

# Emmerson Resources Ltd

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## Emmerson Resources digs deep at bonanza grade Edna Beryl gold-copper project

While Emmerson Resources Limited (ASX:ERM) has a number of projects in play, its Edna Beryl gold-copper project is the most advanced.

Developments at the project which is in the Tennant Creek region of the Northern Territory have also been the main share price drivers over the past 18 months.

Substantial reratings occurred as the company moved from the release of bonanza grade drilling results to production.

Further exploration results and more recently the first gold pour in December reignited interest in the stock in December/January.

### READ: Emmerson Resources pours first gold from Northern Territory mine

Share price surges of up to 50% have resulted from exploration news at Edna Beryl.

The first gold pour triggered sustained momentum over the last month as the company's shares rallied 25% to a high of \$0.098.

### Diversification is the key in 2018

One of the issues for Emmerson is that its share price has tended to retrace relatively quickly following upbeat news and then remain at lower levels for extended periods.

This is where emerging projects could become strategically important, providing consistency of newsflow and a diversified asset base.

One of the company's key areas of focus outside of the Northern Territory is the Macquarie Volcanic Arc region in the Lachlan Fold Belt of New South Wales.

### Macquarie Volcanic Arc hosts projects such as Cadia Valley

The volcanic belt that runs through Emmerson's tenements hosts prominent porphyry related gold-copper deposits.

The most high profile of these is host to Newcrest Mining's (ASX:NCM) Cadia Valley Project with circa 40 million ounces of gold and 8 million tonnes of copper.

Northparkes and Cowal both have resources of more than 2 million ounces of gold and circa 1.6 million tonnes of copper.

**Price:** 0.11

**Market Cap:** \$46.73 m

#### 1 Year Share Price Graph



#### Share Information

**Code:** ERM

**Listing:** ASX

**52 week High Low**  
0.16 0.067

**Sector:** Mining

**Website:**  
[www.emmersonresources.com.au](http://www.emmersonresources.com.au)

#### Company Synopsis:

*Emmerson Resources Ltd (ASX:ERM) has exposure to high-grade cobalt, copper and gold, plus a revenue stream from the Tennant Creek Strategic Alliance.*

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Northparkes is relatively close to Emmerson's Fifield project.

### **Kadungle shows early stage promise**

Fifield is one of the group's projects in the Macquarie Arc region, and it has been the subject of reconnaissance and sampling programs.

Immediately adjacent to Fifield is the Kadungle Project where the company has progressed to a 60% interest, having met earn-in exploration expenditure of \$300,000.

The company intends to move to 80% ownership as it completes the stage II earn-in expenditure of \$200,000.

### **Drill results from Kadungle in keeping with regional geology**

Emmerson's first drill hole at Kadungle intersected high level epithermal gold-silver mineralisation and deeper porphyry copper-gold within an extensive zone.

This drill hole supports historical drilling where high-level epithermal veins were intersected with best assays of 12 metres at 7.7 g/t gold.

Rob Bills, managing director, said: "The alteration and mineralisation from the drilling is consistent with our exploration model of a buried alkalic porphyry system.

"These systems typically have great potential for not only copper, but also associated gold, though assays will be required before the grade is established."

### **WATCH: Emmerson resources very encouraged by early drilling at Kadungle**

This drill hole not only extends the known mineralisation, but points to the potential for both shallow epithermal gold-silver and deeper porphyry copper-gold mineralisation.

### **A new strategy to cash in on copper at Tennant Creek**

Emmerson's tenement package at the Tennant Creek Mineral Field (TCMF) covers 2800 square kilometres.

Emmerson has made four discoveries in this area, all of which are distinguished by their above-average gold and copper grades.

They are at various stages of exploration and development.

This, along with the fact that they incorporate both precious and base metals, make it difficult to assess them as a package, perhaps to the detriment of Emmerson's valuation.

While Edna Beryl captures most of the headlines as it has now moved to production, the company has a high-grade copper-gold project in Goanna.

## **Goanna on the move**

Though Emmerson will be actively developing Edna Beryl in 2018 there are firm plans to identify possible extensions to the Goanna deposit.

Some of the better drill results harking back to its first discovery in 2012 included 15 metres at 8.13 g/t gold, including 3 metres at 11.1% copper and 34 g/t gold.

A 2500 metre drill program at the Gecko-Goanna-Monitor discovery was completed in December, and assay results are due in January/February.

High-grade mineralisation was identified in 2012, and similar mineralisation delineated in 2015, suggesting the assay results are likely to be highly anticipated.

## **Underground exploration drive planned for Edna Beryl**

Emmerson is in the process of monetising a pipeline of small high-grade exploration targets.

This is being done via a Tribute Agreement with a company which specialises in the operations of small mines, the Edna Beryl Mining Company (EBCM).

Under the terms of a farm-in agreement entered into with Evolution Mining Ltd (ASX:EVN) in 2014, the group continued to sole fund exploration expenditure of \$15 million.

This extended through to December 31, 2017, providing it with a 65% interest in TCMF.

An option to spend a further \$10 million minimum, solely funded by Evolution over two years following the Stage 1 farm-in, would enable Evolution to earn a further 10%.

## **Terms of the Tribute agreement**

The Edna Beryl 'small mines' Tribute Agreement relates to a tightly defined 3D rock volume around the immediate historic drill holes and mine area at Edna Beryl East.

The agreement also includes discoveries outside of this envelope which remain under Emmerson's ownership.

It is up to the discretion of Emmerson and Evolution as to whether it becomes part of the 'small mines' agreement.

Tribute provides near-term revenues

This agreement provides a risk-free, near-term income stream from its non-core assets via a royalty agreement.

It will also facilitate the establishment of underground drill platforms, and planning is underway for this more effective and cheaper drilling strategy.

Management believes that this form of drilling has the potential to more effectively test for extensions and grow the existing resources.

### **Catalysts in 2018**

Developments that could have a share price impact in the next three months include the commencement of full-scale mining within the Edna Beryl Tribute area.

The result of assay results from Gecko-Goanna-Monitor will provide important data and potentially shape the company's exploration strategy in 2018.

Planning, permitting and approval processes across the group's portfolio of mines will continue, the results of which can help to de-risk projects.

One of the key factors is likely to be the finalisation of planning and commercial terms for the underground exploration drive and drill program at Edna Beryl.

Given this will impact the company from both an operational and financial perspective, completion of these procedures is important.

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