own. The financial statements of the group include its share of the assets, liabilities and cash flows in such joint venture operations, measured in accordance with the terms of each arrangement, which is usually pro-rata to group's interest in the joint venture operations.

1. Summary of Significant Accounting Policies (continued)

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the business activities as follows:

Interest income

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(e) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Leases

Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

1. Summary of Significant Accounting Policies (continued)

(g) Impairment of assets

At each reporting date the group assesses whether there is any indication that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(i) Trade and other receivables

Trade and other receivables are initially recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days. Collectability of trade receivables is reviewed on an ongoing basis. Amounts that are known to be uncollectible are written off by reducing the carrying amount directly.

(j) Exploration and evaluation expenditure

Change in accounting policy

The group has made a voluntary change to its accounting policy in relation to exploration and evaluation expenditure. The new accounting policy was adopted for the year ended 30 June 2017 with effect from 1 July 2016 and has been applied retrospectively.

The new exploration and evaluation expenditure accounting policy is to expense expenditure as incurred other than for the capitalisation of acquisition costs.

The previous accounting policy was to capitalise and carry forward exploration and evaluation expenditure as an asset when rights to tenure of the area of interest were current and in respect of which:

- Such costs are expected to be recouped through successful development and exploitation or from sale of the area: or
- Exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Management judges that the change in accounting policy will result in the financial report providing no less relevant or reliable information and will provide a higher degree of confidence as to the probability that future economic benefits will flow to the group upon capitalisation of expenditure incurred in an area of interest.

AASB 6 Exploration for and Evaluation of Mineral Resources allows both the previous and new accounting policies of the group.

Details in relation to the impact of this change in accounting policy on comparative financial information are disclosed in Note 12.

1. Summary of Significant Accounting Policies (continued)

(k) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation on assets is calculated using the reducing balance method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant and equipment - office	40.0%
Plant and equipment - field	20.0%
Motor vehicles	20.0%
Leasehold improvements	12.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(g)). Gains and losses on disposals are determined by comparing proceeds received with the carrying amount. These are included in the statement of comprehensive income.

(l) Investments and other financial assets

(i) Classification

The group classifies its financial assets as available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at the end of each reporting date.

(ii) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

(iii) Measurement

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

(iv) Impairment

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is objective evidence of impairment of available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

1. Summary of Significant Accounting Policies (continued)

(n) Provisions

Provisions are recognised when; the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave liability and all other short-term employee benefit obligations are presented in payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as present value of expected future wage payments to be made. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

The company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of shares of Emerald Resources NL ('market conditions').

(p) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

1. Summary of Significant Accounting Policies (continued)

(r) Goods and services tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(s) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(t) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Emerald Resources NL's functional and presentation currency.

1. Summary of Significant Accounting Policies (continued)

(t) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale financial assets are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for the statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(u) New accounting standards and interpretations

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the group are set out below. The group does not plan to adopt these standards early.

(i) AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

The directors anticipate that the adoption of AASB 9 will not have a material impact on the Group’s financial instruments.

1. Summary of Significant Accounting Policies (continued)

(u) New accounting standards and interpretations (continued)

(ii) AASB 16: Leases (applicable to annual reporting periods commencing on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as either operating leases or finance leases. Lessor accounting remains similar to current practice.

The main changes introduced by the new Standard are as follows:

- recognition of the right-to-use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets);
- depreciating the right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The directors anticipate that the adoption of AASB 16 will not have a material impact on the Group's recognition of leases and disclosures.

(iii) Other standards not yet applicable

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The group makes estimates and assumptions concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amount of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Capitalisation of acquisition costs on exploration projects

Acquisition costs incurred in acquiring exploration assets are carried forward where right of tenure of the area of interest is current. These costs are carried forward at reporting date where either;

- Exploration and evaluation activities have not reached a stage that permits a reasonable assessment of the existence of economically recoverable reserves; or
- Exploration and evaluation activities provide a basis that capitalised expenditure will be recouped through commercial production.

The ultimate recoupment of expenditure carried forward for exploration and evaluation is dependent upon successful development and commercial exploitation or sale of respective areas.

(b) Taxation

Balances disclosed in the financial statements related to taxation, are based on best estimates of Directors'. These estimates take into account both the financial performance and position of the group as they pertain to current income tax legislation and the Directors understanding thereto.

(c) Share based payment transactions

The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in Note 24.

		Consolidated 2017 $	Consolidated 2016 $
3.	**Revenue**		
	Revenue from continuing operations		
	Interest received	253,110	471,949
	Total revenue from continuing operations	253,110	471,949
4.	**Other income**		
	Profit on sale of financial assets	150,254	83,546
	Research and Development tax rebate	146,006	-
	Total other income	296,260	83,546
5.	**Expenses**		
(a)	Employee benefits expense		
	Salaries and wages expense	629,582	193,920
	Defined contribution superannuation expense	38,444	6,838
	Total employee benefits expense	668,026	200,758
(b)	Depreciation of non-current assets		
	Plant and equipment - office	14,189	3,197
	Plant and equipment – field	21,664	-
	Motor vehicles	17,457	-
	Total depreciation	53,310	3,197
(c)	Finance costs		
	Interest and finance charges paid or payable	4,916	1,698
	Total finance costs	4,916	1,698
(d)	Foreign exchange loss		
	Net foreign exchange loss	23,441	14,007
	Total foreign exchange loss	23,441	14,007
6.	**Auditor's Remuneration**		
	Remuneration of the auditor of the group		
	Auditing or reviewing the financial statements	34,000	31,500
	Other assurance services	-	-
	Non-assurance services	-	5,000
	Total auditor remuneration	34,000	36,500

		Consolidated 2017 $	Consolidated 2016 $
7.	**Income Tax Expense**		
(a)	Income tax expense		
	Current tax	-	-
	Deferred tax	-	-
	Total income tax benefit	-	-
	Deferred income tax expense included in income tax expense comprises:		
	- Decrease (Increase) in deferred tax assets (note 7(c))	395,076	(396,367)
	- (Decrease) Increase in deferred tax liabilities (note 7(d))	(395,076)	396,367
		-	-
(b)	Numerical reconciliation of income tax expense to prima facie tax payable		
	Loss from continuing operations before income tax expense	(8,472,128)	(1,346,254)
	Tax (tax benefit) at the tax rate of 30%	(2,541,638)	(403,876)
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	- Share based payments	6,583	-
	- Other non-deductible amounts	871,160	68,343
	Unrecognised tax losses	1,663,895	335,533
	Income tax benefit	-	-
(c)	Deferred tax assets		
	Tax losses	-	396,367
	Employee benefits	36,763	-
	Other accruals	5,250	-
		42,013	396,367
	Deferred tax assets not recognized	(40,721)	-
	Set-off deferred tax liabilities (note 7(d))	(1,292)	(396,367)
	Net deferred tax assets	-	-
(d)	Deferred tax liabilities		
	Available for sale assets	-	396,367
	Other	1,292	-
		1,292	396,367
	Set-off deferred tax assets (note 7(c))	(1,292)	(396,367)
	Net deferred tax liabilities	-	-
(e)	Unused tax losses		
	Tax losses for which no deferred tax asset has been recognized	13,395,981	4,914,567
	Potential tax benefit at 30%	4,018,794	1,474,370
	Capital losses for which no deferred tax asset has been recognized	39,964,782	39,421,767
	Potential tax benefit at 30%	11,989,435	11,826,530
(f)	Unrecognised temporary differences		
	Unrecognised deferred tax asset relating to capital raising costs	10,763	81,535
	Unrecognised deferred tax asset relating exploration costs	10,862,999	-

		Consolidated	
		2017	**2016**
		$	$
8.	**Cash & Cash Equivalents**		
(a)	Total cash and cash equivalents		
	Cash at bank and in hand	936,435	1,728,281
	Deposits at call	7,593,000	10,000,000
	Total cash and cash equivalents	8,529,435	11,728,281

(b) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank bears interest rates between 0.01% and 0.60% (2016: 0.01% and 0.60%).

(c) Deposits at call

Deposits at call are bearing interest rates between 2.44% and 2.52% (2016: 2.90% and 3.06%).

9.	**Trade & Other Receivables**		
(a)	Current		
	Prepayments	279,042	25,079
	Research and Development tax rebate receivable	146,006	-
	Other receivables	92,234	103,183
	Total current trade and other receivables	517,282	128,262

(b) Past due and impaired receivables

As at 30 June 2017, there were no other receivables that were past due or impaired (2016: nil).

(c) Effective interest rates and credit risk

Information concerning effective interest rates and credit risk of both current and non-current trade and other receivables is set out in Note 17.

10.	**Financial Assets**		
(a)	Current		
	Financial assets at fair value through profit or loss (Level 1)	30,000	377,000
	Financial assets available for sale (Level 1)(i)	-	3,044,556
	Term deposits over 3 months but not more than 12 months	-	2,820,000
	Total current financial assets	30,000	6,241,556

(i) The financial assets available-for-sale held as at 30 June 2016 related to a 10% interest in Renaissance Minerals Limited. The Company acquired 100% of Renaissance Minerals Limited during the period and is accounted for within the consolidated Group. Refer to Note 28.

(b) Shareholding in Riversgold Limited

As part of the acquisition of Renaissance Minerals Limited, the Company acquired a 20% interest in Afranex Gold Limited ('Afranex'), an unlisted entity holding exploration assets in Alaska. The carrying value of the investment was $Nil as at the date of acquisition of Renaissance.

In June 2017, the Company entered into a Share Sale Deed to dispose of its investment in Afranex in consideration for 2,361,528 shares and 1,180,764 $0.20 options in Riversgold Limited ('Riversgold'). On 8 August 2017 Riversgold issued a prospectus for the offer of up to 40 million shares at an issue price of $0.20 each to raise up to $8 million. The minimum subscription under the offer is $5 million. Upon the successful completion of the issue of shares under the offer, the Company will have a 2.56% interest in Riversgold under the maximum subscription, or an interest of 3.06% under the minimum subscription.

As at 30 June 2017 the investment in Riversgold is carried at $Nil.

	Plant & Equipment Office $	Plant & Equipment Field $	Motor Vehicles $	Total $
11. Property, Plant and Equipment				
Year ended 30 June 2016				
Opening net book amount	9,608	-	-	9,608
Additions	5,279	-	-	5,279
Disposals/write-offs	-	-	-	-
Depreciation charge	(3,197)	-	-	(3,197)
Effect of exchange rates	-	-	-	-
Closing net book amount	11,690	-	-	11,690
At 30 June 2016				
Cost or fair value	93,421	-	-	93,421
Accumulated depreciation	(81,731)	-	-	(81,731)
Net book amount	11,690	-	-	11,690
Year ended 30 June 2017				
Opening net book amount	11,690	-	-	11,690
Acquisition of subsidiary	18,874	67,019	61,669	147,562
Additions	8,790	6,581	-	15,371
Disposals/write-offs	-	-	-	-
Depreciation charge	(14,189)	(21,664)	(17,457)	(53,310)
Effect of exchange rates	-	(87)	(77)	(164)
Closing net book amount	25,165	51,849	44,135	121,149
At 30 June 2017				
Cost or fair value	123,116	396,163	179,637	698,916
Accumulated depreciation	(97,951)	(344,314)	(135,502)	(577,767)
Net book amount	25,165	51,849	44,135	121,149

		Consolidated 2017 $	Consolidated 2016 (Restated) $
12	**Exploration & Evaluation Expenditure**		
(a)	Non-current		
	Opening balance	-	-
	Acquired on acquisition (Note 28)	37,900,933	-
	Exploration and evaluation expenditure incurred	7,449,887	1,076,318
	Exploration and evaluation expenditure expensed	(7,449,887)	(1,076,318)
	Total non-current exploration and evaluation expenditure	37,900,933	-

(b) Recoverability of capitalised acquisition costs

The value of the group's capitalised acquisition costs is dependent upon:

- The continuance of the groups rights to tenure of the areas of interest;
- The results of future exploration and evaluation; and
- The recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

(c) Impacts arising from a change in accounting policy and the reclassification of comparative financial information

(i) Consolidated Statement of Financial Position – 1 July 2015 (Extract)

	1 July 2015 $	Increase/ (Decrease) $	1 July 2015 (Restated) $
Non-Current Assets			
Exploration and evaluation expenditure	-	-	-
Total Non-Current Assets	9,608	-	9,608
Total Assets	18,109,428	-	18,109,428
Equity			
Accumulated losses	-	-	-
Total Equity	17,980,944	-	17,980,944

12. Exploration and Evaluation Expenditure (continued)

(ii) Consolidated Statement of Profit or Loss and Other Comprehensive Income – 30 June 2016 (Extract)

	30 June 2016 $	Increase/ (Decrease) $	30 June 2016 (Restated) $
Exploration expenditure expensed	-	(1,076,318)	(1,076,318)
Loss before income tax	(269,936)	(1,076,318)	(1,346,254)
Income tax benefit	-	-	-
Loss attributable to owners	(269,936)	(1,076,318)	(1,346,254)
Other comprehensive income			
Items that may be reclassified to profit or loss			
- Exchange differences on translation of foreign operations	(23)	-	(23)
- Revaluations of available-for-sale financial assets	1,321,222	-	1,321,222
Total comprehensive income/(loss) for the year	1,051,263	(1,076,318)	(25,055)

(iii) Consolidated Statement of Financial Position – 30 June 2016 (Extract)

	30 June 2016 $	Increase/ (Decrease) $	30 June 2016 (Restated) $
Non-Current Assets			
Other financial assets	625,595	(625,595)	-
Exploration and evaluation expenditure	450,723	(450,723)	-
Total Non-Current Assets	1,076,318	(1,076,318)	-
Total Assets	19,186,107	(1,076,318)	18,109,789
Equity			
Accumulated losses	(35,174,879)	(1,076,318)	(36,251,197)
Total Equity	18,752,836	(1,076,318)	17,676,518

	Consolidated 2017 $	Consolidated 2016 $
13. Trade & Other Payables		
Current		
Trade payables	329,975	259,134
Accruals	462,751	174,137
Other payables	151,853	-
Total current trade & other payables	944,579	433,271

No trade or other payables are considered past due.

		Consolidated 2017 Shares	Consolidated 2016 Shares	Consolidated 2017 $	Consolidated 2016 $
14.	**Contributed Equity**				
(a)	Issued capital				
	Ordinary shares (fully paid)	2,107,977,533	1,306,627,448	88,460,333	50,778,054
	Total contributed equity	2,107,977,533	1,306,627,448	88,460,333	50,778,054

(b) Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

(c) Options

Information relating to options including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in Note 16.

		Date	Shares	Issue Price $	Total $
(d)	Movements in issued capital				
	Opening Balance 1 July 2015		1,306,594,114		51,057,425
	Share placement	5 May 2016	33,334	$0.030	1,000
	Less: Transaction costs				(280,371)
	Closing Balance at 30 June 2016		1,306,627,448		50,778,054
	Opening Balance 1 July 2016		1,306,627,448		50,778,054
	Renaissance Minerals Limited acquisition	5 Oct 2016	765,746,760	$0.047	36,080,129
	Renaissance Minerals Limited acquisition	14 Nov 2016	35,603,325	$0.045	1,602,150
	Less: Transaction costs				-
	Closing Balance at 30 June 2017		2,107,977,533		88,460,333

		Consolidated 2017 $	Consolidated 2016 $
15.	**Reserves**		
(a)	Option reserve		
	Opening balance	1,711,132	1,711,132
	Options issued as remuneration during the year	21,942	-
	Option issued to Renaissance Minerals Limited option holders	582,890	-
	Closing balance	2,315,964	1,711,132

The option reserve records items recognised on valuation of director, employee and contractor share options, as well as options issued as consideration for acquisitions. Information relating to options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in Note 16.

During the period unlisted options were issued to option holders of Renaissance Minerals Limited as part of the acquisition, refer to Note 28.

		2017 $	2016 $
(b)	Available-for-sale securities reserve		
	Opening balance	1,321,222	-
	Net change in fair value of available-for-sale securities	-	1,321,222
	Reversal of reserve upon acquisition of Renaissance Minerals Limited	(1,321,222)	-
	Closing balance	-	1,321,222
(c)	Foreign currency translation reserve		
	Opening balance	216,701	213,234
	Exchange differences arising on translation of foreign operations	(12,909)	3,467
	Closing balance	203,792	216,701

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in the statement of comprehensive income when the net investment is disposed of.

		2017 $	2016 $
(d)	Total Reserves		
	Option reserve	2,315,964	1,711,132
	Available-for-sale securities reserve	-	1,321,222
	Foreign currency translation reserve	203,792	216,701
	Closing balance	2,519,756	3,249,055

Expiry date	Exercise price	Balance at start of year	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	Balance at end of the year
16. Share Options						
(a) 2017 unlisted share option details						
20 Jan 2020	$0.025	20,000,000	-	-	-	20,000,000
15 Oct 2017	$0.065	-	15,190,000	-	-	15,190,000
30 Sep 2020	$0.032	-	22,552,500	-	-	22,552,500
06 Jan 2022	$0.052	-	2,500,000	-	-	2,500,000
08 Mar 2022	$0.057	-	3,372,500	-	-	3,372,500
		20,000,000	43,615,000	-	-	63,615,000
Weighted average exercise price		$0.025	$0.047	-	-	$0.044
(b) 2016 unlisted share option details						
20 Jan 2020	$0.025	20,000,000	-	-	-	20,000,000
		20,000,000	-	-	-	20,000,000
Weighted average exercise price		$0.025	-	-	-	$0.025

The weighted average life of options as at 30 June 2017 is 2.45 years (2016: 3.56 years). For further details relating to options issued during the period refer to Note 24.

17. Financial Instruments, Risk Management Objectives and Policies

The consolidated entity's principal financial instruments comprise cash and cash equivalents. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the group. The consolidated entity also has other financial instruments such as trade and other receivables and trade and other payables which arise directly from its operations. For the year under review, it has been the consolidated entity's policy not to trade in financial instruments.

The main risks arising from the group's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

Consolidated - 2017	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest	Non-interest Bearing	2017 Total
	%	$	$	$	$
Financial assets					
Cash and cash equivalents	2.21	672,871	7,593,000	263,564	8,529,435
Trade & other receivables	0.00	-	-	517,282	517,282
Financial assets at fair value through Profit or Loss(i)	0.00	-	-	30,000	30,000
		672,871	7,593,000	810,846	9,076,717
Financial Liabilities					
Trade payables and accruals	0.00	-	-	792,726	792,726
		-	-	792,726	792,726

(i)These financial assets are equity investments and are all classed as held for trading or available for sale. The market value of all equity investments represents the fair value based on quoted prices on active markets (ASX) as at the reporting date without any deduction for transaction costs. These investments are classified as Level 1 financial instruments.

17. Financial Instruments, Risk Management Objectives and Policies (continued)

Consolidated - 2016	**Weighted Average Interest Rate**	**Floating Interest Rate**	**Fixed Interest**	**Non-interest Bearing**	**2016 Total**
	%	$	$	$	$
Financial assets					
Cash and cash equivalents	2.47	928,334	9,500,000	1,299,947	11,728,281
Trade & other receivables	0.00	-	-	128,262	128,262
Financial assets at fair value through Profit or Loss[(i)]	0.00	-	-	377,000	377,000
Financial assets available for sale[(i)]	0.00	-	-	3,044,556	3,044,556
Term deposits maturities between 3 to 12 months	3.00	-	2,820,000	-	2,820,000
		928,334	12,320,000	4,849,765	18,098,099
Financial Liabilities					
Trade payables and accruals	0.00	-	-	433,271	433,271
		-	-	433,271	433,271

(i) These financial assets are equity investments and are all classed as held for trading or available for sale. The market value of all equity investments represents the fair value based on quoted prices on active markets (ASX) as at the reporting date without any deduction for transaction costs. These investments are classified as Level 1 financial instruments.

The maturity date for all cash, trade & other receivable and trade and payable financial instruments included in the above tables is one year or less from balance date. .

Group sensitivity analysis

The entity's main interest rate risk arises from cash and cash equivalents with variable and fixed interest rates. At 30 June 2017 the group's exposure to interest rate risk is not considered material.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the group's maximum exposure to credit risk.

(c) Liquidity risk

The group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the group aims at ensuring flexibility in its liquidity profile by maintaining the ability to undertake capital raisings. Funds in excess of short term operational cash requirements are generally only invested in short term bank bills.

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) Quoted prices in active markets for identical assets or liabilities (level 1);

(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (level 2); and

(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

		Consolidated 2017 $	Consolidated 2016 (Restated) $
18.	**Earnings per Share**		
(a)	Earnings/(Loss)		
	Earnings/(loss) used in the calculation of basic EPS	(8,472,128)	(1,346,254)
(b)	Weighted average number of ordinary shares ('WANOS')		
	WANOS used in the calculation of basic earnings per share:	1,892,653,123	1,306,598,771
19.	**Cash Flow Information**		
	Reconciliation of cash flows from operating activities with loss from ordinary activities after tax:		
	Profit/(loss) from ordinary activities after income tax	(8,472,128)	(1,346,254)
	Depreciation	53,310	3,197
	Share based payments	21,942	-
	Profit on sale of shares	(150,254)	(83,546)
	Revaluation of financial assets	2,000	17,235
	Net exchange differences	2,520	-
	Changes in assets and liabilities:		
	- (Increase)/Decrease in operating receivables & prepayments	(230,423)	5,759
	- (Decrease)/Increase in trade and other payables	(899,934)	304,764
	Net cash (outflows) from Operating Activities	(9,672,967)	(1,098,845)

		Consolidated 2017 $	Consolidated 2016 $
20.	**Commitments**		
	Not longer than one year	70,151	-
	Longer than one year, but not longer than five years	181,548	-
	Longer than five years	-	-
	Total exploration commitments	251,699	-

In order to maintain rights of tenure to mining tenements subject to these agreements, the Group would have the above discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable per the above maturities. If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

21. Segment Information

(a) Description of segments

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 for and evaluation of mineral reserves within Cambodia, Australia, United States and the corporate/head office function in Australia.

(b) Segment information provided to the Board of Directors

The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2017 is as follows:

	Exploration and Evaluation				
	Cambodia	**Australia**	**United States**	**Corporate**	**Total**
	$	$	$	$	$
2017					
Total segment revenue	-	-	-	253,110	253,110
Interest revenue	-	-	-	253,110	253,110
Depreciation and amortisation expense	(28,010)	-	-	(25,300)	(53,310)
Total segment profit/(loss) before income tax	(7,434,918)	(43,204)	-	(994,006)	(8,472,128)
Total segment assets	38,174,795	-	-	8,924,004	47,098,799
Total segment liabilities	(249,204)	-	(13,283)	(682,092)	(944,579)

	Exploration and Evaluation				
	Cambodia	**Australia**	**United States**	**Corporate**	**Total**
	$	$	$	$	$
2016					
Total segment revenue	-	-	-	471,949	471,949
Interest revenue	-	-	-	471,949	471,949
Depreciation and amortisation expense	-	-	-	(3,197)	(3,197)
Total segment profit/(loss) before income tax	(1,076,318)	-	-	(269,936)	(1,346,254)
Total segment assets	-	-	2,402	18,107,387	18,109,789
Total segment liabilities	-	-	(3,161)	(430,110)	(433,271)

21. Segment Information (continued)

(c) Measurement of segment information

All information presented in part (b) above is measured in a manner consistent with that in the financial statements.

(d) Segment revenue

No inter-segment sales occurred during the current financial year. The entity is domiciled in Australia. No revenue was derived from external customers in countries other than the country of domicile. Revenues of $253,110 (2016: $471,949) were derived from one Australian financial institution during the year. These revenues are attributable to the corporate segment.

(e) Reconciliation of segment information

Total segment revenue, total segment profit/(loss) before income tax, total segment assets and total segment liabilities as presented in part (b) above, equal total entity revenue, total entity profit/(loss) before income tax, total entity assets and total entity liabilities respectively, as reported within the financial statements.

22. Events Occurring After the Balance Sheet Date

The following material events have occurred subsequent to balance date:

On 7 July 2017, the Company issued 2,500,000 options under the Company's Share Option Plan with an exercise price of $0.049 expiring 6 July 2022.

On 13 July 2017, the Company announced that it had entered into a binding term sheet with Mekong Minerals Ltd ('Mekong Minerals') to earn up to a 70% interest in the Kratie North, Kratie South and Memot Projects which consist of four exploration licences covering 861km^2. Under a pre-existing agreement between Mekong Minerals and Southern Gold Ltd ('Southern Gold'), Southern Gold holds a 15% interest in the Mekong Projects which is free carried to completion of a Definitive Feasibility Study. Southern Gold also holds a 2% gross royalty capped to US$11 million and 1% gross royalty thereafter across all the Mekong Projects. Southern Gold has consented in principal to the term sheet between Emerald and Mekong Minerals.

Emerald and Mekong Minerals have entered into a binding term sheet whereby:

- Southern Gold's existing 15% interest will be maintained;
- Emerald to assume responsibility for the completion of the exploration environmental impact assessment on the Kratie South Project;
- Emerald has the right to withdraw any of the exploration licences from the Earn-in & Joint Venture at any time;
- Emerald is to sole fund US$0.5 million of exploration expenditure on each of the exploration licences within the initial 2 years to earn an effective interest of 20%;
- Emerald is then to sole fund a further US$1.0 million of exploration expenditure on each of the exploration licences over the following 2 years, to increase its effective interest to 51%;
- Upon Emerald earning an effective 51% interest, Mekong Minerals may elect to either contribute to maintain its interest of 34% (Southern Gold remains free carried for 15%) or not contribute and be free carried to completion of a DFS for a 15% interest;
- If Mekong Minerals has not elected to contribute, Emerald will earn an effective interest of 70% upon completion of a DFS; and
- Emerald will be the Manager.

The binding term sheet with Mekong Minerals is conditional upon legal due diligence to Emerald's satisfaction, finalisation of a formal Earn-In & Joint Venture Agreement (which is to be in a form satisfactory to Southern Gold) and approval of the Earn-In & Joint Venture by Cambodian Ministry of Mines and Energy.

22. Events Occurring After the Balance Sheet Date (continued)

On 13 July 2017, the Company also announced that it had entered into a, Earn-In Agreement with Angkor Gold Corp. ('Angkor') to earn up to an 80% interest in the Koan Nheak Project which consists of one exploration licence covering 189km^2.

Key terms of the Earn-In Agreement are:

- Emerald can elect to acquire a 51% interest, by sole funding US$2.0 million in exploration by no later than 1st March 2020 and by making a cash payment of US$0.2 million on or before 1st March 2020. Emerald must spend a minimum of US$0.5 million within the initial 12 months of the Earn-In Agreement before it has the right to withdraw;
- Emerald may then increase its interest to 80% by sole funding the completion of a Definitive Feasibility Study. Emerald must complete the Definitive Feasibility Study by 7th March 2022;
- Upon Emerald earning an 80% interest, Angkor may elect to continue to hold a 20% participating interest or to convert its 20% participating interest into a 3.5% Net Smelter Royalty ('NSR');
- If Angkor elects to convert its participating interest to a 3.5% NSR, Emerald may (at its sole discretion) at any time purchase back 1.0% of the NSR (to reduce the NSR to 2.5%) for a payment of US$1.5 million and then a further 0.5% of the NSR (to reduce NSR to 2.0%) for a further payment of US$1.5 million;
- Should Angkor choose to hold its 20% participating interest and not convert to a NSR, Emerald shall continue to fund Angkor's 20% share of costs which would be repaid by Angkor from future revenue derived from the Project;
- Emerald will be the 'Manager' of the Koan Nheak Project; and
- The Earn-In Agreement is subject to the approval of the Cambodian Ministry of Mines and Energy.

There are no further material events subsequent to balance date.

23. Related Party Transactions

(a) Parent entity

The ultimate parent entity within the group is Emerald Resources NL.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 26.

(c) Key management personnel compensation

	Consolidated 2017 $	Consolidated 2016 $
Short-term employee benefits	734,174	204,178
Post-employment benefits	56,648	7,997
Share-based payments	2,571	-
Total key management personnel compensation	793,393	212,175

Detailed remuneration disclosures are provided within the audited remuneration report which can be found on pages 20 to 28 of the directors' report.

(d) Transactions with Director Related Parties

The following transactions occurred with related parties:

	Consolidated 2017 $	Consolidated 2016 $
Receipts from director related entities:		
Receipts from Berkut Minerals Limited for costs recharged	10,962	-
Payments to director related entities:		
Payments made to Castillo Pty Ltd for office space rental	85,481	76,686
Outstanding balances arising from recharges/purchases with Director Related Parties:		
Current payables	-	3,494
Current receivables	-	-

(e) Terms and conditions of related party transactions

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

24. Share Based Payments

(a) Share based payments

	Consolidated 2017 $	2016 $
Options issued to Directors, management, employees and consultants	21,942	-
Option issued to Renaissance Minerals Limited option holders	582,890	-
Total share based payments	604,832	-

(b) Options issued to Directors, management, employees and consultants

The weighted average fair value of the options granted during the year was 2.20 cents. The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	Expiry 6 Jan 2022	9 Mar 2022
Expected share price volatility (%)	80.00%	80.00%
Risk-free interest rate (%)	2.22%	2.35%
Discount for lack of marketability	20.00%	20.00%
Exercise price	$0.052	$0.057
Life of the option	5.0 years	5.0 years
Weighted average underlying share price	$0.046	$0.044

All options issued as part of their incentive component of their 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.

The fair value of the options issued is recognised over the vesting period of the options. An amount of $21,942 was recognised in the Consolidated Statement of Profit or Loss for the year ending 30 June 2017 (2016: $Nil).

(c) Options issued on the acquisition of Renaissance Minerals Limited

During the period 37,742,500 unlisted share options were granted to option holders of Renaissance Minerals Limited as part of the acquisition. The fair value of the options is estimated as at the date of grant using the Black Scholes calculation, taking into accounts the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the year ending 30 June 2017:

	Expiry 15 Oct 2017	30 Sep 2020
Expected share price volatility (%)	80.00%	80.00%
Risk-free interest rate (%)	1.67%	1.78%
Discount for lack of marketability	20.00%	20.00%
Exercise price	$0.065	$0.032
Life of the option	1.0 years	4.0 years
Weighted average underlying share price	$0.042	$0.042

An amount of $582,890 was recognised as part of the acquisition consideration of Renaissance Minerals Limited during the period, refer to Note 28.

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate. The life of the options is based on historical exercise patterns, which may not eventuate in the future. Total share-based payment transactions recognised during the year were as set out above. Details of other options movements and balances are set out in Note 16.

25. Contingent Liabilities

The Group has a contingent liability relating to a 1.5% gross smelter royalty capped at $22.5 million payable to a subsidiary of OZ Minerals Limited on production from the Cambodian Gold Projects. Royalty payments to the subsidiary of OZ Minerals Limited are secured by a General Security Deed under which Renaissance Cambodia Pty Ltd provided an all assets security.

There are no further material contingent liabilities outstanding at the end of the year.

26. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity Holding[A] 2017%	2016 %
Emerald Gas Pty Ltd	Australia	Ordinary	100	100
Emerald Gas USA Holdings Inc	USA	Ordinary	100	100
Kentucky Energy Ventures LLC	USA	Ordinary	75	75
Emerald Gas USA LLC	USA	Ordinary	-	100
Emerald Gas Development USA LLC	USA	Ordinary	-	100
Emerald Gas Kentucky Ventures LLC	USA	Ordinary	-	100
Renaissance WA Pty Ltd	Australia	Ordinary	100	-
Renaissance Alaska Pty Ltd	Australia	Ordinary	100	-
Renaissance Cambodia Pty Ltd	Australia	Ordinary	100	-
Renaissance Minerals (Cambodia) Limited	Cambodia	Ordinary	100	-

- [A] The proportion of ownership interest is equal to the proportion of voting power held.

	Company 2017 $	Company 2016 (Restated) $
27. Parent Entity Information		
(a) Assets		
Current assets	6,811,333	17,019,291
Non-current assets	42,351,432	1,088,008
Total assets	49,162,765	18,107,299
(b) Liabilities		
Current liabilities	664,775	430,110
Non-current liabilities	-	-
Total liabilities	664,775	430,110
(c) Equity		
Contributed equity	168,822,990	131,140,712
Reserves	4,441,409	3,032,354
Accumulated losses	(124,766,409)	(116,495,877)
Total equity	48,497,990	17,677,189
(d) Total comprehensive income/(loss) for the year		
(Loss) for the year	(8,270,532)	(1,346,254)
Other comprehensive (loss) for the year	804,222	1,321,222
Total comprehensive (loss) for the year	(7,466,310)	(25,032)

28. Acquisition of Renaissance Minerals Limited

On 16 September 2016 Emerald increased its holding to 79.21% of the issued capital of Renaissance Minerals Limited ('Renaissance'). The initial interest was acquired through the acquisition of 10.00% interest on 9 February 2016 and a further 69.21% under contracts arising upon the acceptance of offers for Renaissance shares as set out in Emerald's Bidders Statement dated 19 August 2016 ('Bidders Statement').

Between 17 September 2016 and 14 November 2016 Emerald acquired the remaining 20.79% of the issued capital of Renaissance on the terms as set out in the Bidders Statement.

The acquisition of the issued capital in Renaissance that Emerald did not already hold was effected by way of Emerald issuing shares as follows:

Issue date	No of shares	Value per share	Total ($)
5 October 2016	765,746,760	$0.047	36,080,129
14 November 2016	35,603,325	$0.045	1,602,150
	801,350,085		37,682,279

Emerald also acquired the 24,350,000 Renaissance options on issue through the issue of 37,742,500 Emerald options to Renaissance optionholders valued at $582,890.

Acquisition costs totalled $221,102 and are capitalised as part of the asset acquisition.

Total consideration issued and transaction costs for the acquisition of the issued capital in Renaissance that Emerald did not already hold are as follows:

	$
Emerald shares issued to Renaissance shareholders	37,682,279
Emerald options issued to Renaissance optionholders	582,890
Transaction costs	221,102
Total purchase consideration and transaction costs	38,486,271

The initial 10% investment was acquired for $1,723,331 which brings the total investment in Renaissance to $40,209,602.

Details of the purchase consideration, net assets acquired and fair value adjustments as at the date of acquisition being 16 September 2016 are as follows:

	$
Assets and liabilities recognised as a result of the acquisition	
Cash and cash equivalents	3,139,653
Trade and other receivables	204,213
Property, plant and equipment	147,562
Exploration and evaluation expenditure	18,213,324
Fair value adjustment for exploration and evaluation expenditure	19,687,606
Trade and other payables	(1,182,756)
Net identifiable assets acquired	40,209,602

Director's Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 31 to 61 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and

(b) the audited remuneration disclosures set out on pages 20 to 28 of the Directors' report comply with section 300A of the *Corporations Act 2001*; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(d) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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

Morgan Hart
Managing Director

Perth, Western Australia, 26 September 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Emerald Resources NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Emerald Resources NL ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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HLB Mann Judd

Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation asset **Note 12**	
In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group capitalises acquisition costs of rights to explore and applies the cost model after recognition. Our audit focused on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, because this is one of the significant assets of the Group. There is a risk that the capitalised expenditure no longer meets the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The group has two areas of interest where exploration and evaluation expenditure has been capitalised. They are the Okvau and Ochhung tenements.	Our procedures included but were not limited to: • We obtained an understanding of the key processes associated with management's review of the exploration and evaluation asset carrying values; • We considered the Director's assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We considered the current level of planned activity in each areas of interest; and • We examined the disclosures made in the financial report.
Accounting for the acquisition of Renaissance Minerals Limited **Note 28**	
During the year, the Group acquired Renaissance Minerals Limited and its controlled entities (Renaissance). The consideration included shares, options and cash. This is considered a significant transaction for the Group. Accounting for this transaction is a complex and judgemental exercise, requiring management to determine the fair value of the acquired assets and liabilities and the consideration paid. It is due to the size of the acquisition and the estimation process involved in account for it that this is considered to be a key audit matter.	Our procedures included but were not limited to: • We read the sale and purchase agreement to understand the key terms and conditions; • We completed audit procedures over Renaissance's acquisition date balances to ensure they are not materially misstated; • We reviewed the calculation of the value of the consideration paid; • We reviewed the allocation of the consideration over the assets and liabilities of Renaissance; and • We assessed the adequacy of the Group's disclosures in respect to the acquisition.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of Emerald Resources NL for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Norman Glad

N G Neill
Partner

Perth, Western Australia
26 September 2017

Corporate Governance

In accordance with ASX Listing Rule 4.10.3 the company's Corporate Governance Statement can be found on the company's website, refer to http://emeraldresources.com.au/corporate_govenance.

Shareholding

The distribution of members and their holdings of equity securities in the holding company as at 18 September 2017 were as follows:

Number Held as at 18 September 2017	Class of Equity Securities Fully Paid Ordinary Shares
1- 1,000	124
1,001 - 5,000	46
5,001 - 10,000	69
10,001 - 100,000	844
100,001 and above	981
	2,064

Holders of less than a marketable parcel: 272.

Substantial Shareholders

The names of the substantial shareholders listed on the company's register as at 18 September 2017:

Shareholder	Number
Morgan Cain Hart	257,318,823
Ross Stanley	222,163,613
SHL Pty Ltd	114,000,000

Voting Rights - Ordinary Shares

In accordance with the holding company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Options

	Exercise price	Expiry date	Number of options	Number of holders
Unlisted options	$0.0645	15 October 2017	15,190,000	10
Unlisted options	$0.0250	21 January 2020	20,000,000	4
Unlisted options	$0.0323	30 September 2020	22,552,500	12
Unlisted options	$0.0520	6 January 2022	2,500,000	1
Unlisted options	$0.0570	9 March 2022	3,372,500	2
Unlisted options	$0.0490	6 July 2022	2,500,000	1

ASX Listing Rule 4.10.19

In accordance with the Listing Rule 4.10.19, the company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily mineral exploration and evaluation of the Okvau Gold Deposit.

Twenty Largest Shareholders

The names of the twenty largest ordinary fully paid shareholders as at 18 September 2017 are as follows:

Shareholder	Number	% Held of Issued Ordinary Capital
Morgan Cain Hart	257,318,823	12.21%
Ross Stanley	222,163,613	10.54%
Merrill Lynch Australia Nominees Pty Ltd	170,757,551	8.10%
SHL Pty Ltd	114,000,000	5.41%
Zero Nominees Pty Ltd	101,913,749	4.83%
Confederate Capital Pty Limited	87,498,347	4.15%
B & I McLennan	30,000,000	1.42%
Laguna Bay Capital Pty Ltd	28,419,420	1.35%
PS Consulting Pty Ltd	23,100,000	1.10%
Geared Investments Pty Ltd	21,746,553	1.03%
David George Metford	20,662,412	0.98%
Jamax Holdings Pty Ltd	20,150,000	0.96%
Seah Kee Khoo	17,500,000	0.83%
Jamax Holdings Pty Ltd	16,583,332	0.79%
Hawkestone Res Pty Ltd	15,515,026	0.74%
JA Advisory Services Pty Ltd	15,500,000	0.74%
Ross Campbell Williams	15,000,000	0.71%
Yi Weng & Ning Li	13,379,140	0.63%
Seah Kee Khoo	12,916,667	0.61%
Citicorp Nominees Pty Ltd	12,664,928	0.60%
	1,216,789,561	57.73%

Okvau Mineral Resource Estimate

Okvau Mineral Resource Estimate – June 2017

Okvau June 2017 Mineral Resource Estimate									
	Indicated Resource			Inferred Resource			Total Resource		
Cut-off (Au g/t)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
0.50	19.58	1.74	1,093	3.47	1.35	151	**23.05**	**1.68**	**1,244**
0.70	15.11	2.08	1,008	2.57	1.61	133	**17.68**	**2.01**	**1,141**
1.00	11.01	2.54	898	1.67	2.04	109	**12.68**	**2.47**	**1,007**

Okvau Mineral Resource Estimate – June 2016

Okvau June 2016 Mineral Resource Estimate									
	Indicated Resource			Inferred Resource			Total Resource		
Cut-off (Au g/t)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
0.50	14.1	2.2	978	2.9	1.9	173	**17.0**	**2.1**	**1,151**
0.60	13.2	2.3	962	2.7	2.0	169	**15.8**	**2.2**	**1,131**
1.00	10.2	2.7	886	1.9	2.4	151	**12.1**	**2.7**	**1,036**
1.50	7.3	3.3	773	1.3	3.0	126	**8.6**	**3.2**	**898**
2.00	5.6	3.8	678	1.0	3.5	107	**6.5**	**3.7**	**785**

Review of Material Changes

The are no material changes in the Mineral Resource estimate form the prior year.

Okvau Ore Reserve Estimate

Okvau Ore Reserve Estimate - June 2017

Okvau June 2017 Ore Reserve Estimate			
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
Probable Ore Reserve	**14.26Mt**	**1.98g/t Au**	**907koz**

Okvau Ore Reserve Estimate - June 2016

There was not a published Ore Reserve calculation at June 2016.

Review of Material Changes

The material change is as a result of the maiden Ore Reserve calculation completed during the Definitive Feasibility Studies at the Okvau Gold Project released in May 2017.

Governance and Internal Controls

Emerald ensures that the Mineral Resource estimates are subject to appropriate levels of governance and internal controls. The Company periodically reviews the governance framework in line with the expansion and development of the business.

The Mineral Resource estimates are prepared by independent external consultants who are highly competent and qualified professionals. The Competent Person named by the Company is a Member of the Australian Institute of Mining & Metallurgy (AIG) and has sufficient experience to qualify as Competent Person as defined in the JORC Code. Internal and external reviews are carried out on the quality of the database and geological models prior to estimation.

The Ore Reserve estimates are prepared by an independent external consultant who is highly competent and qualified professionals. The Competent Person named by the Company is a Fellow of the Australasian Institute of Mining & Metallurgy and has sufficient experience to qualify as Competent Person as defined in the JORC Code.

Forward Looking Statements and Footnotes

This document 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 document has been prepared in compliance with the current JORC Code 2012 Edition and the ASX listing Rules.

The Company believes that is has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any production targets and financial estimates, based on the information contained in this announcement. Reference is made to ASX Announcement dated 1 May 2017. All material assumptions underpinning the production target or the forecast financial information continue to apply and have not materially changed.

100% of the production target referred to in this announcement is based on Probable Ore Reserves.

Emerald has a highly experienced management team, undoubtedly one of the best credentialed gold development teams in Australia with a proven history of developing projects successfully, quickly and cost effectively. In particular, the Managing Director, Mr Morgan Hart, who has overseen the successful development of gold projects for Equigold NL and, most recently, as Operations Director of Regis Resources Ltd. His experience in developing countries includes the development of the Bonikro Gold Project in Cote d'Ivoire. He has assembled a team of highly competent mining engineers and geologists for the development of the Okvau Gold Project.

The Company believes it has a reasonable basis to expect to be able to fund and develop the Okvau Gold Project for the reason set out above and in this document. However, there is no certainty that the Company can raise funding when required.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Craig Johnson, who is an employee to the Company and who is a Member of The Australasian Institute of Geoscientists. Mr Craig Johnson has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Craig Johnson has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

The information in this report that relates to the June 2017 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.

As at 18 September 2017

Project	Location	Tenement	Interest
Okvau Project	Cambodia	Okvau	100%
O'Chhung Project	Cambodia	O'Chhung	100%
Svay Chras Project	Cambodia	Svay Chras	100%
Kratie North Project	Cambodia	Phnum K'htong	0%[A]
Kratie South Project	Cambodia	Preak Khlong	0%[A]
Kratie South Project	Cambodia	O'Khtung	0%[A]
Mermot Project	Cambodia	S'noul	0%[A]
Koan Nheak Project	Cambodia	Koan N'heak	0%[B]

Notes

A: Emerald Resources NL is earning up to a 70% interest from Mekong Minerals Limited.

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

C: The Company has a 5% overriding royalty interest in all gas production from various oil and gas interests located in Magoffin County, Kentucky. There was no product recovered and sold from the Leases and the royalty received for the financial year was Nil.