ABN 53 117 086 745

ANNUAL REPORT

2020

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Rob Bills, Managing Director & CEO
Allan Trench, Non-executive Director

COMPANY SECRETARY
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REVIEW OF OPERATIONS

About Emmerson Resources

Emmerson continues to deliver to our strategy of:

- Creating an emerging gold royalty business from our Tennant Creek assets.
- Progressing exploration toward discovery of further high-grade gold deposits in Tennant Creek in the Northern Territory and copper-gold in NSW.
- Pursuing opportunities through leading edge exploration targeting.

Despite the many challenges of FY2020, Emmerson are in the enviable position of now being able to capitalise on the exploration and emerging royalty opportunities, whilst mitigating any downside risk.

Emmerson is now in a very strong financial position and is working with our partner to deliver a revised mill and mining schedule at Tennant Creek. This will unlock a suite of stranded gold assets in the Tennant Creek Mineral Field, and where our negotiated royalty rates with Territory Resources (which are some of the best in the world), will provide self-funding for our ongoing exploration and value creation

Our view remains that discovery of new mineral deposits is the highest value driver for junior companies, particularly as we have first rate geological real estate in both Tennant Creek and NSW. The emerging gold royalty business in Tennant Creek, where our partner undertakes the planning, mining and processing across several high-grade gold projects mitigates the risk to Emmerson shareholders.

Challenging market conditions particularly in early 2020 impacted the entire junior sector. In the first half of FY2020, Emmerson proactively reduced costs in response. Cost reductions across the Board, management and staff were implemented whilst maintaining core functions, with utilisation of contractors during field campaigns providing additional flexibility and cost efficiencies. These difficult market conditions also impacted upon our Joint Venture Partner, Territory Resources at Tennant Creek in securing funding to refurbish the Warrego Mill and establish operations from a suite of Emmerson owned small mines (where Emmerson will receive a significant royalty from future production). The onset of dealing with the COVID protocols in the second half of FY2020 across both NSW, WA and the NT further restricted exploration progress and news flow.

Shortly after year end, we signed a landmark agreement with the Marnturla Aboriginal Corporation, who act on behalf of the Traditional Owners of the land on which Emmerson operate in Tennant Creek. This agreement, the first of its kind in the district, not only heralds a new era for direct equity participation in the future success of Emmerson's exploration at Jasper Hills, Hermitage and the Golden Slipper projects but also in providing real employment opportunities and skills training.

During the latter part of FY2020, we remain in a strong position to capitalise on our excellent suite of high calibre projects in both the NT and NSW, particularly in a rising gold price environment. These assets and our track record of exploration and commercial success paved the way for a highly successful capital raising toward the end of FY2020.

Finally, one of the strategies of our recent capital raising was to seek new shareholders from the North American markets, where the royalty business model is very well known and highly valued. Thus, we not only welcome our many new shareholders to Emmerson but in particular, Palisade Gold Corporation where we have plans to jointly market our gold royalty business in Canada.

NSW Copper-Gold Projects

Emmerson is fast tracking exploration across five exciting gold-copper projects in NSW, identified from the application of 2D and 3D predictive targeting models – aimed to increase the probability of a major discovery.

The highly prospective Macquarie Arc (Figure 1) in NSW hosts a known >80Moz gold and >13Mt copper, with these previously discovered resources heavily weighted to areas of outcrop or limited cover. Emmerson's five exploration projects contain many attributes of the known deposits within the Macquarie Arc but remain underexplored due to historical impediments, including overlying cover (farmlands and younger rocks) which have resulted in a lack of effective exploration. Kadungle is a Joint Venture with Aurelia Metals Ltd (ASX: AMI) covering 43km^2 adjacent to Emmerson's Fifield project.

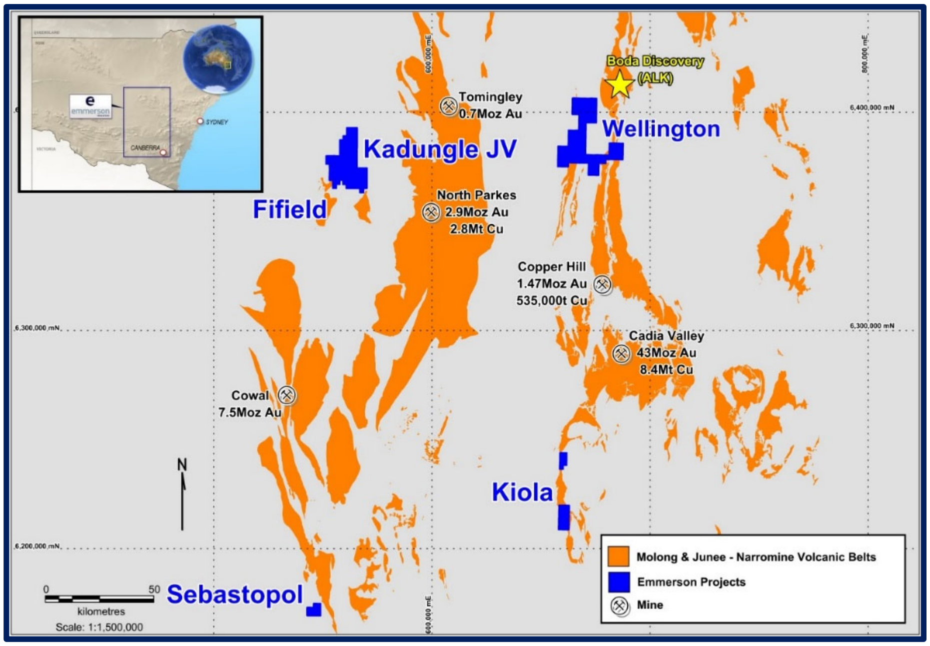

Figure 1: Macquarie Arc (orange) with Emmerson's NSW Projects (blue)

During the FY2020, exploration continued across Emmerson's Fifield, Kadungle, Wellington and Kiola projects, with most of the field activity focussed at Whatling Hill (within the Fifield tenement) and Kiola.

Emmerson's field-based exploration has been complemented by cutting edge geoscience in collaboration with the University of Tasmania (CODES ARC Linkage project). This multi-faceted approach has included analysis of the alteration (trace and rare earth elements within the outer green rock or epidote/chlorite zone), age dating of mineralised host rocks and whole rock geochemistry. To date Emmerson has received positive analysis from the outer alteration minerals (the "green rocks") at Kadungle, Fifield and Kiola and is now applying various field-based techniques to confirm these results.

Fifield - Whatling Hill Project

Two programs of drilling were completed at Whatling Hill. A first phase of RC drilling was followed up with a deep diamond drill hole designed to test an area interpreted as being the potential core of the mineralised system. This drill hole was terminated earlier than planned due to an unacceptable deviation of the hole caused by difficult drilling conditions. Although well above the target zone, several intervals of visible sulphides (pyrite and chalcopyrite) were encountered. These were associated with epidote, chlorite and sparse garnet, magnetite and actinolite alteration with best assays of 0.8m at 0.33% copper. Further work is now underway to reassess the efficacy of the vectors which were used to target the deep drill hole.

Kiola Project

An Induced Polarisation ("IP") geophysical survey was completed in late December 2019 reinforcing and highlighting the depth potential of the target areas, particularly when combined with the geochemistry, age dates, intrusion fertility plots and geology. There is limited exposure of the prospective Ordovician stratigraphy due to soil cover. Several IP anomalies were identified for drill testing which occurred after restrictions related to the COVID-19 pandemic were lifted.

First stage diamond drilling at the Kiola project in May 2020 consisted of four holes for 1,130m. Visual results and alteration across all drill holes confirm the potential for underlying porphyry copper-gold. The mineralisation consists of chalcopyrite and in at least two holes, iron-rich sphalerite within skarn, in quartz veins and as blebs with pyrrhotite and chalcopyrite. Noting that skarn mineralisation is characteristic of the outer/peripheral zones of porphyry copper-gold systems.

The mineralisation typically occurs with pyrite, pyrrhotite and alteration of chlorite, actinolite - epidote and calcite. Minor intrusions plus zones of brecciation were also evident. Mineralisation of pyrite-pyrrhotite-chalcopyrite in drill hole KIODD004 extended the Nasdaq skarn some 200m to the east before entering weak chlorite-epidote alteration within volcanic siltstone and limestone. The chargeability anomalies from the IP geophysics correspond to zones of intense pyrrhotite-pyrite +/- chalcopyrite and, in combination with the magnetics, will assist in focussing the next round of drilling to test the core of the mineralisation.

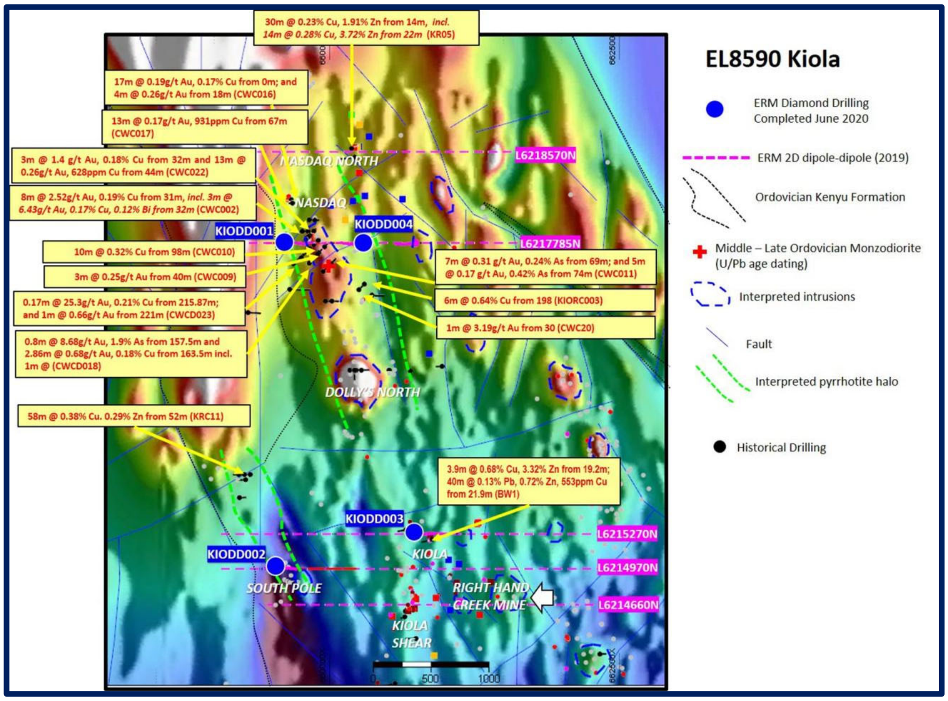

Figure 2: Plan view of the Kiola Geochemical Zone (KGZ) showing the location of completed diamond drilling.

Drilling at Kiola was partly funded by the NSW Government's New Frontiers Cooperative Drilling grant. Emmerson Resources will be reimbursed for 50% of its direct drilling costs (up to $200k per project) following the completion of drilling and submission of the technical report.

Picture 1: Drill core from KIODD004 (127m) – chlorite-actinolite-pyrrhotite-sphalerite-chalcopyrite-quartz-carbonate-epidote zone

Picture 2: Drill core from KIODD002 (92.7m) – blebs of pyrrhotite-sphalerite-chalcopyrite hosted in quartz-chlorite-actinolite altered volcanic siltstone

Strategic Alliance – aimed at innovative exploration and discovery for gold and copper

Subsequent to the end of the financial year Emmerson announced a Strategic Alliance with Longreach Mineral Exploration. The Longreach group consists of highly successful oil and gas exploration and service companies, with recognised capacity and capability in the application of machine learning across big data sets such as 3D seismic imaging and interpretation, airborne geophysics and deep learning tools such as artificial intelligence.

The Strategic Alliance compliments Emmerson's existing capabilities and will provide a further path to accelerating project generation and early stage exploration. Under the alliance, either party can submit a project to the alliance working group and if unanimously accepted, becomes a Strategic Alliance project. In accordance with the Strategic Alliance agreement each party will contribute 50% of the agreed costs to the work program. The work program is then undertaken by the nominated Manager that receives a 6% management fee. Providing the project meets the agreed milestones, it then becomes the subject of a Joint Venture between the parties.

The Sebastopol gold project (NSW) (Figure 1) is the first alliance project and is planned to be drill tested in 2021, with Emmerson to manage the agreed work program. In August 2020, the Kadungle gold-copper project was also submitted and accepted into the Longreach alliance.

AMEC Award Nomination

Emmerson was a finalist for the 2019 Association of Mining and Exploration Companies ("AMEC") Community Contribution Award. The nomination recognised Emmerson's contribution to the communities located around its exploration projects in the Lachlan Fold Belt of New South Wales, including Whatling Hill, Kiola, Kadungle and Wellington.

In particular, the nomination acknowledged the company's efforts to assist drought-stricken farmers, John and Carol Whatling, with securing additional water supply for their Whatling Hill farm. As part of a recent drill campaign, Emmerson funded a successful waterbore on John's property. This bore is now providing much needed water and opened up the possibility of irrigation for cropping purposes. This single project is demonstrative of Emmerson's commitment to supporting initiatives that deliver value to the communities in which it operates and assists in building mutually beneficial and respectful relationships with local farmers and communities.

Tennant Creek Gold-Copper

Emmerson has a commanding land holding position and is exploring the Tennant Creek Mineral Field ("TCMF"), one of Australia's highest-grade gold and copper fields (Figure 3). The TCMF has produced >5.5Moz of gold and >470,000t of copper from deposits including Warrego, White Devil, Orlando, Gecko, Chariot, and Golden Forty. These high-grade deposits are highly valuable exploration targets, and to date, Emmerson has made new discoveries including high-grade gold at Edna Beryl and Mauretania, plus copper-gold at Goanna and Monitor. These are the first discoveries in the TCMF for over two decades.

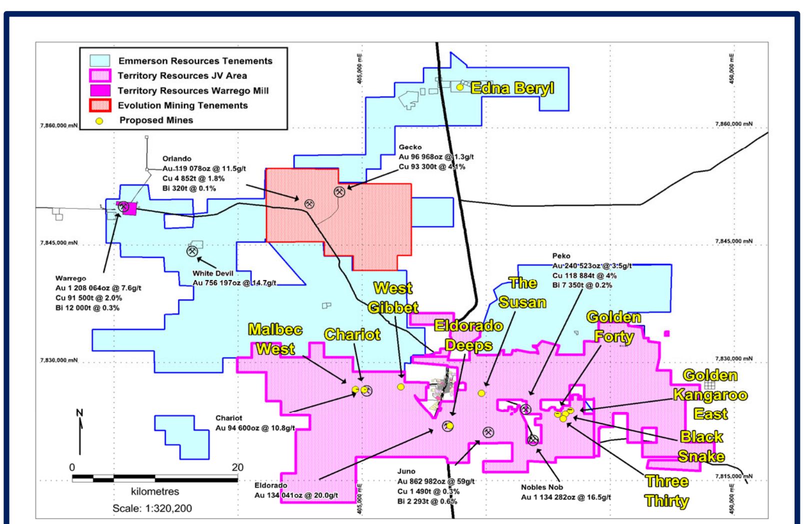

Figure 3: Emmerson's Northern Project Area (100% Emmerson) in Tennant Creek project (blue), Territory Resources' proposed Central Processing Facility (Warrego), Southern Project Area JV with Territory Resources (pink) and the Small Mines in the current Mining Schedule (yellow dots)

REVIEW OF OPERATIONS

Northern Project Area

Encouraging high grade gold mineralisation continued to be intersected at Mauretania in Emmerson's 100% owned Northern Project Area (Figure 4). Assay results in early 2020 include:

15m at 2.28g/t gold in drill hole MTDD006 from 57m including:

- 3m at 5.24g/t gold from 68m
- 2m at 4.23g/t gold from 64m

1m at 5.75g/t gold and 1.39% copper from 76m

21m at 2.4g/t gold from 81m including:

- 5m at 4.11 g/t gold
- 1m at 9.25g/t gold

A new thick zone of copper and gold from diamond drill hole MTDD007 returned:

22m at 0.84% copper, 0.04g/t gold and 5.2g/t silver from 88m including**:**

- 2m at 1.56% copper and 0.14g/t gold from 88m
- 2m at 3.11% copper from 108m
- 1m at 3.35g/t gold from 209m

These results confirm the thick and high-grade nature of the gold mineralisation, and newly identified copper in the shallow oxide zone. Thick intercepts of gold and now copper at shallow levels provides great encouragement that Mauretania can be a viable open cut mine. To support this objective, Emmerson submitted a Mineral Lease Application (ML32214) over the Mauretania Project to the Northern Territory Department of Resources.

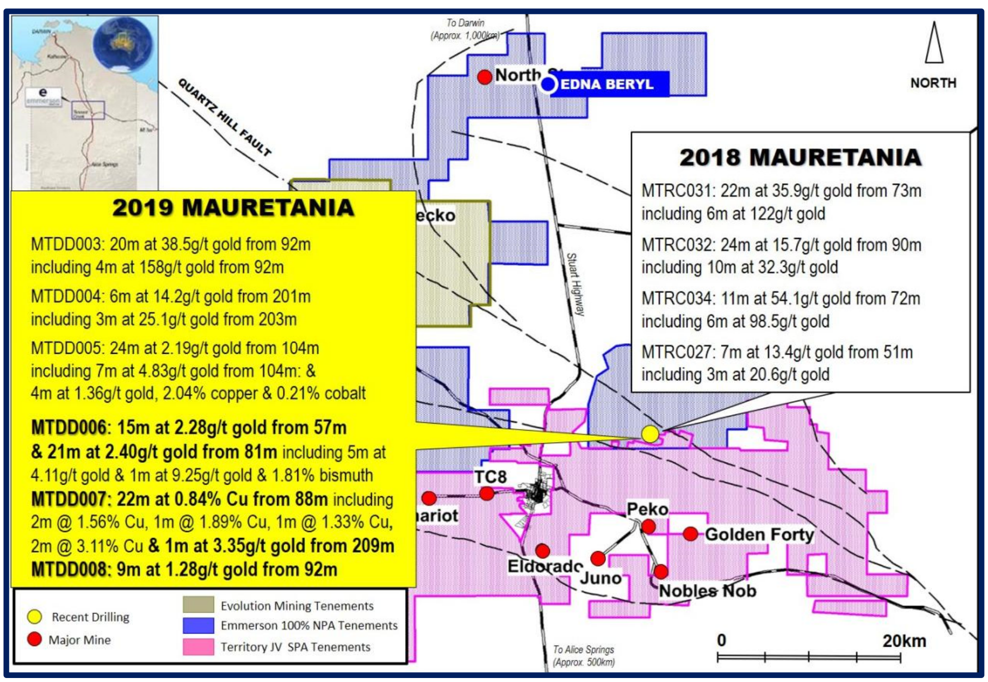

Figure 4: Location of Emmerson's 100% owned package (blue) and assay results from the Mauretania drill program (yellow)

After the reporting date, Emmerson announced a Landmark Agreement had been reached with the Traditional Owners for future exploration and mining at Jasper Hills, Hermitage and Golden Slipper (Figure 5). Highlights of this include:

- Landmark Joint Venture Agreement reached between the Marnturla Aboriginal Corporation and Emmerson Resources.
- Agreement relates to previously restricted areas which contain the Jasper Hills, Golden Slipper and Hermitage High-Grade Gold-Copper-Cobalt projects in the Northern Project Area at Tennant Creek.

- Aligns the interests of both parties in providing employment opportunities and direct interest in the projects by the Marnturla Corporation.

- The agreement is a direct result of and continues Emmerson's acknowledged track record in Tennant Creek of working with Traditional Owners to provide economic opportunities while protecting heritage sites.

- Drilling planned comprising an initial 1000m five-hole diamond drill program.

The Marnturla Corporation ("MAC") acts on behalf of the custodians of the land that contain the Jasper Hills, Hermitage and Golden Slipper mineral titles. The agreement with MAC provides a future equity interest in the projects and employment opportunities during exploration, which if successful may lead to mining. Noting the commencement of any exploration approval is still subject to receiving a variation under the Aboriginal Areas Protection Authority ("AAPA"). Following receipt of the variation, Emmerson's immediate exploration priorities will include a minimum 1000m, five diamond drill hole program to verify historic drilling results and further assess the continuity of the gold, copper and cobalt mineralisation.

Given that access to the Jasper Hills and North Star areas has been restricted and thus not seen modern exploration, in 2018, Emmerson retrieved and re-assayed a selection of historic drill holes with results reported as follows:

NSDH101: 28m at 5.83g/t gold, 0.17% cobalt and 8.52% copper (from 108 to 136m) and includes:
- 19m at 0.56g/t gold, 0.47% cobalt and 11.4% copper and
- 2m at 50.1g/t gold and 10.5% copper

NSDD100: 11m at 0.22g/t gold, 0.18% cobalt and 2.56% copper (from 117 to 128m) and includes:
- 3m at 0.34g/t gold, 0.55% cobalt and 5.80% copper and
- 1m at 0.48g/t gold, 1.07% cobalt and 5.71% copper

NSDH547: 23m at 0.14% cobalt and 7.04% copper (from 95 to 118m) and includes:
- 4m at 0.37% cobalt and 10.2% copper and 1.35g/t gold

NSDH488: 14m at 6.72g/t gold, 0.28% cobalt and 2.17% copper (from 284 to 298m) and includes:
- 5m at 16.6g/t gold
- **2m at 1.32% cobalt and 2% copper**

NSDD110: 15m at 7g/t gold (from 295 to 310m) and includes:
- 6m at 14.9g/t gold

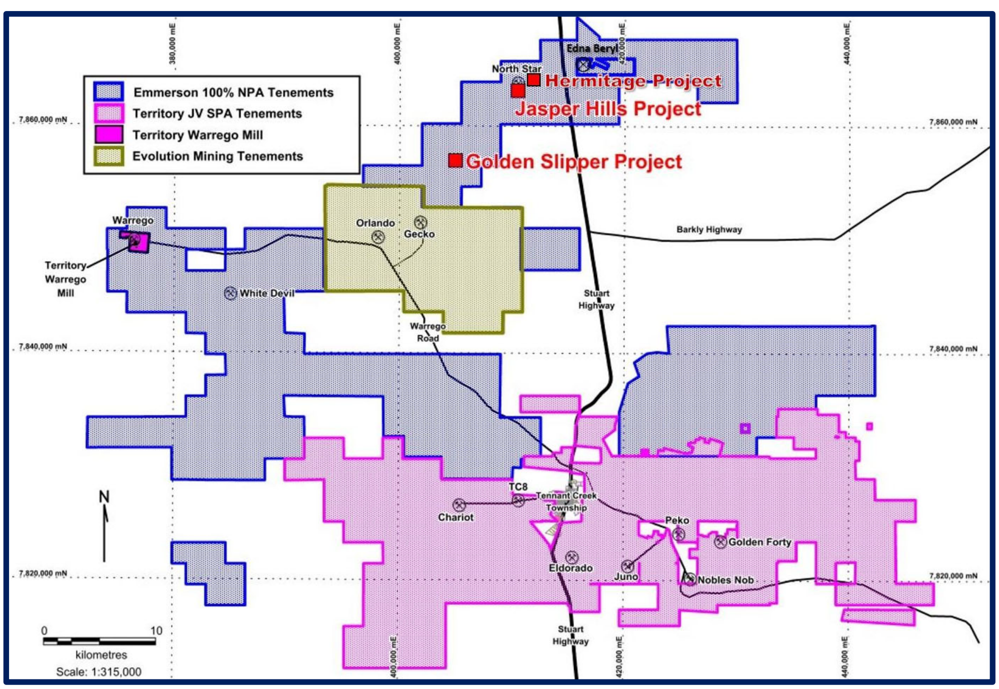

Figure 5: Location of Emmerson's 100% owned package (blue) and the Jasper Hills and Golden Slipper Projects (red squares).

The Jasper Hills mineralisation is hosted in brecciated hematite ironstones surrounded by intensely chloritized sediments of the Warramunga Group. The ironstones are enveloped by silicified carbonates, quartz and jasper, similar in most respects to Edna Beryl and within the district, encompass high-grade gold (North Star Deeps Gold, Jasper Hill Gold), high-grade copper (Katherine Star, Northern Star and Hermitage) and high-grade gold-copper-cobalt exploration targets (Jasper Hills) (Figure 6).

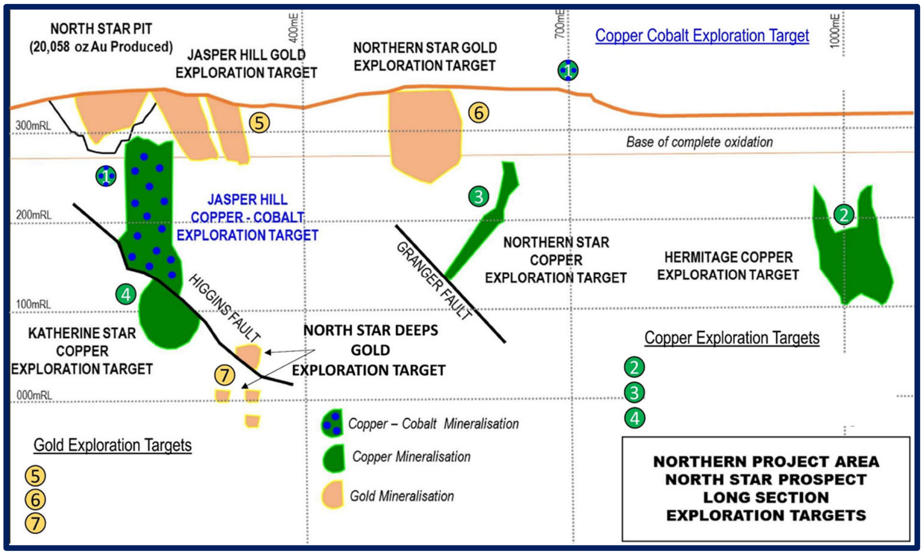

Figure 6: Schematic long section highlighting the potential of the project area. Note that these exploration targets are conceptual in nature and that there has been insufficient exploration to estimate a Mineral Resource.

The opportunity to apply modern exploration to an area that was previously restricted is a very exciting development, as is working with the Traditional Owners to move these projects forward to potential development opportunities. Emmerson believe that the North Star – Jasper Hills district will generate multiple gold, copper and cobalt opportunities (Figure 6).

Similarly, a review of the historical drilling at the Golden Slipper project suggests potential for extensions to the previously defined lenses of high-grade gold mineralisation. These lenses are 300m apart and consist of quartz-hematite veinlets and brecciated quartz-hematite ironstone within hematitic shale and siltstone of the Warramunga Group.

On gaining approval from the AAPA, the first step of the program will include compiling and verifying all the historic exploration data ahead of drill testing.

Southern Project Area Alliance (Territory earning 75%),

Emmerson announced the formation of an alliance associated with exploration and future mining operations with Territory Resources ("Territory") in 2018 for the Southern Project Area (SPA). Territory has committed to establishing a central processing facility at the Warrego site in Tennant Creek to support the mining and processing from Emmerson's small gold mines (Figure 4).

Under the terms of the Small Mines Joint Venture with Territory, Emmerson will receive a 25% profit share from any mine established within the SPA, other than Edna Beryl and Chariot (where Emmerson will receive 12% and 6% respectively of the gold dore produced). Territory will be entitled to a 75% share of profits in exchange for planning, funding, developing and operating the mines. The alliance also extends to an Exploration Earn-In & Joint Venture agreement whereby Territory Resources is obligated to spend $5m on exploration over five years to earn a 75% interest in the SPA and where Emmerson remain the operator and manager during the earn-in phase.

Drilling in the Southern Project Area (SPA) as part of the $5 million earn-in funded by Territory, occurred in 2019 however the results are pending finalisation of QA/QC and compilation by Territory. This drilling was aimed at testing for extensions to known high-grade gold mineralisation around the Golden Kangaroo, Susan and Black Snake prospects.

Central Processing Facility

During the period, Territory advised that all major components for the new mill at Warrego had been purchased in readiness for transport to site and construction. However, program delivery continued to be slow due to a number of factors, including delays associated with the operating restrictions imposed due to COVID-19, particularly as additional layer of approval and permitting are required from the Central Land Council.

Competency Statement

The information in this report 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.

FINANCE

Emmerson spent over $1 million on exploration during the year, primarily on drilling at Whatling Hill, Kiola and Kadungle in New South Wales. The Company was successful in applying for collaborative funding of up to 50% of direct drilling costs capped at $200,000 per project from the New South Wales Government for drilling at Kiola and Kadungle, reducing future cash expenditure on these programs. The Company also received funds from its joint venture partner for the southern project area at Tennant Creek, reducing holding costs for these tenements.

The Company had a cash balance of $1.3 million at year end and has subsequently strengthened this cash position, having raised $5.8 million after year end through:

- an over-subscribed Placement to institutional and sophisticated investors to raise over $3.5 million (before costs) at an issue price of $0.10 per share. Consistent with our objective of diversifying our shareholder base, Palisades Goldcorp Ltd subscribed for $2.0 million of the Placement to become a new strategic investor, providing visibility to the important North American market.
- a well supported Share Purchase Plan (SPP), receiving applications for $2.245 million. The SPP allowed eligible shareholders the right to participate on equal terms as participants in the placement.

HEALTH, SAFETY, ENVIRONMENT, SOCIAL & GOVERNANCE

Health and Safety

Emmerson Resources continues its commitment to the highest standards of workplace safety. A comprehensive Occupational Health and Safety Program is in place to ensure the health and safety of our employees, contractors, visitors and local stakeholders. A culture of taking personal responsibility for practical, risk-based safety management has been adopted by our team.

Supporting systems include a Health and Safety Committee, regular staff safety meetings, workplace inspections, hazard and incident reporting, regular training modules, and regular fitness for work monitoring. Individuals demonstrating proactive safety are recognised with safety awards.

Emmerson has achieved an industry leading safety performance, reporting nil lost time injuries (LTI) for the last 5 years which is an absolute credit to, and reflects the commitment of, the entire team.

Summary of Key Safety Statistics:	**2017**	**2018**	**2019**	**2020**
Total Company Hours Worked	21,742	21,720	12,018	12,563
Lost Time Injuries (LTIs)	0	0	0	0
Medical Treated Injuries (MTIs)	0	0	0	1
Lost Time Injury Frequency Rate per 100,000 Hours Worked (LTIFR)	0	0	0	0

Environment

We recognise that in historical mineral fields such as Tennant Creek, legacy mining and processing sites, some created nearly 100 years ago, can remain a blight on the environment and pose both physical and environmental dangers to local wildlife and the community. We strive to be an outstanding environmental and social citizen, and as such, we assist NT Department of Primary Industry and Resources (“DPIR”) with the rehabilitation and addressing these legacy issues, including on ground not held by Emmerson.

Emmerson is fully committed to the protection of the environment, the efficient use of resources, minimisation of waste and pollution and reducing the environmental impact of our operations. Our implementation and maintenance of management systems have been developed to mitigate the risks to the environment that arise from our operations. We incorporate evidence-based practises and methods developed by Normandy in the early 1990’s, where sites rehabilitated over 20 years ago are now seen to have been returned to pre-disturbance levels with little impact on the natural environment. Emmerson utilise world’s best practise techniques and methods of mitigation and rehabilitation to ensure our footprint is minimal and the environment is returned as close as possible to its natural state when the operations are completed.

Regular environmental audits conducted by the DPIR and the NSW Department of Mines, which inspected many former drill sites, continues to confirm Emmerson’s implementation and execution of its environmental obligations to both mitigation and rehabilitation.

Emmerson is committed to ensuring that all exploration activities in NSW meet strict standards for environmental management. In every stage of exploration, Emmerson has undertaken best practice standards that minimise impacts on the environment and undertaken effective rehabilitation of disturbed land. With all activities in NSW on pastoral lands, Emmerson also has consulted widely with the landholders to ensure they are satisfied with our access agreements and standard of rehabilitation.

The Company’s mitigation and management systems ensure the highest standard of environmental management and responsibility and we are pleased to report there were no environmental incidents or breaches of the regulations during the past year – continuing our unblemished record and one that our people are proud of and committed to maintaining.

Social

The Traditional Owners of land in the Tennant Creek Mineral Field ("TCMF") are represented by the Central Land Council ("CLC"). The CLC is a representative body promoting Aboriginal rights. It is a statutory authority under the Aboriginal Land Rights (Northern Territory) Act 1976 and also has functions under the Native Title Act 1993 and the Pastoral Land Act 1992 and legislates that mining and exploration companies must obtain the consent of, and in certain cases agreement with the traditional owners, for the grant of mineral rights and to gain access and explore on Aboriginal Lands.

Emmerson is party to several agreements with the CLC which detail the terms and conditions pertaining to Emmerson's exploration access, activities and future mine development on these lands. Each agreement includes various provisions, including but not limited to the protection of sacred sites and the interests of Aboriginal people; environmental protection; rehabilitation; Aboriginal employment; work planning and execution; and compensation and other payments.

Emmerson partners directly with the Clontarf Foundation which targets one of the most at risk groups, not only in Tennant Creek but in contemporary Australian society – young Aboriginal and Torres Strait Islander men. Using their passion for sport allows Clontarf to initially attract these boys to school and furthering their education. It is, however, not a sporting programme – it is about developing the values, skills and abilities that will assist the boys to transition into meaningful employment and achieve better life outcomes. Emmerson has provided after school and holiday employment opportunities for local Aboriginal boys in the Tennant Creek Clontarf Academy which provides them with real experience in an industry where they can obtain gainful employment locally, or Australia wide. This work is starting to bear fruit with some of the boys employed by Emmerson in after school and holiday employment, through the Academy, now employed by other Mineral Exploration companies in the southern part of the NT.

Emmerson prides itself on continuing the legacy of good relationships with the traditional landowners of the TCMF and maintains sound working relationships with the Pastoral Lease holders both in NSW and u the TCMF.

Emmerson continues to support local businesses and seeks to source equipment, consumables, labour hire, general services, and other content locally. We strongly support other local community and sporting organisations in the Tennant Creek area as well as having representation on the local Regional Economic Development Committee.

In NSW, Emmerson has a responsibility to identify all stakeholders within its community who may be affected by its operations, directly or indirectly. We are committed to building and sustaining mutually beneficial relationships with these communities by maintaining a high level of consultation with local landholders, protecting and respecting landowner rights, and importantly by benefitting the local economy. At each stage of the exploration process, the local economy benefits from the contracting of local services, the employment of locals, the purchasing of equipment from local suppliers and the procuring of local accommodation and related services.

Specifically, for landowners, the contracting of local services has provided casual work preparing sump sites before drilling, fencing sumps and rehabilitation works inside landowner properties.

Governance

Emmerson's corporate governance framework follow the ASX Corporate Governance Council's recommendations, as outlined in the Company's Corporate Governance Statement released at the same time as this Annual Report and located on our website at: http://www.emmersonresources.com.au/governance

SHAREHOLDER INFORMATION AS AT 16 SEPTEMBER 2020

ORDINARY SHARES	Number of holders	Number of units held	% of issued
Distribution of ordinary shares			
1 – 1,000	35	2,687	0.00%
1,001 – 5,000	223	951,605	0.20%
5,001 – 10,000	496	4,204,296	0.87%
10,001 – 100,000	1,450	57,874,741	11.99%
100,001 and over	489	419,820,545	86.95%
Total	2,693	482,853,874	100.00%
Holdings less than a marketable parcel of shares	284	1,092,189	0.23%
Twenty largest ordinary shareholders			
J P Morgan Nominees Australia Pty Limited		60,758,687	12.58%
Evolution Mining Limited		49,144,000	10.18%
UBS Nominees Pty Ltd		23,150,000	4.79%
Palisades Goldcorp Ltd		16,500,000	3.42%
Territory Resources Pty Ltd		16,021,440	3.32%
HSBC Custody Nominees (Australia) Limited		14,126,717	2.93%
Noontide Investments Limited		9,741,854	2.02%
Mr Robert Trevor Bills		6,723,125	1.39%
Shorlane Pty Ltd <Jolma Super Fund A/C>		6,687,500	1.38%
Noontide Securities Pty Ltd		5,066,954	1.05%
Kurraba Investments Pty Ltd		5,000,000	1.04%
Citicorp Nominees Pty Limited		3,868,181	0.8%
Bond Street Custodians Limited <Davkre - D08642 A/C>		3,675,000	0.76%
Mr Mark Quirk + Ms Jennifer Ann Taylor <Superannuation Fund A/C>		3,577,633	0.74%
Civil & General Distributors Pty Ltd <Quirk Family A/C>		3,335,393	0.69%
Ms Mandy Hung Lin Chan		3,227,188	0.67%
Mr Cheung Lock Hung		3,029,427	0.63%
Novasc Pty Ltd <Bellis Australia S/F A/C>		2,902,669	0.60%
Mr Andrew Ivor Bruce Mcilwain		2,803,828	0.58%
Norwhale Pty Ltd		2,700,000	0.56%
		242,039,596	50.13%
Substantial shareholders			
J P Morgan Nominees Australia Pty Limited		60,758,687	12.58%
Evolution Mining Limited		49,144,000	10.18%
		109,902,687	22.76%

There is no current on-market buy back.

UNQUOTED OPTIONS* OVER ORDINARY SHARES			
Exercise price of $0.135 expiring on 30/09/20	9	19,800,000	20.58
Exercise price of $0.09 expiring on 14/11/21	4	4,900,000	5.09
Exercise price of $0.14 expiring on 31/12/23	5	13,500,000	14.03
Exercise price of $0.16 expiring on 9/7/23	247	58,000,000	60.29
		96,200,000	100.00%

*There are no voting rights attached to options

The Directors of Emmerson Resources Limited ("Company" or "Emmerson" or "consolidated entity" or "Group") submit their report for the year ended 30 June 2020.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Andrew McIlwain B.Eng (Mining), MAusIMM, MAICD – Non-executive Chairman

Andrew McIlwain is a qualified mining engineer with over 30 years' experience in the mining industry and has held operational, technical, senior management and executive roles within Mt. Isa Mines Limited, Central Norseman Gold Corporation, WMC Resources Limited and Unity Mining Limited. Mr McIlwain has also served as a member of the Company's Audit and Risk Management Committee since 11 June 2014.

Mr McIlwain has been a Director of Emmerson since April 2007 and during the past three years has also served as a director of the following listed company:

- Investigator Resources Limited (Director since 20 June 2018)

Robert Bills B.Sc, M.Sc, FAIG, FSEG - Managing Director and Chief Executive Officer

Rob Bills is a geologist and holds a Bachelor of Science Degree from Monash University and a Master of Science Degree from James Cook University. Prior to joining Emmerson Mr. Bills had a 25 year career with Western Mining Corporation including career highlights of President Director of WMC Indonesia and Exploration Manager of the Global Copper portfolio. After BHP Billiton took over WMC, Mr Bills held the position of global commodity specialist.

Mr Bills has been a Director of Emmerson since September 2007 and during the past three years has not served as a director of any other listed company.

Dr Allan Trench B.Sc (Hons), Ph.D, M.Sc (Min. Econ), MBA (Oxon), ARSM, AWASM, FAusIMM, FAICD - Non-executive Director

Allan Trench is a geologist/geophysicist and business management consultant with 30 years experience across a broad range of commodities. His minerals sector experience spans strategy formulation, exploration, project development and mining operations. Dr Trench holds degrees in geology, a doctorate in geophysics, a Masters degree in Mineral Economics and a Masters degree in Business Administration. Dr Trench has previously worked with McKinsey & Company, Woodside Petroleum and WMC. He is an Associate Consultant with metals and mining advisory CRU Group and Professor at the UWA Business School and Centre for Exploration Targeting. Dr Trench also serves as a member of the Company's Audit and Risk Management Committee.

Dr Trench has been a Director of Emmerson since April 2015 and during the past three years has also served as a director of the following listed companies:

- Hot Chili Ltd (Director since 19 July 2010)
- Enterprise Metals Ltd (Director since 3 April 2012)
- Pioneer Resources Ltd (Director 5 September 2003 to 31 March 2020)

COMPANY SECRETARY

Paul Mason BE CA AGIA (appointed 6 April 2020)

Paul is a chartered accountant, an Associate member of the Governance Institute of Australia and holds a Bachelor of Engineering (Civil) degree from Curtin University. His career in the mineral resources industry spans over 20 years and includes roles as Company Secretary and Group Accounting Manager at Kingsgate Consolidated Ltd and Financial Controller and Company Secretary at Catalpa Resources Ltd (now Evolution Mining Ltd). Paul brings to Emmerson a depth of experience in financial management and corporate governance of mining and exploration companies in Australia.

Trevor Verran B Comm, CPA (resigned 6 April 2020)

Trevor is a Certified Practising Accountant with extensive experience in the accounting profession and the mining industry. Trevor resigned as Company Secretary effective 6 April 2020.

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

	Directors' Meetings		Audit and Risk Management Committee Meetings	
	Held	**Attended**	**Held**	**Attended**
Andrew McIlwain	8	8	2	2
Robert Bills	8	8	-	-
Allan Trench	8	8	2	2

All directors and committee members were eligible to attend all meetings held whilst a director or committee member.

DIRECTORS' INTERESTS

Interests in shares, options and rights of the Company and related bodies corporate at the date of this report:

	Ordinary shares	Options
Andrew McIlwain	4,519,927	2,000,000
Robert Bills	7,746,225	4,500,000
Allan Trench	36,000	2,000,000

DIVIDENDS

No dividends were paid or declared by the Company since the end of the previous financial year.

PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity during the course of the financial year was exploration and evaluation of mineral interests.

There were no significant changes in the nature of activities during the year.

OPERATING AND FINANCIAL REVIEW

Overview

Emmerson was incorporated in November 2005 and acquired a suite of exploration and mining tenements covering some 2,800 kms^2 of the Tennant Creek Mineral Field ("TCMF") and associated exploration and support infrastructure in the township of Tennant Creek, Northern Territory, Australia. The Company listed on the Australian Securities Exchange ("ASX") on 17 December 2007 (ASX code: ERM).

Emmerson is also fast tracking exploration across a number of exciting gold-copper projects in NSW.

Emmerson announced the formation of an alliance associated with exploration and future mining operations with Territory Resources ("Territory") in 2018 for the Southern Project Area ("SPA"). Emmerson entered into a strategic alliance with Longreach Mineral Exploration Pty Ltd in June 2020 to share technological resources to assist identification and delineation of new gold and copper opportunities. The Sebastopol gold project (NSW) and the Kadungle copper-gold projects are the first such projects in the alliance.

Operating Results for the Year

The loss for the year ended 30 June 2020 was $1,480,221 compared to the previous year loss of $1,232,219.

Total revenue and other income decreased to $344,781 from $505,503 in the previous year, predominantly due to a profit of $352,216 recognised on the disposal of the Warrego Mill and associated plant in the previous financial year. The fall in income was offset by a one-off gain of $200,000 from a forfeited deposit for a planned strategic alliance with NT Bullion Pty Ltd which did not proceed.

Expenses increased from $1,737,722 in the previous year to $1,825,003 for the year ended 30 June 2020, predominately due to an increase in employee expenditure from the vesting of employee options (share-based payments expense $426,612, 2019:$86,385) offset by reductions in consulting and administration costs.

Financial Position

Net assets and total equity decreased by $1,053,609 during the year to $16,146,854 (2019: $17,200,463) reflecting the loss for the year of $1,480,221 offset by share-based payments expense recognised in equity of $426,612.

Exploration and evaluation assets increased by $1,063,990 during the year to $14,281,624 (2019: $13,217,633) as a result of exploration expenditure during the year.

Available cash decreased by $1,613,455 over the year to $1,281,916 (2019: $2,895,371).

As noted below, the Company raised $5,800,000 from the issue of shares after year end and the Directors believe the Company is in a strong position to continue its exploration endeavours.

Risk and Risk Management

Sufficient liquidity to ensure financial obligations are being met as they fall due is one of the Company's significant business risks. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in short term bank deposits. Decisions on raising future capital will depend on any funding requirements required to achieve the Company's business objectives and market conditions existing at that time.

Exploration Activities

A detailed review of the Company's exploration activities is contained in the Review of Operations section of this Annual Report.

Impact of COVID-19

The Group continues to monitor the ongoing and evolving situation relating to the Coronavirus pandemic ("COVID-19") and the potential implications for the health and wellbeing of the Group's employees, contractors and stakeholders.

The Company's strategic alliance partner, Territory Resources Pty Ltd ("Territory"), has experienced delays in progressing the establishment of the Warrego Mill at Tennant Creek due in part to NT imposed COVID-19 restrictions. Similarly, the Company has delayed exploration work at Tennant Creek while COVID-19 access restrictions are in place. The Company's exploration activity in New South Wales has been largely unaffected by COVID-19 restrictions.

The Company implemented various health and safety measures and initiatives and has concluded at this time that there has been no material impact on the Group's activities, solvency or its ability to continue as a going concern.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the year ended 30 June 2020.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Emmerson issued 35,550,000 shares at an issue price of 10c in July 2020 to raise $3,555,000 under placements. Each new share was issued with an attaching unlisted option with an exercise price of 16c each, exercisable on or before 8 July 2023.

A Share Purchase Plan ("SPP") launched in July 2020 raised an additional $2,245,000. Under the SPP Emmerson issued 22,450,000 new shares at an issue price of 10c each. Each new share was issued with an attaching unlisted option with an exercise price of 16c each, exercisable on or before 8 July 2023.

At a General Meeting of shareholders on 24 August 2020, shareholders approved the issue of 8,500,000 unlisted options to Directors. Each option has an exercise price of $0.14 expiring 31 December 2023 (refer note 22).

The Company received confirmation of the draft grant of ELA5944, the Kadungle tenement (previously EL6226), from the Department of Regional NSW in September and are awaiting final determination (refer Note 19(d)).

The impact of the Coronavirus ("COVID-19") pandemic is ongoing and, while it has not significantly impacted the Group up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as requirements to maintain social distancing, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the matters noted above there have not been any material events subsequent to the end of the reporting date and the date of this financial report that has not been recognised in this financial report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company will continue its exploration and development activities in the Tennant Creek Mineral Field in the Northern Territory and NSW mineral interests with the object of identifying commercial resources.

ENVIRONMENTAL REGULATION

The exploration activities of the consolidated entity are subject to environmental regulations imposed by various regulatory authorities, particularly those relating to ground disturbance and the protection of rare and endangered flora and fauna.

The consolidated entity has complied with all material environmental requirements up to the date of this report. The directors believe that the Company has adequate systems in place for the management of its environmental responsibilities and are not aware of any breaches of the regulations during the period covered by this report.

OPTIONS

As at the date of this report, unissued ordinary shares under options were as follows:

Number of Options	Exercise price	Expiry date
19,800,000	$0.135	30/09/20
4,900,000	$0.09	14/11/21
13,500,000	$0.14	31/12/23
58,000,000	$0.16	9/7/23

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate or in the interest issue of any other registered scheme.

5,000,000 (2019: 4,900,000) options were issued under the employee incentive plan during the financial year (refer Note 22) and no options have been issued under this plan since the end of the year.

No shares were issued during this or the previous financial year as a result of the exercise of options. No shares have been issued since the end of the year as a result of the exercise of options.

No options expired or were cancelled during this or the previous financial year.

REMUNERATION REPORT (audited)

This Remuneration Report for the year ended 30 June 2020 outlines the director and executive remuneration arrangements of the Company and the consolidated entity in accordance with the requirements of the *Corporations Act 2001 (*the *Act)* and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

For the purposes of this report the term 'executive' encompasses the Managing Director and Chief Executive Officer and the Chief Financial Officer and Company Secretary.

The remuneration report is presented under the following sections:

1. Individual key management personnel disclosures
2. Remuneration at a glance
3. Board oversight of remuneration
4. Non-executive director remuneration arrangements
5. Executive remuneration arrangements
6. Company performance and link to remuneration
7. Employment contracts of key management personnel
8. Details of remuneration
9. Equity instruments disclosures
10. Transactions with directors, director related entities and other related parties

1. Individual key management personnel disclosures

Details of key management personnel in the Company and the consolidated entity are set out below:

Non-executive Directors:	
Andrew McIlwain	Chairman (Non-executive)
Allan Trench	Director (Non-executive)
Executive Director:	
Robert Bills	Managing Director and Chief Executive Officer
Other Executives:	
Paul Mason	Chief Financial Officer and Company Secretary (KMP from 6 April 2020)
Trevor Verran	Chief Financial Officer and Company Secretary (ceased to be a KMP 6 April 2020)

There have been no changes to key management personnel after the reporting date and before the date the financial report was authorised for issue.

2. Remuneration at a glance

Executive Remuneration

Emmerson Resources Limited's remuneration.

The remuneration policy is to bench-mark total remuneration for individual employees and directors against peer-group organisations to ensure a competitive offering.

REMUNERATION REPORT (audited) (continued)

There have been no material changes to the short-term incentive bonus plan for the 2020 financial year. For the performance period covered by this report 50% of the short-term incentive payment is based on the increase in the market capitalisation of the Company based on a 20 day moving average of market capitalisation, 30% is based on "discovery success" and 20% is based on the attainment of individual key performance indicators. No short-term incentive bonus was earned by the Company KMPs during the financial year.

Long-term incentive awards consist of share options under the Company's Incentive Option Scheme. The objectives of these long-term incentive awards are to provide the Company with a remuneration mechanism, through share ownership, to motivate, retain and reward the performance of executives.

3. Board oversight of remuneration

Remuneration Committee

The Company does not have an identified separate Remuneration Committee hence the full board is responsible for determining the remuneration arrangements for all members of the board and executives.

The board assesses the appropriateness of the nature and amount of remuneration of the non-executive directors and executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing director and executive team. In determining the level and composition of executive remuneration, the board benchmarks remuneration against the external market.

Remuneration approval process

The board approves the remuneration arrangements of the Managing Director & Chief Executive Officer, executives and all awards made under the long-term incentive plans. The board also sets the aggregate remuneration of non-executive directors which is then subject to shareholders approval.

The board also approves, having regard to the recommendations made by the Managing Director & Chief Executive Officer, all payments awarded to executives and employees under the Company's short-term incentive plan.

Remuneration strategy

Emmerson's remuneration strategy is designed to attract, motivate and retain employees and non-executive directors by identifying and rewarding high performers and recognising the contribution of each employee to the success of the consolidated entity.

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To this end, key objectives of the Company's reward framework are to ensure that remuneration practices:

- Are aligned to the Company's business strategy;
- Offer competitive remuneration benchmarked against the external market;
- Provide strong linkage between individual and Company performance and rewards; and
- Align the interests of executives with shareholders.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

REMUNERATION REPORT (audited) (continued)

4. Non-executive Director remuneration arrangements

Remuneration Policy

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to non-executive directors of comparable companies. The Board considers advice from external sources (for example remuneration surveys) when undertaking the annual review process.

The Company's constitution and the Australian Securities Exchange ("ASX") listing rules specify that the non-executive director fee pool shall be determined from time to time by shareholders in general meeting. The latest determination by shareholders was at the 2009 annual general meeting ("AGM") held on 25 November 2009 when shareholders approved an aggregate fee pool of $250,000 per year.

The board will not seek any increase for the non-executive director pool at the 2020 AGM.

Structure

Non-executive director fees are presently $35,478 per annum and the Chairman $73,912 per annum and are not paid superannuation. The non-executive directors reduced their fees from the above amounts by 50% for the period from 1 April 2020 to 30 June 2020 in response to restrictions placed on the Company's activities by the outbreak of COVID 19.

Variable remuneration – long term incentive (LTI)

LTI awards are made periodically to non-executive directors subject to the approval of shareholders as is required by ASX listing rule 10.14. These awards reward directors in a manner that aligns remuneration with the creation of shareholder wealth and provides a market linked incentive as part of their respective roles as non-executive directors and for the future performance by each of them in their respective roles.

LTI – share options

LTI share options are made under the Company Incentive Option Scheme at the determination of the Board, subject to shareholder approval. Each option entitles the holder to one fully paid ordinary share of the Company and the number of options issued is determined by the Board for approval by shareholders. Options are typically awarded to non-executive directors with an exercise price at a significant premium to the prevailing Company share price at the time of issue, consequently there are no vesting and performance conditions attached to the options, with the recipient typically having a three year period to exercise the options before lapse. The expiry date and exercise price of options is set to sufficiently align the goals of the directors and executives with that of the shareholders to maximise shareholder wealth.

Directors are prohibited from entering into any hedging arrangements over unvested options under the Incentive Option Scheme and *Corporations Act 2001*.

Non-executive directors were granted a total of 4,000,000 options during the financial year, subject to shareholder approval, which was provided 24 August 2020. No options have been granted since the end of the year.

REMUNERATION REPORT (audited) (continued)

5. Executive remuneration arrangements

Remuneration levels and mix

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice. The remuneration policy is to benchmark total remuneration for executives against peer-group organisations to ensure a competitive offering; benchmarking is conducted annually. All Key Management Personnel's cash remuneration mix comprises 75% fixed remuneration and 25% short term incentive.

Structure

Executive remuneration framework consists of the following components:

Remuneration component	Vehicle	Purpose	Link to performance
Fixed Remuneration	▪ Comprises base salary, superannuation and other benefits ▪ Paid in cash	▪ Set with reference to role, market and experience	▪ No link to performance
Short Term Incentive component	▪ Paid in cash	▪ Rewards contribution to achievement of Company outcomes, as well as key performance indicators (KPI's)	▪ 20 day moving average market capitalisation ▪ Discovery success of 10 drillholes over 3m@4g/t Au and resources over 30,000oz Au ▪ Pre-agreed individual key performance indicators and critical tasks
Long Term Incentive component	▪ Awards are made in the form of share options or share rights	▪ Rewards contribution to the creation of shareholder value over the longer term	▪ Vesting of awards is dependent on continuity of employment

Fixed Remuneration

Executive contracts of employment do not include any guaranteed base pay increases. Total employment cost is reviewed annually by the Board. The process consists of a review of Company and individual performance, relevant comparative remuneration internally and externally and, where appropriate, external information independent of the board.

Variable remuneration – short term incentive ("STI")

The Company operates an annual STI program that is available to all executives and awards a cash bonus subject to the attainment of clearly defined Company, business and individual measures.

The total potential STI available to individual executives is set at a level so as to provide sufficient incentive to executives to achieve their targets and such that the cost to the Company is reasonable in the circumstances.

Actual STI payments awarded to each executive depend on the extent to which specific targets set at the beginning of the year are met. The targets consist of a number of key performance indicators covering financial, non-financial, corporate and individual measures of performance.

REMUNERATION REPORT (audited) (continued)

Performance measures	Proportion of STI award measure applies to
Financial measure	
▪ Market capitalisation of the Company, measured on a 20-day moving average	50%
Non-financial measures	
▪ Discovery success of 10 drill holes over 3m@4g/t Au	15%
▪ Discovery success of resources over 30,000oz Au	15%
▪ Pre-agreed individual key performance indicators and critical tasks	20%

The measures were chosen as they represent the key drivers for the short-term success of the business and provide a framework for delivering long-term value.

The aggregate of the annual STI payments available for executives across the Company is subject to the approval of the Board. On an annual basis, after consideration of performance against KPI's, the Board, in line with their responsibilities, determine the amount if any, of the short-term incentive to be paid to each executive and in the case of all executives except the Managing Director and Chief Executive Officer, the Board gives due consideration to the recommendations of the Managing Director and Chief Executive Officer in this regard. This process usually occurs within three months after the end of each year and payments made are delivered as a cash bonus.

No STI bonuses were earned by executives for the 2020 financial year or the previous financial year.

Variable remuneration – long term incentive ("LTI")
LTI awards are made periodically to executives in order to align remuneration with the creation of shareholder value over the long-term.

LTI – share options
LTI share options are made under the Company's Incentive Option Scheme (approved by shareholders at the Company's annual general meeting held on 23 November 2017) at the determination of the Board. Each option entitles the holder to one fully paid ordinary share of the Company and the number of options issued is determined by the Board. Options are typically awarded to executives with an exercise price at a premium to the prevailing Company share price at the time of issue, vesting conditions set by the board and the recipient typically having a three-year period to exercise the options before lapse. The Board feels that the expiry date, vesting conditions and exercise price of options currently on issue to executives is sufficient to align the goals of the executives with that of the shareholders to maximise shareholder wealth.

2,500,000 options were granted under this scheme to an executive during the year. The options are exercisable at $0.14 and expire 31 December 2023. (2019: 2,800,000 options at an exercise price of $0.09 and expiring on 14 November 2021 were granted under this scheme to executives). 4,500,000 options at an exercise price of $0.14 expiring 31 December 2023 were granted to Robert Bills during the year, subject to shareholder approval, which was provided 24 August 2020. No options expired or were cancelled during the current financial year.

No shares were issued during the financial year or since the end of the year as a result of the exercise of options.

Executives are prohibited from entering into any hedging arrangements over unvested options under the Incentive Option Scheme and *Corporations Act 2001*.

REMUNERATION REPORT (audited) (continued)

6. Company performance and the link to remuneration

The STI variable components of the executives' remuneration is indirectly linked to the performance of the Company, given the exploration stage of the entity other remuneration elements are not linked to company performance. The Company's performance is summarised for the five years to 30 June 2020 as follows:

	2020	2019	2018	2017	2016
Loss for the year ($)	(1,480,221)	(1,232,219)	(4,453,068)	(3,525,346)	(4,095,855)
Basic loss per share (cents)	(0.35)	(0.30)	(1.12)	(0.93)	(1.08)
Closing share price (cents)	10.5	11.0	10.0	10.0	4.9

7. Employment contracts of key management personnel

On appointment to the board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director. Remuneration and other terms of employment for the Managing Director and Chief Executive Officer and the other key management personnel are formalised in service agreements that provide for the provision of performance-related cash bonuses (STI) and participation in the LTI. Key terms of agreements for current key management personnel are as follows:

	Commence-ment date	Term	Notice period	Base salary/fee	Variable remuneration
Non-executive directors:					
Andrew McIlwain	26/04/07	No fixed term	nil	$73,912	LTI
Allan Trench	03/03/15	No fixed term	nil	$35,478	LTI
Executive director:					
Robert Bills	11/09/07	No fixed term	12 months	$368,300	STI/LTI
Other executive:					
Paul Mason	06/04/20	No fixed term	3 months	$175,000	STI/LTi

REMUNERATION REPORT (audited) (continued)

8. Details of remuneration

	Short-term			Post Employ-ment	Termin-ation benefits	Share-based payments	Total	Option related
	Salary & fees	Non-monetary benefits[4]	Other benefits[4]	Superann-uation benefits		Options		
	$	$	$	$	$	$	$	%
2020								
Non-executive directors:								
Andrew McIlwain[1]	64,673	-	3,300	-	-	63,400	131,373	48.3
Allan Trench[2]	31,043	-	3,300	-	-	63,400	97,743	64.9
Executive director:								
Robert Bills[3]	338,553	-	5,235	25,000	-	142,650	511,437	27.9
Other executives:								
Paul Mason[5]	34,103	-	-	3,240	-	47,600	84,942	56.0
Trevor Verran[6]	115,734	13,341	-	18,750	-	17,703	165,528	10.7
	584,106	13,341	11,835	46,990	-	334,753	991,024	

Note 1 - Fees are paid to Andrew McIlwain and Associates Pty Ltd for services as a director of the Company.
Note 2 - Fees are paid to Judicial Holdings Pty Ltd for services as a director of the Company.
Note 3 - Does not include remuneration paid to Robert Bills' spouse of $59,950 who was employed by the Company on a casual arm's length basis at normal market rates and payment terms for the services provided.
Note 4 - Non- monetary and other benefits include fringe benefits, personal insurance premiums and living away from home allowances.
Note 5 – Commenced as a KMP on 6 April 2020.
Note 6 - Ceased to be a KMP on 6 April 2020.

	Short-term			Post Employ-ment	Termin-ation benefits	Share-based payments	Total	Option related
	Salary & fees	Non-monetary benefits[4]	Other benefits[4]	Superann-uation benefits		Options		
	$	$	$	$	$	$	$	%
2019								
Non-executive directors:								
Andrew McIlwain[1]	73,912	-	3,148	-		-	77,060	-
Allan Trench[2]	35,478	-	3,148	-		-	38,626	-
Executive director:								
Robert Bills[3]	368,300	-	4,989	25,000		-	398,289	-
Other executives:								
Trevor Verran	149,078	23,022	-	25,000		24,681	221,781	11.13
Steve Russell[5]	192,671	-	7,770	25,000	39,230	24,681	289,352	8.53
	819,439	23,022	19,055	75,000	39,230	49,362	1,025,108	

Note 1 - Fees were paid to Andrew McIlwain and Associates Pty Ltd for services as a director of the Company.
Note 2 - Fees were paid to Judicial Holdings Pty Ltd for services as a director of the Company.
Note 3 - Does not include remuneration paid to Robert Bills' spouse of $56,967 who was employed by the Company on a casual arm's length basis at normal market rates and payment terms for the services provided.
Note 4 - Non- monetary and other benefits include fringe benefits, personal insurance premiums and living away from home allowances.
Note 5 - Employment terminated on 7 June 2019 and includes unused leave entitlements paid on termination.

REMUNERATION REPORT (audited) (continued)

9. Equity instrument disclosures

a) Option holdings of key management personnel

	Held at 1 July 2019	Granted as compens-ation	Exercise of options	Lapse of options	Held at 30 June 2020 or on date ceased to be a KMP	Vested and exercis-able at 30 June 2020
Andrew McIlwain	-	2,000,000[1]	-	-	2,000,000	-
Allan Trench	-	2,000,000[1]	-	-	2,000,000	-
Rob Bills	-	4,500,000[1]	-	-	4,500,000	-
Paul Mason	-	2,500,000	-	-	2,500,000	2,500,000
Trevor Verran[2]	1,400,000	-	-	-	1,400,000	1,400,000
Total	1,400,000	11,000,000	-	-	12,400,000	3,900,000

[1] Granted subject to shareholder approval, which was provided at a General Meeting of shareholders held 24 August 2020.
[2] Ceased to be a KMP 6 April 2020

b) Shareholdings of key management personnel

2020	Held at 1 July 2019	Granted as compens-ation	Exercise of options / rights	Purchases	Sales	Held at 30 June 2020 or date ceased to be a KMP
Directors:						
Andrew McIlwain	4,519,927	-	-	-	-	4,519,927
Allan Trench	36,000	-	-	-	-	36,000
Robert Bills	7,746,225	-	-	-	-	7,746,225
Other executives:						
Trevor Verran[1]	100,000	-	-	-	-	100,000
Total	12,402,152	-	-	-	-	12,402,152

Note 1 - Ceased to be a KMP on 6 April 2020.

2019	Held at 1 July 2018	Granted as compens-ation	Exercise of options / rights	Purchases	Sales	Held at 30 June 2019
Directors:						
Andrew McIlwain	4,334,927	-	-	185,000	-	4,519,927
Allan Trench	36,000	-	-	-	-	36,000
Robert Bills	7,746,225	-	-	-	-	7,746,225
Other executives:						
Trevor Verran	100,000	-	-	-	-	100,000
Steve Russell[1]	612,500	-	-	-	-	612,500
Total	12,829,652	-	-	-	-	13,014,652

[1] Ceased to be a KMP on 7 June 2019

REMUNERATION REPORT (audited) (continued)

9. Equity instrument disclosures

c) KMP options granted, exercised and lapsed for the 2020 financial year

	Grant date	Vest date	Number granted	Grant date fair value per option[1]	Total value granted	Exercise price	Expiry date	Remuneration consisting of options
Andrew McIlwain	24/8/20	1/4/20[1]	2,000,000	$0.0317	$63,400	$0.14	31/12/23	48.3
Allan Trench	24/8/20	1/4/20[1]	2,000,000	$0.0317	$63,400	$0.14	31/12/23	64.9
Robert Bills	24/8/20	1/4/20[1]	4,500,000	$0.0317	$142,650	$0.14	31/12/23	27.9
Paul Mason	1/4/20	1/4/20	2,500,000	$0.0190	$47,600	$0.14	31/12/23	56.0

[1] Director options were granted 1 April 2020 subject to shareholder approval. Shareholder approval was provided 24 August 2020. The option value for Director options is at the date of shareholder approval.

10. Transactions with directors, director related entities and other related parties

There were no loans or other transactions with the key management personnel or their related parties during the year (2019: Nil).

The 2019 remuneration report was adopted at the company's 2019 Annual General Meeting (AGM) where over 99% of proxies received were in favour of the remuneration report for the 2019 financial year. The company received no questions at the 2019 AGM in relation to its remuneration report.

END OF REMUNERATION REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS

The Company has entered into a Deed of Indemnity with each of the Directors to indemnify them to the maximum extent permitted by law against liabilities and legal expenses incurred in, or arising out of the conduct of the business of the Company or the discharge of the duties as a director.

Also pursuant to the Deed, the Company has paid premiums to insure the Directors against liabilities incurred in the conduct of the business of the Company. In accordance with common commercial practice, the insurance policy prohibits disclosure of the amount of the premium and the nature of the liability insured against. The amount of the premium is included as part of the directors' remuneration in the Remuneration Report.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Emmerson Resources support and have adhered to the principles of corporate governance. The Company's corporate governance statement has been released as a separate document and is available to download from the Company's website at www.emmersonresources.com.au/governance

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

AUDITOR’S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the *Corporations Act 2001* is set out on page 53.

NON-AUDIT SERVICES

The auditor independence requirements of the *Corporations Act 2001* were not compromised during the year. Non-audit services provided by the Company’s auditor, Ernst & Young is detailed in Note 24.

Signed in accordance with a resolution of the Directors.

Rob Bills
Managing Director & Chief Executive Officer
29 September 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $	2019 $
REVENUE			
Management and consulting fees		33,724	41,161
Interest income		38,472	92,401
TOTAL REVENUE		72,196	133,562
OTHER INCOME			
Gain on disposal of assets	4(a)	-	352,216
Rent received		600	250
Forfeited deposit	4(b)	200,000	-
Other		71,985	19,475
TOTAL REVENUE AND OTHER INCOME		344,781	505,503
EXPENSES			
Compliance and regulatory expenses		108,386	107,151
Consulting and legal expenses		118,576	208,730
Depreciation expense		2,588	5,189
Employee benefits expense	4(c)	1,216,695	955,090
Impairment of exploration and evaluation assets	12	153,168	178,742
Occupancy expense		91,117	86,937
General and administration expenses		134,472	195,883
TOTAL EXPENSES		1,825,002	1,737,722
LOSS BEFORE INCOME TAX		(1,480,221)	(1,232,219)
Income tax	5	-	-
LOSS FOR THE YEAR		(1,480,221)	(1,232,219)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR YEAR		(1,480,221)	(1,232,219)
Basic loss per share - cents per share	6	(0.35)	(0.30)
Diluted loss per share - cents per share	6	(0.35)	(0.30)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Notes	2020 $	2019 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	1,281,916	2,895,371
Other receivables	8	418,553	565,483
Other financial assets	9	-	416,959
Prepayments	10	223,535	27,778
Total Current Assets		1,924,004	3,905,592
Non-current Assets			
Other financial assets	9	345,381	360,216
Property, plant and equipment	11	148,806	195,727
Exploration and evaluation assets	12	14,281,624	13,217,633
Total Non-current Assets		14,775,811	13,773,576
TOTAL ASSETS		16,699,815	17,679,168
LIABILITIES			
Current Liabilities			
Trade and other payables	13	381,040	240,146
Provisions	14	171,921	238,559
Total Current Liabilities		552,961	478,705
TOTAL LIABILITIES		552,961	478,705
NET ASSETS		16,146,854	17,200,463
EQUITY			
Contributed equity	15	47,912,926	47,912,926
Share based payments reserve	16	3,362,648	2,936,036
Accumulated losses	17	(35,128,720)	(33,648,499)
TOTAL EQUITY		16,146,854	17,200,463

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Contributed Equity $	Share Based Payments Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2018	45,924,985	2,849,651	(32,416,280)	16,358,356
Loss for the year	-	-	(1,232,219)	(1,232,219)
Total comprehensive income	-	-	(1,232,219)	(1,232,219)
Transactions with owners in their capacity as owners:				
Shares issued during the period	2,000,000			2,000,000
Share issue costs	(12,059)	-	-	(12,059)
Share-based payments	-	86,385	-	86,385
Balance at 30 June 2019	47,912,926	2,936,036	(33,648,499)	17,200,463
Balance at 1 July 2019	47,912,926	2,936,036	(33,648,499)	17,200,463
Loss for the year	-	-	(1,480,221)	(1,480,221)
Total comprehensive income	-	-	(1,480,221)	(1,480,221)
Transactions with owners in their capacity as owners:				
Shares issued during the period				
Share-based payments	-	426,612	-	426,612
Balance at 30 June 2020	47,912,926	3,362,648	(35,128,720)	16,146,854

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Management and consulting fees received		38,548	19,315
Payments to suppliers and employees		(1,308,210)	(1,446,163)
Interest received		43,392	98,138
Deposit received and other income		268,000	19,725
NET CASH FLOWS USED IN OPERATING ACTIVITIES	18(a)	(958,270)	(1,308,985)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of property, plant and equipment		-	352,216
Environmental security deposit withdrawals		431,794	185,811
Purchase of property, plant and equipment		(12,786)	(108,314)
Gold sales royalty		-	274,606
Payments for exploration		(1,074,193)	(2,308,083)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(655,185)	(1,603,764)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	2,000,000
Payment of share issue costs		-	(12,059)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		-	1,987,941
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,613,455)	(924,808)
Cash and cash equivalents at beginning of period		2,895,371	3,820,179
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18(b)	1,281,916	2,895,371

The accompanying notes form part of these financial statements.

1. CORPORATE INFORMATION

The financial report of Emmerson Resources Limited (the Company, consolidated entity, Group or Emmerson) for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 29 September 2020.

Emmerson Resources Limited is a for-profit public company incorporated in Australia and listed on the Australian Securities Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The report has been prepared on a historical cost basis.

The financial report is presented in Australian dollars which is the Company's functional currency.

(b) Compliance with IFRS

The financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) Use of judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgments made by management in the application of accounting policies that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Management has made the following significant estimates and assumptions. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Impairment of capitalised exploration and evaluation expenditure
The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the consolidated entity decides to exploit the related leases itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligation) and changes to commodity prices. The extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made. An impairment loss of $153,168 (2019: $178,742) was recognised in the current year in respect of exploration expenditure. The impairment loss is directly attributable to mining tenements for which the consolidated entity no longer holds title and mining tenements where title is still held but where an assessment was made that minimal future exploration is planned or budgeted due to a lack of exploration potential.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives.

Share Based Payments
The consolidated entity measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the most appropriate valuation model, which is dependent upon the terms and conditions of the grant. The estimate also requires the assessment of the most appropriate inputs to the valuation model including the life of the related right or option, volatility and dividend yield.

Impact of the COVID-19 pandemic
The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report. Management have considered the potential impact of the COVID-19 pandemic in the significant accounting judgements, estimates and assumptions. However, as these are subject to increased uncertainty the actual outcomes may differ from the estimates.

(d) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The loss of the Company for the year ended 30 June 2020 amounted to $1,480,221 and net cash outflows from operating activities was $958,270. The cash balance at 30 June 2020 was $1,281,916 and net assets as at 30 June 2020 were $15,877,404.

Subsequent to the end of the financial year the Company raised $5,800,000 before costs from the issue of shares. As a consequence of this the Directors believe there are sufficient funds to meet the Group's working capital requirements and, as at the date of this report, the directors believe they can meet all liabilities as and when they fall due. The Directors have concluded that the going concern basis is therefore an appropriate basis for preparing the financial statements.

(e) Adoption of new revised or amending accounting standards and interpretations

New accounting standards adopted

The consolidated entity has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The nature and the effect of the adoption of the new Accounting Standards and Interpretations that are most relevant to the consolidated entity are described below:

AASB 16 Leases
AABS 16 *Leases* supersedes AASB 117 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The Group adopted AASB 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying AASB 117 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases') and lease contracts for which the underlying asset is of low value ('low-value' assets).

The adoption of this standard had no material impact to the Group as all of the Group's leases are short-term or of low value assets.

New accounting standards not yet adopted

The following standard and interpretation, that have been issued but not yet effective, which may impact the consolidated entity in the period of initial application have not been early adopted in preparing this financial report. Management is currently in the process of estimating the impact of these standards, though their adoption is not expected to have a material impact on the financial performance or position of the Group.

AASB 2018-6: Amendments to the Australia Accounting Standards – Definition of a business

This standard amends AASB 3 *Business Combinations'* ("AASB 3") definition of a business and is applicable for financial reporting periods beginning on or after 1 January 2020. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contributes to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present. The revisions to AASB 3 also introduced an optional concentration test. If the concentration test is met, the set of activities and assets acquired is determined not to be a business combination and asset acquisition accounting is applied. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current

The application of this amendment is effective from 1 January 2022 and will be adopted by the Group on 1 July 2022. This amendment to AASB 101 Presentation of Financial Statements clarifies the requirements for classifying liabilities as current or non-current.

(f) Basis of consolidation

The consolidated financial statements comprise the financial statements of Emmerson Resources Limited and its subsidiaries ("the consolidated entity"). The financial statements of subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are consolidated from the date on which control is transferred to the consolidated entity and cease to be consolidated from the date on which control is transferred out of the consolidated entity. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent Company has control. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition.

(g) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segments and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

(h) Financial Instruments

(i) Classification of financial instruments

The Group classified its financial assets under AASB 9 *Financial Instruments* into the following measurement categories:

- Those to be measured at fair value (either through other comprehensive income (FVOCI), or through profit or loss (FVTPL)); and
- Those to be measured at amortised cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets cash flows.

The Group classifies its financial liabilities as liabilities at amortised cost.

(ii) Financial assets

Cash and cash equivalents
Cash and cash equivalents include cash at bank and on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are classified as financial assets held at amortised cost.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consists of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included with interest-bearing liabilities in current liabilities on the consolidated statement of financial position.

Trade and other receivables
Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, are measured initially at the transaction price determined under AASB 15 *Revenue from Contracts with Customers* ("AASB 15"). Trade and other receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principle and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss. Following initial recognition the amortised cost is calculated using the effective interest method. The Group assesses on a forward looking basis the expected credit loss associated with its trade receivables at amortised cost. The expected credit loss is calculated using the simplified approach which requires the loss allowance to be based on the lifetime expected credit loss. In determining the expected credit loss the Group assesses the profile of the debtors and compares with historical recoverability trends, adjusted for factors that are specific to the debtors' general economic conditions and an assessment of both the current and forecast conditions as a reporting date.

For other receivables, the Group applies the general approach where a loss allowance for lifetime expected credit losses is recognised if there has been a significant increase in credit risk (measured using the lifetime probability of default) since initial recognition of the other receivable. If, at balance date, the credit risk on other receivables has not increased significantly since initial recognition, a loss allowance for 12-month expected credit losses is recognised.

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. An impairment allowance is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

Other financial assets – Environmental rehabilitation security bonds, and other receivables

Initial recognition and measurement:

Other financial assets are classified, at initial recognition, at amortised cost, financial assets at fair value through profit or loss, fair value through other comprehensive income as appropriate. Other financial assets, are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The Group has not recognised any financial assets at fair value through other comprehensive income.

Subsequent measurement:

The subsequent measurement of other financial assets depends on their classification as described below:

a) *Financial assets at fair value through profit or loss*
   Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of comprehensive income.
b) *Amortised cost*
   In order for a financial asset to qualify for measurement as amortised cost, it has to pass both the contractual cash flow characteristics test as well as the business model test. Under the

contractual cash flow characteristics test, an entity has to assess, whether the cash flows resulting from the financial asset are solely payments for principal and interest on the outstanding principal amount. Under the business model test the objective is to hold financial assets in order to collect contractual cash flows.

Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principle and interest are classified and subsequently measured at amortised cost using the effective interest rate method. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

Impairment of other financial assets:

The Group assesses on a forward looking basis the expected credit loss associated with other financial assets. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For other financial assets, the expected credit loss is based on the 12-month expected credit loss. The 12-month expected credit loss is the portion of lifetime expected credit losses that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(iii) Financial liabilities

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial period that are unpaid and arise when the consolidated entity becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are recognised initially at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity. The amounts are unsecured and are usually paid within 30 days of recognition. They are subsequently measured at amortised cost using the effective interest method.

(i) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairments losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss.

Land and buildings are stated at historical cost less accumulated depreciation on buildings and any accumulated impairments losses.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over its estimated useful life as follows:

Land	Not depreciated
Buildings	20 years
Plant and equipment	3 to 15 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(k) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred in respect of each identifiable area of interest is capitalised and recognised as an exploration and evaluation asset. These costs are only carried forward as an exploration and evaluation asset to the extent that the consolidated entity's rights of tenure to that area of interest are current and that the costs are expected to be recouped through sale or the successful development and exploitation of the area, or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Development costs related to an area of interest are carried forward to the extent that they are expected to be recouped either through sale or successful exploitation of the area of interest. Subsequent to initial recognition, exploration & evaluation assets are measured at cost less impairment.

When an area of interest is abandoned, or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period, when the facts and circumstances suggest that the carrying value exceeds the recoverable amount, an impairment assessment is carried out (refer (l) below). Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

When the Company enters into an exchange transaction for exploration and evaluation assets where the fair value of assets cannot be determined reliably, the Company applies an accounting policy under which the carrying value of the exploration and evaluation asset given up is used as an approximation for the fair value of exploration and evaluation assets obtained.

Incidental income from exploration tenements is offset against the carrying value of the exploration and evaluation assets.

Government grants and research & development incentives in relation to exploration tenements are offset against the carrying value of the exploration and evaluation.

(l) Impairment of non-financial assets

At each reporting date, the consolidated entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the consolidated entity makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

(m) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment, refer to Note 2 (l) for further details on this policy.

(n) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date, if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered of low value (i.e. below $15,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(o) Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the consolidated entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability, plus related on-costs. The increase in the provision resulting from the passage of time is recognised in finance costs.

(p) Employee benefits

Provision is made for the consolidated entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liabilities are settled. Employee benefits payable later than one year are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash flows.

(q) Share-based payment transactions

The consolidated entity provides benefits to its employees in the form of share-based payments through an Incentive Option Scheme and a Performance Rights Plan, whereby, at the discretion of the Board, employees are from time to time issued with share purchase options as part of their total remuneration package and/or render services in exchange for rights over shares.

The cost of these share-based payments is measured by reference to the fair value of the equity instruments at the date at which they are granted using a Black-Scholes pricing model. The equity instruments are generally subject to performance and/or service vesting conditions and their fair value is recognised as an expense, together with a corresponding increase in other reserve equity over the vesting period, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). No expense is recognised for equity instruments that do not ultimately vest because of non-market performance or service conditions have not been met. Any market vesting conditions are considered as part of the fair value.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(r) Contributed equity

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(s) Revenue recognition

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group is expected to be entitled for those goods or services.

The following specific recognition criteria must also be met before revenue is recognised:

(i) Rendering of exploration services

Revenue from services rendered for management of exploration activities or the provision of exploration consulting services is recognised in the consolidated statement of comprehensive income by reference to the works completed at the reporting date and the corresponding management or consulting fee payable to the consolidated entity for the completed services.

(t) Other income

(i) Interest income
Revenue is recognised as interest accrues using the effective interest method. This method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(ii) Gold sales royalty
The Company's share of gold mined under tribute mining agreements is recognised on outturn by the gold refinery.

(u) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered, or liabilities settled, based on those tax rates which are enacted or substantially enacted at balance sheet date. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences arising from the recognition of an asset or liability.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits will be available to utilise those temporary differences and losses.

Tax consolidation legislation
Emmerson Resources Limited and its wholly owned subsidiaries have formed an income tax consolidated group under tax consolidation legislation.

(v) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the GST incurred is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(w) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options.

3. SEGMENT INFORMATION

The Company has identified its operating segments based on the internal management reports that are reviewed and used by the board of directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Company has one segment, namely mineral exploration in Australia. The revenues and results of this segment are those of the consolidated entity as a whole and are set out in the consolidated statement of comprehensive income.

	Notes	2020 $	2019 $
4. REVENUE AND OTHER INCOME			
Revenue and other income include the following:			
(a) Gain on disposal of assets:			
Proceeds on disposal of Warrego mill and processing plant		-	300,000
Proceeds on disposal of other plant and equipment		-	52,216
		-	352,216
(b) Forfeited deposit			
Deposit forfeited by NT Bullion Pty Ltd for a planned strategic alliance which did not proceed		200,000	-
(c) Employee benefits expense			
Salaries and other benefits		790,083	868,705
Share-based payments			
Options granted and issued	16	157,162	86,385
Options granted not yet issued	16	269,450	-
		1,216,695	955,090

5. INCOME TAX

a) Reconciliation of income tax to loss before income tax

Loss before income tax	(1,480,221)	(1,232,219)
Tax benefit calculated at 27.5% on loss before tax	(407,061)	(338,860)
Add/(less) tax effect of:		
Share-based payments not deductible	117,318	23,756
Other	749	1,082
Tax losses and temporary differences not recognised	288,994	314,022
Income tax benefit	-	-

b) Unrecognised tax assets and liabilities

Deferred tax assets		
Unused tax losses	11,017,079	10,411,969
Deductible temporary differences:		
Accrued expenses	8,250	7,436
Provision for employee entitlements	47,278	65,604
Undeducted share issue costs	13,375	20,735
	11,085,982	10,505,744
Deferred tax liabilities		
Assessable temporary differences:		
Interest income receivable	(385)	(1,738)
Exploration and evaluation assets capitalised	(3,510,568)	(3,167,559)
	(3,510,953)	(3,169,297)
Net unrecognised tax balances	7,575,029	7,336,447

The net deferred tax assets are not recognised since it is not probable that future taxable profits will be available to utilise deductible temporary differences and losses.

6. LOSS PER SHARE

	2020 $	2019 $
Loss for the year	(1,480,221)	(1,232,219)
Loss used in calculating basic and diluted loss per share	(1,480,221)	(1,232,219)

As the company has incurred a loss, the diluted loss per share is disclosed as the same as basic loss per share. There is no impact from 29,700,000 options (30 June 2019: 24,700,000 options) on diluted loss per share as they are antidilutive.

	2020 Number of shares	2019 Number of shares
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	424,853,874	414,477,328

7. CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Cash at bank and in hand	331,916	26,047
Bank deposits at call	-	369,324
Bank short term deposits	950,000	2,500,000
	1,281,916	2,895,371

8. OTHER RECEIVABLES

Receivables from joint venture partner	318,345	443,723
Interest receivable	1,399	6,319
Other receivables and prepayments	98,809	115,441
	418,553	565,483

Trade and other receivables are non-interest bearing and normally received on normal trade terms. Due to the short-term nature of these receivables, their carrying amount approximates fair value.

9. OTHER FINANCIAL ASSETS

	Notes	2020 $	2019 $
Current			
Bank term deposits	(a)	-	416,959
Non-current			
Bank term deposits	(a)	198,487	199,522
Environmental rehabilitation security deposits	(b)	140,694	160,694
Security deposit		6,200	-
		345,381	360,216

(a) These bank term deposits were held as security for bank guarantee performance bonds in favour of the Northern Territory government for potential environmental rehabilitation obligations. As these term deposits were secured by the counterparties, they were not accessible to the Company. $416,959 of these term deposits were refunded to the Company during the year, following the sale of the Warrego Mill facility and associated tenements and extinguishment of the Rehabilitation Agreement and Standstill Deed and confirmation by the Northern Territory government that the related bank guarantee was no longer required. Given the high credit rating of the counterparties, expected credit loss is considered to be insignificant.

(b) Cash securities held by State Governments as security for potential rehabilitation obligations in relation to exploration activities. As such the securities are not accessible to the Company.

10. PREPAYMENTS

	2020 $	2019 $
Prepaid drilling expenditure (refer note 19(d))	200,000	-
Other	23,535	27,778
	223,535	27,778

11. PROPERTY, PLANT AND EQUIPMENT

	2020 $	2019 $
Land and buildings		
Cost at beginning of year	146,215	146,215
Cost at end of year	146,215	146,215
Accumulated depreciation at beginning of year	86,413	79,761
Depreciation expense	6,039	6,652
Accumulated depreciation at end of year	92,452	86,413
Carrying amount at beginning of year	59,802	66,454
Carrying amount at end of year	53,763	59,802
Plant & equipment		
Cost at beginning of year	655,593	1,027,168
Additions	-	105,208
Disposals	-	(476,783)
Cost at end of year	655,593	655,593
Accumulated depreciation at beginning of year	537,506	965,912
Depreciation expense	40,557	48,377
Disposals	-	(476,783)
Accumulated depreciation at end of year	578,063	537,506
Carrying amount at beginning of year	118,087	386,916
Carrying amount at end of year	77,530	118,087
Other		
Cost at beginning of year	230,887	640,311
Additions	12,786	3,106
Disposals	-	(412,530)
Cost at end of year	243,673	230,887
Accumulated depreciation at beginning of year	213,049	602,918
Depreciation expense	13,111	22,661
Disposals	-	(412,530)
Accumulated depreciation at end of year	226,160	213,049
Carrying amount at beginning of year	17,838	37,393
Carrying amount at end of year	17,513	17,838

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	2020	2019
	$	$
Total property plant and equipment		
Cost at beginning of year	1,032,695	1,813,694
Additions	12,786	108,314
Disposals	-	(889,313)
Cost at end of year	1,045,481	1,032,695
Accumulated depreciation & write-off at beginning of year	836,968	1,648,591
Depreciation expense	59,707	77,690
Disposals	-	(889,313)
Accumulated depreciation & write-off at end of year	896,675	836,968
Carrying amount at beginning of year	195,727	165,103
Carrying amount at end of year	148,806	195,727

12. EXPLORATION AND EVALUATION ASSETS

	2020	2019
	$	$
Costs carried forward in respect of areas of interest in pre-production exploration and evaluation phases		
Carrying amount at beginning of period	13,217,633	11,814,834
Additions	1,400,470	1,968,169
Gold sales royalty received	-	(274,606)
Research & development tax offset and co-funding grants	(183,311)	(112,022)
Impaired	(153,168)	(178,742)
Carrying amount at end of period	14,281,624	13,217,633

Tenements are carried forward in accordance with the accounting policy set out in Note 2. As discussed in the Directors Report, during the financial year, the Group continued its mineral exploration activities including project generation, database reviews, field mapping, geochemical surveying, and drilling programmes. Company exploration activities, including joint operations, were focused in Australia.

The Directors have reviewed all exploration projects for indicators of impairment considering approved budgets. Where substantive expenditure is neither budgeted nor planned the area of interest has been written down to its fair value less costs to dispose. In determining fair value less cost of disposal the Directors had regard to the best evidence of what a willing participant would pay in an arm's length transaction. Where no such evidence was available, the carrying value of the areas of interest were written off pending the outcome of any future farm-out arrangement. The Company will continue to look to attract farm-in partners and/or recommence exploration should circumstances change.

The ultimate recoverability of the carrying amount of the exploration and evaluation assets is dependent on the continuance of the Group's rights to tenure of the interest, the results of future exploration, and the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

	Note	2020 $	2019 $
13. TRADE AND OTHER PAYABLES			
Trade payables		324,237	158,027
Non-trade payables and accrued expenses		56,803	82,119
		381,040	240,146

Trade and other payables are non-interest bearing and are normally settled on 30-day terms. Due to the short-term nature of these payables, their carrying amount approximates fair value.

14. PROVISIONS

	2020 $	2019 $
Employee benefits provision for annual and long service leave	171,921	238,559

15. CONTRIBUTED EQUITY

(a) Fully paid ordinary shares

	2020 $	2019 $
Balance at beginning of year:		
424,853,874 (2019: 405,530,203) shares	47,912,926	45,924,985
Nil (2019: 19,323,671) shares issued for cash under cash placement	-	2,000,000
Share issue costs (including share-based payments)	-	(12,059)
Balance at end of year:		
424,853,874 (2019: 424,853,874) shares	47,912,926	47,912,926

The Company does not have authorised capital or par value in respect of its issued shares.

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(c) Options over ordinary shares

	2020 Number of options	2019 Number of options
Unissued ordinary shares for which options are outstanding:		
Exercise price of $0.135 expiring 30/09/20	19,800,000	19,800,000
Exercise price of $0.09 expiring on 14/11/21	4,900,000	4,900,000
Exercise price of $0.14 expiring on 31/12/23	5,000,000	-
	29,700,000	24,700,000

16. SHARE BASED PAYMENTS RESERVE

	Note	2020 $	2019 $
Balance at beginning of year		2,936,036	2,849,651
Recognition of share-based payment expense to employees	4(b)	426,612	-
Balance at end of year		3,362,648	2,936,036

Share based payments reserve is used to recognise the fair value of options and rights provided to employees and consultants as part of their remuneration or fees. The fair value of options granted to the broker deemed to be the fair value of services provided.

17. ACCUMULATED LOSSES

	2020 $	2019 $
Balance at beginning of year	(33,648,499)	(32,416,280)
Loss for year	(1,480,221)	(1,232,219)
Balance at end of year	(35,128,720)	(33,648,499)

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of net loss to cash flows used in operating activities

	2020 $	2019 $
Net loss	(1,480,221)	(1,232,219)
Add/(Less) non-cash items:		
Gain on disposal of assets	-	(352,216)
Depreciation expense	2,588	5,189
Impairment of exploration expenditure	153,168	178,742
Share-based payment	426,612	86,385
Change in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	9,745	(16,737)
Increase/(decrease) in trade and other payables	15,097	(311)
Increase in prepayments	(18,621)	-
(Decrease)/increase in provisions	(66,638)	22,182
Net cash flows used in operating activities	(958,270)	(1,308,985)

(b) Reconciliation of cash

	2020 $	2019 $
Cash balance comprises:		
Cash and cash equivalents	1,281,916	2,895,371

(c) Financing facilities available

At reporting date, the following credit card facility had been negotiated and was available:

	2020 $	2019 $
Total facility	45,000	45,000
Facility used at reporting date	(7,649)	(6,548)
Facility unused at reporting date	37,351	38,452

19. EXPENDITURE COMMITMENTS

a) Short-term lease commitments

The Company leases office premises at 3 Kimberley Street, West Leederville under a lease expiring 31 March 2021. The lease is treated as a short-term lease under AASB 16 and expensed on a straight-line basis. During the year ended 30 June 2020, $83,685 was recognised as an expense in the income statement and as cash paid in payments to suppliers and employees in the statement of cash flows in respect of short-term leases (2019: $80,395). Commitments for short-term lease payments are $40,342, all due within 12 months.

b) Exploration expenditure commitments

To maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure covenants specified by the Northern Territory and NSW Governments. These obligations can be reduced by selective relinquishment of exploration tenure or renegotiation. Due to the nature of the Group's operations in exploring and evaluating areas of interest, exploration expenditure commitments beyond twelve months cannot be reliably determined. Obligations for future tenement renewals are not provided for in the financial report. It is anticipated that expenditure commitments in subsequent years will be like that for the forthcoming twelve months and are payable:

	2020	2019
	$	$
Not later than one year	2,705,342	3,050,000
Later than one year and not later than five years	1,246,438	2,179,167
	3,951,780	5,229,167

c) Remuneration commitments

Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognized as liabilities, payable:

Not later than one year	450,322	451,691

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of directors and executives referred to in the remuneration report of the directors' report that are not recognised as liabilities and are not included in the compensation of KMP.

d) Contractual commitments

The Company entered into an agreement with AMWD Pty Ltd, a drilling company associated with Bacchus Resources Pty Ltd, for the following work programs:

- A minimum $200,000 drilling program at Kadungle in NSW.
- A further $1.0m drilling within three years on Emmerson's tenements anywhere in Australia, providing AMWD meets certain criteria, including agreement around competitive drill rates, and professional/ safe work practices.

The above commitment arose from an agreement to restore Emmerson's interest in the Kadungle tenement (previously EL6226, now ELA 5947). As at 30 June 2020 all conditions precedent under the agreement had been met, including a prepayment of $200,000 to AMWD for drilling at Kadungle scheduled to start late 2020.

20. REHABILITATION COMMITMENTS

Santexco Pty Ltd (Santexco), a wholly owned subsidiary of the Company, entered into a Rehabilitation Agreement dated 6 November 2001 with the Northern Territory (NT) Government, whereby Santexco was obliged to perform rehabilitation obligations to the value of $750,000 per annum for 6 years totalling obligation of $4,500,000 on various mineral tenements, or pay the difference between the actual rehabilitation performed per year on the tenements and $750,000 into a deposit account held by the NT Government each of the 6 anniversary dates of the agreement. A Standstill Deed was subsequently entered into with the NT Government dated 31 July 2006 whereby the NT Government agreed that the rehabilitation obligations described in the Rehabilitation Agreement are suspended (on “standstill”) until 45 days of cumulative commercial production from the consolidated entity’s tenements.

The NT Government agreed to extinguish the Rehabilitation Agreement and Standstill Deed on 8 August 2018 and consequently there is currently no requirement for the consolidated entity to perform any rehabilitation obligations on any tenements, except to the extent that the rehabilitation relates to the exploration activities of the consolidated entity since August 2006.

Prior to the extinguishment of the Rehabilitation Agreement Santexo had performed actual rehabilitation obligations of $333,041 and lodged a bank guarantee to the value of $416,959 with the NT Government.

As a consequence of the above, and with both Emmerson selling the Warrego Mill to Territory Resources Pty Ltd and the introduction of the Mining Remediation Fund by the NT Government in 2013, the $416,959 bond was refunded to the Company in December 2019.

21. FARM-IN and JOINT VENTURE AGREEMENTS

The Company entered into an Option and Farm-In agreement with Aurelia Metals Ltd effective from 2 June 2016 to earn up to 80% interest in the Kadungle Project subject to meeting certain expenditure obligations. Emmerson met its farm-in expenditure obligations to earn an 80% interest in the Kadungle Project in the previous financial year and formed a joint venture with Aurelia Metals Ltd. Under the joint venture Emmerson will continue to increase its interest in the Kadungle Project in proportion to its contributions if Aurelia elect not to contribute further expenditure. Once either party’s share of the joint venture falls below 10% its interest converts to a 2.5% net smelter royalty on future production from the Kadungle Project. As at year end the Company’s interest in the Kadungle Project was approximately 82%.

On 5 September 2018 Emmerson entered into a strategic alliance with Territory Resources Pty Ltd (Territory) under an Exploration Earn-In & Joint Venture and a Small Mines Joint Venture Agreement.

Under the Exploration Earn-In & Joint Venture Agreement Territory will fund $5 million of exploration over five years across Emmerson’s Southern Project Area (SPA) at Tennant Creek to earn a 75% interest in the SPA. Territory must spend a minimum of $2 million before it can withdraw from the Earn-in. After the Earn-in phase, a Joint Venture can be formed whereby Emmerson can elect to either maintain its equity position in the SPA by contributing 25% to the exploration programs or dilute. Emmerson will act as manager during the Earn-in period and receive a management fee.

Under the Small Mines Joint Venture Agreement, Emmerson has a free carried 25% profit share from any mine within the SPA, other than Edna Beryl and Chariot (where Emmerson receives 12% and 6% respectively of the gold produced). Territory will receive a 75% share of profits in exchange for planning, funding, developing and operating Emmerson’s portfolio of potential mining projects within the SPA.

22. SHARE-BASED PAYMENTS

The Company has an Incentive Option Scheme approved by shareholders at the 2017 Annual General Meeting to provide share-based payment benefits, whereby options to acquire ordinary shares are issued as an incentive to improve employee and shareholder goal congruence and provide a retention incentive for participants. Vesting conditions are set by the board for each offer and typically vest after a service period of one year with a three-year period to exercise.

The following share-based payment arrangements were in existence during the year:

Granted	Exercise price	Vesting date	Expiry date	2020 Number of options	2019 Number of options
Incentive Option Scheme:					
21/12/18	$0.09	14/11/19	14/11/21	4,900,000	4,900,000
1/4/20	$0.14	1/4/20	31/12/23	5,000,000	-
Placement fee share-based payment:					
19/10/17	$0.1350		30/09/20	9,000,000	9,000,000
Director options:					
1/4/20[1]	$0.14	1/4/20	31/12/23	8,500,000	-
Outstanding at end of year				27,400,000	13,900,000

[1] options granted 1 April 2020 subject to shareholder approval which was given 24 August 2020, following which the options were issued.

The number and weighted average exercise prices of options granted as share based payments:

	2020 Number of options	2020 Weighted average exercise price	2019 Number of options	2019 Weighted average exercise price
Outstanding at beginning of year	13,900,000	$0.1191	9,000,000	$0.1350
Granted during year	13,500,000	$0.1400	4,900,000	$0.0900
Exercised during year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding at end of year	27,400,000	$0.1290	13,900,000	$0.1191
Exercisable and vested at end of year	18,900,000	$0.1250	9,000,000	$0.1350

The range of exercise prices for options outstanding at the end of the year was $0.090 to $0.14 (2019: $0.09 to $0.135) and a weighted average remaining contractual life of 2.1 years (2019: 1.65 years).

The weighted average fair value of $0.027 for share-based payment options granted during 2020 was calculated using a Black and Scholes option pricing model inputting a weighted average share price of $0.093, a weighted average exercise price of $0.14, a weighted average risk free interest rate of 0.2%, a weighted average expected life of 3 years, a volatility factor of 58% based on historical volatility and expected changes to future volatility. No other features such as a market condition were incorporated into the measurement of fair value.

The fair value of options granted under the Incentive Option Scheme is recognised as an expense over the period from grant to vesting date, unless the options fail to vest due to not meeting service or non-market performance conditions. The amount recognised as part of employee benefits expense during the year was $426,612 (2019: $86,385).

23. RELATED PARTY DISCLOSURES

a) Subsidiaries

The consolidated financial statements include the financial statements of Emmerson Resources Limited and its following wholly owned subsidiaries which were incorporated in Australia. Emmerson Resources Limited is the parent entity within the consolidated entity.

	2020 % Interest	2019 % Interest
Giants Reef Exploration Pty Ltd	100%	100%
Santexco Pty Ltd	100%	100%
TC8 Pty Ltd	100%	100%
Lachlan Resources Pty Ltd	100%	100%

b) Compensation of key management personnel

	2020 $	2019 $
Short-term employee benefits	609,281	861,516
Post-employment benefits	46,990	75,000
Termination benefits	-	39,230
Share-based payments	334,753	49,362
Total compensation	991,024	1,025,108

Details of remuneration, share, rights and option holdings of directors and key management personnel are disclosed in the remuneration report.

c) Transactions with key management personnel

Andrew McIlwain's fees for services as a director of the Company were paid to Andrew McIlwain and Associates Pty Ltd, a company of which Mr McIlwain is a shareholder and beneficiary. The amount recognised as an expense during the year was $64,673 (2019: $73,912). The amount outstanding and included in the trade and other payables liability at year end is nil (2019: nil).

Allan Trench's fees for services as a director of the Company were paid to Judicial Holdings Pty Ltd, a company of which Mr Trench is a shareholder and beneficiary. The amount recognised as an expense during the year was $31,043 (2019: $35,478). The amount outstanding and included in the trade and other payables liability at year end is $1,626 (2019: $2,956).

d) Options over ordinary shares held by key management personnel

	2020 Number outstanding	2019 Number outstanding
Unissued ordinary shares for which options are outstanding:		
Exercise price of $0.09 expiring 14/11/2021	-	2,800,000
Exercise price of $0.14 expiring 31 December 2023	2,500,000	-

Refer to Note 21 for further details of the Incentive Option Scheme.

24. AUDITORS REMUNERATION

	2020 $	2019 $
Amounts paid to Ernst & Young for:		
Audit and review of financial reports	46,293	45,012
Taxation services	-	8,000
	46,293	53,012

25. PARENT ENTITY INFORMATION

	2020 $	2019 $
The individual financial statements for the parent entity show the following aggregate amounts:		
Current assets	1,924,004	3,905,592
Non-current assets	14,775,811	15,902,622
Total assets	16,699,815	19,808,214
Current liabilities	(552,961)	(478,705)
Non-current liabilities	(2,129,996)	(2,129,046)
Total liabilities	(2,682,957)	(2,607,751)
Net assets	14,016,858	17,200,463
Contributed equity	47,912,926	47,912,926
Other reserves	3,362,649	2,936,036
Accumulated losses	(37,258,717)	(33,648,499)
Total equity	14,016,858	17,200,463
Loss for the year	(3,610,217)	(1,232,219)
Total comprehensive loss for the year	(3,610,217)	(1,232,219)

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2020 and 30 June 2019.

26. FINANCIAL RISK MANAGEMENT

The consolidated entity's principal financial instruments comprise cash, short-term deposits, receivables and payables.

The main purpose of these financial instruments is to fund the consolidated entity's operations. The main risks arising from the consolidated entity's financial instruments are credit risk, liquidity risk and interest rate risk. To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, the Company has established comprehensive risk reporting. The consolidated entity uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates and liquidity risk is monitored through future rolling cash flow forecasts.

The carrying amounts of all financial assets and liabilities (including liabilities contractual maturities) at balance date are as follows:

		2020 $	2019 $
Financial assets			
Cash and cash equivalents	7	1,281,916	2,895,371
Trade and other receivables	8	418,553	593,262
Other financial assets	9	345,381	777,175
Total financial assets		2,045,850	4,265,808
Financial liabilities			
Trade and other payables:			
- 6 months or less	13	381,040	240,146
Total financial liabilities		381,040	240,146

The carrying amounts of financial assets and liabilities approximate their fair value due to their short-term nature.

26. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to financial position credit risk are as indicated by the carrying amounts of its financial assets, primarily deposits with financial institutions from financing activities and trade and other receivables from operating activities. The significant concentration of risk is in relation to cash balances.

Credit risk management: cash deposits

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. Cash deposits are placed only with reputable Australian banks and where possible spread across more than one bank.

Credit risk management: deposits held as security for bank guarantees

There is exposure to credit risk for counterparties that the Group holds guarantees with. Details of bank term deposits held as security for bank guarantee performance bonds for potential environmental rehabilitation obligations in relation to exploration activities are disclosed in note 9. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Credit risk management: trade and other receivables

The maximum exposure to credit risk at the reporting date to trade and other receivables is the carrying amount as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Receivable balances are monitored on an ongoing basis including reviewing the financial capacity of counterparties, credit ratings and ageing analysis with the result that the Group’s exposure to bad debts is not significant.

Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity’s approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due.

The consolidated entity currently does not have major funding in place and trade and other payables are due for payment within 6 months.

The consolidated entity manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in short term bank deposits. The decision on how the Company will raise future capital will depend on market conditions existing at that time.

Interest rate risk

The consolidated entity’s exposure to the risk of changes in market interest rates relates primarily to cash assets at variable interest rates.

At balance date the consolidated entity had the following financial assets exposed to Australian variable interest rate risk:

		2020	2019
		$	$
Cash and cash equivalents	7	1,281,916	2,895,371
Other financial assets (environmental security bank deposits)	9(a)	198,487	616,481
		1,480,403	3,511,852

26. FINANCIAL RISK MANAGEMENT (continued)

Cash term deposits are generally placed on term deposit for periods of between 30 days and 90 days and are therefore exposed to movements in term deposit interest rates. The Company regularly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, and the mix of fixed and variable interest rates and term deposits terms.

The following sensitivity analysis shows the effect on loss after tax to a 1.0% change in interest rates with other variables held constant on the interest rate exposures in existence at balance date (there would be no effect on other equity to a change in the interest rates).

Impact on loss after tax to:		
1.0% increase in interest rates (reduce loss)	14,804	41,435
1.0% decrease in interest rates (increase loss)	(14,804)	(41,435)

Capital management risk

The Board’s policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Company manages its capital to ensure it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of its capital structure comprising equity and cash.

The capital structure of the Company consists of cash and cash equivalents and equity, comprising issued capital, reserves and accumulated losses as disclosed in Notes 14, 15 and 16 respectively. Capital management predominantly takes the form of managing of the Company’s cash reserves, taking into account forecast operating and capital expenditure requirements of the consolidated entity. The Company had no long-term debt at 30 June 2019.

During 2018 and 2019 the Company has maintained the capital base through a clear cash management strategy and when required, the issue of equity instruments.

There were no changes in the Company’s approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

27. EVENTS SUBSEQUENT TO REPORTING DATE

Emmerson issued 35,550,000 shares at an issue price of 10c in July to raise $3,555,000 under placements. Each new share was issued with an attaching unlisted option with an exercise price of 16c each, exercisable on or before 8 July 2023.

A Share Purchase Plan (“SPP”) launched in July raised an additional $2,245,000. Under the SPP Emmerson issued 22,450,000 new shares at an issue price of 10c each. Each new share was issued with an attaching unlisted option with an exercise price of 16c each, exercisable on or before 8 July 2023.

At a General Meeting of shareholders on 24 August 2020, shareholders approved the issue of 8,500,000 unlisted options to Directors. Each option has an exercise price of $0.14 expiring 31 December 2023 (refer note 22).

The Company received confirmation of the draft grant of ELA5944, the Kadungle tenement (previously EL6226), from the Department of Regional NSW in September and are awaiting final determination (refer Note 19(d)).

The impact of the Coronavirus (COVID-19) pandemic is ongoing and, while it has not significantly impacted the Group up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as requirements to maintain social distancing, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the matters noted above there have not been any material events subsequent to the end of the reporting date and the date of this financial report that has not been recognised in this financial report.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Emmerson Resources Limited, I state that:

(1) In the opinion of the directors:

(a) the financial statements and notes of Emmerson Resources Limited for the financial year ended 30 June 2020 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of its financial position as at 30 June 2020, and performance for the year ended on that date; and

(ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2020.

On behalf of the Board

Rob Bills
Managing Director & Chief Executive Officer

29 September 2020

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Auditor's independence declaration to the directors of Emmerson Resources Limited

As lead auditor for the audit of the financial report of Emmerson Resources Limited for the financial year ended 30 June 2020, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit*;* and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Emmerson Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

T G Dachs
Partner
29 September 2020

TD:TGF:EMMERSON:009

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Independent auditor's report to the members of Emmerson Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Emmerson Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2020 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
As disclosed in Note 12 as at 30 June 2020, the Group held capitalised exploration and evaluation expenditure assets of $14,281,624. The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation expenditure may exceed its recoverable amount. The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgments including whether the Group has tenure, intends to perform ongoing exploration and evaluation activity and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. During the year, the Group recognised an impairment charge of $153,168 in relation to certain areas of interest. The Group determined that there had been no indicators of impairment for its other areas of interest.	▸ In performing our procedures, we: ▸ Considered the Group's right to explore in the relevant area of interests, which included obtaining and assessing supporting documentation. ▸ Considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area, which included assessment of the Group's cash-flow forecast models, discussions with senior management and Directors as to the intentions and strategy of the Group. ▸ Considered whether the exploration activities within each area of interest have reached a stage where the commercially viable resource estimate could be made, which included obtaining and assessing supporting documentation such as exploration reports and the Group's announcements in the Australian Stock Exchange in relation to its mineral resource and ore reserve. ▸ Recalculated the impairment charge based on management's determination of areas of interest that no longer have active or significant continuing exploration and evaluation activities. ▸ Assessed the adequacy of the disclosure included in the financial report.

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Going concern assessment

Why significant	How our audit addressed the key audit matter
The Group is not yet generating material mining revenue and is still in the exploration and evaluation stage. Accordingly, the testing of the availability of sufficient funding for the Group to meet its obligations is considered to be a significant part of our going concern assessment and therefore a key audit matter. This assessment of going concern is largely based on the expectations of and the estimates made by the Group. The expectations and estimates can be influenced by subjective elements such as estimated future cash flows from its farm-in partner and future royalty income. Estimates are based on assumptions, including expectations regarding future developments in the economy and the market. The Group's financial report is prepared on a going concern basis. The Group's assessment in respect of going concern is set out Note 2(d) to the financial report.	We performed the following procedures: ▸ Analysed the Group's cash flow forecast and enquired with the Group to gain an understanding of the inputs and process underpinning the cash flow forecast prepared for the purpose of the going concern assessment. ▸ Assessed whether the cash flow forecast accurately reflected the budget that was approved by the Directors. ▸ Assessed the external inputs and assumptions within the cash flow forecast by comparing them to assumptions and estimates used elsewhere in the preparation of the financial report. We also compared them against our understanding and knowledge of the Group's operations. ▸ Assessed the sensitivity analysis that the Group performed on the cash flow forecast. ▸ Assessed the possible mitigating actions identified by the Group in the event that actual cash flows are below cash flow forecast. ▸ Agreed the receipt of cash from the post-balance date capital raising to the bank statements. ▸ Assessed the adequacy of the disclosure included in the financial report.

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2020 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the audit of the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 16 to 24 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Emmerson Resources Limited for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

T G Dachs
Partner
Perth
29 September 2020

TENEMENT SCHEDULE

All tenements below are held in Northern Territory, Australia as at the date of this report

Tenement	Name	Interest	Tenement	Name	Interest	Tenement	Name	Interest
EL10114	McDougall	100%	MCC211	Shamrock	100%	MLC127	Peko East Ext 4	100%
EL10124	Speedway	100%	MCC212	Mt Samuel	85%	MLC129	Peko Sth- East	100%
EL10313	Kodiak	100%	MCC239	West Peko	100%	MLC130	Golden Forty	100%
EL10406	Montana	100%	MCC240	West Peko	100%	MLC131	Golden Forty	100%
EL23285	Corridor 2	100%	MCC308	Mt Samuel	85%	MLC132	Golden Forty	100%
EL23286	Corridor 3	100%	MCC316	The Trump	100%	MLC133	Golden Forty	100%
EL23905	Jackie	100%	MCC317	The Trump	100%	MLC134	Golden Forty	100%
EL26594	Bills	100%	MCC334	Estralita Group	100%	MLC135	Golden Forty	100%
EL26787	Rising Ridge	100%	MCC340	The Trump	100%	MLC136	Golden Forty	100%
EL27011	Snappy Gum	100%	MCC341	The Trump	100%	MLC137	Golden Forty	100%
EL27408	Grizzly	100%	MCC344	Mt Samuel	100%	MLC138	Golden Forty	100%
EL27537	Chappell	100%	MCC364	Estralita	100%	MLC139	Golden Forty	100%
EL27538	Mercury	100%	MCC365	Estralita	100%	MLC140	Golden Forty	100%
EL27902	Lynx	100%	MCC366	Estralita	100%	MLC141	Golden Forty	100%
EL28601	Malbec	100%	MCC524	Gibbet	100%	MLC142	Golden Forty	100%
EL28602	Red Bluff	100%	MCC55	Mondeuse	100%	MLC143	Golden Forty	100%
EL28603	White Devil	100%	MCC56	Shiraz	100%	MLC144	Golden Forty	100%
EL28618	Comstock	100%	MCC57	Mondeuse	100%	MLC146	Golden Forty	100%
EL28760	Delta	100%	MCC66	Golden Forty	100%	MLC147	Golden Forty	100%
EL28761	Quartz Hill	100%	MCC67	Golden Forty	100%	MLC148	Golden Forty	100%
EL28775	Trinity	100%	MCC9	Eldorado	100%	MLC149	Golden Forty	100%
EL28776	Whippet	100%	MCC925	Brolga	100%	MLC15	Eldorado 4	100%
EL30123	Mosquito Creek	100%	MCC926	Brolga	100%	MLC16	Eldorado 5	100%
EL30167	Dolomite	100%	ML22284	Billy Boy	100%	MLC176	Chariot	100%
EL30505	Golden East	100%	ML23216	Chariot	100%	MLC177	Chariot	100%
EL30584	Juno North	100%	ML30096	Malbec	100%	MLC18	West Gibbet	100%
EL30746	Mule	100%	ML30177	North Star	100%	MLC182	Riesling	100%
EL30747	Power of Wealth	100%	ML30322	Verdot	100%	MLC183	Riesling	100%
EL30748	Battery Hill	100%	ML30620	Kia Ora	100%	MLC184	Riesling	100%
EL30749	Mary Anne	100%	ML30623	Pinnacles South	100%	MLC253	Mulga 1	100%
EL31355	Mt Samuel	100%	ML30716	Comstock	100%	MLC254	Mulga 1	100%
EL31832	Russell	100%	ML30742	Black Cat	100%	MLC255	Mulga 1	100%
EL31833	Prosperity	100%	ML30743	True Blue	100%	MLC256	Mulga 2	100%
EL31834	Colombard	100%	ML30870	Rising Star	100%	MLC257	Mulga 2	100%
EL31835	Bishops Creek	100%	ML30872	The Extension	100%	MLC258	Mulga 2	100%
EL31919	Billy Boy	100%	ML30893	Troy	100%	MLC259	Mulga 2	100%
EL32030	Grey Bluff East	100%	ML30909	Archimedes	100%	MLC260	Mulga 2	100%
EL32213	Golden Slipper	100%	ML30911	Wolseley	100%	MLC261	Mulga 2	100%
EL9403	Jess	100%	ML30912	Ivanhoe	100%	MLC32	Golden Forty	100%
EL9958	Running Bear	100%	ML30938	EXP195	100%	MLC342	Tinto	100%
ELA27539	Telegraph	100%	ML30945	Metallic Hill	100%	MLC343	Rocky Range	100%
EMP31008	Warrego Gravel1	100%	ML31074	Rocky Range	100%	MLC344	Rocky Range	100%
MA23236	Udall Road	100%	ML31123	Gibbet1	100%	MLC345	Rocky Range	100%
MA30798	Little Ben	100%	ML31651	White Devil	100%	MLC346	Rocky Range	100%
MCC203	Galway	100%	ML32214	Mauretania	100%	MLC347	Golden Forty	100%

TENEMENT SCHEDULE

All tenements below are held in Northern Territory, Australia as at the date of this report

Tenement	Name	Interest	Tenement	Name	Interest	Tenement	Name	Interest
MLC348	Brolga	100%	MLC407	Comet	100%	MLC586	Golden Forty	100%
MLC349	Brolga	100%	MLC408	Comet	100%	MLC591	TC8 Lease	100%
MLC35	Golden Forty	100%	MLC409	Comet	100%	MLC592	TC8 Lease	100%
MLC350	Brolga	100%	MLC432	Mulga 1	100%	MLC593	TC8 Lease	100%
MLC351	Brolga	100%	MLC48	Tinto	100%	MLC594	TC8 Lease	100%
MLC352	Golden Forty	100%	MLC49	Mt Samual	100%	MLC595	TC8 Lease	100%
MLC353	Golden Forty	100%	MLC498	Eldorado	100%	MLC596	TC8 Lease	100%
MLC354	Golden Forty	100%	MLC499	Eldorado	100%	MLC597	TC8 Lease	100%
MLC355	Golden Forty	100%	MLC5	Peko Extended	100%	MLC598	Golden Forty	100%
MLC36	Golden Forty	100%	MLC50	Eldorado Anom	100%	MLC599	Mt Samuel	85%
MLC362	Lone Star	100%	MLC500	Eldorado	100%	MLC601	TC8 Lease	100%
MLC363	Lone Star	100%	MLC501	Eldorado	100%	MLC602	TC8 Lease	100%
MLC364	Lone Star	100%	MLC502	Eldorado	100%	MLC603	TC8 Lease	100%
MLC365	Lone Star	100%	MLC503	Eldorado	100%	MLC604	TC8 Lease	100%
MLC366	Lone Star	100%	MLC504	Eldorado	100%	MLC605	TC8 Lease	100%
MLC367	Lone Star	100%	MLC505	Eldorado	100%	MLC606	Lone Star	100%
MLC368	Lone Star	100%	MLC51	Eldorado Anom	100%	MLC607	Lone Star	100%
MLC369	Lone Star	100%	MLC518	Ellen, Eldorado	100%	MLC608	Lone Star	100%
MLC37	Golden Forty	100%	MLC520	Great Northern	100%	MLC609	Lone Star	100%
MLC370	Lone Star	100%	MLC522	Aga Khan	100%	MLC610	Lone Star	100%
MLC371	Lone Star	100%	MLC523	Eldorado	100%	MLC611	Lone Star	100%
MLC372	Lone Star	100%	MLC524	Susan	100%	MLC612	Lone Star	100%
MLC373	Lone Star	100%	MLC527	Mt Samual	100%	MLC613	Lone Star	100%
MLC374	Lone Star	100%	MLC528	Dingo, Eldorado	100%	MLC614	Lone Star	100%
MLC375	Lone Star	100%	MLC529	Cats Whiskers	100%	MLC615	Lone Star	100%
MLC376	Mulga 1	100%	MLC53	Golden Forty	100%	MLC616	Lone Star	100%
MLC377	Mulga 1	100%	MLC530	Lone Star	100%	MLC617	Mt Samuel	50%
MLC378	Mulga 1	100%	MLC535	Eldorado No 5	100%	MLC619	True Blue	85%
MLC379	Mulga 1	100%	MLC54	Golden Forty	100%	MLC644	Enterprise	100%
MLC38	Memsahib East	100%	MLC546	The Mount	100%	MLC645	Estralita	100%
MLC380	Mulga 1	100%	MLC55	Golden Forty	100%	MLC654	TC8 Lease	100%
MLC381	Mulga 1	100%	MLC558	New Hope	100%	MLC66	Traminer	100%
MLC382	Mulga 1	100%	MLC56	Golden Forty	100%	MLC67	Traminer	100%
MLC383	Mulga 1	100%	MLC576	Golden Forty	100%	MLC683	Eldorado	100%
MLC384	Mulga 2	100%	MLC577	Golden Forty	100%	MLC705	Apollo 1	100%
MLC385	Mulga 2	100%	MLC581	Eldorado ABC	100%	MLC91	Carraman/Klond	100%
MLC386	Mulga 2	100%	MLC582	Eldorado ABC	100%	MLC92	Carraman/Klond	100%
MLC387	Mulga 2	100%	MLC583	Eldorado ABC	100%	MLC93	Carraman/Klond	100%
MLC4	Peko Extended	100%	MLC584	Golden Forty	100%	MLC94	Carraman/Klond	100%
MLC406	Comet	100%	MLC585	Golden Forty	100%	MLC95	Carraman/Klond	100%

All tenements below are held in New South Wales, Australia as at the date of this report

Tenement	Name	Interest	Tenement	Name	Interest	Tenement	Name	Interest
ELA 5947	Kadungle	82%	EL8590	Kiola	90%	EL8766	Greater Kadungle	100%
EL8463	Wellington	90%	EL8652	Sebastopol	90%			
EL8464	Fifield	90%	EL8715	Nyngan	100%			