

## Strategic Alliance to grow Emmerson

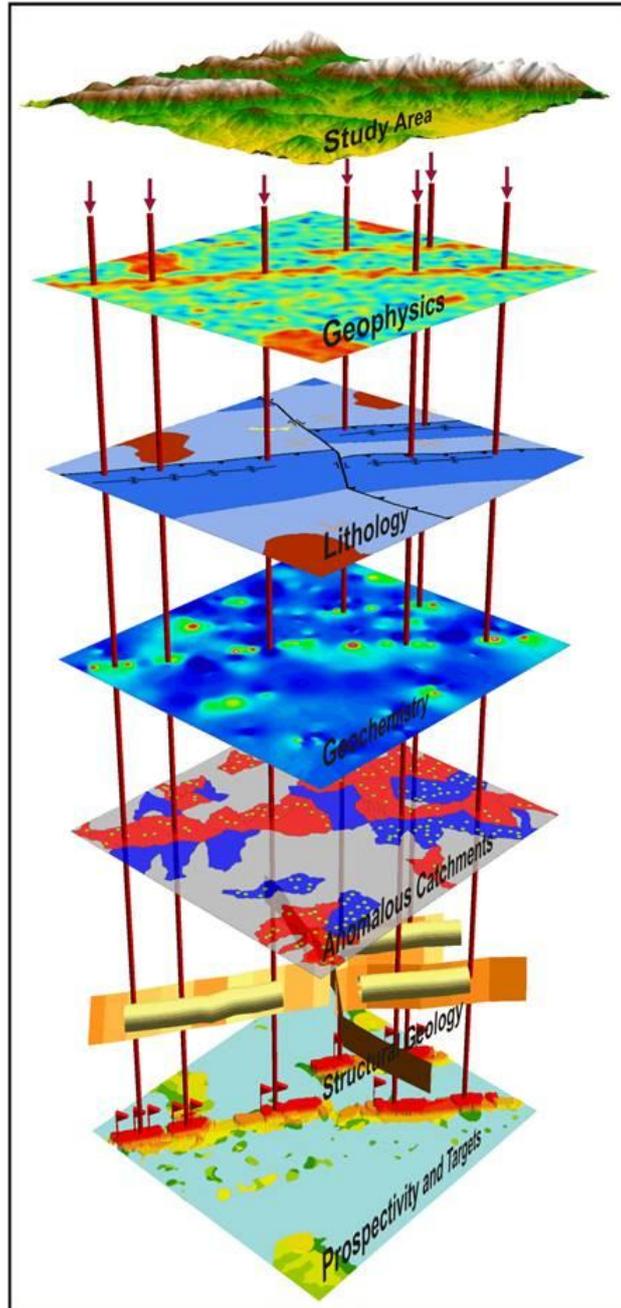
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- **Strategic alliance with Kenex using proprietary predictive targeting methodologies to identify additional gold and copper opportunities for Emmerson**
- **Kenex is a highly regarded project generation and exploration company**
- **The complementary strengths of Emmerson and Kenex will provide a significant competitive advantage aimed at increasing the probability of new discoveries**
- **Alliance to take advantage of the current downturn and secure new high calibre projects for a modest capital outlay**
- **Strategic alliance is in addition to Emmerson core project focus at Tennant Creek. Emmerson to continue as manager and operator of the Tennant Creek project under the \$15million earn-in with Evolution Mining**

Emmerson Resources Limited (“Emmerson”, ASX:ERM) is pleased to announce the signing of a strategic alliance with Kenex Limited (“Kenex”) to identify quality gold and copper-gold exploration targets in other prospective regions of Australia beyond the Tennant Creek Mineral Field.

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.

Kenex is a highly regarded project generation company at the forefront of developing 2D and 3D predictive models from multiple datasets to statistically identify areas of geological potential for a specified mineralisation style and therefore the most likely locations for the discovery of new mineral deposits.



**Figure 1:** Graphical representation of a prospectivity model

Since inception over 12 years ago, Kenex has acquired numerous geological datasets and compiled close to one hundred predictive models for use in exploration targeting studies for a variety of mineral systems on most continents (20 different countries) including the marine environment, with more than 15 commodities targeted. Kenex's geological and prospectivity modelling has been successful in identifying new exploration targets and resource development projects with a number of these projects supporting several successful ASX public listings.

Emmerson is a well credentialed explorer that has a successful track record of discovery at its 100%-owned Tennant Creek Project in the Northern Territory, including the Goanna copper-gold resource

(announced to ASX 18 October 2013). The Company is on the cusp of making further gold-copper discoveries through the application of new geological concepts and technologies in partnership with Evolution Mining through a \$15m farm-in agreement.

Managing Director of Emmerson Resources, Mr Rob Bills commented: *“This strategic alliance with Kenex provides additional upside to Emmerson shareholders while maintaining focus on our key Tennant Creek asset. The alliance harnesses the complementary skill sets of Kenex and Emmerson to increase the probability of discovering new mineral deposits in other prospective regions of Australia for a modest capital outlay. In particular, the alliance aims to identify quality gold and copper-gold targets during the current downturn, where the chance of securing large tenement positions over such targets has never been better.”*

Kenex’s Managing Director, Dr Greg Partington added: *“Kenex is very pleased to continue the relationship that we have developed with Emmerson over the past 12 months at its Tennant Creek project. We are very much looking forward to the continued work with Rob and his experienced technical and development team.”*

*“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.”*

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## **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 2,500km<sup>2</sup> 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 VMC mining executive Andrew McIlwain as non-executive chairman, and former senior BHP Billiton and VMC 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. Evolution must spend a minimum of \$7.5 million on exploration, or pay Emmerson the balance in cash, before it can terminate the farm-in. 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 \$5 million.

## **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, we have broadened our 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. We 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 clients 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.

## **About Evolution Mining**

Evolution Mining is a leading, growth-focussed Australian gold miner. Evolution operates six wholly-owned mines – Cowal in New South Wales, Cracow, Mt Carlton, Mt Rawdon and Pajingo in Queensland and Edna May in Western Australia.

Group production for FY15 from Evolution's five existing operating assets (prior to the Cowal and La Mancha acquisitions) totalled 437,570 ounces gold equivalent at an All-In Sustaining Cost of A\$1,036/oz.

On 20 April 2015 Evolution announced that it had entered into a binding agreement with La Mancha Group International BV to acquire 100% of La Mancha's Australian operations – the high-grade Frog's Leg underground gold mine, the adjacent White Foil open-pit gold mine and the recently completed 1.5Mtpa Mungari CIL processing plant – all located near Kalgoorlie in Western Australia. The La Mancha Australia acquisition remains subject to FIRB approval. Combined current annual production from La Mancha Australia's operations is in the range of 130,000–160,000 ounces of gold.

### **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 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*