

ASX Announcement & Media Release

16 March 2023

Fast Facts

ASX Code: EMR
Shares on issue: 593,800,983
Market Cap: ~A\$872 million
Cash: A\$51.8 million (at 31 Dec 2022)
Bullion: A\$21.8 million (at 31 Dec 2022)

Board & Management

Simon Lee AO, Non-Executive Chairman
Morgan Hart, Managing Director
Mick Evans, Executive Director
Ross Stanley, Non-Executive Director
Billie Slott, Non-Executive Director
Jay Hughes, Non-Executive Director
Michael Bowen, Non-Executive Director
Mark Clements, Non-Executive Director
and Company Secretary
Bernie Cleary, Operations Manager

Company Highlights

Team

- Highly credentialed gold project operational and in-house development team;
- A proven history of building projects on time and on budget.

Gold Production

- Okvau Gold Mine commissioned on time on budget in 2021;
- Forecast +100,000oz gold production for 2023 at AISC <US\$810/oz;
- Okvau Deposit: Indicated and Inferred Mineral Resource Estimate of 1.06Moz at 1.91g/t Au;
- Ore Reserve of 13.5Mt & 1.9g/t Au for 0.82Mozs in a single open pit with waste:ore ratio of 5.01:1.

Growth

- Significant exploration and resource growth potential in Cambodia:
 - Okvau Gold Mine reserve expansion;
 - Memot Project maiden resource expected 2023
 - 1,639km² of prospective tenure
- Significant exploration and resource growth potential in Australia (Bullseye Mining Limited (~60%):
 - Underexplored Dingo Range project
 - Resource and reserve expected 2023
 - 1,200km² of prospective tenure

ESG

- Focused on a net positive impact on near-mine environmental and social values by targeting strict compliance with corporate governance, international guidelines (IFC PS's) and local laws by engaging and collaborating with all stakeholders.

Registered Office

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West Perth WA 6005

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Half Year Report for the period ended 31 December 2022

Highlights

Financial

- Profit after tax of \$24.8m (31 December 2021: \$11.9m Profit after tax)
- Net asset position \$278m (30 June 2022: \$249m)

Production Statistics - Okvau Gold Project

		September 2022 Quarter	December 2022 Quarter	December 2022 Half-Year
Operations				
<i>OP mining</i>				
Ore mined	'000 BCM	213	220	433
Waste mined	'000 BCM	1,207	1,215	2,422
Stripping ratio	w:o	5.65	5.51	5.59
Ore mined	'000 t	692	528	1,220
<i>Processing</i>				
Ore milled	'000 t	446	532	978
Head grade	g/t	2.03	2.14	2.09
Recovery	%	80	80	80
Gold produced	oz	23,217	29,640	52,857
Financial				
Gold sold	oz	25,124	26,342	51,466
All-in Sustaining Cost	US\$/oz	824	795	809

- AISC forecast for the 2023 financial year remains at US\$740 – US\$810/oz with guidance for gold production remaining at 25-30koz per quarter;
- Work on the updated Okvau resource and reserve is nearing completion and is expected to be finalised shortly;
- Strong safety performance;
- Continued focus on carbon neutrality and sustainable outcomes for local communities.

Exploration Activities – Memot Gold Project

- Significant gold mineralisation from infill RC resource programme on the Memot Prospect with a maiden resource calculation planned for the end of FY23

Bullseye Mining Limited (EMR ~60%) – North Laverton Gold Project – Neptune and Boundary Prospect Resource Drill Programme

- Significant gold mineralisation from Bullseye's ~98km resource definition drilling programme on the Boundary and Neptune Prospects designed to test the strike and down dip extension of historic significant intersections, overseen by Emerald's highly experienced geological team

Emerald's Managing Director, Morgan Hart, said:

"We are exceptionally pleased with the operational performance at the Okvau Gold Mine which has created significant value for shareholders over the last 6 months.

"This is a credit to our dedicated operational team who continue to optimise recoveries and lowest quartile AISC with a focus on safety.

"These efforts have allowed us to ramp up our exploration programs both in Cambodia and on the Company's ~60% owned Bullseye Mining Limited, Australian land package with maiden resources and resource upgrades planned in the coming months."

This ASX release was authorised on behalf of the Emerald Board by: Morgan Hart, Managing Director.

**For further information please contact
Emerald Resources NL**

**Morgan Hart
Managing Director**

Forward Looking Statement

This document contains certain forward looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about the industry in which Emerald Resources operates, and beliefs and assumptions regarding the Company's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known or unknown risks, uncertainties and other factors, some of which are beyond the control of the Company, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward looking statements, which reflect the view of Emerald Resources only as of the date of this announcement. The forward looking statements made in this release relate only to events as of the date on which the statements are made. Emerald Resources will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority. This document has been prepared in compliance with the current JORC Code 2012 Edition and the ASX listing Rules.

The Company believes that it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any production targets and financial estimates, based on the information contained in this announcement. Reference is made to ASX Announcements dated 1 May 2017 and 26 November 2019. All material assumptions underpinning the production target, or the forecast financial information continue to apply and have not materially changed. 100% of the production target referred to in this announcement is based on Probable Ore Reserves.

Emerald has a highly experienced management team, undoubtedly one of the best credentialed gold development teams in Australia with a proven history of developing projects successfully, quickly and cost effectively. They are a team of highly competent mining engineers and geologists who have overseen the successful development of gold projects in developing countries such as the Bonikro Gold Project in Cote d'Ivoire for Equigold NL and more recently, Regis Resources Ltd.

Competent Persons Statements

The information in this report that relates to Exploration and Drill Results is based on information compiled by Mr Keith King, who is an employee to the Company and who is a Member of The Australasian Institute of Mining & Metallurgy. Mr Keith King has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Keith King has reviewed the contents of this release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

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

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

No New Information

To the extent that announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new material information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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EMERALD
RESOURCES NL

ABN 72 009 795 046

Interim Report

31 December 2022

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Non-Executive Chairman

Simon Lee AO

Managing Director

Morgan Hart

Executive Director

Michael Evans

Non-Executive Directors

Ross Stanley

Billie Jean Slott

Mark Clements

Michael Bowen

Jay Hughes

Company Secretary

Mark Clements

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Telephone: 1300 288 664

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PERTH WA 6000

Bankers

National Australia Bank

50 St Georges Terrace

PERTH WA 6000

Macquarie Bank Limited

Level 23, 240 St Georges Terrace

PERTH WA 6000

Solicitors

Steinepreis Paganin

16 Milligan Street

PERTH WA 6000

Norton Rose Fulbright

108 St Georges Terrace

PERTH WA 6000

Securities Exchange Listing

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: EMR

Website Address

www.emeraldresources.com.au

Your directors present their report on the consolidated entity (or 'Group') consisting of Emerald Resources NL ('Emerald' or the 'Company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were directors of Emerald during the half-year and up to the date of this interim report unless otherwise stated:

Simon Lee AO	Non-Executive Chairman
Morgan Hart	Managing Director
Michael Evans	Executive Director
Ross Stanley	Non-Executive Director
Mark Clements	Non-Executive Director
Billie Jean Slott	Non-Executive Director
Michael Bowen	Non-Executive Director (appointed 13 September 2022)
Jay Hughes	Non-Executive Director (appointed 13 September 2022)

Review of Operations

Financial Overview

During the half-year the Company recorded a profit after tax of \$24.812m (31 December 2021: profit of \$11.876m). This included a fair value gain on the embedded derivative of \$0.549m (31 December 2021: loss of \$7.040m), finance costs of \$12.159m (31 December 2021: \$8.263m) and a net foreign exchange gain of \$1.166m (31 December 2021: gain of \$2.046m). The Group's net asset position improved from \$249m at 30 June 2022 to \$278m at 31 December 2022.

Operations Review - Okvau Gold Mine

The Okvau Gold Mine is located approximately 275km north-east of Cambodia's capital city of Phnom Penh in the province of Mondulkiri (refer to Figure 1 and Figure 2). The town of Kratie is located on the Mekong River approximately 90km to the west and the capital of Mondulkiri, Saen Monourom is located approximately 60km to the south-east.

The construction of the Okvau Gold Project was completed in mid-2021 with first production in June 2021 with a steady state of production achieved in September 2021. In the half-year to December 2022, the Okvau Gold Mine produced 52,857 ounces of gold at an all-in sustaining cost ("AISC") of US\$809 per ounce. Expected gold production for the full year ending 30 June 2023 is 102,000-113,000 ounces of gold at an AISC of US\$740 to US\$810 per ounce.

A summary of operating results for the Okvau Gold Mine for the half-year to 31 December 2022 is contained in the following table.

Table 1 | Okvau Production Statistics

		September 2022 Quarter	December 2022 Quarter	December 2022 Half-Year
Operations				
<i>OP mining</i>				
Ore mined	'000 BCM	213	220	433
Waste mined	'000 BCM	1,207	1,215	2,422
Stripping ratio	w:o	5.65	5.51	5.59
Ore mined	'000 t	692	528	1,220
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Ore milled	'000 t	446	532	978
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Recovery	%	80	80	80
Gold produced	oz	23,217	29,640	52,857
Financial				
Gold sold	oz	25,124	26,342	51,466
All-in Sustaining Cost	US\$/oz	824	795	809

Review of Operations (continued)

Exploration Review - Cambodian Gold Projects

Overview

Emerald's exploration tenements, which comprise of a combination of 100% owned granted licences and joint venture agreements now cover a combined area of 1,639 km² in Cambodia.

Figure 1 | Cambodian Gold Project | Location

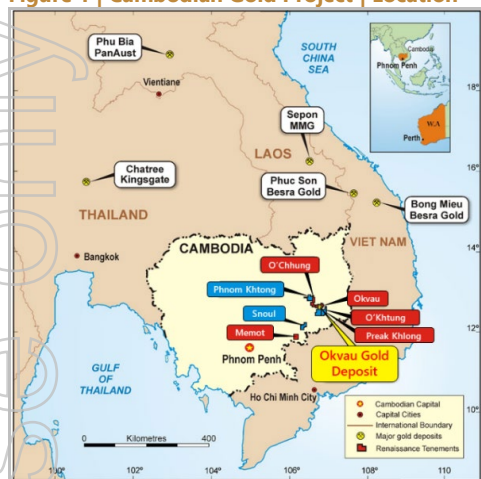
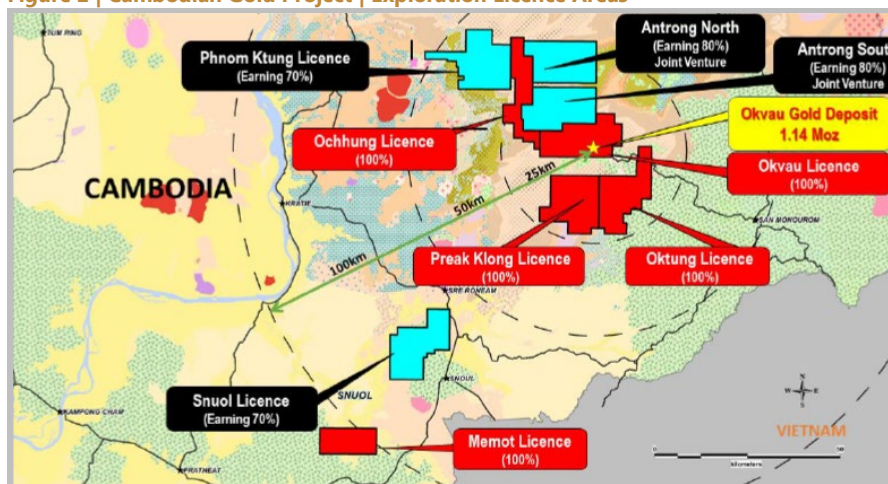


Figure 2 | Cambodian Gold Project | Exploration Licence Areas



Okvau Gold Mine Near Mine Exploration (100%)

During the period, the exploration drill programme focusing on infilling and extending the mineralisation proximally within and beyond the reserve pit shell continued. The drilling to date includes 24 drill holes for 7,866m (3,066m RC and 4,800m diamond) (refer to Figure 3).

The current programme identified significant mineralisation outside the current Indicated resource including:

- 10m @ 14.17g/t Au from 258m with 5m @ 23.26g/t from 258m (RCDD22OKV449);
- 1.37m @ 16.70g/t Au from 386m (RCDD22OKV447A);
- 3m @ 7.18g/t Au from 510m (RCDD22OKV445);
- 3m @ 15.17g/t Au from 358m (RCDD22OKV448); and
- 3m @ 6.23g/t Au from 516m (RCDD22OKV448).

Following up on previous drilling that included:

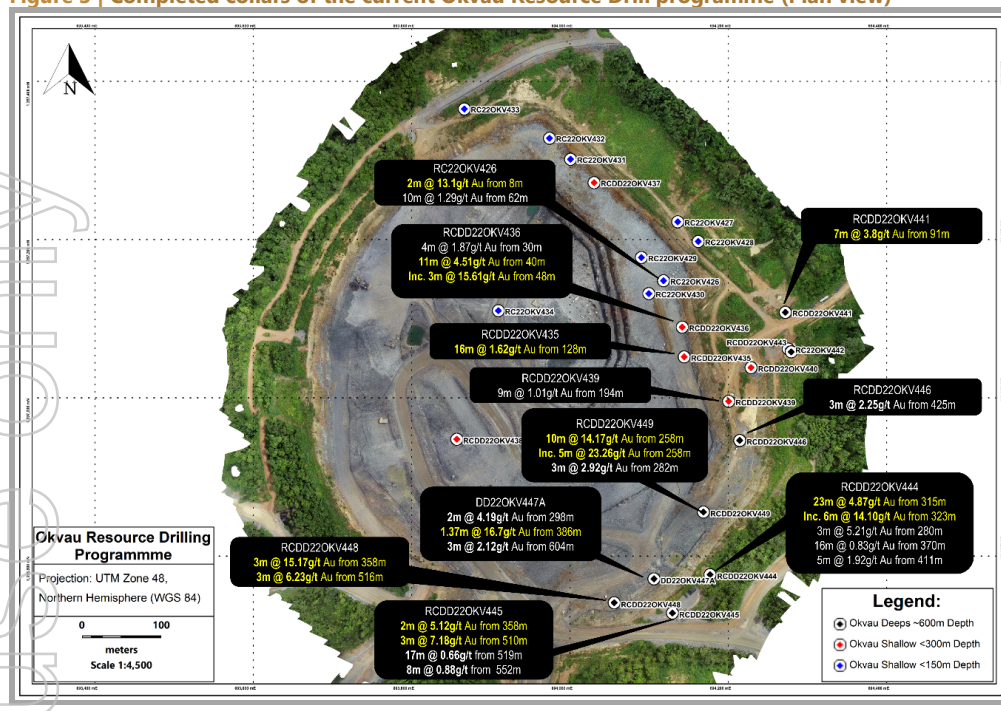
- 15m @ 11.92g/t Au from 143m (RC19OKV390);
- 8m @ 19.98g/t Au from 172m (RC19OKV397);
- 6m @ 14.10g/t Au from 323m (RCDD22OKV444);
- 6m @ 11.40g/t Au from 258m (RCDD20OKV424); and
- 6m @ 9.70g/t Au from 520m (DD16OKV373).

Refer to announcements dated 7 October 2022 and 31 October 2022, 28 July 2022, 29 January 2021, 2 July 2019 and 28 April 2017.

The Company has commenced a review of the 2017 Resource and Reserve, with the recent results to be included alongside the ~16,000m of drilling (77 collars) completed since 2017.

Review of Operations (continued)

Figure 3 | Completed collars of the current Okvau Resource Drill programme (Plan view)



Memot Project (100%)

The 100% owned Memot Project is located 95km southwest of the Okvau Gold Mine. During the period an infill RC resource programme commenced which has identified significant gold mineralization. To date 58 collars (5,948m) have been completed with 4,785 Au assays (3,509 multielement results with 750 still pending).

Significant intersections returned from the current drill programme include (Refer ASX announcement dated 31 January 2023):

- 1m @ 31.4g/t Au from 132m, 0.52% Cu and 0.52 % Zn (RC22MMT073);
- 3m @ 7.11g/t Au from 132m (RC22MMT074);
- 1m @ 21.3g/t Au from 69m and 1.06% Cu (RC22MMT039);
- 7m @ 2.18g/t Au from 69m including 1m @ 11.15g/t Au from 70m and 1.49% Cu (RC22MMT047);
- 4m @ 3.87g/t Au from 3m including 1m @ 12.95g/t Au from 4m (RC22MMT057);
- 7m @ 1.80g/t Au from 123m including 1m @ 10.00g/t Au from 127m (RC22MMT038);
- 1m @ 12.2g/t Au from 107m (RC22MMT065);
- 5m @ 1.81g/t Au from 17m including 1m @ 7.53g/t from 21m (RC22MMT077); and
- 1m @ 8.03g/t Au from 144m (RC22MMT078).

A maiden resource calculation is planned for the end of FY23 utilising both the recent results and previously announced significant intersections, such as:

- 1m @ 37.20 g/t Au from 33m (DD21MMT005);
- 1m @ 31.70g/t Au from 49m (DD21MMT010); and 0.45m @ 37.10g/t Au from 74.55m,
- 0.4m @ 17.70 g/t Au from 190m (DD22MMT013),
- 3.54m @ 10.3g/t Au from 0m (ZK8-1);
- 0.3m @ 145g/t Au from 14.2m (ML3);
- 0.3m @ 96g/t Au from 12.7m (ML7); and
- 0.3m @ 76.5g/t Au from 10.7m (ML6).

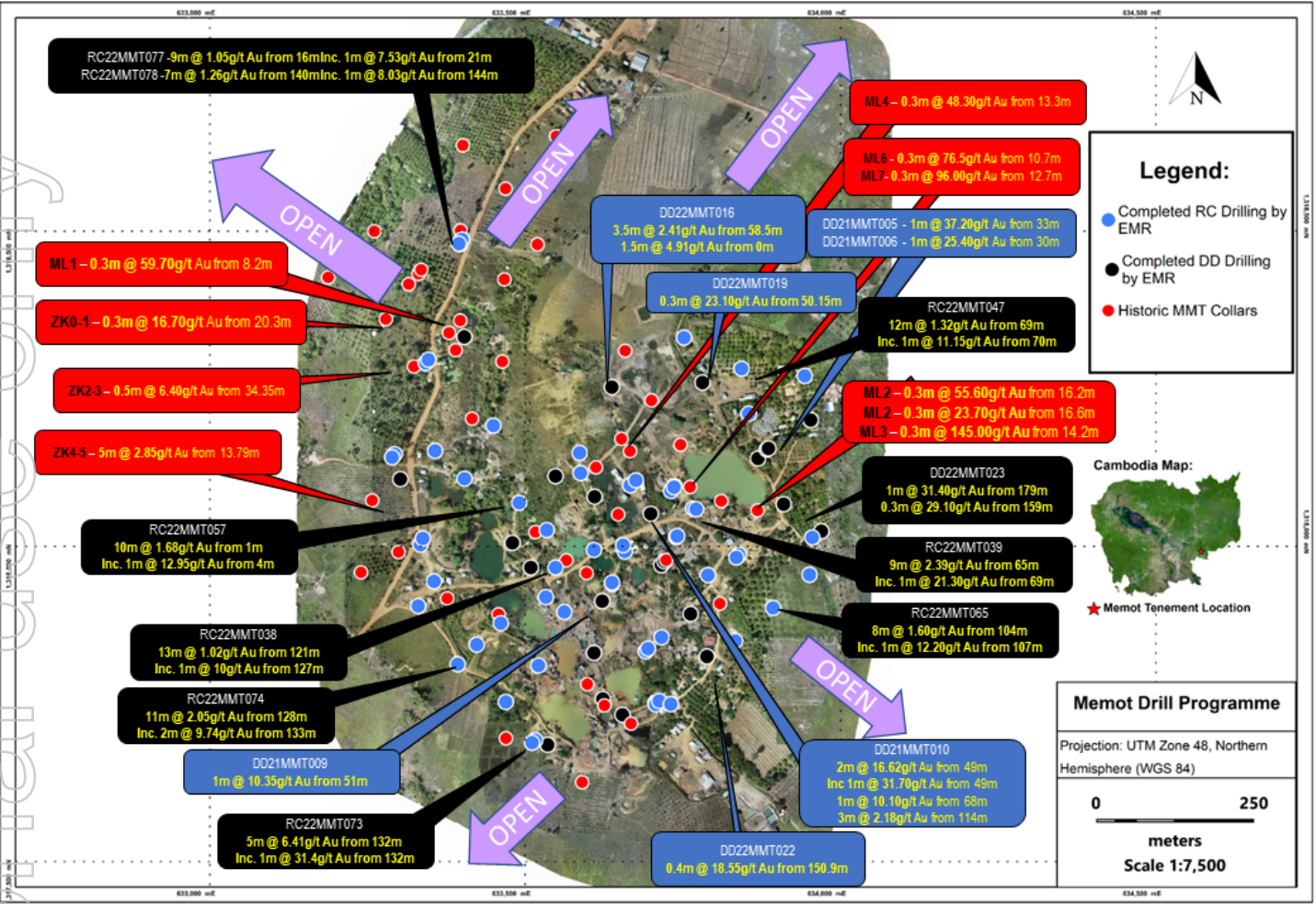
Refer ASX announcement dated 31 January 2022 and 31 March 2022.

Several of the collars also tested the edges of the known mineralisation and results indicate the mineralisation is open and untested in all directions, particularly along strike to the north-west and south-east and down dip to the north-east (refer Figure 4). This coincides with the previously announced significant Au and Cu in-soil anomaly indicating the known gold results are part of a potentially larger mineralised system (refer ASX announcement dated 28 July 2022). The mineralisation is associated with at least three high-grade, narrow, stacked quartz vein sets, dipping shallowly to the north-east (refer Figure 4) with current interpreted strike length of 650m (refer ASX announcement dated 28 July 2022). The programme is investigating both down dip and along strike continuity of the structures.

A maiden resource calculation is planned for mid-2023.

Review of Operations (continued)

Figure 4 | Memot artisanal workings with current and historic drill collars and significant intersections



Antrong Project (earning up to 80%)

The Antrong Project consists of two exploration licences located between Emerald’s Ochung and Okvau tenements, 10 kilometres to the north-east of the 100% owned 1.14Moz Okvau Gold Project (refer Figure 5). During the period the Company reached an agreement with Antrong Metals Co. to earn up to an 80% interest in the project.

Historical drilling results within the Antrong licences, which have had limited follow up, demonstrate potential for significant new gold discoveries and include:

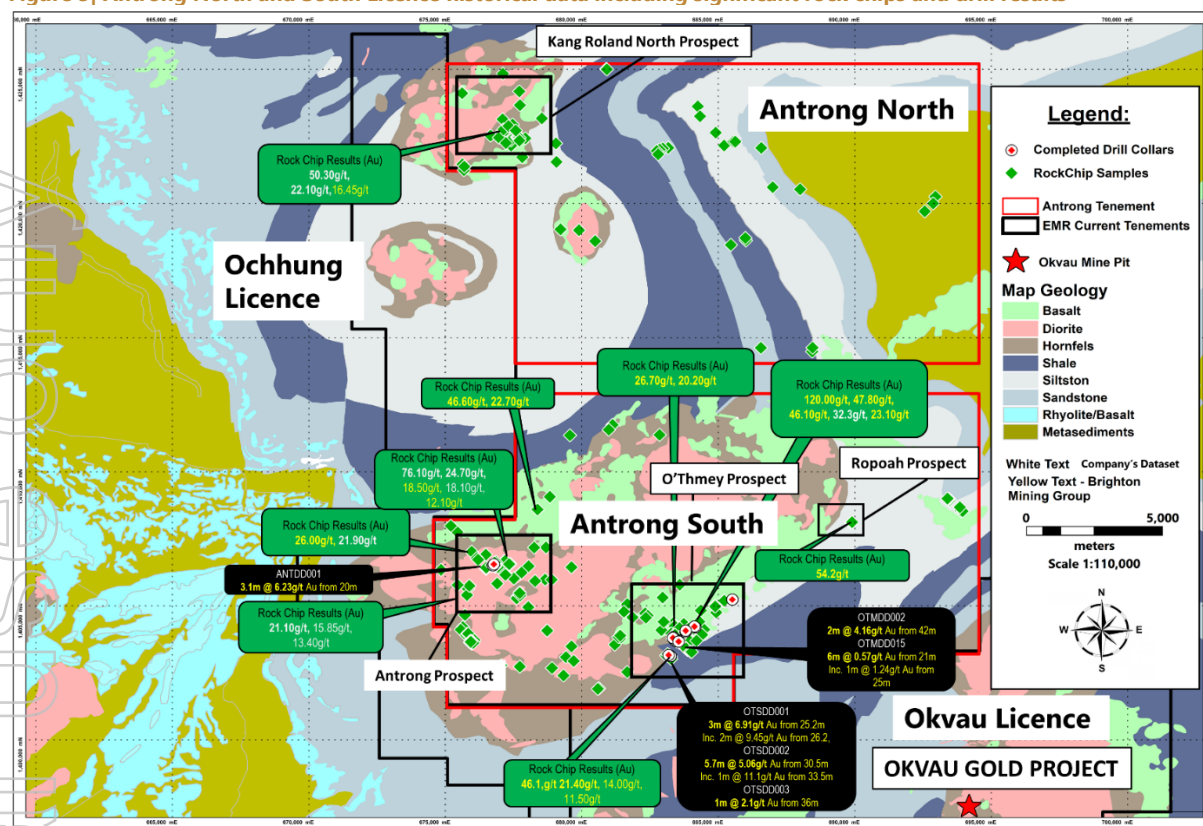
- 5.7m @ 5.06g/t Au from 30.5m (OTSD002);
- 3m @ 6.91g/t Au from 25.2m (OTSD001);
- 2m @ 4.16g/t Au from 42m (OTMDD002); and
- 3.1m @ 6.23g/t Au from 20m (ANTDD001).

Refer to ASX announcement dated 19 October 2022.

Previous tenement holder, Brighton Mining Group’s ASX announcements (17 June 2011, 12 December 2011 and 29 July 2010) and the Company’s existing dataset includes significant rock chip samples such as 120, 76.10, 54.20, 50.30, 47.80, 46.10 and 32.30 g/t Au.

Review of Operations (continued)

Figure 5| Antrong North and South Licence historical data including significant rock chips and drill results



Okvau and Ochung Exploration Projects (100%)

The Okvau Exploration Project and adjoining Ochung Exploration Project cover approximately 400km² of project area and are located within the core of a prospective Intrusive Related Gold ('IRG') province in the eastern plains of Cambodia. The Projects are located in the Monduliri Province of Cambodia approximately 265 kilometres north-east of the capital Phnom Penh. The industrial mining license granted for the Okvau Gold Mine is located on the Okvau exploration license.

Preak Klong and Oktung Projects (100%)

The 100% owned Preak Klong and Oktung Projects provide Emerald with 392km² of highly prospective tenure within close proximity to the Okvau Gold Mine. The two projects are contiguous and located 15km south of the Okvau Gold Mine.

Snuol and Phnom Ktung Projects (earning up to 80%)

The Snuol and Phnom Ktung Projects provide Emerald with 411km² of highly prospective tenure with historical drilling demonstrating significant gold discovery potential. The Snuol Project is located approximately 70km south-west of the Okvau Gold Mine. The Phnom Ktung is located almost immediately to the west of the Ochung project and 35km from the Okvau Gold Mine. Emerald has the right to earn up to 70% in the projects through a joint venture agreement with Santana Minerals Limited (formerly Mekong Minerals Limited).

Exploration Review – Bullseye Mining Limited (Emerald: 59.44%)

About Bullseye

Bullseye was incorporated as a public unlisted company in Western Australia in 2006. Bullseye is a gold exploration company with a significant portfolio of gold assets in Western Australia. Bullseye owns three Western Australian gold projects, totalling in excess of 1,200km² of highly prospective gold tenure.

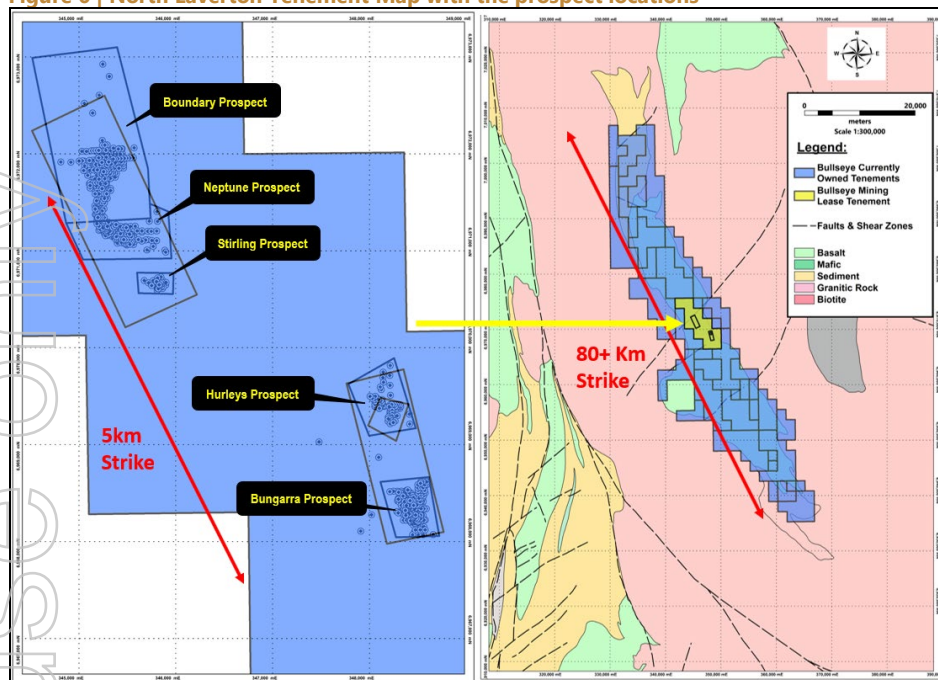
Bullseye's most advanced project, the North Laverton Gold Project, which covers over 800km² of tenure and captures the entire Dingo Range greenstone belt, is located in Western Australia within one of the world's richest and most established gold regions. In excess of 100 million ounces of gold has been produced or discovered in the areas surrounding the project.

North Laverton Gold Project

The North Laverton Gold Project consists of 34 exploration licences (including 4 applications) and 5 mining licences controlling the entire Dingo Range greenstone belt which covers more than 800km² of tenure (refer Figure 6) and has the potential to host multiple standalone deposits or satellite deposits to supply additional ore to a conceptual central mill. It includes the Boundary, Neptune, Stirling, Hurleys and Bungarra Prospects over a 6.4km greenstone strike length.

Review of Operations (continued)

Figure 6 | North Laverton Tenement Map with the prospect locations



During the period a ~98km resource definition drilling programme across the Boundary, Neptune, Stirling, Hurleys and Bungarra prospects commenced following significant planning by Emerald’s highly credentialed geological team. Once the planned programme is completed, a total of circa 150,000m of new drilling will be available to estimate an updated North Laverton resource, with a maiden reserve estimate to follow shortly thereafter.

To date 255 collars (25,277m) of the programme have been completed of which 59 collars (10,936m) were completed since Emerald acquired a controlling interest in Bullseye in May 2022. The initial drilling has been limited to the Boundary and Neptune prospects of the Boundary-Bungarra mineralised trend (refer Figure 7) with highlighted significant results returned including:

- 12m @ 4.94g/t Au from 62m including 1m @ 9.07g/t from 69m and 1m @ 42.90g/t from 72m (RC22NPT003);
- 15m @ 2.48g/t Au from 108m including 1m @ 7.39g/t from 116m and 2m @ 7.79g/t from 118m (RC22NPT004);
- 13m @ 2.54g/t Au from 76m including 1m @ 19.30g/t from 81m (RC22BDY001);
- 9m @ 7.35g/t Au from 59m including 1m @ 58.27g/t from 61m and 1m @ 16.02g/t from 73m (RC22NPT027);
- 38m @ 1.65g/t Au from 56m including 1m @ 16.60g/t from 92m (RC22BDY009);
- 14m @ 2.37g/t Au from 115m including 4m @ 4.63g/t from 117m (RC22NPT020);
- 5m @ 6.33g/t Au from 100m including 2m @ 14.70g/t from 100m (RC22BDY016).

Refer ASX announcements dated 7 October 2022 and 31 January 2023.

Historical drill results include:

Boundary

- 5m @ 60.25g/t Au from 171m (WDDH8);
- 45m @ 6.07g/t Au from 73m (BDRC058);
- 27m @ 9.34g/t Au from 153m (BDRC035);

Bungarra

- 14m @ 31.46g/t Au from 33m (LAVRD0126);
- 19m @ 13.41g/t Au from 32m (DRP495);
- 17m @ 13.28g/t Au from 49m (LAVRD0132);
- 3m @ 67.37g/t Au from 30m (BFRC15)

Neptune

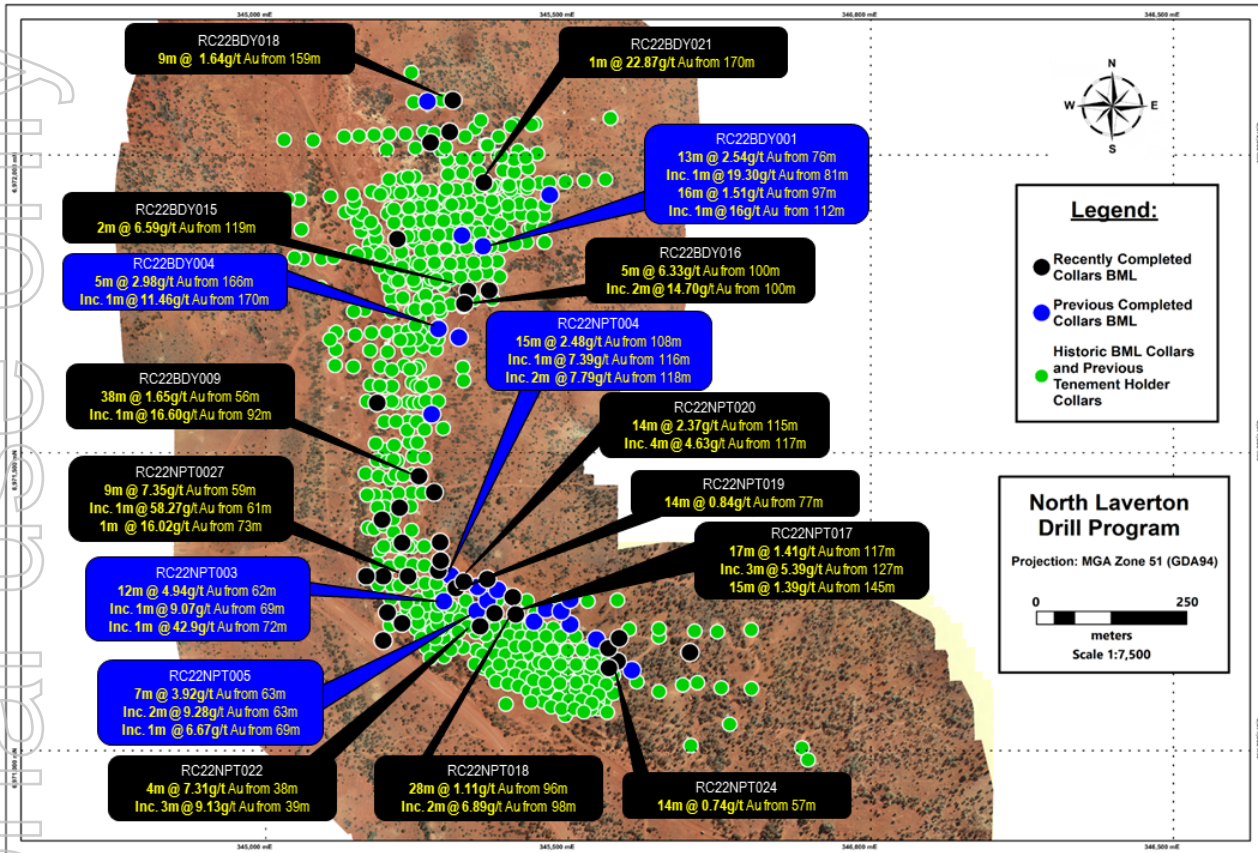
- 26m @ 6.95g/t Au from 40m (NPRD0039);
- 16m @ 10.10g/t Au from 63m (NPRD0026);
- 25m @ 5.24g/t Au from 0m (NPGC0053);
- 17m @ 7.44g/t Au from 29m (NPRD0007).

Refer ASX announcements dated 7 October 2022, 5 July 2022 and 31 January 2023.

Review of Operations (continued)

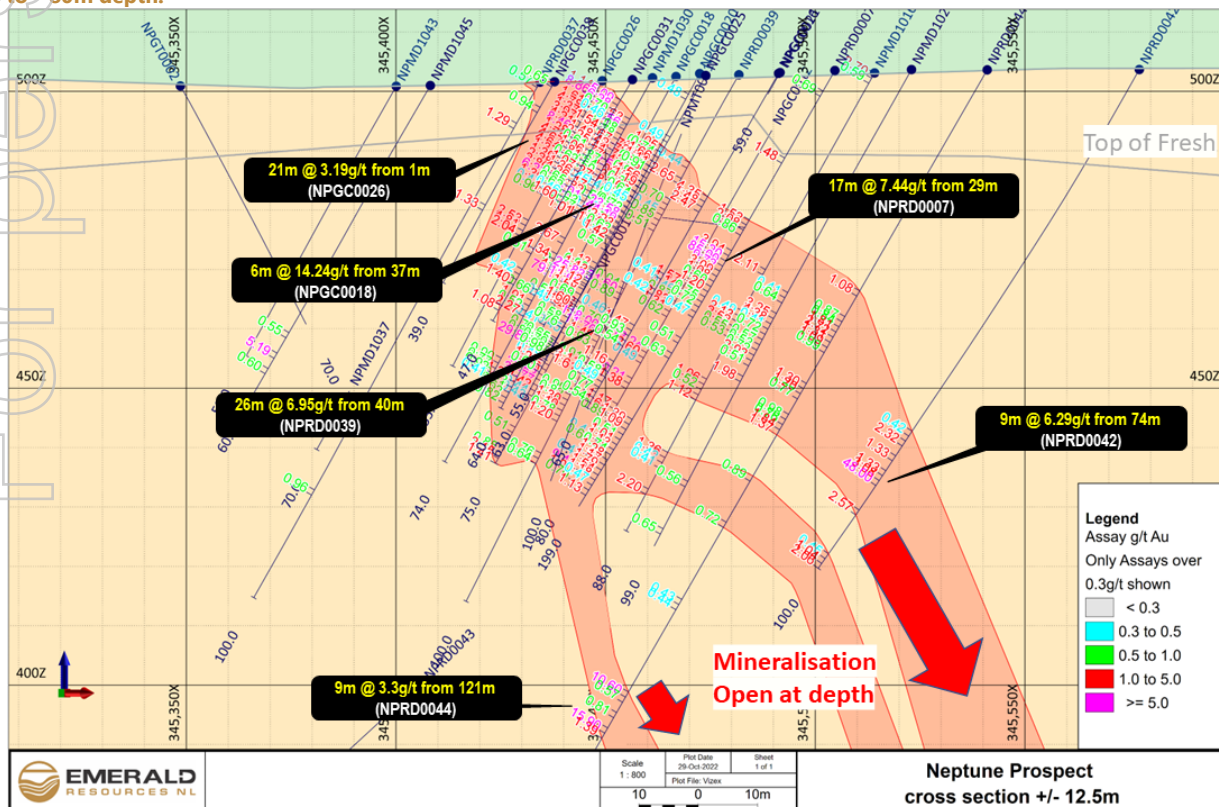
Results from drilling to date, continue to delineate mineralised high-grade structures. Historically, drilling has only tested to ~120m vertical depth (average). Mineralisation remains open at depth and along strike across all prospects (refer Figures 8 and 9).

Figure 7 | Boundary and Neptune Drill collars with recent significant results (Plan view)



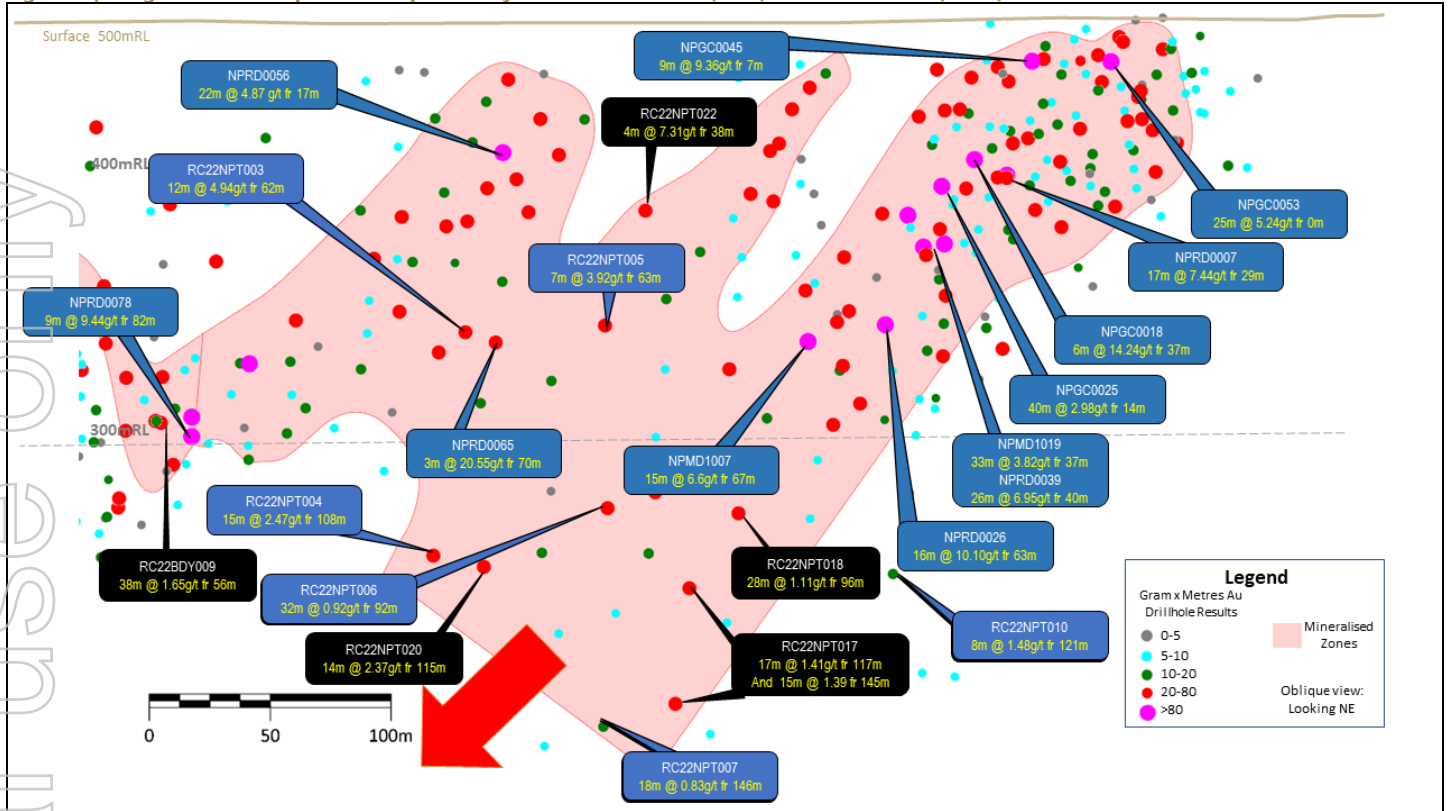
Refer ASX announcement dated 7 October 2022 (Blue) and 31 January 2023 (Black).

Figure 8 | Typical cross section of Neptune prospect showing wide, high grade zones of continuous mineralisation, with existing drilling limited to ~80m depth.



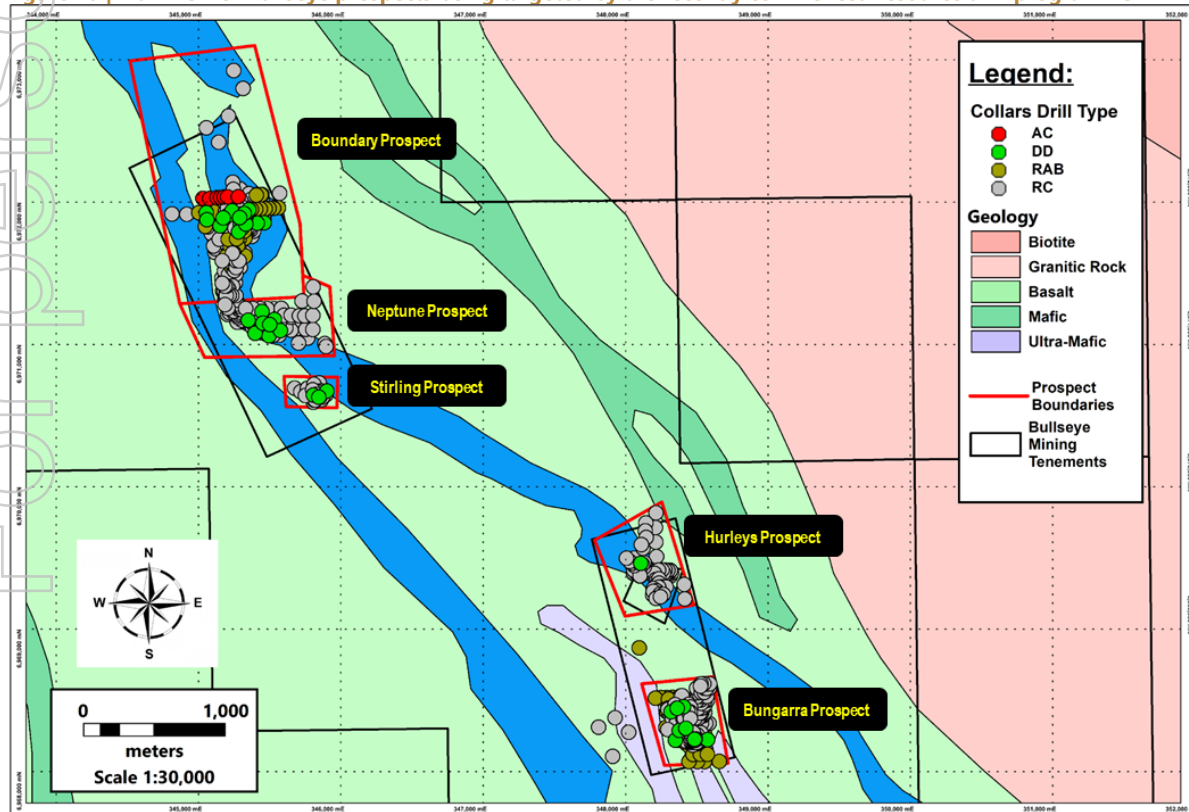
Review of Operations (continued)

Figure 9 | Long section of Neptune with previously announced results (blue) and new results (black)



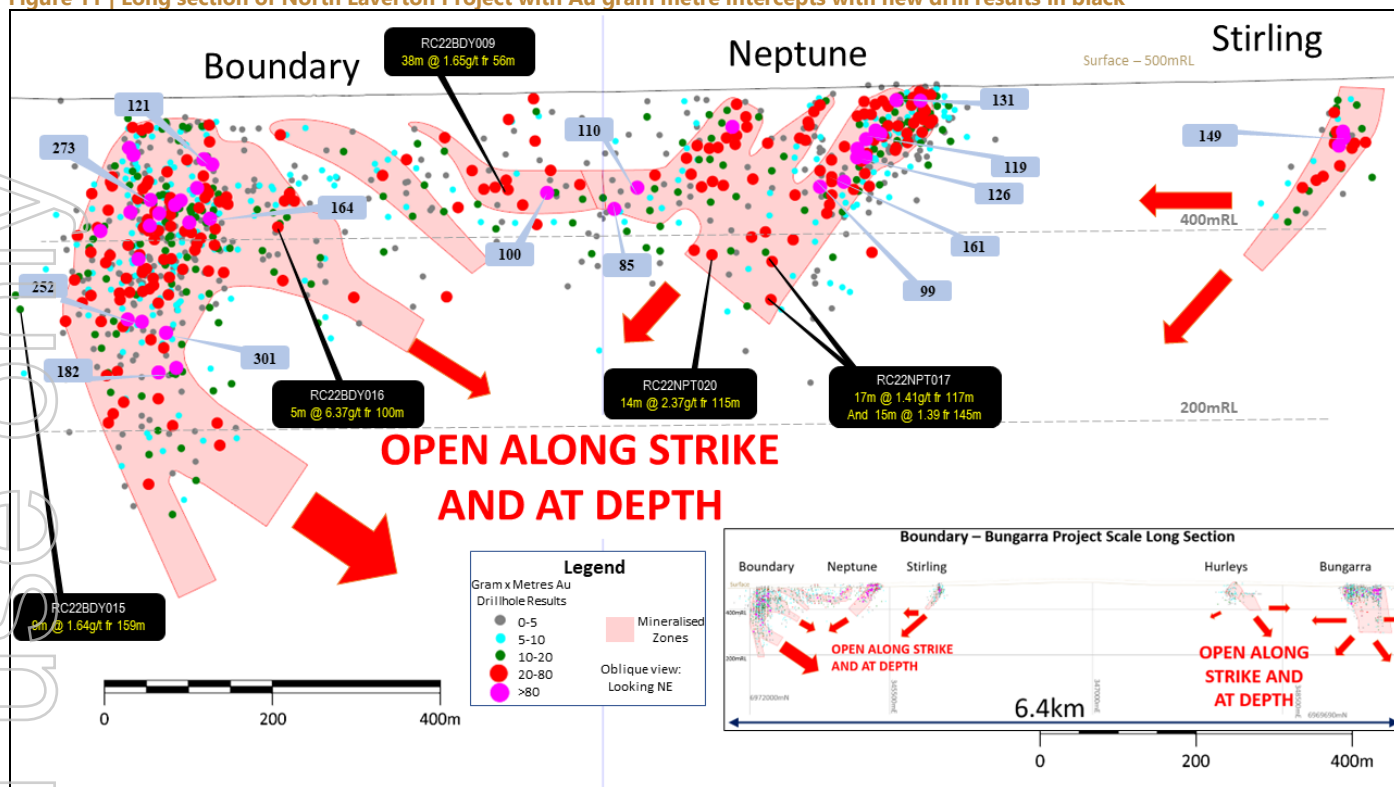
Bullseye's current resource drill programme is designed to test the strike and down dip extension of historic significant intersections. These previous drill programmes include 84,028m (80,684m RC and 3,344m diamond) completed by Bullseye since 2014 and 45,583m of drilling completed by various previous tenement holders (34,695m RC, 4,587m diamond, 432m AC and 5,869m RAB) (refer Figures 10 and 11).

Figure 10 | Plan view of Bullseye prospects being targeted by the recently commenced resource drill programme



Review of Operations (continued)

Figure 11 | Long section of North Laverton Project with Au gram metre intercepts with new drill results in black



Other Projects

In addition to the North Laverton Gold Project, Bullseye has a further two gold projects. These are the Southern Cross Gold Project and the Aurora Gold Project, which cover over 400km² of tenure. Bullseye is currently assessing a number of opportunities for the divestment of the Southern Cross Gold Project.

Project Generation

The Company is continuously seeking to identify and review prospective opportunities and additional mineral exploration projects to satisfy the Company's objectives and offer value enhancing opportunities to its shareholders.

Corporate

Cash and debt position

Emerald's consolidated cash at 31 December 2022 was A\$51.9m (30 June 2022: A\$43.0m) with an additional A\$21.8m (30 June 2022: A\$15.8m) of gold bullion on hand. The Company continued to pay down debt during the period and add to ore stockpiles at Okvau in addition to funding the costs associated with ongoing exploration. Debt repaid to date totals US\$14.6m, with a US\$50.4m balance of the Sprott Private Resource Lending II debt facility at the end of the half-year.

The Okvau Project finance facility provides the Company with access to a US\$100m Acquisition and Development Facility to fund future development and acquisition opportunities (refer ASX announcement dated 26 June 2019). Emerald continues to assess value adding assets for subsequent developments to create a multi asset gold producing company.

Bullseye Mining Limited (59.44%)

During the half-year, Emerald participated in a pro-rata non-renounceable entitlement issue of Bullseye Mining Limited ("Bullseye") which raised approximately \$6.2m before costs. Emerald contributed \$3.8m (100% of the allowable entitlement) with non-Emerald interests contributing \$2.39m. After the closure of the entitlements issue, Emerald's shareholding in Bullseye increased from 59.32% to 59.44%. The funds were applied to the ongoing drilling program at Bullseye's North Laverton Gold Project, costs associated with the cessation of Blue Cap Joint Venture, costs associated with the continuing legal actions involving Hong Kong Xinhe International Investment Company Limited ("Xinhe"), Au Xingao Investment Pty Ltd ("AXI"), Messrs Cheng, as well as dealing with various complaints over Bullseye's tenements and repaying short-term loans, general working capital and the costs of the offer.

Subsequent to 31 December 2022, Bullseye lodged a pro-rata non-renounceable entitlement issue, which raised approximately \$4.9m before costs, of which Emerald contributed \$3.8m representing 100% of its entitlement. As a result, Emerald's equity ownership has increased to 60.06%.

Review of Operations (continued)

A summary of Bullseye legal and other matters is as follows:

Matter COR 83 of 2020 (Initial Proceedings)

The trial in the Supreme Court of Western Australia ("Supreme Court") of matter COR 83 of 2020 before his Honour Justice Marcus Solomon was concluded on 22 November 2022 ("Initial Proceedings"). Justice Solomon will now proceed to make a determination of the oppression claims in the Initial Proceedings. Xinhe's claims in the proceedings were vigorously defended by Bullseye. Emerald notes that the Bullseye Board is of the view that, due to the completion of the Emerald Takeover Offer, most of the relief sought by Xinhe in these oppression proceedings have been resolved, save for the costs incurred in the proceedings.

Recommended Judicial Mediation of Initial Proceedings

During the half-year, Bullseye attended the recommended judicial mediation process in relation to the Initial Proceedings which was presided over by his Honour Justice Kenneth Martin ("Judicial Mediation"), with a view to seeking to resolve an acceptable commercial outcome via this process. A final outcome was not reached and the Judicial Mediation was adjourned. No further date has been set in relation to this matter.

Matter COR 159 of 2022 (Second Proceedings)

Bullseye is awaiting a statement of claim from Xinhe and Xingao (the Plaintiffs) in relation to further oppression proceedings which are the subject of matter COR 159 of 2022 ("Second Proceedings"). Until a statement of claim is served on Bullseye and the other defendants (including Emerald), the basis upon which the claims are brought, or an assessment of the relief claimed, is unknown.

Matter COR 22 of 2023 (Third Proceedings)

On 3 February 2023, Xinhe and AXI commenced another proceeding in the Supreme Court (COR 22 of 2023) against Bullseye, Emerald and other defendants. In the Third Proceedings, the plaintiffs claim relief for what they allege to be instances of Bullseye's affairs being conducted in a manner which is contrary to the interests of, or oppressive to, shareholders of Bullseye, or in breach of various sections of the Corporations Act. The conduct alleged by the plaintiffs to constitute the breaches include the financial performance of the Company in the financial years ended 30 June 2021 and 30 June 2022 and thereafter; allegations that Bullseye incurred and failed to disclose certain liabilities in its annual financial reports for the financial years 2018 to 2021; non-disclosure of material information in Bullseye's Target's Statement and Emerald's Bidder's Statement in relation to Emerald's takeover bid; allegations that Bullseye entered into or proposed to enter into transactions with, or made payments to, related parties without shareholder approval; and complaints regarding failures to comply with the requirements of the Corporations Act in relation to Bullseye's AGM held on 30 November 2022. The plaintiffs claim various forms of relief in relation to those matters against Bullseye and the other 10 defendants, including various declarations, compensation and damages.

Emerald notes that the Bullseye Board views the ongoing use of litigation and the Court system by the dissenting minority shareholders as an opportunistic tactic by the plaintiffs to attempt to advance their position. Both Emerald and Bullseye deny liability in respect of these claims and will vigorously defend them.

Matter CIV 1989 of 2020

As announced previously the trial is complete and pending judgement to be delivered on 28 April 2023. This matter is not deemed material to Bullseye or Emerald.

Matter CIV 1987 of 2020

This matter was awaiting a judgement to be handed down in relation to an interlocutory proceeding, regarding application/s for security for costs, issued against Bullseye by six of the defendants to Bullseye's counterclaim. On 24 January 2023, Registrar Kingsley handed down his decision in favour of Bullseye, with all defendants' applications for security for costs being dismissed, subject to any appeal.

Dispute with Inca Minerals Limited

Bullseye and Inca Minerals Limited ("Inca") attended a mediation session, facilitated by his Honour Rene Le Miere KC on 6 December 2022. A resolution to the dispute was not reached and the mediation was adjourned until a further date, yet to be set. This matter is not deemed material to Bullseye or Emerald.

Cessation of the Blue Cap Bullseye Joint Venture (Bullseye: 100%)

The Blue Cap Bullseye Joint Venture has been successfully ceased in line with the Company's announcement in relation to this matter dated 21 September 2022, with Bullseye assuming 100% ownership of all on-site Bungarra gold ore stockpiles and retention of 100% rights to the Bungarra gold project and Neptune gold deposit. Payment to acquire 100% of the associated entity was made during the half-year.

Review of Operations (continued)

Applications for Forfeiture (Plaints) and Objections to Exemption

In December 2022 and January 2023, objections to exemption from expenditure and applications for forfeiture were lodged against tenements held by Bullseye's 100% owned subsidiary EGF Nickel Pty Ltd. Bullseye has filed objections in relation to these applications and will defend these matters. A number of dates have been listed in the Warden's Court on 28, 29 and 30 March 2023 to hear the objection to exemption applications on existing plants.

Events occurring subsequent to the reporting period

On 3 February 2023, Xinhe and Xingao (the Plaintiffs) lodged further proceedings in the Supreme Court in relation to oppression and contraventions of the Corporations Act (Matter COR 22 of 2023). Until a statement of claim is served on Bullseye and the other defendants (including Emerald), the basis upon which the claims are brought, or an assessment of the relief claimed, is unknown. The Company does not expect any material adverse outcome.

As noted above, in January 2023, an objection to exemption from expenditure and application for forfeiture was lodged against a tenement held by Bullseye's 100% owned subsidiary EGF Nickel Pty Ltd. Bullseye has filed objections in relation to these applications and will defend these matters.

In March 2023, Emerald contributed \$3.8m to the Bullseye pro-rata non-renounceable entitlement issue, representing 100% of Emerald's entitlement.

There have been no other significant events subsequent to balance date.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 16.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the company under ASIC Corporations Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

This report is made in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporation Act 2001*.



Morgan Hart
Managing Director

Perth, Western Australia, 15 March 2023

Forward Looking Statement

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

This announcement has been prepared in compliance with the current JORC Code 2012 Edition and the ASX Listing Rules. All material assumptions on which the forecast financial information is based have been included in this presentation. 100% of the production target referred to in the 1 May 2017 and 26 November 2019 announcements is based on Probable Ore Reserves.

The Company believes that it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any production targets and financial estimates, based on the information contained in this announcement. All material assumptions underpinning the production target or the forecast financial information continue to apply and have not materially changed.

Emerald has a highly experienced management team, undoubtedly one of the best credentialed gold development teams in Australia with a proven history of developing projects successfully, quickly and cost effectively. They are a team of highly competent mining engineers and geologists who have overseen the successful development of gold projects in developing countries such as the Bonikro Gold Project in Cote d'Ivoire for Equigold NL and more recently, Regis Resources Ltd.

Competent Persons Statements

The information in this report that relates to Exploration, Drilling and Grade Control Results of the Company's projects is based on information compiled by Mr Keith King, who is an employee to the Company and who is a Member of The Australasian Institute of Mining & Metallurgy. Mr Keith King has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Keith King has reviewed the contents of this release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

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

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

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Emerald Resources NL for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
15 March 2023



L Di Giallonardo
Partner

hlb.com.au

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Emerald Resources NL is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Emerald Resources NL
Ground Floor
1110 Hay Street
West Perth WA 6005

A description of the nature of the Group's operations is included in the directors' report on pages 4 - 14, which is not part of this interim financial report.

The interim financial report was authorised for issue by the directors on 15 March 2023. The company has the power to amend and reissue the interim financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial reports and other information are available on our website: www.emeraldresources.com.au.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME



For the half-year ended 31 December 2022

	Note	Consolidated	
		31 December 2022 \$'000s	31 December 2021 \$'000s
Revenue from continuing operations	3	133,693	63,549
Other income		91	6
Cost of sales	4	(78,256)	(31,168)
Administrative expenses		(5,010)	(1,468)
Employee benefits expense		(1,945)	(1,475)
Share-based payment expenses	18	(1,137)	(1,019)
Depreciation expense		(59)	(21)
Finance costs	5	(12,159)	(8,263)
Fair value gain/(loss) on financial liabilities		549	(7,040)
Exploration and feasibility expenditure expensed		(7,859)	(1,270)
Development expenditure		(79)	(440)
Net gain on foreign exchange		1,166	2,046
Other expenditure		(293)	(3)
Profit before income tax		28,702	13,434
Income tax expense		(3,890)	(1,558)
Profit for the period		24,812	11,876
Other comprehensive income:			
Items that may be reclassified to profit or loss			
- Exchange differences on translation of foreign operations	17	359	(261)
Total other comprehensive income/(loss) for the period		359	(261)
Total comprehensive income for the period		25,171	11,615
Profit for the period is attributable to:			
Members of the parent		26,593	11,876
Non-controlling interest		(1,781)	-
		24,812	11,876
Total comprehensive income for the period is attributable to:			
Members of the parent		26,952	11,615
Non-controlling interest		(1,781)	-
		25,171	11,615
<i>Earnings per share</i>			
Basic earnings per share (cents per share)		4.18	2.30
Diluted earnings per share (cents per share)		4.15	2.28

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



As at 31 December 2022

	Note	Consolidated	
		31 December 2022 \$'000s	30 June 2022 \$'000s
Current assets			
Cash and cash equivalents	6	51,865	43,047
Trade and other receivables	7	17,426	15,780
Inventory	8	40,610	32,870
Financial assets at fair value through profit or loss		191	191
Other financial assets		1,624	4,097
Other current assets		154	182
Total current assets		111,870	96,167
Non-current assets			
Property, plant and equipment	9	85,074	88,884
Right-of-use assets	10	32,523	35,693
Mine properties	11	86,273	109,766
Exploration and evaluation expenditure	12	95,721	87,150
Trade and other receivables	7	4,379	-
Inventory	8	40,331	24,386
Other non-current assets held for sale		808	756
Total non-current assets		345,109	346,635
Total assets		456,979	442,802
Current liabilities			
Trade and other payables		27,259	25,857
Interest-bearing liabilities	13	36,332	35,496
Financial liabilities	14	12,419	15,571
Provisions	15	18,023	14,760
Total current liabilities		94,033	91,684
Non-current liabilities			
Interest-bearing liabilities	13	55,175	58,705
Financial liabilities	14	14,258	18,876
Other non-current liabilities		1,218	599
Provisions	15	14,307	23,815
Total non-current liabilities		84,958	101,995
Total liabilities		178,991	193,679
Net assets		277,988	249,123
Equity			
Share capital	16	286,417	286,156
Reserves	17	7,254	5,857
Accumulated losses		(20,776)	(47,369)
Equity attributable to equity holders of the parent		272,895	244,644
Non-controlling interests		5,093	4,479
Total equity		277,988	249,123

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



For the half-year ended 31 December 2022

Consolidated	Issued Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total	Non-controlling Interests	Total Equity
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Balance at 1 July 2021	195,352	2,536	(1,064)	(91,756)	105,068	-	105,068
Net profit for the period	-	-	-	11,876	11,876	-	11,876
Exchange differences on translation of foreign operations	-	-	(261)	-	(261)	-	(261)
Total comprehensive income for the period	-	-	(261)	11,876	11,615	-	11,615
Transactions with owners in their capacity as owners:							
Contributions of equity	23,656	-	-	-	23,656	-	23,656
Transaction costs of issuing capital	(2)	-	-	-	(2)	-	(2)
Share-based payment transactions	-	1,019	-	-	1,019	-	1,019
	23,654	1,019	-	-	24,673	-	24,673
Balance at 31 December 2021	219,006	3,555	(1,325)	(79,880)	141,356	-	141,356
Balance at 1 July 2022	286,156	4,702	1,155	(47,369)	244,644	4,479	249,123
Net profit for the period	-	-	-	26,593	26,593	(1,781)	24,812
Exchange differences on translation of foreign operations	-	-	359	-	359	-	359
Total comprehensive income for the period	-	-	359	26,593	26,952	(1,781)	25,171
Transactions with owners recorded directly in equity:							
Contributions of equity	279	-	-	-	279	2,395	2,674
Transaction costs of issuing capital	(18)	-	-	-	(18)	-	(18)
Share-based payment transactions	-	1,038	-	-	1,038	-	1,038
	261	1,038	-	-	1,299	2,395	3,694
Balance at 31 December 2022	286,417	5,740	1,514	(20,776)	272,895	5,093	277,988

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2022

	Note	Consolidated	
		31 December 2022 \$'000s	31 December 2021 \$'000s
Cash flows from operating activities			
Receipts from customers		133,090	63,544
Payments to suppliers and employees		(87,224)	(29,775)
Interest received		427	5
Payments for exploration and evaluation		(8,421)	(1,565)
Payments for business development expenses		(76)	(256)
Income tax paid		(1,295)	(662)
Net cash provided by operating activities		36,501	31,291
Cash flows from investing activities			
Payments for investments		(757)	(56)
Gold sales revenue during pre-production		-	19,932
Payments for development		(1,172)	(40,480)
Interest and other costs of finance during pre-production		-	(1,688)
Purchase of property, plant and equipment		(2,364)	(1,824)
Payments for acquisition of remaining 30% interest in Blue Cap Bullseye Joint Venture		(3,124)	-
Loan to Blue Cap Bullseye Joint Venture (pre-acquisition)		(106)	-
Net cash used in investing activities		(7,523)	(24,116)
Cash flows from financing activities			
Proceeds from issue of shares		2,675	154
Share issue transaction costs		(19)	-
Repayment of borrowings		(4,800)	(2,273)
Interest paid on borrowings		(12,251)	(8,198)
Payments for lease liabilities		(5,119)	(1,162)
Transaction costs related to loans and borrowings		(2,145)	(1,402)
Net cash used in financing activities		(21,659)	(12,881)
Net increase/(decrease) in cash and cash equivalents		7,319	(5,706)
Cash and cash equivalents at the start of the period		43,047	22,761
Effect of exchange rates on cash holding in foreign currencies		1,499	798
Cash and cash equivalents at the end of the period	6	51,865	17,853

Amounts shown above relating to payments to suppliers and employees are inclusive of goods and services tax.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Statement of significant accounting policies

(a) Basis of preparation of interim report

This general purpose interim financial report for the interim reporting period ended 31 December 2022 has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 *Interim Financial Reporting*.

The interim financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended the interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2022 and any public announcements made by Emerald Resources NL and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The interim financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments. Cost is based on the fair value of the consideration given in exchange for assets.

The company is a for-profit entity domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

(b) New and revised accounting requirements applicable to the current half-year reporting

The accounting policies and methods of computation adopted in the preparation of the interim financial statements are consistent with those followed in preparation of the Group's annual consolidated financial statements for the year ended 30 June 2022 and the corresponding half-year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

In the period ended 31 December 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations on issue not yet effective to 31 December 2022

Several other amendments and interpretations apply for the first time in 2023, but do not have an impact on the interim financial statements of the Group.

(c) Statement of compliance

The interim financial statements were authorised for issue on 15 March 2023.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Significant accounting judgments and key estimates

The preparation of the interim financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2022.

2. Dividends

No dividends have been paid or recommended during the current or prior interim reporting period or subsequent to reporting date.

	Half-year ended 31 December 2022 \$'000s	Half-year ended 31 December 2021 \$'000s
3. Revenue from continuing operations		
Gold sales	133,068	63,536
Other sales	21	8
Interest received	604	5
Total revenue from continuing operations	133,693	63,549
4. Cost of sales		
Production expenses	66,487	37,873
Royalties and other selling costs	6,288	2,996
Depreciation and amortisation	23,503	12,564
Changes in inventory	(18,022)	(22,265)
Total cost of sales	78,256	31,168
5. Finance costs		
Interest on Sprott secured loan	4,020	2,718
Interest on right-of-use assets	1,597	1,212
Borrowing costs	6,542	4,333
Total finance costs	12,159	8,263
6. Cash and cash equivalents		
Cash at bank and on hand	51,795	42,977
Deposits	70	70
Total cash and cash equivalents	51,865	43,047
Cash at bank bears interest rates between 0.00% and 4.12% (30 June 2022: 0.00% and 0.01%).		
7. Trade and other receivables		
<i>Current</i>		
VAT receivable	14,760	13,968
Prepayments	1,803	1,446
Other receivables	863	366
Total current trade and other receivables	17,426	15,780
<i>Non-current</i>		
VAT receivable	4,379	-
8. Inventory		
<i>Current</i>		
Ore stockpiles	16,839	13,693
Gold in circuit	5,661	6,072
Gold on hand	9,448	7,393
Inventory consumables	8,662	5,712
Total current inventory	40,610	32,870
<i>Non-current</i>		
Ore stockpiles	40,331	24,386

NOTES TO THE FINANCIAL STATEMENTS



	Furniture & Fittings	Plant & Equipment	Motor Vehicles	Leasehold Improvements	Buildings & Infrastructure	Tailings Dam	Mill Liners	Capital Work in Progress	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
9. Property, plant and equipment									
6 months to 31 December 2022									
Opening net book amount	857	46,963	464	53	34,264	4,433	1,498	352	88,884
Additions	1	2	-	-	-	-	180	1,799	1,982
Transfer from mine properties	-	-	-	-	850	-	-	-	850
Transfer between classes	143	13,145	415	512	(12,721)	133	-	(1,627)	-
Depreciation charge	(99)	(6,627)	(79)	(6)	(380)	(366)	(1,495)	-	(9,052)
Effect of exchange rates	15	847	9	(4)	608	79	864	(8)	2,410
Closing net book amount	917	54,330	809	555	22,621	4,279	1,047	516	85,074
At 31 December 2022									
Cost	1,357	68,753	1,482	577	28,419	5,137	4,494	516	110,735
Accumulated depreciation	(440)	(14,423)	(673)	(22)	(5,798)	(858)	(3,447)	-	(25,661)
Net book amount	917	54,330	809	555	22,621	4,279	1,047	516	85,074

		Half-year ended 31 December 2022 \$'000s	Year ended 30 June 2022 \$'000s
10. Right-of-use assets			
Opening balance as at 1 July		35,693	33,514
Additions		-	6,111
Depreciation capitalised to mine properties		-	(1,202)
Depreciation expensed		(3,784)	(6,081)
Effect of exchange rates		614	3,351
Closing balance		32,523	35,693
11. Mine properties			
Opening balance as at 1 July		109,766	183,440
Additions during the period		960	37,055
Adjustments to rehabilitation provision	15	(9,626)	-
Transferred to inventory		-	(11,607)
Transferred to property, plant and equipment	9	(850)	(99,346)
Transferred to exploration and evaluation expenditure	12	(2,866)	-
Less amortisation		(12,305)	(12,335)
Effect of exchange rates		1,194	12,559
Closing balance		86,273	109,766
12. Exploration and evaluation expenditure			
Opening balance as at 1 July		87,150	-
Exploration interests acquired during the period		5,705	87,150
Transferred from mine properties	11	2,866	-
Closing balance		95,721	87,150
13. Interest-bearing liabilities			
(a) Secured loan – Sprott			
Opening balance as at 1 July		56,066	58,994
Amortisation of borrowing costs		3,835	8,198
Repayments		(4,779)	(16,370)
Effect of exchange rates		1,138	5,244
Closing balance		56,260	56,066
Current liability		28,793	28,316
Non-current liability		27,467	27,750
Total secured loan liability		56,260	56,066
<p>The Group holds a debt facility with Sprott Private Resource Lending II (Collector) L.P. (“Sprott”) with a face value of US\$60.0 million, having a maturity repayment date of 31 March 2025, secured against the Group’s assets. The facility attracts an interest rate of 6.5% per annum plus the greater of LIBOR or 2.50% per annum with 75% of the monthly interest capitalised during development. Principal repayments commenced in December 2021 and the current outstanding balance is US\$50.4 million.</p> <p>The Group has entered into an “all-assets” general security deed to secure the Group’s obligations under the relevant documents encompassing the Sprott debt facility. The securities granted to Sprott are first ranking.</p>			
(b) Finance lease liabilities on right-of-use assets			
Current liability		7,539	7,129
Non-current liability		27,708	30,955
Total finance lease liability		35,247	38,084
(c) Other finance lease liabilities			
Current liability		-	51
(d) Total interest-bearing liabilities			
Current liability		36,332	35,496
Non-current liability		55,175	58,705
Total interest-bearing liabilities		91,507	94,201

	Half-year ended 31 December 2022 \$'000s	Year ended 30 June 2022 \$'000s
14. Financial liabilities		
Opening balance as at 1 July	34,447	33,464
Payment of derivative liability	(7,880)	(14,179)
Revaluation of derivative liability	(547)	12,437
Effect of exchange rates	657	2,725
Closing balance	26,677	34,447
Current liability	12,419	15,571
Non-current liability	14,258	18,876
Total financial liabilities	26,677	34,447

As part of the Sprott debt facility, additional interest payments are payable based on the differential between the average USD LBMA PM gold price per ounce (of the prior month) and US\$1,100 per ounce (multiplied by 1,449oz per month for 43 months to a total of 62,307oz). Additional interest payments commenced in September 2021.

15. Provisions		
<i>Current</i>		
Rehabilitation provision	225	-
Income tax provision	17,798	14,753
Employee provision	-	7
Total current provisions	18,023	14,760
<i>Non-current</i>		
Rehabilitation provision	13,979	23,553
Employee provision	328	262
Total non-current provisions	14,307	23,815
Rehabilitation provision		
Opening balance as at 1 July	23,553	100
Provision recognised during the period	278	22,313
Provision used during the period	(702)	-
Remeasurement of provision	11 (9,626)	-
Unwinding of discount	292	270
Effect of exchange rates	409	870
Closing balance	14,204	23,553

During the period, costs of rehabilitation were revised which, when combined with an increase in discount rate caused by rising interest rates, resulted in a reduction in the rehabilitation provision of A\$9.6 million.

	Shares No.	Total \$'000s
16. Share capital		
Movements – half-year ended 31 December 2022		
Opening balance as at 1 July 2022	593,350,983	286,156
Exercise of options	450,000	279
Less: Transaction costs	-	(18)
Closing balance as at 31 December 2022	593,800,983	286,417
Movements – year ended 30 June 2022		
Opening balance as at 1 July 2021	515,397,207	195,352
Issue of securities	77,070,026	90,340
Exercise of options	883,750	469
Less: Transaction costs	-	(5)
Closing balance as at 30 June 2022	593,350,983	286,156

	Half-year ended 31 December 2022 \$'000	Year ended 30 June 2022 \$'000
17. Reserves		
Total reserves		
Option reserve	5,740	4,702
Foreign currency translation reserve	1,514	1,155
Total reserves	7,254	5,857
Option reserve		
Opening balance as at 1 July	4,702	2,536
Share-based payments expense (Note 18)	1,038	2,166
Closing balance	5,740	4,702
Foreign currency translation reserve		
Opening balance as at 1 July	1,155	(1,064)
Exchange differences arising on translation of foreign operations	359	2,219
Closing balance	1,514	1,155

	Half-year ended 31 December 2022 \$'000	Half-year ended 31 December 2021 \$'000
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18. Share-based payments

Recognised share-based payments expense

Options issued to directors, management, employees and consultants	1,137	1,019
Total share-based payments expense	1,137	1,019

The fair value of the options issued is recognised over the vesting period of the options.

On 21 October 2022, the Company issued 1,800,000 options to key employees involved in the operations of the Okvau Gold Mine, subject to various vesting conditions.

On 17 October 2022, the board recommended the issue of 500,000 options to Mr Mick Evans (Executive Director) under the Group's Amended Incentive Option Plan subject to shareholder approval, which was obtained on 24 November 2022 at the Company's annual general meeting.

All options issued are subject to vesting conditions as follows:

- Options vest after 36 months subject to the recipient remaining a full-time employee or contractor of the Group.

The fair value at grant date of options issued have been estimated using the Black-Scholes option pricing formula, taking into account the terms and conditions upon which the options were granted, as set out in the table below:

	21 Oct 2022	24 Nov 2022
Grant date		
Share price at grant date	\$1.110	\$1.140
Exercise price	\$1.370	\$1.370
Expected dividends	0%	0%
Risk free rate	3.91%	3.34%
Expected volatility	80%	80%
Expected life	5.0yrs	4.9yrs
Fair value per option at grant date	\$0.69	\$0.71
Number granted	1,800,000	500,000

18. Share-based payments (continued)

Summary of options granted

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options on issue during the period:

	Half-year ended		Year ended	
	31 December 2022		30 June 2022	
	No.	WAEP	No.	WAEP
Balance at start of period – 1 July	15,225,000	\$0.747	12,133,750	\$0.605
Granted during the period	2,300,000	\$1.370	3,975,000	\$1.130
Exercised during the period	(450,000)	\$0.620	(883,750)	\$0.530
Balance at end of period	17,075,000	\$0.853	15,225,000	\$0.747
Exercisable at end of period	5,675,000	\$0.556	3,075,000	\$0.448

19. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For the purposes of segment reporting the chief operating decision maker has been determined as the board of directors. The board monitors the entity primarily from a geographical perspective, and has identified three operating segments, being exploration and mining of mineral reserves within Cambodia and Australia and the corporate/head office function in Australia. The segment information provided to the board of directors for the reportable segments for the half-year ended 31 December 2022 is as follows:

By Operating Segment	Mine Operations \$'000s	Exploration \$'000s	Other \$'000s	Total \$'000s
<i>Half-year ended 31 December 2022</i>				
Total segment revenue	133,090	-	694	133,784
Depreciation and amortisation expense	23,503	33	26	23,562
Total segment profit/(loss) before income tax	41,599	(7,893)	(5,004)	28,702
<i>Half-year ended 31 December 2021</i>				
Total segment revenue	63,544	-	11	63,555
Depreciation and amortisation expense	12,563	11	11	12,585
Total segment profit/(loss) before income tax	16,488	(1,280)	(1,774)	13,434
<i>Total segment assets</i>				
31 December 2022	348,490	99,024	9,465	456,979
30 June 2022	338,398	87,415	16,989	442,802
<i>Total segment liabilities</i>				
31 December 2022	(171,362)	(1,565)	(6,064)	(178,991)
30 June 2022	(186,925)	(212)	(6,542)	(193,679)

By Geographical Segment	Cambodia \$'000s	Western Australia \$'000s	Total \$'000s
<i>Half-year ended 31 December 2022</i>			
Total segment revenue	133,666	118	133,784
<i>Half-year ended 31 December 2021</i>			
Total segment revenue	63,555	-	63,555
<i>Total segment non-current assets</i>			
31 December 2022	246,607	98,502	345,109
30 June 2022	258,282	88,353	346,635

20. Contingent liabilities

Bullseye Mining Limited is involved in the following legal and other matters:

Matter COR 83 of 2020 (Initial Proceedings)

The trial in the Supreme Court of Western Australia ("Supreme Court") of matter COR 83 of 2020 before his Honour Justice Marcus Solomon was concluded on 22 November 2022 ("Initial Proceedings"). Justice Solomon will now proceed to make a determination of the oppression claims in the Initial Proceedings. Xinhe's claims in the proceedings were vigorously defended by Bullseye. Emerald notes that the Bullseye Board is of the view that, due to the completion of the Emerald Takeover Offer, most of the relief sought by Xinhe in these oppression proceedings have been resolved, save for the costs incurred in the proceedings.

Matter COR 159 of 2022 (Second Proceedings)

Bullseye is awaiting a statement of claim from Xinhe and Xingao (the Plaintiffs) in relation to further oppression proceedings which are the subject of matter COR 159 of 2022 ("Second Proceedings"). Until a statement of claim is served on Bullseye and the other defendants (including Emerald), the basis upon which the claims are brought, or an assessment of the relief claimed, is unknown.

Matter COR 22 of 2023 (Third Proceedings)

On 3 February 2023, Xinhe and AXI commenced another proceeding in the Supreme Court (COR 22 of 2023) against Bullseye, Emerald and other defendants. In the Third Proceedings, the plaintiffs claim relief for what they allege to be instances of Bullseye's affairs being conducted in a manner which is contrary to the interests of, or oppressive to, shareholders of Bullseye, or in breach of various sections of the Corporations Act. The conduct alleged by the plaintiffs to constitute the breaches include the financial performance of the Company in the financial years ended 30 June 2021 and 30 June 2022 and thereafter; allegations that Bullseye incurred and failed to disclose certain liabilities in its annual financial reports for the financial years 2018 to 2021; non-disclosure of material information in Bullseye's Target's Statement and Emerald's Bidder's Statement in relation to Emerald's takeover bid; allegations that Bullseye entered into or proposed to enter into transactions with, or made payments to, related parties without shareholder approval; and complaints regarding failures to comply with the requirements of the Corporations Act in relation to Bullseye's AGM held on 30 November 2022. The plaintiffs claim various forms of relief in relation to those matters against Bullseye and the other 10 defendants, including various declarations, compensation and damages.

Emerald notes that the Bullseye Board views the ongoing use of litigation and the Court system by the dissenting minority shareholders as an opportunistic tactic by the plaintiffs to attempt to advance their position. Both Emerald and Bullseye deny liability in respect of these claims and will vigorously defend them.

Matter CIV 1989 of 2020

As announced previously the trial is complete and pending judgement to be delivered on 28 April 2023. This matter is not deemed material to Bullseye or Emerald.

Matter CIV 1987 of 2020

This matter was awaiting a judgement to be handed down in relation to an interlocutory proceeding, regarding application/s for security for costs, issued against Bullseye by six of the defendants to Bullseye's counterclaim. On 24 January 2023, Registrar Kingsley handed down his decision in favour of Bullseye, with all defendants' applications for security for costs being dismissed, subject to any appeal.

Dispute with Inca Minerals Limited

Bullseye and Inca Minerals Limited ("Inca") attended a mediation session, facilitated by his Honour Rene Le Miere KC on 6 December 2022. A resolution to the dispute was not reached and the mediation was adjourned until a further date, yet to be set. This matter is not deemed material to Bullseye or Emerald.

Applications for Forfeiture (Plaints) and Objections to Exemption

In December 2022 and January 2023, objections to exemption from expenditure and applications for forfeiture were lodged against tenements held by Bullseye's 100% owned subsidiary EGF Nickel Pty Ltd. Bullseye has filed objections in relation to these applications and will defend these matters. A number of dates have been listed in the Warden's Court on 28, 29 and 30 March 2023 to hear the objection to exemption applications on existing plaintiffs.

21. Subsequent events

On 3 February 2023, Xinhe and Xingao (the Plaintiffs) lodged further proceedings in the Supreme Court in relation to oppression and contraventions of the Corporations Act (Matter COR 22 of 2023). Until a statement of claim is served on Bullseye and the other defendants (including Emerald), the basis upon which the claims are brought, or an assessment of the relief claimed, is unknown. The Company does not expect any material adverse outcome.

As noted above, in January 2023, an objection to exemption from expenditure and application for forfeiture was lodged against a tenement held by Bullseye’s 100% owned subsidiary EGF Nickel Pty Ltd. Bullseye has filed objections in relation to these applications and will defend these matters.

In March 2023, Emerald contributed \$3.8m to the Bullseye pro-rata non-renounceable entitlement issue, representing 100% of Emerald’s entitlement.

There have been no other significant events subsequent to balance date.

22. Financial instruments

Fair value measurement

This note provides information about how the Group determines fair value of various financial assets and financial liabilities.

Carrying amounts of financial assets and financial liabilities at balance date approximate their fair value. For all fair value measurement and disclosures, the Group uses the following to categorise the method used:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	31 December 2022			
	Level 1 \$'000s	Level 2 \$'000s	Level 3 \$'000s	Total \$'000s
Recurring fair value measurements				
<i>Financial assets at fair value through profit or loss</i>				
- Held-for-trading Australian listed shares	3	-	-	3
- Held-for-trading Australian unlisted shares	-	188	-	188
	3	188	-	191
<i>Financial liabilities at fair value through profit or loss</i>				
- Embedded derivative	-	26,677	-	26,677
30 June 2022				
	Level 1 \$'000s	Level 2 \$'000s	Level 3 \$'000s	Total \$'000s
Recurring fair value measurements				
<i>Financial assets at fair value through profit or loss</i>				
- Held-for-trading Australian listed shares	3	-	-	3
- Held-for-trading Australian unlisted shares	-	188	-	188
	3	188	-	191
<i>Financial liabilities at fair value through profit or loss</i>				
- Embedded derivative	-	34,447	-	34,447

The Group has a number of trivial assets and liabilities which are not measured at fair value on a recurring basis which carrying amounts approximate their fair value.

DIRECTOR'S DECLARATION



In the directors' opinion:

- (a) the financial statements and notes set out on pages 18 to 30 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Emerald Resources NL will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

A handwritten signature in blue ink, appearing to read "Morgan Hart".

Morgan Hart
Managing Director

Perth, Western Australia, 15 March 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Emerald Resources NL

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Emerald Resources NL ("the company") which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Emerald Resources NL does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
15 March 2023



L Di Giallonardo
Partner

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