

New Gold-Copper Projects in NSW

- Grant of four new epithermal gold and porphyry copper-gold projects in NSW
- New projects generated from the strategic alliance with Kenex and proprietary application of predictive targeting models
- Execution of an option over Aurelia Metals(ASX:AMI) highly prospective and drill ready Kadungle Project in NSW
- High level epithermal mineralisation from early stage drilling at Kadungle intersected:
 - 12m at 7.73g/t gold and 0.12% copper (drill hole KDD002)
 - 3m at 7.14 g/t gold and 0.34% copper (drill hole KRC019)
- Deeper porphyry copper-gold mineralisation indicated by the intersection of highly prospective geology and assays including:
 - 37m at 0.23% copper incl. 6m at 1.1% copper (KDD013)
 - 154m at 0.12% copper and 0.37g/t gold (KRC019)
- Emmerson remains well funded with ~\$5.1m in available cash and continuing Tennant Creek exploration fully funded by Evolution Mining.

Kadungle Project

Emmerson Resources Limited (“Emmerson”, ASX: ERM) is pleased to announce a 12 month Option over Aurelia Metals(ASX:AMI), Kadungle project in NSW (figure 1). Historical drilling has demonstrated the potential of this project for high level gold-silver and deeper, copper-gold (fig 2& table 1). The minimum spend during this period is \$100,000 and will be directed at reprocessing existing data ahead of drilling. Should this work be successful, a farm-in and Joint Venture will follow on terms where Emmerson have the right to earn up to an 80% interest through expenditures of a further \$500,000.

The Kadungle project is situated adjacent to Emmerson’s Fifield project (figure 1) and ranks as one of the strategic alliance’s top ten targets within the Lachlan Fold Belt of NSW and Eastern Succession of QLD. Work by Aurelia indicates the alkaline volcanics at Kadungle are younger, rifted equivalents of the late Ordovician shoshonitic volcanics that host the North Parkes porphyry copper-gold deposits. These volcanics contain minor historic gold and base metal workings, with drilling at the Mt Leadley prospect intersecting epithermal Au-Ag-Cu veins (e.g. KRC019 & KDD002), disseminated Cu-Mo coincident with a breccia unit, and quartz – chalcopyrite veins associated with monzodiorite intrusives (e.g.KDD013) (figure 2).

The future program is yet to be finalised but will consist of reprocessing the geophysical datasets, field and drill core assessment ahead of drilling, anticipated in late 2016.

Additional new Projects

One of the challenges of exploring in NSW is the presence of younger cover sequences obscuring the prospective host rocks and, rendering traditional targeting for the next big mineral discovery obsolete. Emmerson entered into a strategic alliance with Kenex Limited (ASX: August 2015) with the specific objective of developing tools to predict new high quality gold and copper deposits beneath such cover and within the highly prospective geological belts of NSW and QLD.

Kenex is a highly regarded project generation company at the forefront of developing 2D and 3D predictive models from multiple datasets that aim to statistically improve the probability of discovery. In a “blind test” of this approach, the porphyry copper-gold models for NSW identified 56moz of gold from the total known gold endowment (includes production) of 59mozs. Similarly the epithermal gold model identified 6mozs from a total known endowment of 7mozs of gold.

The first four of the strategic alliance top ten targets occur near Wellington, Parkes, Temora and Fifield (figure 1), collectively constituting some 768km² in area. These targets are highly prospective for both epithermal gold-silver and porphyry copper-gold – and share many of the attributes that are present in the known, larger gold and copper-gold deposits within the Lachlan Fold Belt of NSW (e.g. Cadia, Ridgeway, Cowal).

Data compilation has now been completed on the Wellington and Temora targets where historical exploration has confirmed their prospectivity. The next step of exploration is underway and will include collecting high resolution aeromagnetics to better pinpoint specific areas for ground based exploration.

Emmerson Managing Director, Mr Rob Bills commented, *"the first batch of targets from the strategic alliance with Kenex are underpinned by a very rigorous process of identifying the key elements that pinpoint world class mineralisation in the Lachlan Fold Belt. Kenex are experts in this field, having produced similar products in over 20 countries/regions around the world including in Oman (for VMS mineralisation), New Zealand (epithermal gold), the Tampia gold deposit in Western Australia and more locally, at our Tennant Creek Project in the Northern Territory.*

Thus we are confident that this innovative approach and investment in area selection will produce high quality projects and eventually mines. Further targets, both on open and held ground are currently being assessed. We have commenced the first phase of exploration over the granted targets and already received interest from a number of larger companies that see the potential of this innovative approach. "

Kenex's Managing Director, Dr Greg Partington added: *"For Kenex, this strategic alliance goes a long way to meeting the goals and ambitions that we set ourselves as a company over the last few years. The prospectivity and targeting we have been developing is a much undervalued process and will deliver industry leading advantages to the alliance. We have long believed in this approach for our own business, and it is in no small part the result of developing and maintaining our own dedicated and skilled technical team. Coupling this with the capability of the highly regarded Emmerson exploration team, provides an exciting future for both companies."*

Investor Enquiries:

Mr Rob Bills

Managing Director & Chief Executive Officer

Tel: +61 8 9381 7838

www.emmersonresources.com.au

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) exploration and joint venture portfolio. These deposits are considered to be highly valuable exploration targets and, utilising modern exploration techniques, Emmerson has been successful in discovering copper and gold mineralisation at Goanna and Monitor in late 2011, the first discoveries in the TCMF for over a decade. To date, Emmerson has only covered 5.5% of the total tenement package (in area) with these innovative exploration techniques and is confident that, with further exploration, more such discoveries will be made.

Emmerson holds 2,500km² of ground in the TCMF, owns the only gold mill in the region and holds a substantial geological database plus extensive infrastructure and equipment. Emmerson has consolidated 95% of the highly prospective TCMF where only 8% of the historical drilling has penetrated below 150m.

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 into with Evolution Mining Limited (Evolution) on 11 June 2014, Evolution is continuing to sole fund exploration expenditure of \$15 million over three years to earn a 65% interest (Stage 1 Farm-in) in Emmerson's tenement holdings in the TCMF. An option to spend a further \$10 million minimum, sole funded by Evolution over two years following the Stage 1 Farm-in, would enable Evolution to earn an additional 10% (Stage 2 Farm-in) of the tenement holdings. Emmerson is acting as manager during the Stage 1 Farm-in and is receiving a management fee during this period. Exploration expenditure attributable to the Stage 1 Farm-in to date is approximately \$10million.

About Kenex

Kenex is a Wellington and West Australian based company which was established in 2002 to provide GIS and exploration services and advice for the exploration and mining industries in Australia and New Zealand. Over the last 10 years, Kenex have broadened their international experience through involvement with projects and clients in the Middle East, Africa, Scandinavia, Asia-Pacific and Latin America. Kenex is a group of highly motivated research professionals who have more than 85 years of combined experience and knowledge in exploration and mining, locally (New Zealand/Australia) and abroad, including the Solomon Islands, Africa, Papua New Guinea, Asia and Latin America. Kenex also have growing expertise in the marine minerals sector.

Kenex specialise in predictive modelling for minerals (2D and 3D) where it is at the forefront of providing these services to businesses to generate targets with the greatest geological potential in relation to the mineral system being evaluated. This delivers to our client's outcomes which can be used for a variety of purposes including regional evaluation of a mineral belt, identification of opportunities for acquisition, the tools for effective exploration work programme planning and in the case of predictive 3D modelling, drill hole targeting.


Under the alliance, Emmerson will hold the exclusive rights to any new targets identified for a period of 12 months and may, through a modest payment to Kenex, acquire full exclusivity. Kenex can earn up to a 10% interest in any tenements acquired as part of the alliance upon achieving certain predetermined milestones, with exploration costs shared proportionally.

About Aurelia (ASX:AMI)

Aurelia Metals became a gold producer in 2014 and its flagship asset is the high-grade Hera gold-lead-zinc-silver mine in central NSW.

In FY 2016, the Hera mine produced 46,882 ounces of gold and 25,406 tonnes of lead-zinc concentrates from the processing of 308,118 tonnes of ore.

The Company is pursuing significant further improvements in the Hera operation including improved metal recoveries, increased throughput and operating cost reductions. Aurelia is also pursuing a near mine exploration programme, with a strong view on the capacity for Hera to evolve into a large scale, high-grade 'Cobar style' deposit.



Aurelia is also actively evaluating the evolving copper deposit at Nymagee with the potential that the Nymagee mineralisation may evolve into another 'Cobar Giant' similar to the world class CSA copper deposit located approximately 100km north-west along strike.

Regulatory Information

The Company does not suggest that economic mineralisation is contained in the untested areas, the information contained relating to historical drilling records have been compiled, reviewed and verified as best as the Company was able. As outlined in this announcement the Company is planning further drilling programs to understand the geology, structure and potential of the untested areas. The Company cautions investors against using this announcement solely as a basis for investment decisions without regard for this disclaimer.

Competency Statement

The information in this report which relates to Exploration Results is based on information compiled by Dr Ana Liza Cuison, MAIG, MSEG. Dr Cuison 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 she 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. Dr Cuison 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.

New South Wales Projects

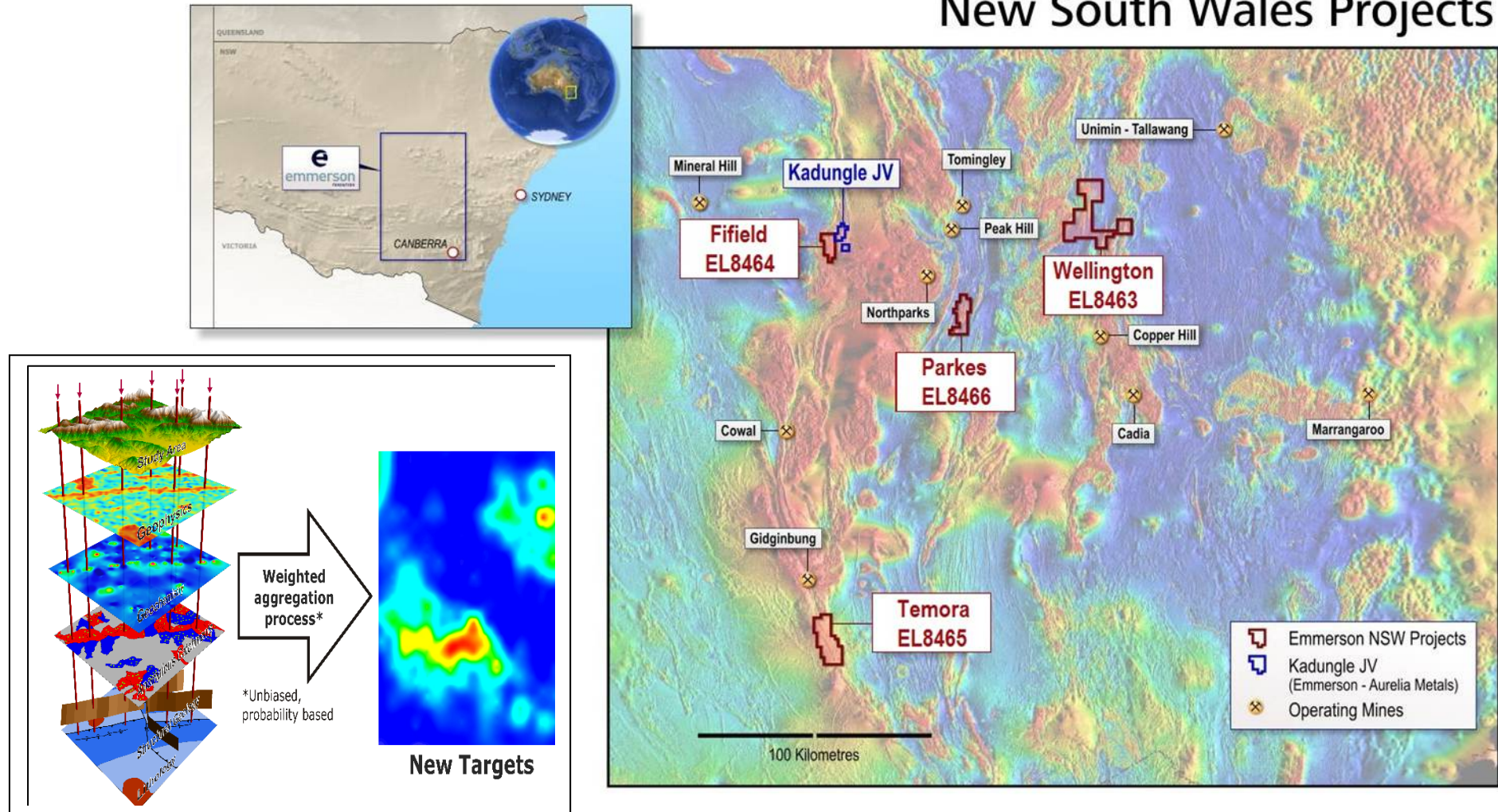


Figure 1: New Targets in NSW

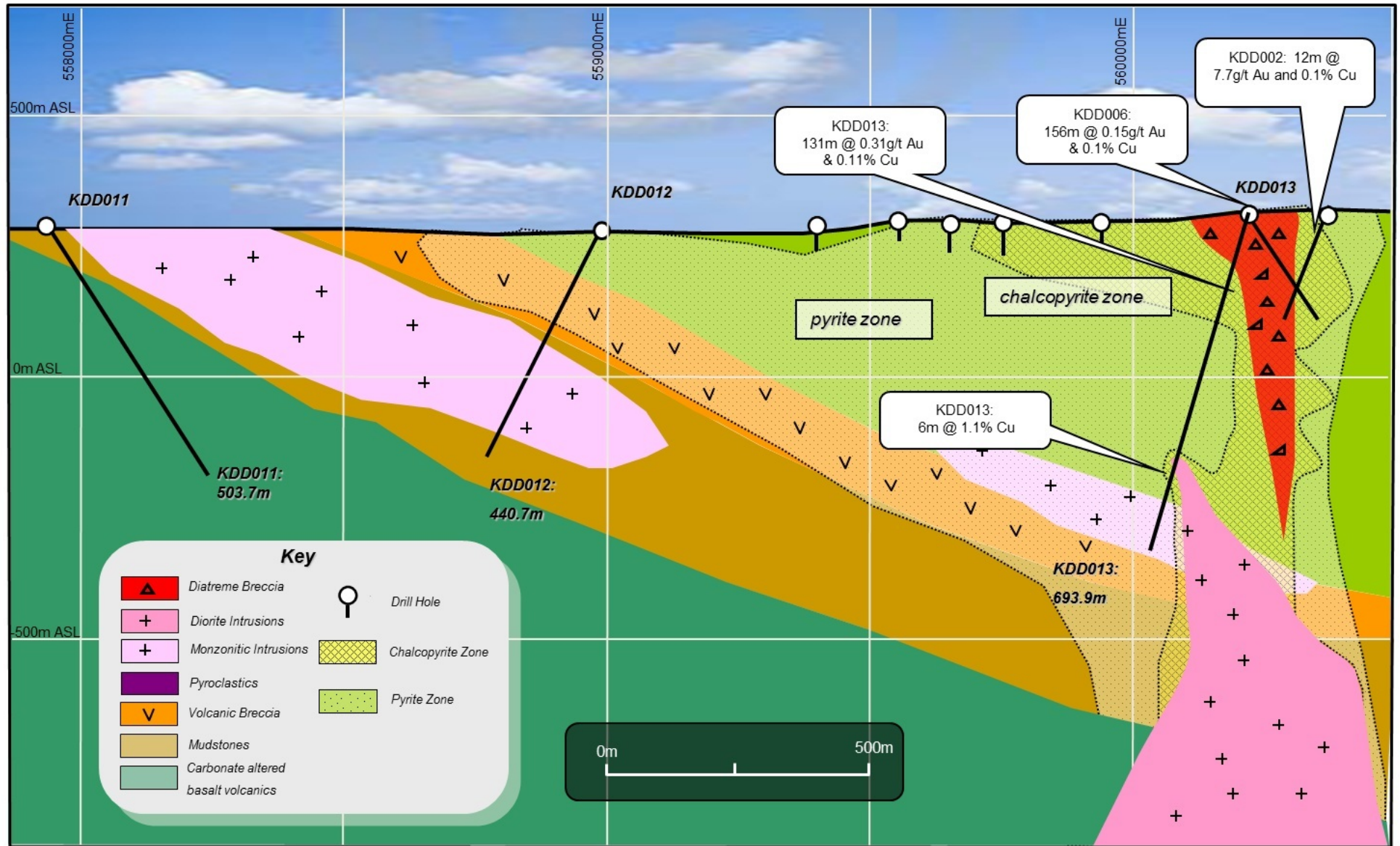


Figure 2: Kadungle Project (Drill Section 6378500mN – Interpreted Geology)

Table 1: Kadungle drillhole details and ASX announcements (previously released by Aurelia)

| Hole ID | East (MGA94_55) | North (MGA94_55) | RL AHD | Dip (deg) | AZI mag (deg) | Depth | Drill Date | Drill Type | Tenement | Relevant ASX Release Date |
|---------|-----------------|------------------|--------|-----------|---------------|-------|------------|------------|----------|---------------------------|
| KRC019 | 560407.0 | 6378652.0 | 324.0 | -60 | 91 | 204 | 11/12/2011 | RC | EL6226 | 23/02/2008 |
| KDD002 | 560489.3 | 6378691.9 | 313.5 | -70 | 270 | 249.5 | 24/01/2006 | DDH | EL6226 | 13/04/2007 |
| KDD006 | 560337.0 | 6378714.5 | 311.0 | -58 | 90 | 240.8 | 6/06/2007 | DDH | EL6226 | 30/07/2007 |
| KDD013 | 560345.1 | 6378712.7 | 311.7 | -70 | 258.5 | 693.9 | 28/04/2008 | DDH | EL6226 | 04/06/2008 |

SECTION 1 SAMPLING TECHNIQUES AND DATA – KADUNGLE EXPLORATION TARGET

| Criteria | JORC Code explanation | Commentary |
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| Sampling techniques | <ul style="list-style-type: none"> • <i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i> | <ul style="list-style-type: none"> • The Kadungle Exploration Target has been sampled using Aircore (AC), Reverse Circulation (RC) and diamond drilling (DD) techniques. 78AC holes for 2,246m, 131 RC/Percussion holes for 7,023m and 19 Diamond holes for 5,188.4m have been completed. RC and DDH holes have been angled to optimally test the target zones with AC drilled vertical. Typically, most drill holes have been drilled towards the North or South at angles (dip) between 50 to 80 degrees from surface. • RC chips are either riffle split or speared on site to obtain 3m composite samples from which 2.5 – 3.0kg was pulverised (at the laboratory) to produce a 50g charge for analysis by multi acid digest with an ICP(Cu, Fe, Bi) finish & Fire Assay (Au) finish. • Individual 1m samples were pulverised (at the laboratory) to produce a 50g charge for analysis by multi acid digest with an ICP(Cu, Fe, Bi) finish & Fire Assay (Au) finish. • RC samples were collected in 1m sample bags, but sampled as 3m composites. Anomalous composites were re-sampled as 1m intervals, being manually by field assistants. • Diamond core was used to obtain high quality samples that were logged for lithological, structural, geotechnical, density and other attributes. • No assessment of the QC of drill hole sampling methods, after cut by the drill rig can be made from available data, hence the author has to assume no significant errors occurred during or post drilling sampling process. QAQC measures are assumed to be as per industry best practice for the time. • Diamond core was typically NQ2 size, however some larger diameter core was also collected (HQ). Core was sampled on geological intervals (0.5 m to 1.5 m), cut into half core using a standard brick saw. Sample weights of approximately 3.0kg were crushed, dried and pulverised (Lab) to produce a 50g sub sample for analysis by multi acid digest with an ICP (Cu, Fe, Bi) finish & Fire Assay (Au) finish. |
| Drilling techniques | <ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> | <ul style="list-style-type: none"> • AC, RC and Diamond drilling accounts for 100% of the current drilling at the Kadungle Exploration Target. • RC drilling utilizes a 4.5 inch, face sampling bit. • NQ2 core diameter is 50.6mm. • HQ core diameter is 63.5mm. • Drill hole depths range from 1m to 693.9m. • Sections of diamond drill core has been oriented to obtain structural measurements however orientation tool type and frequency could not be |

| Criteria | JORC Code explanation | Commentary |
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| Drill sample recovery | <ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> | <p>established with any degree of certainty.</p> <ul style="list-style-type: none"> • Sample recovery considered good and representative. • RC samples were visually checked for recovery, moisture and contamination. • Any issues or concerns were recorded in the database. • Overall recoveries for diamond core are >80% however recovery and RQD information is not complete so caution is required. • The cyclone and splitter or spear is routinely cleaned with more attention spent during the drilling of damp or wet samples. • It is considered that there is evidence for sample bias that may have occurred due to preferential loss/gain of fine/coarse material. Visible (course) gold is identified in sections of diamond core so caution is required. |
| Logging | <ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> | <ul style="list-style-type: none"> • Standard operating procedures are employed for logging AC, RC and Diamond core samples. • All drill core and AC & RC samples were lithologically logged. • No lithological log could be completed in zones where no core was recovered due to voids encountered. • Drill hole logging data was transcribed into a database post drilling. • Standardised codes were used for lithology, oxidation, alteration and presence of sulphide minerals. • Structural logging of selected diamond drill core records orientation of veins, fractures and lithological contacts. • Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is stored in the structure table of the database. • RQD logging records core lengths, recovery, hardness and weathering however this data was not routinely collected. • Magnetic susceptibility data for all individual 1m RC samples was collected. • Magnetic susceptibility data for selected diamond core was collected as per procedures. • All drill core was digitally photographed. • Diamond core is stored in Orange or Londonderry NSW. RC chips are stored in Orange NSW. |
| Sub-sampling techniques and sample preparation | <ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-</i> | <ul style="list-style-type: none"> • Entire sample was delivered to the laboratory. • Samples consisted of dust and chips and were all dry. • RC samples were either speared or riffle split to obtain a sub-sample • No duplicate samples were submitted. • Standard operating procedures are used for sampling RC and diamond core samples. • Core was cut in half (NQ2 & HQ) using a hand |

| Criteria | JORC Code explanation | Commentary |
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| | <p><i>sampling stages to maximise representivity of samples.</i></p> <ul style="list-style-type: none"> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> | <p>operated brick saw.</p> <ul style="list-style-type: none"> • All samples were collected from the same side of the core and were half core samples. • Half core samples are submitted for analysis, unless a field duplicate was required, in which case quarter core samples were submitted. • The sample preparation of diamond core for followed industry best practice (at that time) in sample preparation involving oven drying, coarse crushing of the half core followed by pulverisation of the entire sample (total prep) using grinding. The sample preparation for RC samples is identical, without the coarse crush stage. • Pulverised material not required by the laboratory (pulp) including duplicate samples were returned, and are held in Orange, NSW • Coarse rejects are disposed of by the Laboratory. • RC samples were collected on the rig using and then either speared or riffle split by the field assistants if dry to obtain a 3 kg sample. • If samples are wet, they are left to dry before being riffle split. |
| <p>Quality of assay data and laboratory tests</p> | <ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> | <ul style="list-style-type: none"> • Samples were delivered to ALS Chemex, in Orange NSW • Average sample weight was 3 to 4kgs. • Samples were crushed and pulverised to 95% passing 75 micron • Standard assay procedures performed by a reputable assay lab, (ALS Group), were undertaken. Gold assays are initially by 30g fire assay with AAS finish, (method Au-AA25). For samples with a gold value greater than 0.5ppm the entire remaining sample is screen fire assayed using wet screening to 75 microns. Ag, As, Cu, Fe, Pb, S, Zn are digested in aqua regia then analysed by ICPAES (method ME-ICP41). Comparison with 4 acid digestion indicate that the technique is considered total for Ag, As, Cu, Pb, S, Zn. Fe may not be totally digested by aqua regia but near total digestion occurs. A final 50 gram split was then fire assayed with an AAS finish. • Internal ALS QC results are reported along with sample values in the final analytical report. • Samples typically weighed less than 3kg to ensure total preparation at the pulverisation stage. • Certified reference material or blanks are inserted at least every 40 samples. Standards are purchased from Certified Reference Material manufacture companies: Ore Research and Exploration, Gannet Holdings Pty Ltd and Geostats Pty Ltd. Standards were purchased in foil lined packets of between 60g and 100g. Different reference materials are used to cover high grade, medium grade and low grade ranges of elements: Au, Ag, Pb, Zn Cu, Fe S and As. The standard names on the foil packages were erased before going into the pre numbered sample bag and the |

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| | | standards are submitted to the lab blind. The sample sizes are considered to be appropriate to correctly represent the mineralisation at the Kadungle Exploration Target based on: the style of mineralisation, the thickness and mineral consistency of the intersection(s). |
| Verification of sampling and assaying | <ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> | <ul style="list-style-type: none"> • Original data sheets and files (when located) have been retained and were used to validate the contents of the database against the original logging. • The raw assay data forming significant intercepts are examined by at least two company personnel. • Drill Hole Data including: meta data, orientation methods, any gear left in the drill hole, lithological, mineral, structural, geotechnical, density, survey, sampling, magnetic susceptibility is collected and entered directly into an excel spread sheet using drop down codes. When complete the spreadsheet is emailed to the geological database administrator, the data is validated and uploaded into an SQL database. • Assay data is provided by ALS via .csv spreadsheets. The data is validated using the results received from the known certified reference material. Using an SQL based query the assay data is merged into the database. Hard copies of the assay certificates are stored with drill hole data such as driller's plods, invoices and hole planning documents. • No twin drill holes have been completed at the Kadungle Exploration Target. |
| Location of data points | <ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> | <ul style="list-style-type: none"> • Approximate sample location is shown on Figure 2. • Drill hole collars were surveyed (pick up) using a differential GPS and by a suitably qualified company employee. • Collar survey accuracy is +/- 5m for easting, northing and elevation coordinates. • Co-ordinate system GDA_94, Zone 55. • Topographic measurements are collected from the final survey drill hole pick up. • Downhole survey measurements were collected at a minimum of every 30m using an Eastman Single-Shot® camera for RC and every 6-12m for diamond drill holes • This survey camera equipment is quoted by the manufacturer to have an accuracy of <ul style="list-style-type: none"> ○ Azimuth 0-360° ± 1 ○ Dip ± 90° ± 0.5° • If the measurement is considered to be affected by magnetic material then an average from the last non affected and the next non affected measurement is used. |
| Data spacing and | <ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is</i> | <ul style="list-style-type: none"> • The spacing of drill hole collars is erratic, and identified mineralisation within the Kadungle Exploration Target has been defined by these drill |

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| distribution | <p>sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</p> <ul style="list-style-type: none"> • Whether sample compositing has been applied. | <p>collars.</p> <ul style="list-style-type: none"> • RC sampling is on 1 m intervals that may have originally consisted of 3m composites. • Core sampling is generally defined by geological characteristics and controlled by alteration and lithological boundaries. |
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. | <ul style="list-style-type: none"> • It is considered that the vertical drilling is representative and that no sample bias has been introduced. • Exploration drilling is at a high angle to the mineralized bodies and or shear zone. • Exploration drilling is perpendicular to mineralized bodies or shear zone. • No orientation based sampling bias has been identified at the Kadungle Exploration Target in the data at this point. |
| Sample security | <ul style="list-style-type: none"> • The measures taken to ensure sample security. | <ul style="list-style-type: none"> • Samples were delivered to the Laboratory. • Digital data was emailed to the Exploration Manager. • Samples were placed in sealed polyweave bags and larger bulka bags for transport to the assay laboratory. • The assay laboratory confirms that all samples have been received and that no damage has occurred during transport. • Results data was emailed to the Exploration Manager. • While samples are being processed in the Lab they are considered to be secure. |
| Audits or reviews | <ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. | <ul style="list-style-type: none"> • <u>No formal audit has been completed on the samples being reported.</u> |

SECTION 2 REPORTING OF EXPLORATION RESULTS – KADUNGLE EXPLORATION TARGET

| Criteria | JORC Code explanation | Commentary |
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| Mineral tenement and land tenure status | <ul style="list-style-type: none"> • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. | <ul style="list-style-type: none"> • The Kadungle Exploration Target lies wholly within Exploration Licence (EL) 6226. • The Kadungle Exploration Target is located between the towns of Tullamore and Trundle and 55kms NW of Parkes in Central Western NSW. • Kadungle is situated on map sheet SI55-3 Narromine 1:250,000 and sheet 8432Tullamore 1:100,000. • EL 6226 is located within regional farm land. The tenement is 100% held by Defiance Resources Pty Ltd. • Emmerson Resources are in Joint Venture with Aurelia Metals. • EL 6226 is in good standing and no known impediments exist. |
| Exploration done by other parties | <ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. | <ul style="list-style-type: none"> • Union Miniere Development and Mining Corp Ltd carried out exploration in the 1970's in and around the Kadungle Exploration Target Area. • CRA Exploration Pty Ltd carried out exploration in |

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| | | <p>and around the Kadungle Exploration Target Area between 1970 and 1971 and also 1996 – 1998.</p> <ul style="list-style-type: none"> • Mines Exploration Proprietary Ltd carried out exploration in and around the Kadungle Exploration Target Area between 1979 and 1983. • Seltrust Gold Pty Ltd – Peko Wallsend Operations Pty Ltd – Paragon Gold Pty Ltd conducted exploration between 1983 – 1993 in and around the Kadungle Exploration Target Area. • BHP Gold Mines Ltd carried out exploration in and around the Kadungle Exploration Target Area between 1991 and 1992. • LFB carried out exploration between 1997 – 2004 in and around the Kadungle Exploration Target Area and during this time outlined very encouraging gold and copper mineralisation. • Big Sky Holdings Pty Ltd carried out exploration in and around the Kadungle Exploration Target Area between 2004 and 2006. • YTC Resources carried out exploration in and around the Kadungle Exploration Target Area between 2006 and 2014. • Aurelia Metals Ltd carried out exploration in and around the Kadungle Exploration Target Area between 2015 and 2016. |
| Geology | <ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> | <ul style="list-style-type: none"> • The Kadungle Volcanics contain minor historic Au ± Pb ± Ag workings at the Mount Leadley Prospect and anomalous enrichment of Au ± base metals is also recorded at various other localities including Plevna, Alpha Zone, Kilmarnock, Nulgarra Hill, Mount Leadley South and Mount Leadley Trig prospects. Drilling to date at the Mount Leadley Prospect has identified five styles of mineralisation: <ol style="list-style-type: none"> 1. Epithermal (chalcedonic) quartz + Au + Ag + Cu veins; 2. Disseminated chalcopyrite ± bornite ± Mo mineralisation; 3. Pervasively silica–pyrite flooded volcanics with low grade Au mineralisation and sporadic quartz veining associated with higher Au grades; 4. Quartz-chalcopyrite vein mineralisation associated with monzodiorite intrusive; and 5. Volcanic hosted base metal mineralisation associated with the top of the volcanic pile. |

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| | | <ul style="list-style-type: none"> The mineralisation style is considered to be Porphyry Copper Gold and/or Epithermal Copper Gold. The Kadungle Volcanics are considered to be highly prospective for shallow marine to sub aerial mesothermal and epithermal Au ± base metal deposits. Potential also exists for deeper level porphyry style mineralisation and possibly volcanic hosted base metal mineralisation. |
| Drillhole information | <ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: <ul style="list-style-type: none"> easting and northing of the drillhole collar elevation or RL of the drillhole collar dip and azimuth of the hole downhole length and interception depth hole length. | <ul style="list-style-type: none"> A list of the drill holes and collar detail is provided in the body of this text Table 1 and on figure 2. |
| Data aggregation methods | <ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. | <ul style="list-style-type: none"> Mineralized RC and Diamond intersections are reported as down hole intervals and not weighted averages. The results discussed are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result, nor metallurgical flow sheet considerations. |
| Relationship between mineralization widths and intercept lengths | <ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (eg 'downhole length, true width not known'). | <ul style="list-style-type: none"> The holes drilled within the Kadungle Exploration Target area are perpendicular, to the near, east-west striking mineralised zone. The holes were designed and drilled aimed at being as perpendicular as possible to the steep dipping mineralised zone, the drill holes are at a high angle therefore making the intercepts larger than true width. |
| Diagrams | <ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views. | <ul style="list-style-type: none"> Refer to Figures in body of text. |
| Balanced reporting | <ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. | <ul style="list-style-type: none"> Emmerson considers the Kadungle mineralisation to be an Exploration Target. <p>It is uncertain that following evaluation and/or further exploration work that the current identified mineralisation will be able to be reported as Mineral Resources or Ore Reserves in accordance with the</p> |

| Criteria | JORC Code explanation | Commentary |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | requirements in Appendix 5A (JORC Code). |
| Other substantive exploration data | <ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | <ul style="list-style-type: none"> Geotechnical logging was carried out on all diamond drill holes for recovery, RQD and number of defects (per interval). Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material was stored in the structure table of the database. |
| Further work | <ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. | <ul style="list-style-type: none"> It is likely that should the interpretation and assessment of magnetics data, historical drilling and any drilling in the near future results be positive then further drilling will be conducted to look for extensions and define the potential size of the mineralisation. It is likely that additional surface drilling will occur testing for the similar style of mineralisation as reported. |