

Emmerson Resources Ltd

02:51 19 Jul 2019

Emmerson Resources maintains Speculative Buy recommendation from Hartleys

Emmerson Resources Ltd (ASX:ERM) has had its Speculative Buy recommendation and price target of 16 cents per share maintained from Hartleys' research team.

With shares trading around 12.5 cents per share, the price target of 16 cents represents potential upside of 28%.

Emmerson holds 2,600 square kilometres of ground near Tenant Creek, NT and 2,400 square kilometres near Fifield, NSW.

The company is both a gold producer and gold and base metals explorer.

READ: Emmerson Resources extends high-grade gold mineralisation at Tennant Creek with more bonanza gold grades
The Hartleys research report was published following the release of diamond drilling results earlier this month at the 100% owned Mauretania Project in the Northern Territory.

The maiden drilling produced high-grade results that exceeded those seen during similar stage drilling at the recently commissioned Edna Beryl Gold Mine which is one of Australia's highest-grade gold mines.

Hartleys research report

The following is an extract from the Hartleys report dated 8 July, 2019.

Mauretania enhanced by more high-grade gold

Emmerson Resources (ERM) recently completed diamond drilling at the high-grade Mauretania Project (100% ERM), Tennant Creek, Northern Territory.

The program has been highly successful in enhancing the original nearby reverse circulation (RC) results, and also highlights that some of the original RC assays may have been under-called in terms of reported gold grades.

The latest drilling at Mauretania was the first diamond program completed over the high-grade gold discovery, designed to test the shallow oxide/supergene and deeper primary gold zones within a mineralised system that remains open.

Further diamond drilling is planned in the project area, but prior to recommencing, geophysical sub-audio magnetics (SAM) will be used to identify weakly magnetic (potential deeper primary gold) and conductive (potential copper) targets within the system.

The SAM survey has now been completed with processing and interpretation now underway. We continue to see potential for Mauretania to progress to a small-scale but very high grade mining proposition (open pit and potential underground), and look forward to the results from the SAM survey and the restart of drilling.

Advancing greenfield discovery through to a mining opportunity

Price: 0.12

Market Cap: \$50.98 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

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.

action@proactiveinvestors.com

Gold mineralisation within the Mauretania area was first discovered by ERM in late 2015, intersecting 30m @ 3.22g/t Au from 57m (incl. 15m @ 5.67g/t Au) in the discovery RC hole (MTRC006).

Subsequent follow-up activities defined a high-grade poly-metallic (gold, copper and silver) mineralisation from near-surface, which extends into primary mineralisation at depth. The mineralisation at Mauretania is largely hosted within altered (haematite-talcchlorite) ironstones.

Latest drill results includes the best to date at Mauretania, with drill-hole MTDD003 reporting an impressive 20m @ 38.5g/t Au from 92m (incl. 4m @ 158g/t Au), adding to the oxide (supergene) mineralised zone which has potential to be extracted via a small open pit.

Diamond drilling also confirmed and added continuity to the primary high-grade gold zone with 6m @ 14.2g/t Au from 201m (incl. 3m @ 25.1g/t Au from 203m), highlighting potential underground mining opportunities.

100% ERM owned project area with commercial options

Mauretania is contained within tenure that remains 100%-owned by ERM.

ERM also has a strategic alliance with Territory Resources (TTY) to assist in the commercialisation of small-scale mining options within the field, and recently completed the sale of the Warrego mill lease to TTY to facilitate the construction of a new processing plant.

The plant is expected to be operational before CY19 end, and will initially process only gold-rich ores (copper circuit will be added later).

A profit share and gold royalty has also been negotiated over a number of small gold mines within the portfolio, and ERM is currently receiving a 12% gross royalty from gold produced from the Edna Beryl mine. These proceeds continue to fund ongoing exploration.

We estimate ERM's current cash to be ~A\$3M, after receipt of the final payment for Warrego mill lease, Edna Beryl gold royalties and adjusted for recent exploration spend. We maintain our Speculative Buy recommendation with our latest price target 16cps.

ERM has a sensible self-funding exploration model, whereby its portfolio of small mining opportunities can be commercialised under a profit share/gold royalty stream.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Emmerson Resources Ltd named herein, including the promotion by the Company of Emmerson Resources Ltd in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).