

26 July 2017

#### Fast Facts

ASX Code: EMR  
Shares on issue: 2,108 million  
Market Cap: ~\$92.7 million  
Cash: A\$8.5 million (30 June 2017)

#### Board & Management

Simon Lee AO, Non-Exec Chairman  
Morgan Hart, Managing Director  
Justin Tremain, Executive Director  
Ross Stanley, Non-Exec Director  
Ross Williams, Non-Exec Director  
Mick Evans, Chief Operating Officer  
Mark Clements, Co. Secretary

#### Company Highlights

- First mover in an emerging gold province in Cambodia
- Okvau Deposit (100% owned): Indicated and Inferred Mineral Resource Estimate of 1.14Moz at 2.0g/t Au (refer Table One)
- DFS completed and demonstrates high grade, low cost, compelling development economics:
  - Ore Reserve of 14.3Mt @ 2.0g/t Au for 0.9Mozs (refer Table Two) in a single open pit with waste:ore ratio of 5.8:1
  - LOM average annual production of 106,000ozs pa
  - AISC US\$731/oz over LOM
  - Using US\$1.250/oz Au gold price:
    - NPV<sub>(5%)</sub> US\$223M pre-tax and US\$160M post-tax
    - IRR 48% pa pre-tax and 40% post-tax
    - Payback ~2.2 years pre-tax and 2.5 years post-tax
- Highly credentialed gold project development team
- Significant resource growth potential.

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## Quarterly Report for the period ended 30 June 2017

### Highlights

#### Cambodian Gold Project Activities

##### Definitive Feasibility Study

- Definitive Feasibility Study ('DFS') completed and announced in May 2017 confirmed the 100% owned Okvau Gold Project in Cambodia as a robust and compelling project
- DFS delivered an initial Ore Reserve of 14.3Mt @ 2.0g/t Au for 907,000oz (refer to Table Two) at an average AISC of US\$731/oz over an initial 7 year Life-of-Mine ('LOM') operating period
- The DFS is based on a 2.0Mtpa plant to produce approximately 106,000oz pa on average over the initial operating LOM of over 7 years
- Updated Mineral Resource estimate of 17.7Mt at 2.0g/t gold for 1.14Moz (at 0.7g/t cut-off) with 1.01Moz as Indicated and 0.13Moz as Inferred (refer Table One)

##### Corporate

- Indicative debt financing proposals received from a number of International financiers. Proposals provide for a significant portion of the Okvau Gold Project development costs to be debt funded, thereby limiting potential equity dilution
- Emerald expects to mandate preferred financier(s) in the coming weeks
- Emerald remains well funded with cash reserves to continue to de-risk the Okvau Gold Project and undertake exploration drilling in order to add shareholder value and realise the attractive economics of the Okvau Gold Project
- The Company's consolidated cash position at 30 June 2017 was approximately \$8.5 million

##### Subsequent to Quarter end

- Earn-in agreements reached covering five exploration licenses, and the successful granting of a new exploration license application, expands Emerald's exploration ground position in Cambodia from 374km<sup>2</sup> to 1,500km<sup>2</sup>
- Earn-in agreement with Australian unlisted company, Mekong Minerals Ltd, over four exploration licences covering 861km<sup>2</sup>, whereby Emerald may earn up to an 70% interest
- Earn-in agreement reached with TSX listed company Angkor Gold Corp. (TSXV: ANK) over its Koan Nheak exploration licence covering 189km<sup>2</sup> located 50 kilometres north-east of the Okvau Gold Project, whereby Emerald may earn up to an 80% interest
- Emerald granted a new exploration licence, Svay Chras, covering 75km<sup>2</sup> of prospective, unexplored ground located 40 kilometres south-west of Okvau Gold Project

## Cambodian Gold Projects

### Background

The Okvau Deposit is 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).

Subsequent to end of the Quarter, Emerald reached agreements to earn-in to five additional exploration licences covering a combined area of 1,050km<sup>2</sup>, 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<sup>2</sup> 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, will increase Emerald’s ground position in Eastern Cambodia from 374km<sup>2</sup> to 1,500km<sup>2</sup>. Further detail can be found on pages 7 through 11 of this activities statement.

Topography of the project areas 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 is planned to be upgraded to an all-weather road as part of project development.

Figure One | Cambodian Gold Project | Location

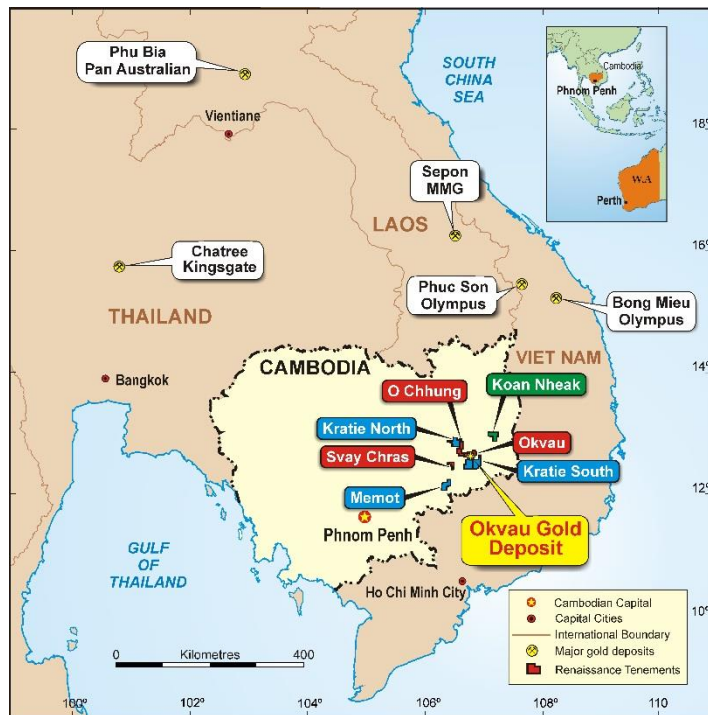
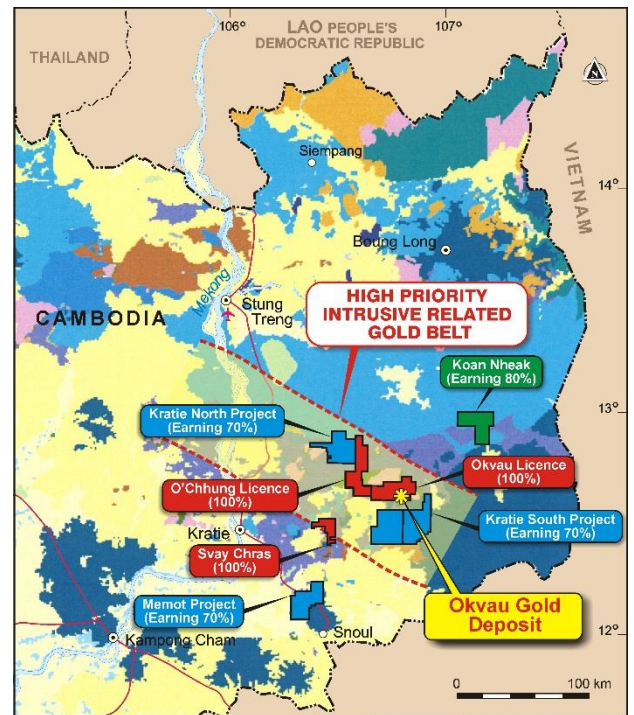


Figure Two | Cambodian Gold Project | Exploration Licence Areas



## Activities during the Quarter

### Okvau Gold Project

In May 2017, Emerald completed a Definitive Feasibility Study ('DFS') (refer ASX announcement dated 1 May 2017) 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 the acquisition.

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).

**Table One | Okvau Mineral Resource Estimate - April 2017**

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

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 - April 2017**

Okvau April 2017 Ore Reserve Estimate			
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
Probable Ore Reserve	<b>14.26Mt</b>	<b>1.98g/t Au</b>	<b>907koz</b>

The mineralised vein system of the Okvau Deposit has a current strike extent of 500 metres across a width of 400 metres. The depth and geometry of the resource make it amenable to open pit mining with 73%, or 830,000 ounces of the total resource estimate 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 current resource estimate is underpinned by 132 drill holes for 33,351 metres, of which 100 holes or 30,046 metres is diamond core drilling with the remainder being reverse circulation drilling. Emerald completed an additional 7,400 metres of infill drilling to close 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 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).



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 below.

Figure Three | Okvau Gold Project Site Layout Plan

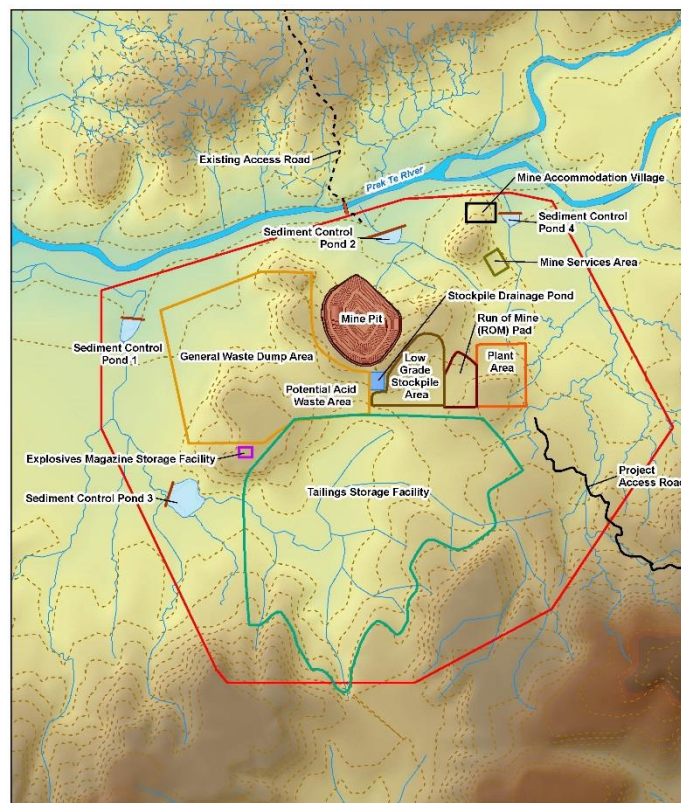


Table Three | Study Results<sup>1</sup>

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 <sup>2</sup>	US\$98M		
Sustaining Capital Costs <sup>3</sup>	US\$23M		
<b>Gold Price</b>	<b>US\$1,100/oz</b>	<b>US\$1,250/oz</b>	<b>US\$1,400/oz</b>
Gross Revenue	US\$838M	US\$952M	US\$1,066M
LOM Net Revenue (net of royalties <sup>4</sup> 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 <sub>(5%)</sub> pre-tax	US\$133M	US\$223M	US\$313M
NPV <sub>(5%)</sub> post-tax <sup>5</sup>	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 <sup>5</sup>	27%	40% pa	54%
LOM C1 Cash Costs <sup>6</sup>	US\$650/oz	US\$650/oz	US\$650/oz
LOM All-In Sustaining Costs ('AISC') <sup>7</sup>	US\$725/oz	US\$731/oz	US\$737/oz

<sup>1</sup> All economics are 100% attributable to Emerald

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

<sup>3</sup> Includes US\$14.4M of rehabilitation and closure costs

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

<sup>5</sup> Taxation is based on current and draft Cambodian tax law and does not allow for any incentives or tax relief

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

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

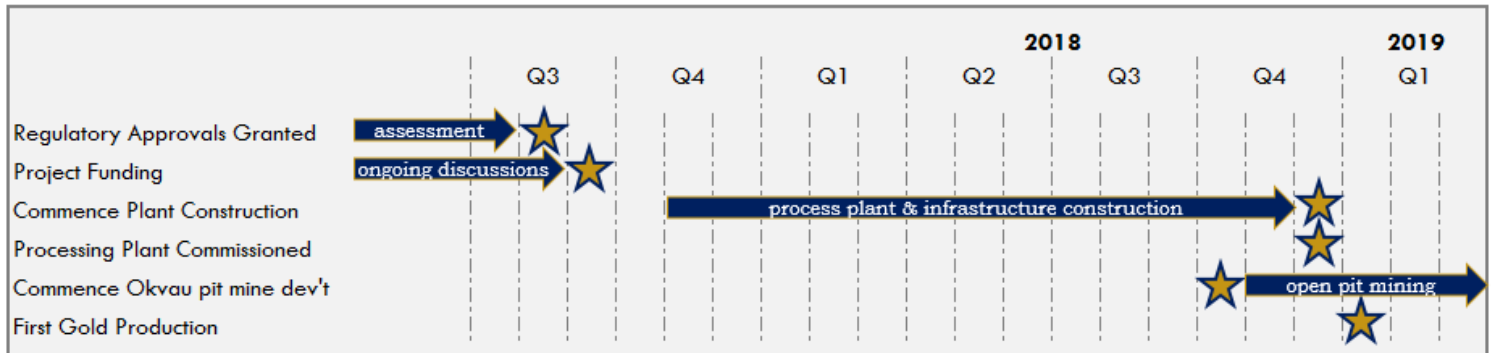
## Okvau Gold Project | Project Implementation

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.

The key Project milestones being targeted by the Emerald development team are detailed below.

**Table Four | Okvau Gold Project Schedule**



## Okvau Gold Project | Development Update

### Development Financing

Emerald has received indicative debt financing proposals from a number of well-regarded International mining project 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.

Emerald expects to mandate the preferred debt financier(s) in the coming weeks to allow for completion of technical due diligence, final lender approvals and documentation.

### Development Permitting

As previously advised, Emerald has submitted to the Ministry of Mines & Energy of Cambodia an application for an Industrial Mining Licence over an area of approximately 11 km<sup>2</sup> 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.

Emerald is confident all the key elements of the approvals and material licences will be in place by 3<sup>rd</sup> Quarter of 2017 and not hinder the development of the project scheduled to commence towards the end of the 4<sup>th</sup> Quarter 2017.

### 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<sup>2</sup> (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).

Historical drilling results beneath the DFS pit design include (refer Renaissance Minerals Ltd ASX announcement 17 September 2012):

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

Figure Four | Cambodian Gold Project | Exploration Licence Areas

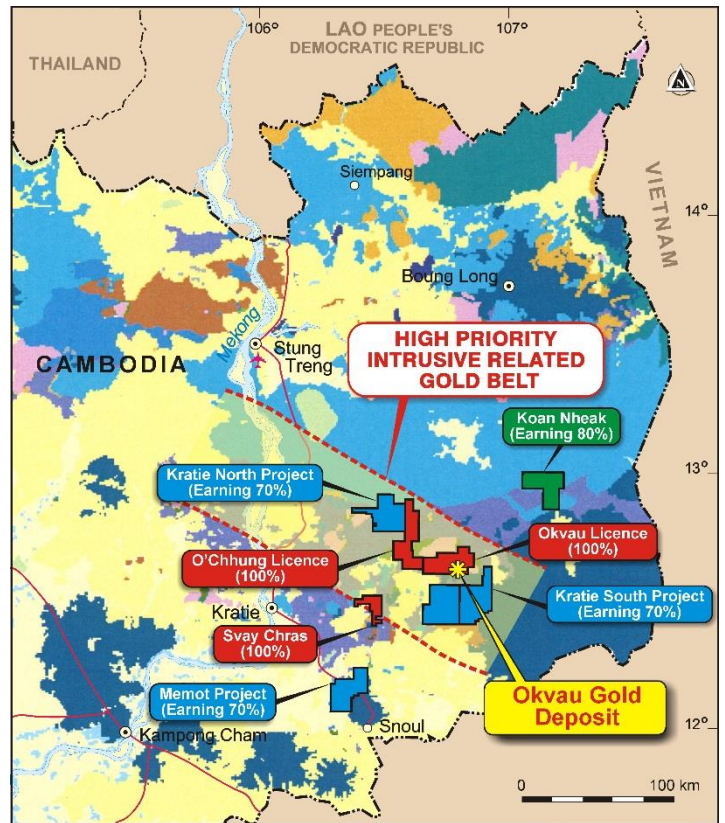
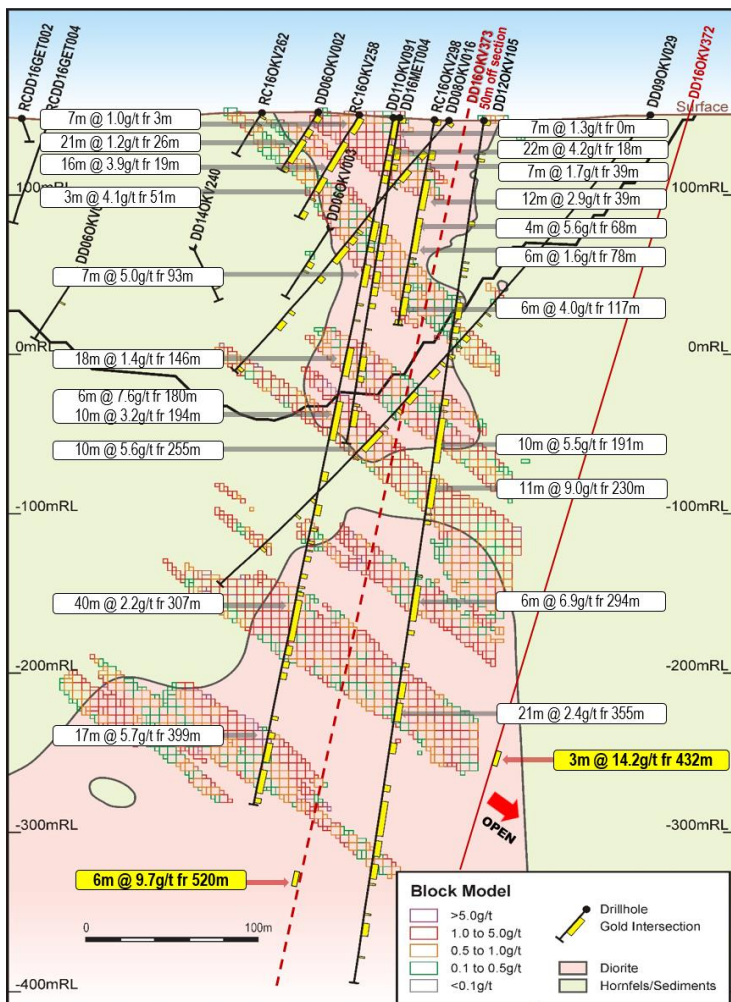


Figure Five | Depth Potential at the Okvau Gold Deposit



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) (refer ASX announcement dated 28 April 2017):

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

During the June Quarter, first pass RC drilling was undertaken on two prospects in the northern part of the O'Chhung exploration licence. Final assays have not yet been received.



Subsequent to the end of the Quarter, Emerald reached agreements to earn-in to five additional exploration licences covering a combined area of 1,050km<sup>2</sup>, 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<sup>2</sup>. 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 Gold 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 (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<sup>2</sup>. 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<sup>2</sup> 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<sup>2</sup> to 1,500km<sup>2</sup>.

### 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 1.1 Moz Okvau Gold Deposit (refer Table One) and is located 15 kilometres to the south of the Okvau deposit.

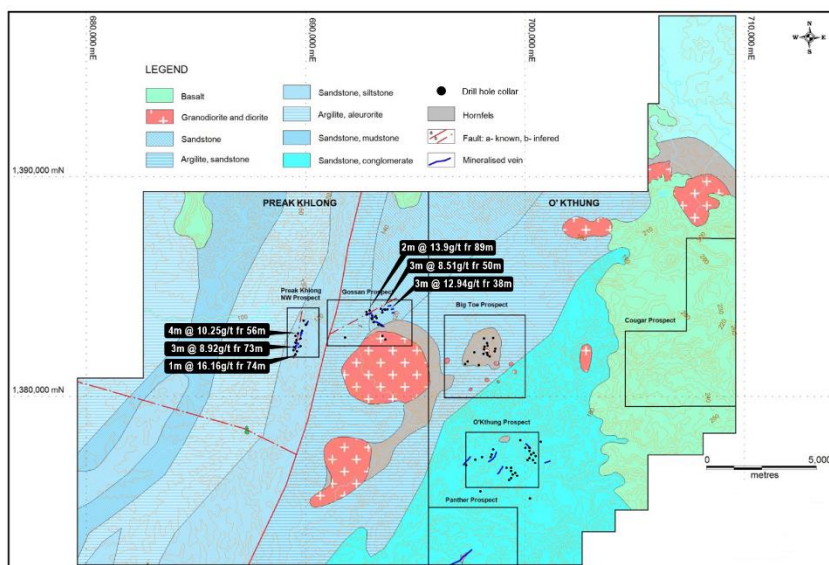
Systematic soil sampling has been completed within the Kratie South Project area, principally over mapped and interpreted intrusives and associated alteration haloes with the aim of identifying near surface gold and base metal mineralisation. Although relatively shallow style soils sampling, the work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

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 (refer ASX announcement dated 13 July 2017):

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

Figure Six | Kratie South Project Geology



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 (refer ASX announcement dated 13 July 2017):

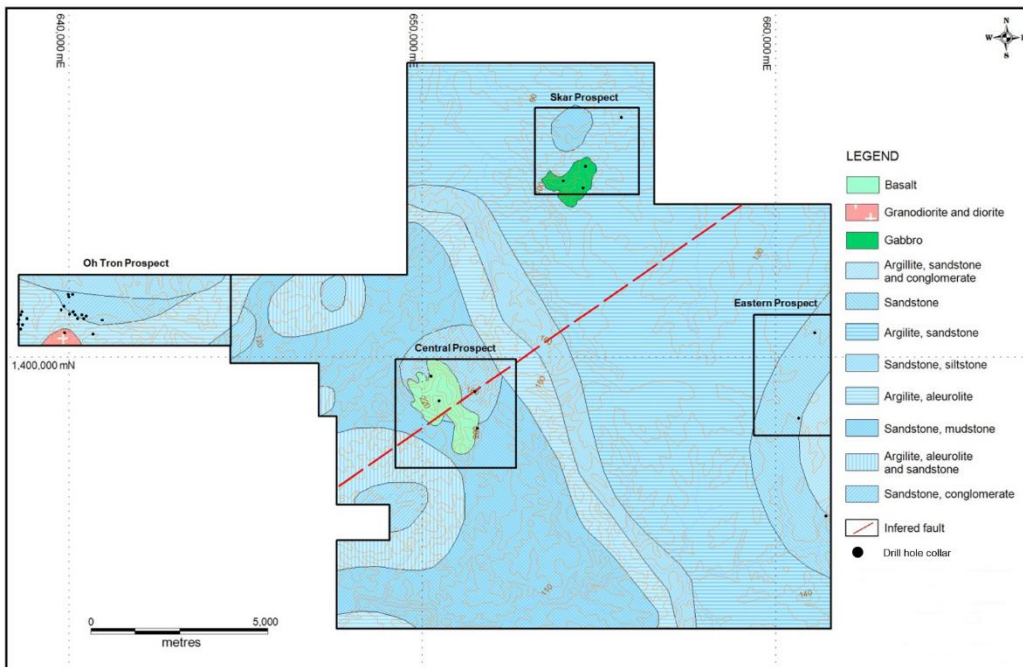
- 3m @ 12.94g/t gold from 38m (DD10GSN003A)
- 3m @ 8.51g/t gold from 58m (DD11GSN009)
- 2m @ 13.49g/t gold from 89m (DD11GSN015)

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**





## 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 been adequately tested.

Significant results (+10 gram metre) included (refer ASX announcement dated 13 July 2017):

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

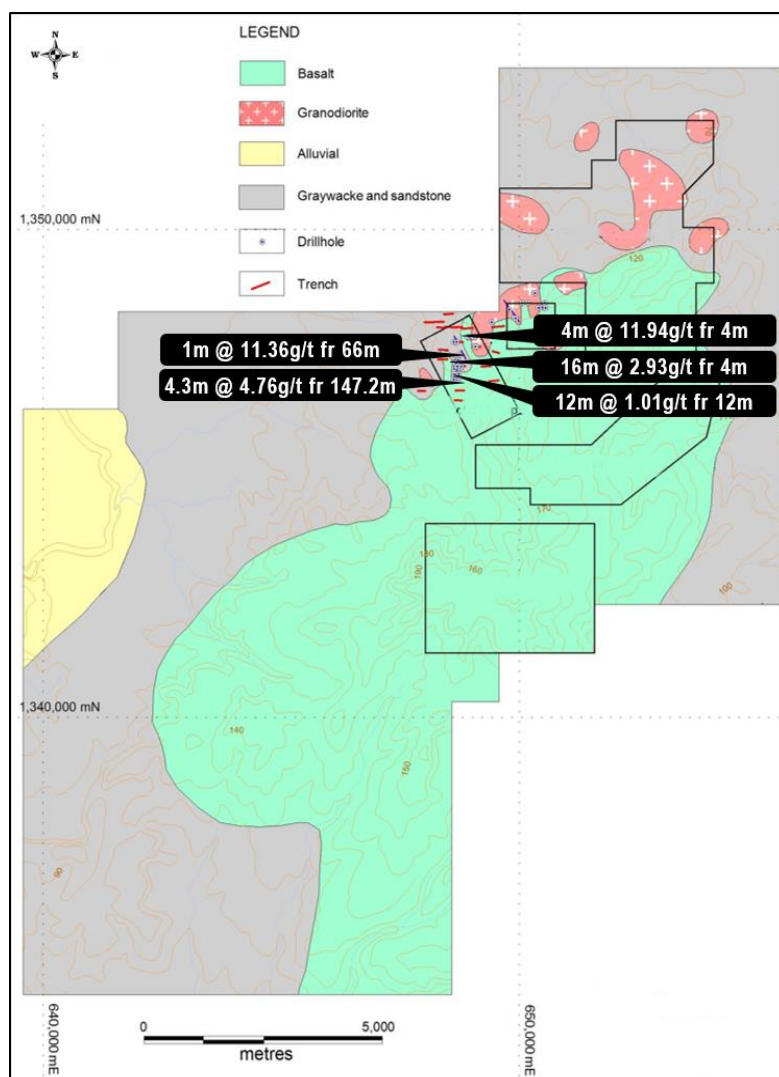
## Mekong Earn In and Joint Venture Terms

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.

Figure Eight | Mekong's Memot Project Geology

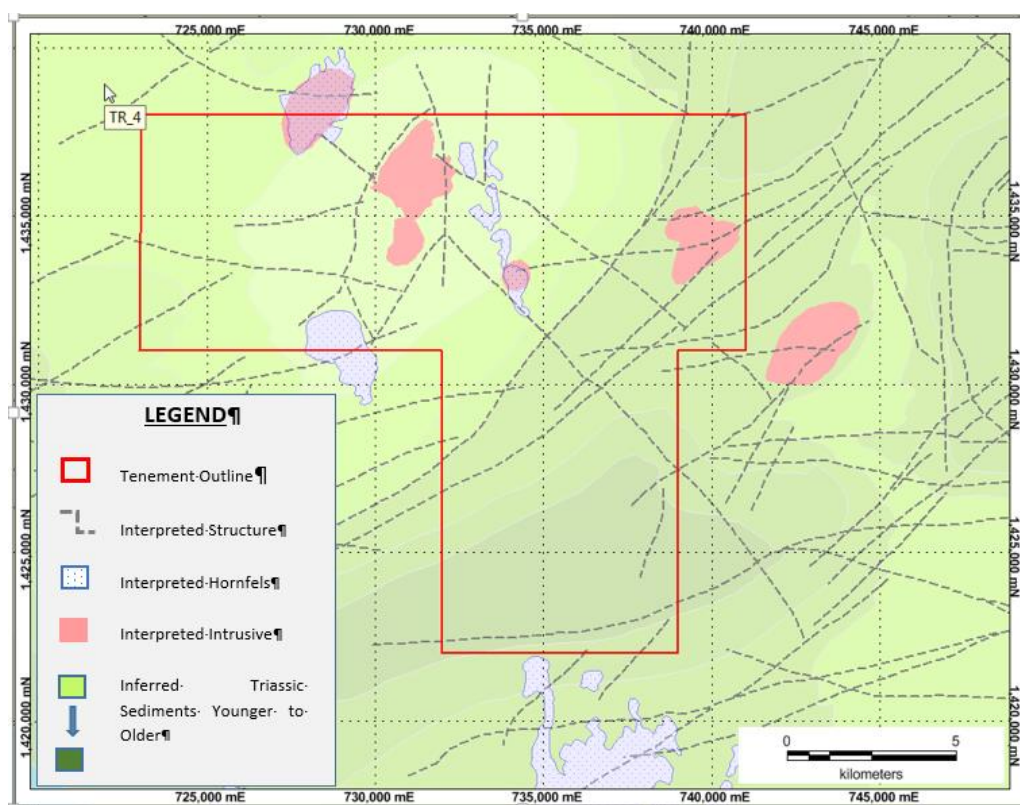


## Angkor Gold Earn-In Agreement

### Koan Nheak Project

The Koan Nheak Project 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<sup>st</sup> March 2020 and by making a cash payment of US\$0.2 million on or before 1<sup>st</sup> 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<sup>th</sup> 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.

## 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.

Detailed information on all aspects of Emeralds' projects can be found on the Company's website [www.emeraldresources.com.au](http://www.emeraldresources.com.au).

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

Emerald Resources NL  
Justin Tremain  
Executive Director

## Forward Looking Statement

This announcement contains certain forward looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about the industry in which Emerald Resources operates, and beliefs and assumptions regarding the Company's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks" "estimates", "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known or unknown risks, uncertainties and other factors, some of which are beyond the control of the Company, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, which reflect the view of Emerald Resources only as of the date of this announcement. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Emerald Resources will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

This announcement has been prepared in compliance with the current JORC Code 2012 Edition and the ASX listing Rules. All material assumptions on which the forecast financial information is based have been included in this announcement.

The Company believes that it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any production targets and financial estimates, based on the information contained in this announcement. All material assumptions on which the forecast financial information is based have been included in this announcement.

## Competent Persons Statements

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 Mineral Resources for the Okvau Gold Deposit was prepared by EGRM Consulting Pty Ltd, Mr Brett Gossage, who is a consultant to the Company, who is a Member of the Australasian Institute of Mining & Metallurgy (AIG), and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Gossage has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

Information in this announcement that relates to Ore Reserves for the Okvau Gold Deposit is based on, and fairly represents, information and supporting documentation prepared by Mr Glenn Williamson, an independent specialist mining consultant. Mr Williamson is a Fellow of the Australasian Institute of Mining & Metallurgy. Mr Williamson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or "CP") as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Williamson has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.



## Appendix One | Tenements

### Exploration tenements held at the end of June 2017 Quarter

Project	Location	Tenement	Interest at 30 June 2017
Cambodian Gold Project	Cambodia	Okvau	100%
	Cambodia	O'Chhung	100%

### Mining and exploration tenements and licenses acquired and disposed during the June 2017 quarter

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

### Beneficial percentage interests in joint venture agreements at the end of the June 2017 quarter

Project	Location	Tenement	Interest at end of quarter
Nil			

### Beneficial percentage interests in joint venture agreements acquired or disposed of during the June 2017 quarter

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

### Interests in royalties

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