



Market Release

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Ivanhoe Australia's gold exposure expands via strategic investment in the Tennant Creek Mineral Field

Equity investment and joint venture with Emmerson Resources Limited

Peter Reeve, Chief Executive Officer, and Robert Friedland, Chairman of Ivanhoe Australia Limited (IAL), are pleased to announce that IAL has concluded an important strategic investment in **Emmerson Resources** (Emmerson – ASX:ERM), which holds tenements covering the key areas of the historic and prospective **Tennant Creek Mineral Field** (TCMF) in the centre of Australia's Northern Territory (See Figure 1).

IAL will make the following investments in Emmerson:

- A placement of 22.61 million shares at 13 cents, representing an investment of A\$2.94 million, providing IAL with an initial 10% shareholding in Emmerson.
- The issue of 27.9 million options at an exercise price of 20 cents within two years, which upon exercise would inject a further A\$5.58 million into Emmerson and increase IAL's stake to 19.9%.

In addition to the above equity participation, IAL has entered into a joint venture covering all of Emmerson tenements in the TCMF. IAL will spend \$18 million over three years to earn a 51% equity interest, which could increase to 70% in particular projects if certain Mineral Resource thresholds are met.

“The investment in Emmerson Resources is an exciting development for Ivanhoe Australia, providing us with additional opportunities for large iron oxide copper-gold (IOCG) mineral discoveries in a region that, despite its long history of production, remains very under-explored,” Mr Reeve said.

“This move continues Ivanhoe’s strategy of securing tenements covering an entire mineral field, applying extensive geological science to that field and conducting a sustained and comprehensive drilling program.

“A key objective in IAL’s involvement in Tennant Creek is to increase our gold-resource inventory. With the historical gold/copper ratios in the TCMF being the highest of any known IOCG province, potential discoveries are likely to be gold-rich.”

Mr. Reeve said that Ivanhoe Australia will now operate in two exceptionally mineralised geological regions — Cloncurry and Tennant Creek (See Figure 1) — and is focussed on advancing both fields to development status as quickly as possible.

The Tennant Creek Mineral Field

The Tennant Creek Mineral Field (TCMF) surrounds the town of Tennant Creek which is situated approximately 1,000 kilometres south of Darwin and 500 kilometres north of Alice Springs. Ivanhoe is confident that future development projects in the TCMF will benefit strongly from the existing infrastructure at Tennant Creek:

- sealed highways linking the town to Mount Isa, Darwin and Alice Springs;
- the Adelaide-Darwin railway line directly services the town;
- grid electrical power is available; and
- a natural gas pipeline provides potential flexibility in power supply.

The mineral field is one of the richest and largest Proterozoic goldfields in Australia, where gold first was mined in the 1930s, followed by the first copper in the 1950s. Historical production totals more than 5.5 million ounces of gold at an average grade of 19.3 g/t gold and approximately 488,000 tonnes of copper with an average grade of 2.9% copper.

Former mines in the TCMF include Nobles Nob, White Devil, Warrego and Juno and deposits in the TCMF are generally high grade, with most gold deposits averaging 15-20 g/t and copper 2-4%.

Emmerson’s tenement holdings in the TCMF cover approximately 2,700 square kilometres and are divided into four geographic areas to facilitate exploration planning: Northern, Southern, Eastern, and Western (See Figure 2). Emmerson controls most of the past production areas, known prospects and prospective areas and its assets include the refurbished Warrego ore treatment facility, historical exploration data and core libraries.

A recent revision of geological data for the Tennant Creek region indicated similarities with other Precambrian Australian and Brazilian iron oxide copper-gold deposits such as Olympic Dam, Salobo and the Mount Elliott district. Ivanhoe Australia believes the TCMF has high potential for discovery of additional IOCG deposits, either as extensions to existing deposits or as larger new discoveries.

Geophysics plays a key role in mineral exploration in the Tennant Creek area due to shallow, younger cover rocks. Emmerson has undertaken the largest systematic gravity survey and supplemented existing government and company airborne magnetic and radiometric data over its entire tenement package. This has resulted in a better understanding of the basement geology and structural corridors that have defined numerous untested drill targets.

Rob Bills, Emmerson Resources Managing Director said “This landmark investment and joint venture is a clear indication of Ivanhoe’s confidence in the prospectivity of our tenements. It will provide the long-term funding required to enable deep and systematic drill testing of a series of exciting new era IOCG gold–copper targets identified by Emmerson. Both companies have similar strategies in building shareholder wealth through aggressive exploration.”

Ivanhoe Mines (IVN: TSX, NYSE, NASDAQ) is Ivanhoe Australia’s largest shareholder and currently owns, directly and indirectly, approximately 83% of Ivanhoe Australia’s issued and outstanding shares

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Figure 1: Location Map Showing Tennant Creek Mineral Field relative to the Cloncurry Project



Figure 2: Emmerson's Tennant Creek projects and four key tenement areas

