Seismic Survey to underpin future gold discoveries at Tennant Creek

- First application of seismic geophysics to the Tennant Creek Mineral Field (TCMF)
- Potential to rewrite the geological understanding of one of Australia’s highest grade gold provinces
- Survey co-funded from the Northern Territory’s Creating Opportunities for Resource Exploration (CORE) initiative
- Deep drilling under the historic Gecko copper deposit to start in July

Emmerson Resources Limited (“Emmerson”, ASX: ERM) is pleased to announce commencement of a 60km regional seismic reflection traverse across the Company’s Tennant Creek project (figure 1). This follows the successful application of more detailed seismic surveys at Emmerson’s Gecko, Goanna and Chariot deposits where new geological and structural information is providing the basis for deep drilling below the Gecko copper resource aimed at discovering high grade gold mineralisation (figure 2). The first 1,200m deep drill hole at Gecko will commence in July and if successful, has the potential to transform the economics of this resource given its proximity to existing mine infrastructure, including the historic Gecko shaft and development drives.

The 60km regional seismic traverse will provide geological context to Emmerson’s +$5m, 2015 exploration program which is now well underway. This program is fully funded via a $15m farm-in arrangement with Evolution Mining and is aimed at discovering a new generation of gold-copper deposits utilising innovative exploration technology. To date, some exciting new and underexplored gold targets have been identified through the application of predictive, computer aided targeting methodologies (figure 3). These projects are presently being field verified ahead of further exploration and drilling. In addition, results from the recently completed 18,000m RAB geochemical program over the Billy Boy prospect in the Eastern Project Area are being assessed ahead of the next phase of exploration.

Emmerson’s Managing Director, Mr Rob Bills commented: “This regional seismic traverse will provide the first real “window” into the deeper geology and structure of the TCMF particularly as only 8% of all historic drilling penetrated below 150m, with those deeper drill holes confined to the known deposits.

Thus increasing our knowledge of the deeper subsurface geology is an important step to better predicting where the next major deposit will be discovered. Our pursuit of discovering deeper gold mineralisation has the potential to deliver a very favourable commercial outcome by virtue of the grade of the historic deposits in the TCMF (average 15-20g/t) and the proximity to established infrastructure.”
It is particularly pleasing to see the strong support from the Northern Territory Government and also the technical and commercial backing from one of the leaders in the use of seismic geophysics for exploration, our partner Evolution Mining.*

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$^2$ 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 currently sole funding 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 $3.8 million.

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*Media Enquiries:
Phil Retter
NRW Communications
Tel: +61 407 440 882
phil@nwrcommunications.com.au

Investor Enquiries:
Mr Rob Bills
Managing Director & Chief Executive Officer
Tel: +61 8 9381 7838
www.emmersonresources.com.au
About Evolution Mining

Evolution Mining (ASX:EVN, www.evolutionmining.com.au) is a leading, growth-focused Australian gold miner. The Company operates five wholly-owned mines – Cracow, Mt Carlton, Mt Rawdon and Pajingo in Queensland and Edna May in Western Australia.

Group production for FY14 totalled 427,703 ounces gold equivalent at an All-In Sustaining Cost of A$1,083/oz. FY15 production guidance from its five existing operating assets is 400,000 – 440,000 ounces gold equivalent at All-in Sustaining Cost in the range of A$1,050 – A$1,130/oz.

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.
Figure 1: Regional Seismic Survey Underway in Tennant Creek

- Acquire as 2D or 3D
- Seismic reflection based on sound waves
- Reflections occur at changes in acoustic impedance/lithological boundaries
- Resolution maintained with depth
Figure 2: Trace of deep drill hole (purple) on background of seismic reflection. Metal zonation of near surface copper to gold at depth (based on historic mines in the TCMF)
Figure 3: New Targets based on a series of predictive maps that will be drill tested in the next quarter