

19 February 2018

Emmerson to retain gold projects in restructure of the Tennant Creek JV with Evolution Mining

- Agreement with Evolution to restructure the Tennant Creek Mineral Field Joint Venture
- Emmerson will retain:
 - Significant exploration tenure of ~2,600km² or 94% of the previous JV area which is considered highly prospective for new discoveries
 - All gold dominant projects, small mines and associated exploration ground
 - A 100% interest in the Tribute Mining Agreement at Edna Beryl
- Evolution will forego its right to a 65% interest in the entire JV area and instead take a 100% interest in an area of the JV that contains the Gecko, Goanna and Orlando copper-gold prospects

Emmerson's Managing Director, Mr Rob Bills commented: *"Emmerson is very pleased with the outcome of these negotiations with our partner, Evolution Mining. As a significant shareholder, we thank them for their ongoing support. This proposed restructure better aligns the assets with the respective companies. It provides Emmerson shareholders with near term, high margin gold assets and exploration ground that can be more easily developed within the constraints of the Emmerson balance sheet.*

Importantly, the investment in new data during the term of the JV has provided new insights into what we believe is a new generation of high grade, hematite hosted gold deposits. Directly leading to discoveries at Edna Beryl West, Mauretania and a string of promising drill intercepts that will now be followed up (see fig 1.) Emmerson also look forward to accelerating the monetisation of our small mines portfolio given that we are now the 100% owner.

Evolution's Vice President Discovery and Chief Geologist, Mr Glen Masterman commented: *"As we looked to move to the next phase of exploration at Tennant Creek it became clear that our strategic imperatives weren't aligned with those of Emmerson however a subdivision of the ground holding as proposed will allow both parties to take a 100% interest in their preferred prospects. This is a smart outcome for both parties. We remain a significant shareholder of Emmerson and wish them success with their ongoing exploration."*

Emmerson Resources Limited ("Emmerson" ASX: ERM) is pleased to announce that discussions on the future of the Tennant Creek Mineral Field (TCMF) JV with Evolution Mining ("Evolution" ASX: EVN) has resulted in a proposed new ownership structure that reflects the differing size and corporate objectives of the companies.

For Emmerson, this unlocks greater near-term value for our shareholders and provides a better strategic fit in terms of delivering high margin projects across a shorter time horizon.

Tennant Creek Mineral Field

Under the restructure, Emmerson will retain a 100% (instead of 35% under the current terms of the TCMF JV) of all the gold dominant assets, prospects and associated exploration ground. Keeping in mind that the TCMF is one of Australia's highest-grade goldfields and is where Emmerson (and partners) have made the first new discoveries for over a decade (figure 1). These discoveries have been underpinned by a substantial investment by Evolution in acquiring new data, along with the application of new exploration tools. Directly leading to the discovery of a new generation of hematite hosted, high grade gold projects such as seen at Edna Beryl and Mauretania (figure 1).

This data and inhouse knowledge from testing and trialling of new concepts and technology remains with Emmerson. As do all the other assets such as the Tennant Creek Exploration Base, Warrego mill and extensive drill core library – enabling Emmerson to easily scale up exploration and operations around its small mines and attract potential new joint venture partners.

Under the restructure, Evolution will take a 100% holding in the tenements (or parts of them) that contain the Gecko, Goanna, and Orlando copper-gold prospects, constituting some 6% of the entire TCMF land position (see figure 1). These prospects are predominantly copper rich but have potential for gold grades to increase at depth. Further exploration of these prospects will require deep drilling. Evolution intends to test these prospects for potential new discoveries of scale at depth and along strike.

Small Mines

First production from a portion of the Edna Beryl Mine (the Tribute Area) was announced in December 2017. Since then, plans have progressed for the commercial production from the Tribute Area which includes full scale mining and processing. As previously announced, Emmerson receives a “risk free” income stream via a royalty agreement with the specialist small scale miner, the Edna Beryl Mining Company. This restructure will see Emmerson retain full control of the small mines and receive 100% of the revenue stream from the royalty (proportional to the amount of gold produced).

Emmerson firmly believes there is excellent exploration upside at Edna Beryl, but like many of the historical mines in the field, will require higher density drilling that is best achieved from underground. Bulk sampling of ores mined to date from the 90m Level development drive (within the Tribute area) assayed more than 35g/t gold (ASX: 23 June 2017). These bulk samples are statistically more representative of the likely overall grade and continuity than the surface drill holes, providing great encouragement for undertaking further underground development and drilling.

Additionally, Emmerson is accelerating the permitting and development of the remainder of the small mines, with the Black Snake project the most advanced, and the largest being Chariot – with a JORC resource of ~100,000ozs of gold at a grade of 17.4g/t (ASX: 28 November 2013). The other small mines can be considered exploration targets, adding a further 160,000 – 180,000ozs of high grade gold (at 15-20g/t as indicated from the historical reports).

Conditions Precedent to the Proposed Restructure

The Restructure is conditional on Emmerson obtaining a written opinion from the ASX that the transaction is not subject to Listing Rule 10.1 or, if required, Emmerson obtaining shareholder approval for the Proposed Restructure.

Emmerson is seeking the opinion of the ASX on the application of Listing Rule 10.1 and, if shareholder approval is required, Emmerson will promptly prepare a notice of meeting and convene the meeting of shareholders to seek that approval. Both companies have negotiated the proposed restructure in good faith and remain confident that it is in the best interests of both parties. If, however, shareholder approval is required but is not obtained, then Evolution will elect to earn a 65% interest in the whole of the TCMF as provided for under the current terms of the TCMF JV.

About Tennant Creek and Emmerson Resources

The Tennant Creek Mineral Field (TCMF) is one of Australia's highest-grade gold and copper fields producing over 5.5 Mozs of gold and 470,000 tonnes of copper from a variety of deposits including Gecko, Orlando, Warrego, White Devil, Chariot and Golden Forty. All of which are within Emmerson Resources (ASX: ERM) 2,800km² exploration and joint venture portfolio. These deposits are highly valuable exploration targets and, utilising modern exploration techniques, Emmerson has been successful in discovering copper and gold mineralisation at Goanna, Monitor and more recently Edna Beryl, the first discoveries in the TCMF for over a decade.

Emmerson is led by a board and management group of experienced Australian mining executives including former MIM and WMC mining executive Andrew McIlwain as non-executive chairman, and former senior BHP Billiton and WMC executive Rob Bills as Managing Director and CEO.

Pursuant to the Farm-in agreement entered with Evolution Mining Limited (Evolution) on 11 June 2014, Evolution has met the Stage 1 Earn-in obligation of \$15 million to earn a 65% interest.

Emmerson has recently commenced exploration on new gold-copper projects in NSW, identified (with our strategic alliance partner Kenex Limited) from the application of 2 and 3D predictive targeting models – aimed at increasing the probability of discovery. The highly prospective Macquarie Arc hosts >80Mozs gold and >13Mt copper but with these resources heavily weighted to areas of outcrop or limited cover. Emmerson's five exploration projects contain many attributes of the known deposits within the Macquarie Arc but remain under explored due to historical impediments, including overlying cover (plus farm lands) and a lack of exploration focus. Kadungle is a JV with Aurelia Metals covering 43km² adjacent to Emmerson's Fifield project.

About Evolution Mining (ASX: EVN)

Evolution Mining is a leading, growth-focussed Australian gold miner. Evolution operates five wholly-owned mines – Cowal in New South Wales; Mt Carlton, Mt Rawdon, and Cracow in Queensland; and Mungari in Western Australia. In addition, Evolution holds an economic interest in the Ernest Henry copper-gold mine equivalent to 100% of gold production and 30% of copper and silver production from an agreed life of mine area.

Competency Statement

The information in this report which relates to Tennant Creek Exploration Results is based on information compiled by Mr Steve Russell BSc, Applied Geology (Hons), MAIG, MSEG. Mr Russell is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition and the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Russell is a full time employee of the Company and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

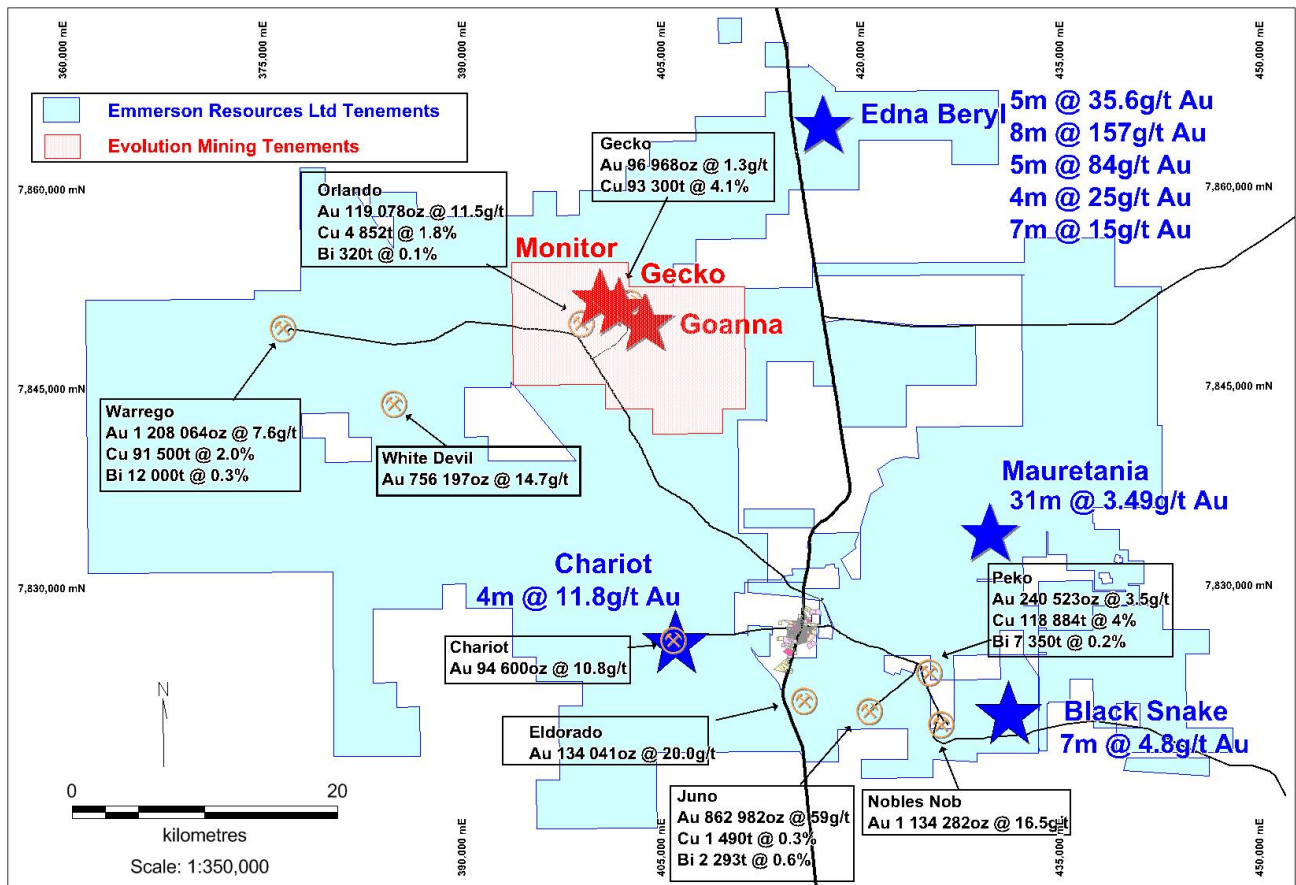


Figure 1: Proposed location of Emmerson's 100% Tennant Creek project area (light blue) and the 100% Evolution owned, Gecko-Goanna and Orlando Area (red stipple). Note some of the significant intersections reported during the term of the JV (see various ASX Announcements)