

A person wearing an orange high-visibility shirt and a cap is seen from the side, holding a remote control. A drone is flying in the sky above a field of dry grass and shrubs. The background shows a line of trees under a clear blue sky.

ANNUAL

REPORT

2021



emmerson
resources

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REVIEW OF OPERATIONS

ABOUT EMMERSON RESOURCES

Emmerson Resources Limited (Emmerson or the Company) continues to deliver to our strategy of:

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

Emmerson has a commanding land position and is exploring the Tennant Creek Mineral Field (TCMF), one of Australia's highest-grade gold and copper districts that has produced over 5.5Moz of gold and 470,000t of copper from deposits including Warrego, White Devil, Orlando, Gecko, Chariot, and Golden Forty. These high-grade deposits are highly valuable exploration targets, and to date, Emmerson has added to this endowment with high-grade gold discoveries at Edna Beryl and Mauretania, plus copper-gold at Goanna and Monitor. These finds were achieved utilising new technology and concepts and are the first discoveries in the TCMF for over two decades.

A recent rush of new tenement applications by major and junior explorers in the Tennant Creek district, not only highlights the prospectivity of the region for copper and gold but also Emmerson's strategic 1,700km² land holding and proprietary knowledge gained through focussed exploration activities in the field for over 12 years.

Emmerson is also fast tracking exploration across five early-stage gold-copper projects in NSW, identified (with our strategic alliance partner Kenex/Duke Exploration ASX:DEX) from the application of 2D and 3D predictive targeting models – aimed at increasing the probability of discovery. Duke can earn up to 10% (to pre BFS) of any project generated providing certain success milestones are met.

The highly prospective Macquarie Arc in NSW hosts >80Moz gold and >13Mt copper with these resources heavily weighted to areas of outcrop or limited cover. Emmerson's five exploration projects contain many attributes of the known deposits within the Macquarie Arc but remain underexplored due to historical impediments, including overlying cover (farmlands and younger rocks) and a lack of effective historic exploration.

Emmerson made some significant progress during the financial year and are in the enviable position of now being able to capitalise on the exploration and emerging royalty opportunities, whilst mitigating any downside risk.

Following a successful equity raising in July 2020 that raised \$5.8m, the Company entered a Strategic Alliance in the TCMF with Tennant Consolidated Mining Group (TCMG). Whereby TCMG completed a \$2m placement and will fund \$10.5m over the next five years over the Northern Project Area (NPA) and Southern Project Area (SPA), with Emmerson now in a very strong financial position.

TCMG is finalising plans for the establishment of a centralised CIP mill at Noble Nob, adjacent to the SPA at Tennant Creek (Figure 1). Once established, this mill will unlock the value contained across many stranded, high-grade gold and copper deposits in the TCMF, including those currently subject to the Small Mines Joint Venture (SMJV) and undergoing JORC Mineral Resource estimates.

In November 2020 Emmerson terminated the Exploration Earn-in and Joint Venture Agreement (EEJV) with Territory Resources Limited (TRL) over the Southern Project Area (SPA).

Our view remains that discovery of new mineral deposits provides the best uplift in value for junior companies, particularly as we have first rate geological real estate in both Tennant Creek and NSW. The emerging gold royalty business in Tennant Creek, where TCMG undertakes the planning, mining and processing across several high-grade gold projects will afford Emmerson a low risk path to multiple royalty streams, whilst mitigating the associated risks

Exploration activities continued in both the Northern Territory and to a lesser extent in NSW despite dealing with the impact of COVID restrictions. Drill programs were completed at Mauretania within the NPA at Tennant Creek and at Kiola and Kadungle in NSW.

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

REVIEW OF OPERATIONS

TENNANT CREEK, NORTHERN TERRITORY

STRATEGIC ALLIANCE WITH TENNANT CONSOLIDATED MINING GROUP

On 16 November 2020, Emmerson advised it had entered into a new Strategic Alliance at Tennant Creek with Tennant Consolidated Mining Group (TCMG) over much of Emmerson's Northern Project Area (NPA). In June 2021, this Strategic Alliance was extended to also cover Emmerson's Southern Project Area (SPA). The two agreements with TCMG include the following:

- \$10.5m Exploration Earn-in and Joint Venture (EEJV) in the NPA and SPA to earn 75% interest in both NPA and SPA over a five-year period
- Delineation of an approximate 20,000km² Area of Mutual Interest centred on Tennant Creek aimed at future exploration or acquisitions
- Two Small Mines JV's (SMJV) with Emmerson to receive a free carried 6% gold gross revenue royalty for production from Small Mines (<250,000oz gold equivalent) and guarantee of 6% of a minimum 60,000oz gold production royalty or cash payment of any shortfall within five years
- A Major Mines interest whereby Emmerson retains up to a 40% interest in any Major Discovery (>250,000oz gold equivalent)

On 24 March 2021 Emmerson announced the completion of a \$2m placement of shares to TCMG as part of the Strategic Alliance over the Northern Project Area (NPA). All Conditions Precedent to the Earn-In, Small Mines and Major Mines Joint Ventures have been satisfied.

The \$2m equity investment in Emmerson was at \$0.13 share (escrowed for 12 months) with each share carrying an attaching option exercisable at \$0.20 each (expiring December 2025).

The combined SPA and NPA JV's with TCMG will now result in a minimum \$10.5m spend on exploration over five years, plus drive feasibility studies ahead of mining and processing that are sole funded by TCMG.

TCMG is finalising plans for the establishment of a centralised CIP mill at Nobles Nob, adjacent to the SPA at Tennant Creek (Figure 1). Once established, this mill will unlock the value contained across many of these stranded, high-grade gold deposits, including those currently subject to the SMJV and undergoing JORC Mineral Resource estimates. Given the funding committed to exploration by TCMG, it is anticipated that over time, more projects will be added to the SMJV.

The two EEJVs (over the NPA and SPA) will target extensions to mineralisation around known high grade gold projects, plus discover additional gold and gold-copper mineralisation that can be captured under the SMJV or, if greater than 250,000oz, under the Major Mines JV (MMJV). Under the MMJV Emmerson receives an immediate 40% contributing equity interest that, at its election, can be converted to a 20% free carried interest on the completion of a definitive feasibility study. Under the SMJV, TCMG is responsible for the funding, permitting, mine studies and all mining and processing activities.

In contrast to prior JV deals, there are significant performance hurdles under the two EEJVs require TCMG to produce a minimum of 30,000oz of gold within five years within each JV (from which Emmerson will receive a 6% production royalty) or make the equivalent payment to Emmerson in cash. These agreements, together with funding and mining expertise from TCMG, provide a low-risk pathway for Emmerson shareholders to monetise the known high-grade gold and copper assets in Tennant Creek. It allows Emmerson to drive future exploration and discovery both at Tennant Creek and NSW while minimising future dilution to shareholders.

This Strategic Alliance establishes a funded pathway for the development of Emmerson's high-grade gold projects and provides substantial new funding for exploration to continue to build the resource pipeline.

TCMG is a subsidiary of TA Private Capital Security Agent Ltd (TA), a Hong Kong headquartered assets management firm, best known for its private debt solutions spanning trade finance through mid-tenor supply chain financing to mid to longer tenor term and project loans. TA has a diverse portfolio of capital deployed globally including within the Australian mining sector.

TCMG has acquired tenements and projects from other parties in the TCMF and intend undertaking detailed mining studies with the ultimate goal of developing a portfolio of resources that will feed its centralised processing facility in Tennant Creek over at least the next five years.

As announced to ASX on 9 November 2020 Emmerson terminated the Exploration Earn-in and Joint Venture Agreement (EEJV) with Territory Resources Limited (TRL) over the Southern Project Area (SPA).

Emmerson was notified in early July 2021 that TRL Tennant Creek Pty Ltd has been placed into voluntary administration. Emmerson has lodged a proof of debt with the Administrators and attended

REVIEW OF OPERATIONS

the first meeting of creditors. Emmerson will monitor the progress of the Administration process as it unfolds.

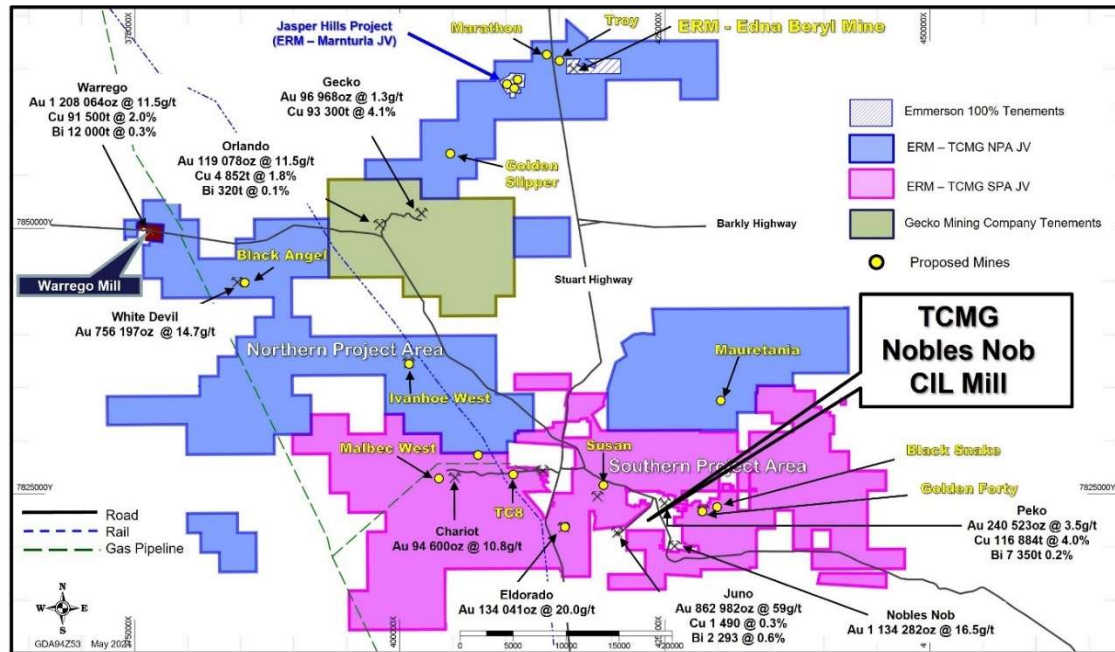


Figure 1: Map showing the various Joint Venture areas with TCMG. Noting that Emmerson retains 100% ownership of the Jasper Hills Project and Edna Beryl Mine. Note: quoted resources from historical deposits from Ahmad, M., Wygralak, A.S. and Ferenczi, P.A. (1999). Gold deposits of the Northern Territory 2nd ed. Darwin: Northern Territory Geological Survey, p.60.

NORTHERN PROJECT AREA

Mauretanian

The high-grade Mauretanian gold project is located within the NPA of Emmerson's Tennant Creek project (Figures 1 & 2). A diamond drilling program commenced in late November 2020 with the aim of better delineating the grade and scale of the known "bonanza" high grade gold zone, as well as provide geotechnical data to support the design of a future open pit. This work program comprises the first activity funded through the Strategic Alliance with TCMG and managed by Emmerson.

Only two holes were undertaken in the drill program commencing in November 2020 before the onset of the wet season. The results of the first diamond drill hole MTDD009 completed in this program (ASX: 17 February 2021) returned a primary gold intersection of:

- **8.8m at 3.44g/t gold from 181m** including:
 - **2m at 9.0g/t gold** from 186m
- plus a shallow oxide zone of high-grade copper of:
 - **12m at 2.5% copper, 0.26g/t gold and 0.14% cobalt** from 85m including:
 - **2m at 4.1% copper** from 90m and
 - **9.5m at 0.17g/t gold** from 60m

The second diamond drill hole, MTDD010, was suspended prematurely at 106m and the completion of this hole was the first priority for the next drill program which commenced in May 2021. The assay results from the extension of MTDD010 were returned (subsequent to the end of the period) and demonstrated the largely untested potential for high-grade gold in the primary zone beneath the known oxide gold mineralisation (ASX: 5 July 2021):

- **3.95m at 57g/t gold, 0.22% bismuth, 20.6g/t silver and 0.23% copper** from 207m including:
 - **1m at 102g/t gold, 47g/t silver and 0.6% bismuth** and
 - **0.8m at 135.5g/t gold, 40.2g/t silver and 0.34% bismuth**

This bonanza result consists of 7m of brecciation and intense chlorite alteration with hematite and magnetite stringers. Future exploration within the primary zone will be focussed on pinpointing these structurally controlled, brecciated, feeder conduits where the mineralised fluids have been channelled into the chemically reactive ironstones.

The remainder of the final FY2021 drill program was Reverse Circulation (RC) and consisted of step out holes to establish the lateral extent of the mineralisation prior to finalising the design of the open pit (Figure 3). This program also included geotechnical drilling that will assist in the final design of the pit.

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Pleasingly, all holes to date in the program intersected the targeted ironstone. In some instances, this has included multiple horizons consisting of various portions of hematite and magnetite, typical of the host to high grade gold mineralisation.

Given the positive results, Emmerson submitted a Mineral Lease Application (ML32214) to the Northern Territory Department of Resources which was granted in April 2021. The Mauretania project is progressing to more detailed mining studies including a baseline flora and fauna survey and detailed predevelopment and geotechnical drilling that inform scoping and feasibility studies ahead of mining. Any further work beyond the current drill program at Mauretania will be captured (and funded) under the SMJV with TCMG.

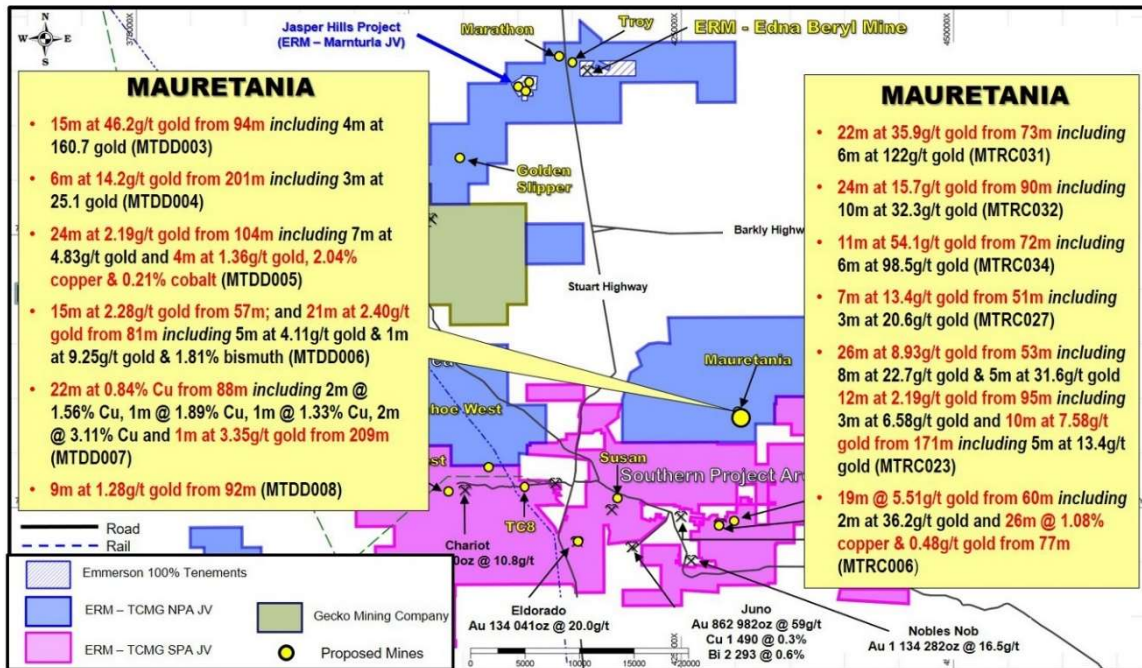


Figure 2: Historic drill results by Emmerson at Mauretania. Note the shallow high-grade gold intercepts correlate with the oxide zone, with few holes testing the deeper primary gold zone - the subject of future drilling.

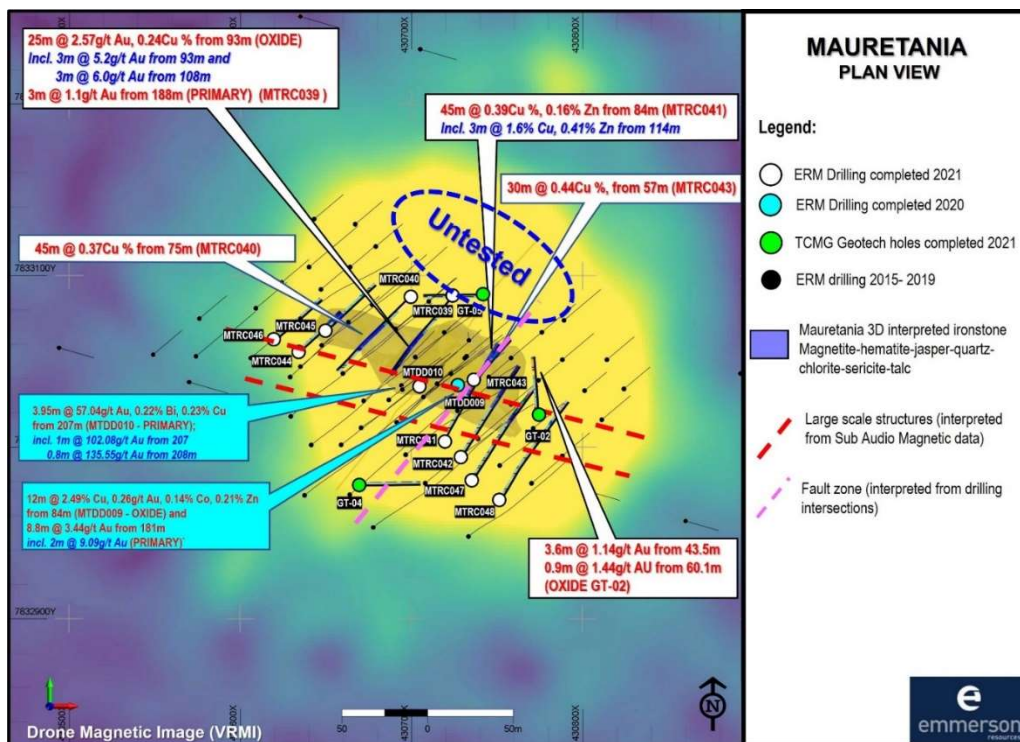


Figure 3. Plan view of Mauretania showing drill results from the latest program – now the subject of advanced mining studies funded 100% by our partner, TCMG. Note yellow background is the extent of the drone magnetic anomaly with untested portion to the northwest.

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SOUTHERN PROJECT AREA

Black Snake and Susan prospects

During the year significant new drill results received from the Black Snake and Susan gold prospects (Figure 4) (ASX: 25 May 2021) that enhance the potential for future exploration and mining studies under the SMJV:

- High-grade gold intercepts from Black Snake included:
 - **8m at 15g/t gold** from 16m including:
 - **4m at 24.4g/t gold** (BSRD008)
 - **9m at 7.96g/t gold** from 6m including:
 - **1m at 54g/t gold** (BSRD018)
 - **6m at 7g/t gold** from 18m including:
 - **3m at 12.6g/t gold** (BSRD014)
 - **15m at 6.77g/t gold** from 4m including:
 - **9m at 10.4g/t gold** (BSRD007)
- New high-grade gold intercepts from Susan indicate extensions of the gold-bearing oxide zone and include:
 - **5m at 3.93g/t gold** (SS011)
- Assay results from the same drill program at Susan (ASX: 18 February 2019) include:
 - **11m at 48g/t gold** from 26m including:
 - **9m at 58.5g/t gold and 1m at 246g/t gold** (RC drill hole SS001)
 - **8m at 16g/t gold** from 22m including:
 - **6m at 20.4g/t gold** (RC drill hole SS003)

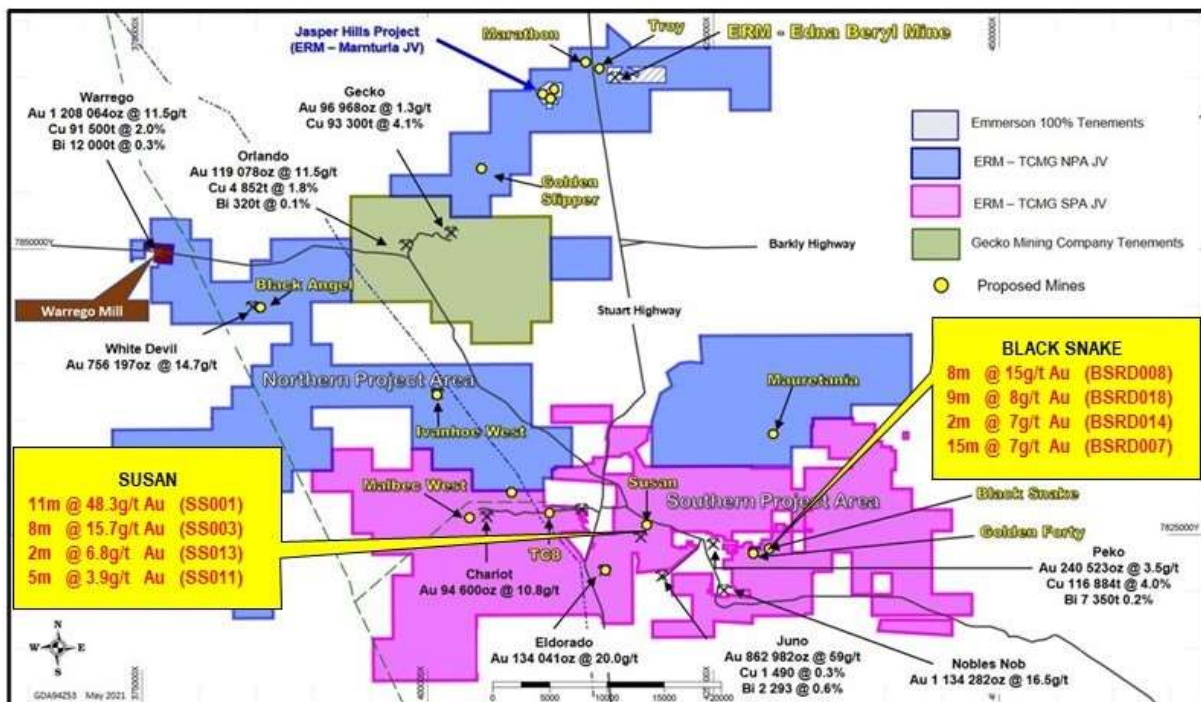


Figure 4: Recent (yellow call out boxes) drill results at Black Snake and Susan projects (ASX: 25 May 2021).

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Ultra-High Resolution Drone magnetic survey

Emmerson is applying new technology to make discoveries based on the exploration learnings built after more than a decade operating in the TCMF.

Accordingly, an ultra-high resolution unmanned aerial vehicle (UAV) magnetic survey (drone survey) is underway over the SPA. The resolution of this survey is far superior to historic, fixed wing surveys due to the drone being able to fly 15m above the ground and on 10m spaced lines. Results will be used to inform future drill targeting at Tennant Creek (Pictures 1 & 2).



Picture 1: Recent Ultra-high resolution unmanned aerial vehicle (UAV) magnetic survey (drone survey) by Emmerson Resources in progress.



Picture 2: Recent Ultra-high resolution unmanned aerial vehicle (UAV) magnetic survey (drone survey) by Emmerson Resources in progress.

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NEW LANDMARK JOINT VENTURE AT JASPER HILLS PROJECT

In August 2020 Emmerson reached a Landmark Joint Venture Agreement with the Marnturla Aboriginal Corporation for future mining at the Jasper Hills, Hermitage and Golden Slipper projects in the TCMF which sit outside the Strategic Alliance with TCMG (Figure 5). Highlights of the agreement include:

- Access to previously restricted areas which contain the **Jasper Hills, Golden Slipper, North Star** and **Hermitage** High-Grade Gold-Copper-Cobalt projects in the Northern Project Area at Tennant Creek.
- Alignment of the interests of both parties in providing employment opportunities and direct equity interest in the projects by the Marnturla Aboriginal Corporation.
- The agreement continues Emmerson's track record of working with Traditional Owners in Tennant Creek to provide economic opportunities while protecting heritage sites.
- First stage drilling will include some 2,000m of diamond core to verify historic intercepts and metal grades.

Given that the Jasper Hills and North Star areas have not seen modern exploration, in 2018 Emmerson retrieved and re-assayed a selection of drill holes with results (ASX: 10 April 2018) as follows:

- **NSDH101: 28m at 5.83g/t gold, 0.17% cobalt and 8.52% copper** (from 108 to 136m) and includes:
 - 19m at 0.56g/t gold, 0.47% cobalt and 11.4% copper and
 - 2m at 50.1g/t gold and 10.5% copper
- **NSDD100: 11m at 0.22g/t gold, 0.18% cobalt and 2.56% copper** (from 117 to 128m) and includes:
 - 3m at 0.34g/t gold, 0.55% cobalt and 5.80% copper and
 - 1m at 0.48g/t gold, 1.07% cobalt and 5.71% copper
- **NSDH547: 23m at 0.14% cobalt and 7.04% copper** (from 95 to 118m) and includes:
 - 4m at 0.37% cobalt and 10.2% copper and 1.35g/t gold
- **NSDH488: 14m at 6.72g/t gold, 0.28% cobalt and 2.17% copper** (from 284 to 298m) and includes:
 - 5m at 16.6g/t gold
 - 2m at 1.32% cobalt and 2% copper
- **NSDD110: 15m at 7g/t gold** (from 295 to 310m) and includes:
 - 6m at 14.9g/t gold

The Jasper Hills mineralisation is hosted in brecciated hematite ironstones surrounded by intensely chloritized sediments of the Warramunga Group. The ironstones are enveloped by silicified carbonates, quartz and jasper, similar in most respects to Edna Beryl and within the district, encompass high-grade gold (North Star Deeps Gold, Jasper Hill Gold), high-grade copper (Katherine Star, Northern Star and Hermitage) and high-grade gold-copper-cobalt exploration targets (Jasper Hills) (Figure 5).

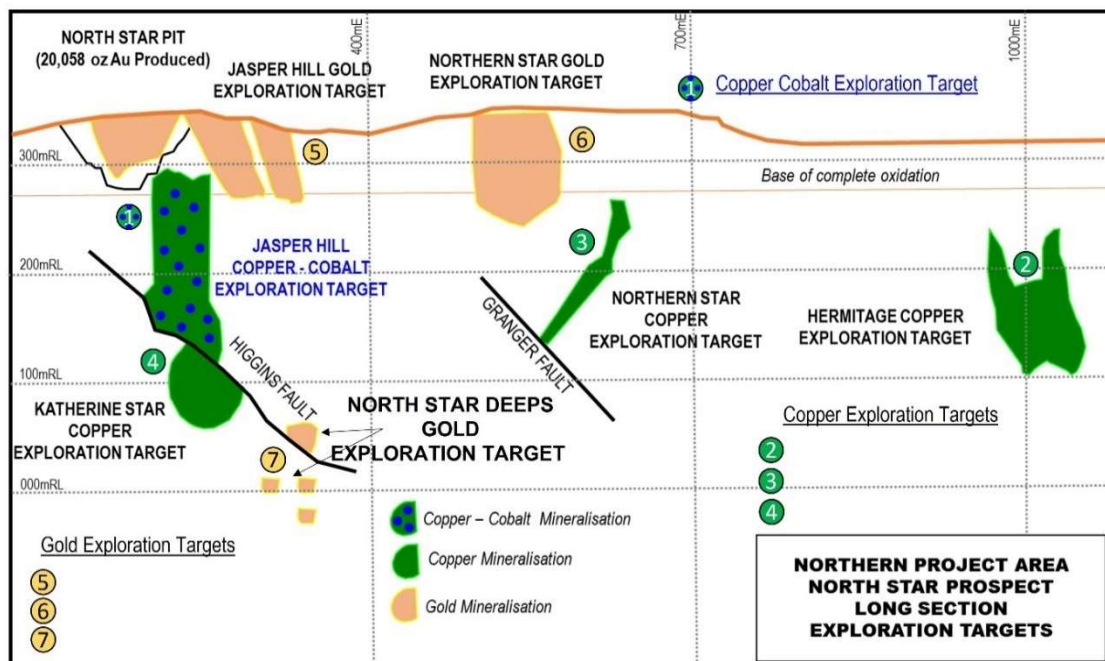


Figure 5: Schematic long section highlighting the potential of the project area. Note that these exploration targets are conceptual in nature and that there has been insufficient exploration to estimate a Mineral Resource.

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

The strong support and participation from the Traditional Owners for advancement of this project continues to drive our strategy of seeking a variation to the access agreement with the Aboriginal Areas Protection Authority (AAPA). Discussions with, and documentation provided to, AAPA on behalf of the Traditional Owners and Emmerson is ongoing, noting exploration cannot take place until this formal variation is approved.

MACQUARIE ARC, NEW SOUTH WALES

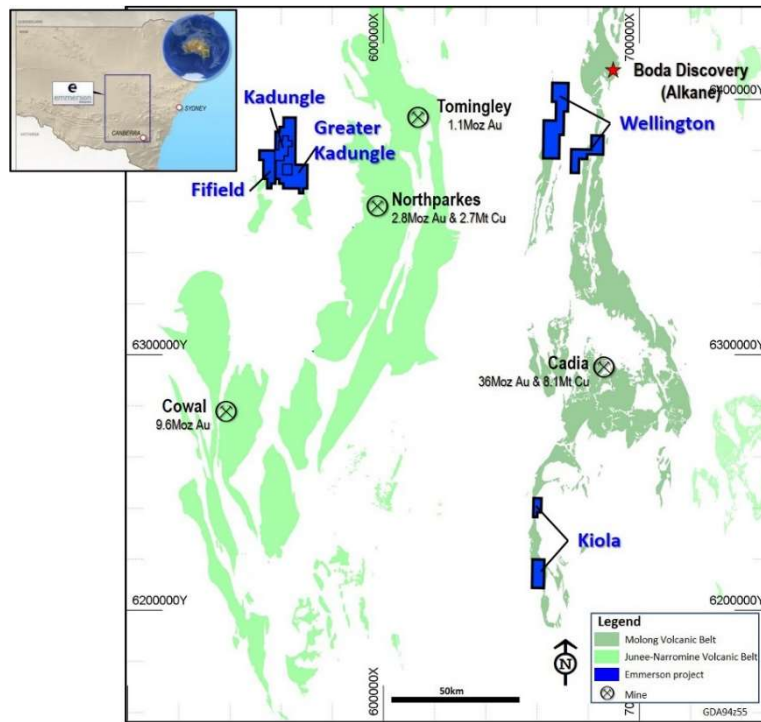


Figure 6: Location of Emmerson's NSW Projects (in blue). The background is from the regional magnetic image representing the Molong and Junee-Narromine Volcanic Belts of the Macquarie Arc.

During the financial year, exploration continued across the Fifeild, Kadungie, Wellington and Kiola projects in the Macquarie Arc region of NSW. The Macquarie Arc a world-class region which hosts over 80 million ounces of gold and over 13 million tonnes of copper. These resources are heavily weighted to areas of outcrop or limited cover, suggesting significant untested geological potential exists under areas of deeper cover.

Emmerson's project areas were identified from the application of a proprietary targeting process that aims to increase the probability of pinpointing new discoveries through analysing multiple levels of geoscientific data. Once identified, these projects are subjected to a combination of field and laboratory studies that aim to provide vectors to the mineralisation.

Typically, the large copper-gold porphyry deposits being targeted (such as Cadia, Northparkes and Cowal) impart a characteristic alteration and trace element fingerprint to the surrounding rocks, detectable through analysis of the alteration minerals. Emmerson's field-based exploration has been complemented by cutting edge geoscience in collaboration with the University of Tasmania (CODES ARC Linkage project). This multi-faceted approach has included analysis of the alteration (trace and rare earth elements within the outer green rock or epidote/chlorite zone), age dating of mineralised host rocks and whole rock geochemistry. To date Emmerson has received positive analysis from the outer alteration minerals ("the green rocks") at Kadungie, Fifeild and Kiola and is now applying various field-based techniques to confirm these results.

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KIOLA PROJECT

Kiola is Emmerson's highest-ranked project in NSW, with recent "green rock" proximity indicators suggesting the presence of underlying porphyry copper mineralisation within a large 10km² area (Figure 6).

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

The mineralisation typically occurs with pyrite, pyrrhotite and alteration of chlorite, actinolite-epidote and calcite. Minor intrusions plus zones of brecciation were also evident. Mineralisation of pyrite-pyrrhotite-chalcopyrite in drill hole KI0DD004 extended the Nasdaq skarn some 200m to the east before entering weak chlorite-epidote alteration within volcanic siltstone and limestone. The chargeability anomalies from the Induced Polarisation geophysics correspond to zones of intense pyrrhotite-pyrite +/- chalcopyrite and, in combination with the magnetics, will assist in focussing the next round of drilling to test the core of the mineralisation.

Whilst this drilling intersected copper in every drill hole, the source and exact location of the metals is yet to be determined.

A large 3D MIMDAS geophysical survey has generated a number of potential targets that are planned to be drill tested in late 2021, subject to COVID-19 restrictions in NSW and drill rig availability.

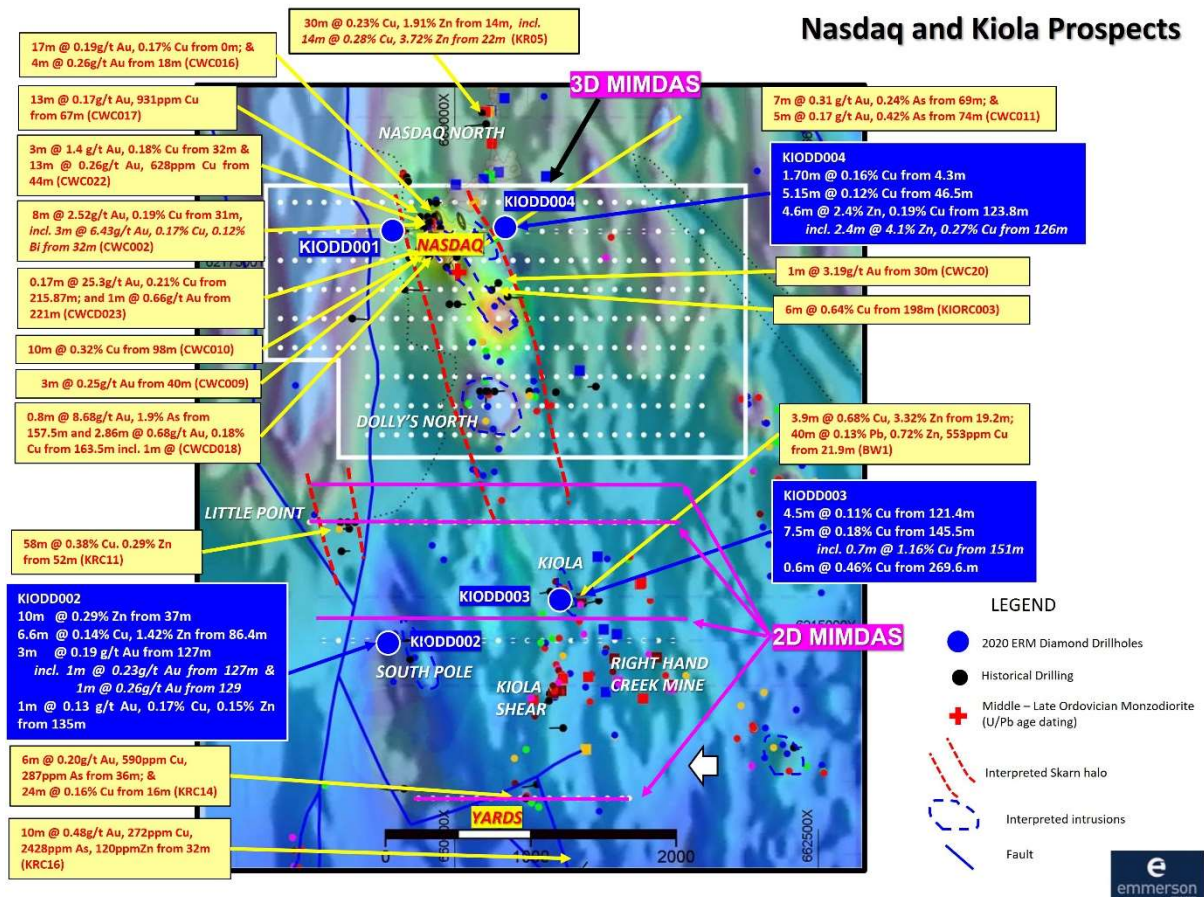


Figure 7: Plan view of the Kiola Geochemical Zone (KGZ) showing historic and recent drill results at the Nasdaq skarn, and the southern South Pole, Kiola, Right Hand Creek Mine. Also showing the MIMDAS 3D survey outline at Nasdaq prospect and the MIMDAS 2D Survey at Little Point, Kiola and Yards prospect. Image Total Magnetic Intensity RTP and EM Image from historical VTEM survey data.

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Picture 3: Drill core from KIODD004 (127m) – chlorite-actinolite-pyrrhotite-sphalerite-chalcopryite-quartz-carbonate-epidote zone.



Picture 4: Drill core from KIODD002 (92.7m) – blebs of pyrrhotite-sphalerite-chalcopryite hosted in quartz-chlorite-actinolite altered volcanic siltstone.

KADUNGLE PROJECT

During the year two-hole drill program for 1,700km was completed at the Kadungle project (Figure 8).

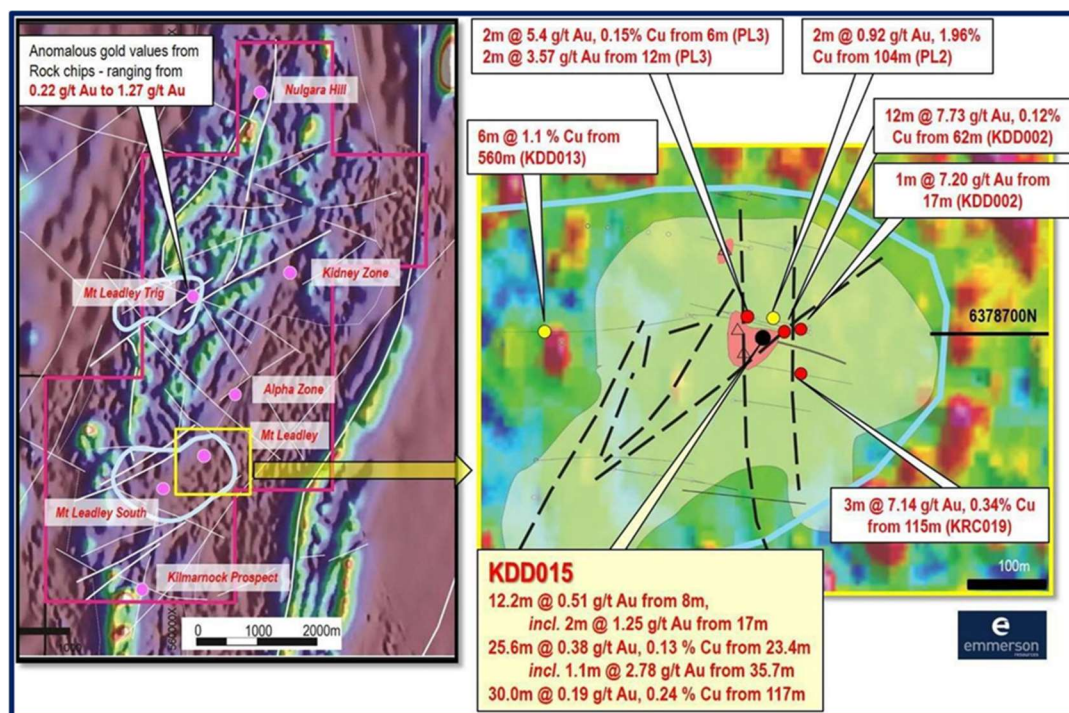


Figure 8: Plan of the Mt Leadley Prospect within the Kadungle Tenement. Note ERM drill hole KDD015 plus historic intersections. Background is the 1VD of the recent aeromagnetics with blue correlating to possible zones of magnetite destruction associated with the hydrothermal alteration.

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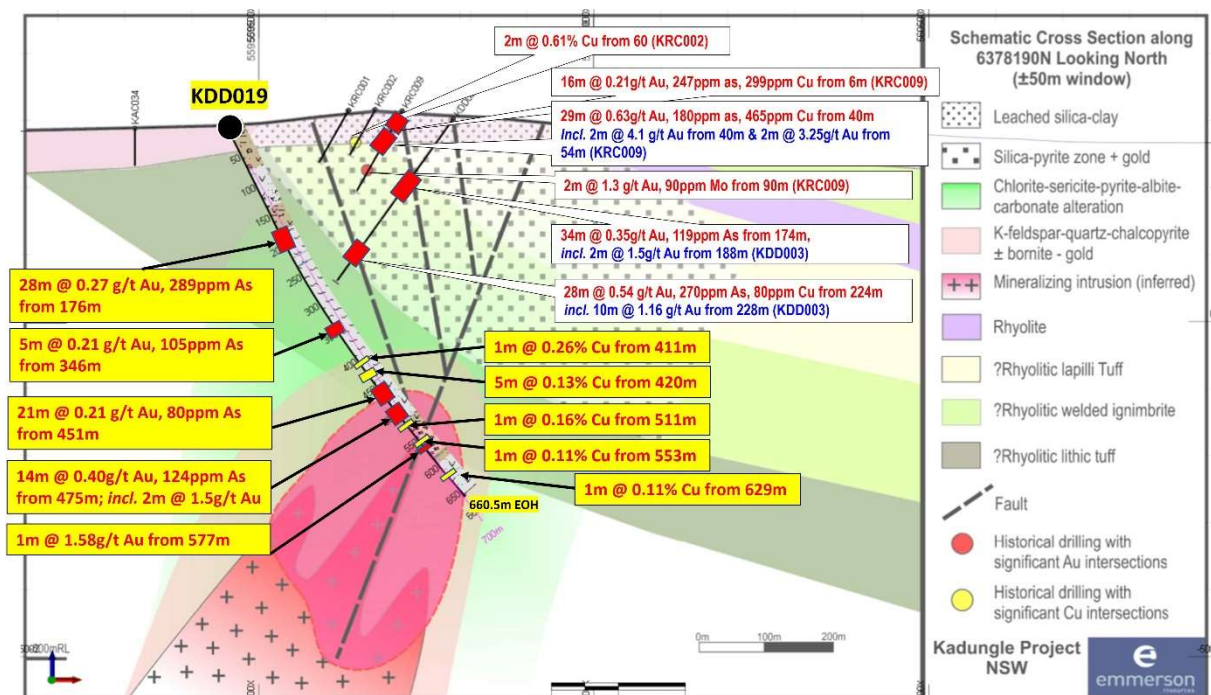


Figure 9: Cross section for Mt Leadley South prospect showing current drill hole KDD019, geology and interpreted geology plus previous drilling.

Recent work at Kadungle has confirmed that the likely source of the gold and copper mineralisation at surface and in historic drilling is centred on the Mt Leadley and Mt Leadley South prospects. This interpretation of a deeper source to the metals is corroborated in a number of independent datasets including vectors derived from the alteration and metal zonation, supported by new cutting-edge techniques utilising the trace element signatures from the outer, chlorite-epidote (green rock) assemblages.

Both prospects occur within a circular, 2.5km zone of intense silica-sulphide alteration and demagnetisation that contains numerous broad and anomalous copper-gold intersections (Figure 8). Historical drilling has identified several styles of mineralisation including shallow epithermal quartz-gold-silver-copper vein style mineralisation including 12m at 7.7g/t gold in drill hole KDD002 (ASX: 18 July 2017), plus deeper disseminated chalcopyrite ± molybdenite.

Results from a 1,700m, two-hole drill program were returned for the Kadungle project during the year.

One diamond drill hole was completed in each of Mt Leadley and Mt Leadley South to test the underlying potential for both copper and gold (ASX: 28 April 2021 Quarterly Activities Report):

At Mt Leadley South, drill hole KDD019 extended the historic epithermal gold mineralisation (Figure 9):

- 28m at 0.27g/t gold from 176m
- 5m at 0.21g/t gold from 346m
- 5m at 0.13% copper from 420m
- 21m at 0.21g/t gold from 451m
- 14m at 0.40g/t gold from 475m
- 2m at 1.5g/t gold from 480m

At Mt Leadley, drill hole KDD018 indicated potential for a deeper porphyry copper system:

- 7m at 0.62% copper from 356m including:
 - 3m at 0.92% copper and 0.18g/t gold

Based on this drilling, further work will include undertaking a structural interpretation to assist in pinpointing higher grade gold zones within this very large mineralised system. Both drill holes were partly funded by a ~\$100k grant from the NSW New Frontiers Cooperative Drilling program plus 50% funded under the Strategic Alliance with Longreach Minerals (ASX: 24 June 2020).

The Longreach group consists of highly successful oil and gas exploration and service companies, with great capacity and capability in the application of machine learning across big data sets such as 3D seismic imaging and interpretation, airborne geophysics and deep learning tools.

The strategic alliance compliments Emmerson's existing capabilities and will provide a further path to accelerating project generation and early stage exploration. Under the alliance, either party can submit

REVIEW OF OPERATIONS

a project to the project working group and if unanimously accepted, becomes a strategic alliance project (SAP). In accordance with the strategic alliance agreement each party contributes 50% costs to the agreed work program with the work program undertaken by the nominated Manager who will receive a 6% management fee. Providing the SAP meets the agreed milestone, the project then becomes the subject of a Joint Venture between the parties.

Emmerson remains the manager and operator in undertaking the agreed work program.

COMPETENCY STATEMENT

The information in this report is based on information compiled by Dr Ana Liza Cuison, MAIG, MSEG. Dr Cuison is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 edition and the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Cuison is a full-time employee of the Company and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

FORWARD-LOOKING STATEMENTS

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Emmerson Resources Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Emmerson believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in the estimation of a Mineral Resource.

FINANCE

Emmerson spent \$2.0 million on exploration during the year, primarily on drilling at Mauretania in the Northern Territory and Kadungla in NSW plus a MIMDAS survey at Kiola in NSW. The Company was successful in applying for collaborative funding of up to 50% of direct drilling costs capped at \$200,000 per project from the NSW Government for drilling at Kadungla, reducing future cash expenditure on these programs.

The company raised \$5.8 million in July 2020 through:

- A placement to institutional and sophisticated investors to raise \$3.5 million (before costs) at an issue price of \$0.10 per share.
- A Share Purchase Plan (SPP) received applications for \$2.245 million. The SPP allowed eligible shareholders the right to participate on equal terms as participants in the placement.

On 24 March 2021 the Company announced the completion of a \$2 million equity placement with TCMG. The placement was priced at \$0.13 per share (escrowed from 12 months) with attaching option at \$0.20 per share, expiring in December 2025.

The Company had a cash balance of \$5.5 million at year end.

HEALTH AND SAFETY

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

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

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

Summary of Key Safety Statistics:	2017	2018	2019	2020	2021
Total Company Hours Worked	21,742	21,720	12,018	12,563	17,296
Lost Time Injuries (LTIs)	0	0	0	1	0
Medical Treated Injuries (MTIs)	0	0	0	1	1
Lost Time Injury Frequency Rate per 100,000 Hours Worked (LTIFR)	0	0	0	80	0

ENVIRONMENT

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

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

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

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

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

SOCIAL

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

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

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

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

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

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

Specifically, for landowners, the contracting of local services has provided casual work in preparing sump sites before drilling, fencing of sumps and rehabilitation works inside landowner properties. We have also drilled water bores for the landowners during drought stricken times.

GOVERNANCE

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

DIRECTORS' REPORT

The Directors of Emmerson Resources Limited ("Company" or "Emmerson" or "consolidated entity" or "Group") submit their report for the year ended 30 June 2021.

DIRECTORS

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

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

Andrew McIlwain is a qualified mining engineer with over 35 years' experience in the mining industry and has held operational, technical, senior management and executive roles within Mt. Isa Mines Limited, Central Norseman Gold Corporation, WMC Resources Limited and Unity Mining Limited. Mr McIlwain has also served as a member of the Company's Audit and Risk Management Committee since 11 June 2014.

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

- Investigator Resources Limited (Director since 20 June 2018)

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

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

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

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

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

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

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

COMPANY SECRETARY

Rodney Wheatley B Bus, CPA (appointed 22 March 2021)

Mr Wheatley joined Emmerson in March 2021, he is a CPA qualified accountant with over 20 years' experience in senior financial roles within the resources and oil and gas industry. Mr Wheatley was formerly the Chief Financial Officer of Altura Mining Limited and prior to that Chief Financial Officer and Company Secretary at Avenira Limited. Mr Wheatley brings to the Company a depth of experience in financial management and corporate governance of ASX listed mining and exploration companies in both Australia and internationally.

DIRECTORS' REPORT

DIRECTORS' MEETINGS

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

	Directors' Meetings		Audit and Risk Management Committee Meetings	
	Held	Attended	Held	Attended
Andrew McIlwain	10	10	3	3
Robert Bills	10	10	-	-
Allan Trench	10	9	3	3

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

DIRECTORS' INTERESTS

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

	Ordinary shares	Options over ordinary shares	Rights over ordinary shares
Andrew McIlwain	4,519,927	2,000,000	-
Robert Bills	7,737,125	4,500,000	9,000,000
Allan Trench	36,000	2,000,000	-

DIVIDENDS

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

PRINCIPAL ACTIVITIES

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

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

OPERATING AND FINANCIAL REVIEW

Overview

Emmerson was incorporated in November 2005 and acquired a suite of exploration and mining tenements covering some 1,700 km² of the Tennant Creek Mineral Field ("TCMF") and associated exploration and support infrastructure in the township of Tennant Creek, Northern Territory, Australia. The Company listed on the Australian Securities Exchange ("ASX") on 17 December 2007 (ASX code: ERM).

Emmerson is also exploring a number of exciting gold-copper projects in NSW.

Emmerson announced the formation of a strategic alliance associated in the Tennant Creek Mineral Field (TCMF) with Tennant Consolidated Mining Group (TCMG) during the financial year whereby TCMG completed a \$2m placement and will fund \$10.5m over the next five years over the Northern Project Area (NPA) and Southern Project Area (SPA).

In November 2020 Emmerson terminated the Exploration Earn-in and Joint Venture Agreement (EEJV) with Territory Resources Limited (TRL) over the Southern Project Area (SPA).

Emmerson entered into a strategic alliance with Longreach Mineral Exploration Pty Ltd in June 2020 to share technological resources to assist identification and delineation of new gold and copper opportunities. The Kadungle copper-gold project was the first such project in the alliance with a drilling program completed during the year.

DIRECTORS' REPORT

Operating Results for the Year

The loss for the year ended 30 June 2021 was \$1,577,154 compared to the previous year loss of \$1,480,221.

Total revenue and other income decreased to \$262,527 from \$344,781 in the previous year, predominantly due to a one-off gain in the previous year of \$200,000 from a forfeited deposit for a planned strategic alliance with NT Bullion Pty Ltd which did not proceed.

Expenses slightly increased from \$1,825,003 in the previous year to \$1,839,681 for the year ended 30 June 2021, predominately due to an increase in legal fees resulting from legal proceeding with TRL Tennant Creek Pty Ltd offset by reductions in employee options costs.

Financial Position

Net assets and total equity increased by \$5,948,281 during the year to \$22,095,135 (2020: \$16,146,854) predominantly due to the equity raising of \$7,386,144 offset by the loss for the year of \$1,577,154.

Exploration and evaluation assets increased by \$1,820,544 during the year to \$16,102,168 (2020: \$14,281,624) as a result of exploration expenditure incurred during the year.

Available cash increased by \$4,202,994 over the year to \$5,484,910 (2020: \$1,281,916) due to the equity raising of \$7,386,144 offset predominantly by the loss for the year of \$1,577,154 and the exploration expenditure incurred \$1,820,544.

Risk and Risk Management

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

Exploration Activities

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

Impact of COVID-19

Since the World Health Organisation declared COVID-19 a pandemic in March 2020 the Company has implemented a range of measures and initiatives to ensure the safety and wellbeing of its employees, directors, contractors, stakeholders and the broader community in which it operates.

The Group continues to monitor COVID-19 situation in Australia and internationally, including restrictions implemented by state and federal governments. All necessary health and safety precautions continue to be adhered to, including enforced travel restrictions.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the year ended 30 June 2021.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have not been any material events subsequent to the end of the reporting date and the date of this financial report that has not been recognised in this financial report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

DIRECTORS' REPORT

ENVIRONMENTAL REGULATION

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

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

OPTIONS

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

Number of Options	Exercise price	Expiry date
4,200,000	\$0.09	14/11/21
13,500,000	\$0.14	31/12/23
58,000,000	\$0.16	9/7/23
15,384,615	\$0.20	31/12/25
3,000,000	\$0.11	31/12/23

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

3,000,000 (2020: 5,000,000) options were issued under the employee incentive plan during the financial year (refer Note 23) and no options have been issued under this plan since the end of the year.

19,800,000 options with an exercise price of \$0.135 expired on 30 September 2020 and 700,000 options with an exercise price of \$0.09 were cancelled during the financial year. No options expired or were cancelled during the previous financial year.

No shares have been issued since the end of the year as a result of the exercise of options.

DIRECTORS' REPORT

REMUNERATION REPORT (audited)

This Remuneration Report for the year ended 30 June 2021 outlines the director and executive remuneration arrangements of the Company and the consolidated entity in accordance with the requirements of the *Corporations Act 2001* (the *Act*) and its regulations. This information has been audited as required by section 308(3C) of the *Act*.

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

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

The remuneration report is presented under the following sections:

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

1. Individual key management personnel disclosures

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

Non-executive Directors:

Andrew McIlwain	Chairman
Allan Trench	Director

Executive Director:

Robert Bills	Managing Director and Chief Executive Officer
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Other Executives:

Rodney Wheatley	Commercial Manager and Company Secretary (KMP from 15 March 2021)
Paul Mason	Chief Financial Officer and Company Secretary (ceased to be a KMP 31 March 2021)

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

DIRECTORS' REPORT

REMUNERATION REPORT (audited) (continued)

2. Remuneration at a glance

Executive Remuneration

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

All executives receive fixed remuneration and variable remuneration consisting of short and long-term incentive opportunities.

Short term incentives are in the form of cash and comprise 25% of fixed remuneration.

Long-term incentive awards consist of share options under the Company's Incentive Option Scheme and Performance Rights approved at the 2020 Annual General Meeting on 29 January 2021. The objectives of these long-term incentive awards are to provide the Company with a remuneration mechanism, through share ownership, to motivate, retain and reward the performance of executives.

Further details on the executive remuneration are on pages 22 to 24.

3. Board oversight of remuneration

Remuneration Committee

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

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

Remuneration approval process

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

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

Remuneration strategy

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

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

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

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

Remuneration Structure

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

DIRECTORS' REPORT

REMUNERATION REPORT (audited) (continued)

4. Non-executive Director remuneration arrangements

Remuneration Policy

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

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

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

The board did not seek any increase for the non-executive director pool at the AGM held on 29 January 2021.

Structure

Non-executive director fees are presently \$35,478 per annum and the Chairman \$73,912 per annum and are not paid superannuation. The non-executive directors reduced their fees from the above amounts by 50% for the period from 1 April 2020 to 30 June 2020 in response to restrictions placed on the Company's activities by the outbreak of COVID 19. The non-executive director fees were reinstated to 100% of above amounts from 1 July 2020.

Variable remuneration – long term incentive (LTI)

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

LTI – share options

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

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

No options were granted to non-executive directors during the 2021 financial year. Non-executive directors were granted a total of 4,000,000 options during the 2020 financial year, subject to shareholder approval, which was provided on 24 August 2020.

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

DIRECTORS' REPORT

REMUNERATION REPORT (audited) (continued)

5. Executive remuneration arrangements

Remuneration levels and mix

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

Structure

Executive remuneration framework consists of the following components:

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

Fixed Remuneration

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

Variable remuneration – short term incentive (“STI”)

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

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

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

DIRECTORS' REPORT

REMUNERATION REPORT (audited) (continued)

5. Executive remuneration arrangements (continued)

Performance measures	Proportion of STI award measure applies to:	
	Managing Director & Chief Executive Officer	Other executives
Financial measure		
▪ Market capitalisation appreciation of the Company relative to agreed group of peer companies	34%	-
▪ Market capitalisation of the Company, measured on a 20-day moving average	-	50%
Non-financial measures		
▪ Safety performance	33%	-
▪ Discovery success of 10 drill holes over 3m@g/t Au	-	15%
▪ Discovery success of resources over 30,000oz AU	-	15%
▪ Pre-agreed individual key performance indicators and critical tasks	33%	20%

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

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

STI bonuses totalling \$16,500 were earned by executives for the 2021 financial year (2020: Nil). The STI bonus amount will be paid to executives in the 2022 financial year.

Variable remuneration – long term incentive (“LTI”)

LTI awards are made periodically to executives in order to align remuneration with the creation of shareholder value over the long-term.

LTI – share options

LTI share options are made under the Company's Incentive Option Scheme (approved by shareholders at the Company's annual general meeting held on 29 January 2021) at the determination of the Board. Each option entitles the holder to one fully paid ordinary share of the Company and the number of options issued is determined by the Board. Options are typically awarded to executives with an exercise price at a premium to the prevailing Company share price at the time of issue, vesting conditions set by the board and the recipient typically having a three-year period to exercise the options before lapse. The Board feels that the expiry date, vesting conditions and exercise price of options currently on issue to executives is sufficient to align the goals of the executives with that of the shareholders to maximise shareholder wealth.

3,000,000 options were granted under this scheme to executives during the year. Refer to table on page 28 for further details. 9,000,000 options with an exercise price of \$0.135 on 30 September 2020 expired and 700,000 options with an exercise price of \$0.09 were cancelled during the financial year.

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

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

DIRECTORS' REPORT

REMUNERATION REPORT (audited) (continued)

5. Executive remuneration arrangements (continued)

LTI – share rights

LTI share rights are made to the Managing Director and Chief Executive Officer at the determination of the Board and following approval by shareholders at a general meeting. The share rights issued to the Managing Director and Chief Executive Officer was as a result of a review of the remuneration structure as outlined under section 7 of the Remuneration Report on page 25. 9,000,000 performance rights were granted to Mr Bills on 18 December 2020 and issued subsequent to shareholder approval on 29 January 2021. The share rights issued to the Managing Director and Chief Executive Officer are subject to the following conditions.

Class	Performance measures	Number	Vesting Period		
			Year 1	Year 2	Year 3
Tranche 1	Retention ▪ Continued employment	1,500,000	500,000	500,000	500,000
Tranche 2	Non-financial measures Pre-agreed individual key performance indicators and critical tasks	3,000,000	1,000,000	1,000,000	1,000,000
Tranche 3	Financial measure ▪ Company share price performance ○ End of Yr 1 - A\$0.14 ○ End of Yr 2 - A\$0.20 ○ End of Yr 3 - A\$0.25	4,500,000	1,500,000	1,500,000	1,500,000

The Board feels that the expiry date, vesting conditions and exercise price of share rights is sufficient to align the goals of the Managing Director and Chief Executive Officer with that of the shareholders to maximise shareholder wealth.

No cash consideration is required to be paid to exercise rights, with the executive able to exercise the rights after the vesting date up until the expiry date of 29 January 2024 and are generally forfeited if any conditions have not been satisfied.

Each share purchase right entitles the holder to one fully paid ordinary share of the Company and the number of rights issued is determined by the board.

There are 9,000,000 outstanding rights at the end of the financial year. No rights had vested at the end of the financial year.

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

Executives are prohibited from entering into any hedging arrangements over unvested rights under the Performance Rights Plan and *Corporations Act 2001*.

6. Company performance and the link to remuneration

The STI variable components of the executives' remuneration is indirectly linked to the performance of the Company, given the exploration stage of the entity other remuneration elements are not linked to company performance. The Company's performance is summarised for the five years to 30 June 2021 as follows:

	2021	2020	2019	2018	2017
Loss for the year (\$)	(1,577,154)	(1,480,221)	(1,232,219)	(4,453,068)	(3,525,346)
Basic loss per share (cents)	(0.32)	(0.35)	(0.30)	(1.12)	(0.93)
Closing share price (cents)	6.5	10.5	11.0	10.0	10.0

DIRECTORS' REPORT

REMUNERATION REPORT (audited) (continued)

7. Employment contracts of key management personnel

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

	Commence- ment date	Term	Company Notice period	Base salary/fee	Variable remuneration
<i>Non-executive directors:</i>					
Andrew McIlwain	26/04/07	No fixed term	nil	\$73,912	LTI
Allan Trench	03/03/15	No fixed term	nil	\$35,478	LTI
<i>Executive director:</i>					
Robert Bills	11/09/07	No fixed term	12 months	\$300,000	STI/LTI
<i>Other executive:</i>					
Rodney Wheatley	15/03/21	No fixed term	3 months	\$200,000	STI/LTI

During the financial year the Company conducted a review of Mr Bills remuneration structure. Following the review, the Board agreed to adjust the remuneration structure to align with peer companies and provide a linked incentive component to motivate and reward performance and to provide a cost-effective fixed remuneration for Mr Bills.

As a result, 9,000,000 performance rights were issued to Mr Bills following shareholder approval on 29 January 2021 and effective from 1 March 2021 Mr Bills base salary was reduced from \$368,300 to \$300,000. Refer to page 28 of the Remuneration Report for further details on the performance rights.

8. Details of remuneration

	Short-term				Post employ- ment	Termin- ation benefits	Share-based payments	Total	Perfor- mance related
	Salary & fees	Cash bonus	Non- monetar- y benefits ³	Other benefits ³	Superan- nuation benefits		Options/Rights		
	\$	\$	\$	\$	\$	\$	\$	\$	%
2021									
<i>Non-executive directors:</i>									
Andrew McIlwain ¹	73,913	-	-	4,617	-	-	-	78,530	Nil
Allan Trench ²	35,478	-	-	4,617	-	-	-	40,095	Nil
<i>Executive director:</i>									
Robert Bills	339,842	16,500	-	5,337	25,000	-	71,316	457,995	19.2
<i>Other executives:</i>									
Paul Mason ⁴	136,011	-	-	-	11,536	-	-	147,547	Nil
Rodney Wheatley ⁵	59,420	-	-	-	5,645	-	67,976	133,041	51.1
	644,664	16,500	-	14,572	42,181	-	139,291	857,208	

Note 1 – Fees are paid to Andrew McIlwain and Associates Pty Ltd for services as a director of the Company.

Note 2 – Fees are paid to Judicial Holdings Pty Ltd for services as a director of the Company.

Note 3 - Non- monetary and other benefits include fringe benefits, personal insurance premiums and living away from home allowances.

Note 4 – Ceased to be KMP on 31 March 2021.

Note 5 - Commenced as a KMP on 15 March 2021.

DIRECTORS' REPORT

REMUNERATION REPORT (audited) (continued)

8. Details of remuneration (continued)

	Short-term				Post employment	Termination	Share-based	Total	Performance
	Salary & fees	Cash bonus	Non-monetary benefits ⁴	Other benefits ⁴	Superannuation benefits	benefits	Options/Rights		related
	\$	\$	\$	\$	\$	\$	\$	\$	%
2020									
<i>Non-executive directors:</i>									
Andrew McIlwain ¹	64,673	-	-	3,330	-	-	63,400	131,373	48.3
Allan Trench ²	31,043	-	-	3,330	-	-	63,400	97,743	64.9
<i>Executive director:</i>									
Robert Bills ³	338,553	-	-	5,235	25,000	-	142,650	511,437	27.9
<i>Other executives:</i>									
Paul Mason ⁵	34,103	-	-	18,750	3,240	-	47,600	84,942	56.0
Trevor Verran ⁶	115,734	-	13,341	46,990	18,750	-	17,703	165,528	10.7
	584,106	-	13,341	11,835	46,990	-	334,753	991,024	

Note 1 – Fees are paid to Andrew McIlwain and Associates Pty Ltd for services as a director of the Company.

Note 2 – Fees are paid to Judicial Holdings Pty Ltd for services as a director of the Company.

Note 3 - Does not include remuneration paid to Robert Bills' spouse of \$59,950 who was employed by the Company on a casual arm's length basis at normal market rates and payment terms for the services provided.

Note 4 - Non- monetary and other benefits include fringe benefits, personal insurance premiums and living away from home allowances.

Note 5 – Commenced as a KMP on 6 April 2020.

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

9. Equity instrument disclosures

a) Option holdings of key management personnel

2021	Held at 1 July 2020	Granted as compensation	Exercise of options	Lapse of options	Held at 30 June 2021 or on date ceased to be a KMP	Vested during the year	Vested and exercisable at 30 June 2021	Vested but not exercisable at 30 June 2021
<i>Directors:</i>								
Andrew McIlwain	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000	-
Allan Trench	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000	-
Robert Bills	4,500,000	-	-	-	4,500,000	4,500,000	4,500,000	-
<i>Other executives:</i>								
Paul Mason ¹	2,500,00	-	-	-	2,500,000	-	2,500,000	-
Rodney Wheatley ²	-	3,000,000	-	-	3,000,000	3,000,000	3,000,000	-
Total	11,000,000	3,000,000	-	-	14,000,000	11,500,000	14,000,000	-

Note 1 - Ceased to be a KMP on 31 March 2021.

Note 2 - Commenced as KMP on 15 March 2021.

DIRECTORS' REPORT

REMUNERATION REPORT (audited) (continued)

9. Equity instrument disclosures (continued)

2020	Held at 1 July 2019	Granted as compensation	Exercise of options	Lapse of options	Held at 30 June 2020 or on date ceased to be a KMP	Vested during the year	Vested and exercisable at 30 June 2020	Vested but not exercisable at 30 June 2020
<i>Directors:</i>								
Andrew McIlwain	-	2,000,000 ¹	-	-	2,000,000	-	-	-
Allan Trench	-	2,000,000 ¹	-	-	2,000,000	-	-	-
Robert Bills	-	4,500,000 ¹	-	-	4,500,000	-	-	-
<i>Other executives:</i>								
Paul Mason	-	2,500,000	-	-	2,500,000	2,500,000	2,500,000	-
Trevor Verran ²	1,400,000	-	-	-	1,400,000	-	1,400,000	-
Total	1,400,000	11,000,000	-	-	12,400,000	-	3,900,000	-

Note 1 - Granted subject to shareholder approval, which was provided at a General Meeting of shareholders held 24 August 2020.

Note 2 - Ceased to be a KMP 6 April 2020.

b) Rights holdings of key management personnel

2021	Held at 1 July 2020	Granted as compensation	Exercise of options	Held at 30 June 2021 or on date ceased to be a KMP	Vested during the year	Vested and exercisable at 30 June 2021	Vested but not exercisable at 30 June 2021
<i>Directors:</i>							
Robert Bills	-	9,000,000	-	9,000,000	-	-	-
Total	-	9,000,000	-	9,000,000	-	-	-

c) Shareholdings of key management personnel

2021	Held at 1 July 2020	Granted as compensation	Exercise of options / rights	Purchases	Sales	Other ¹	Held at 30 June 2021 or on date ceased to be a KMP	Balance held nominally
<i>Directors:</i>								
Andrew McIlwain	4,519,927	-	-	-	-	-	4,519,927	-
Allan Trench	36,000	-	-	-	-	-	36,000	-
Robert Bills	7,746,225	-	-	-	-	(9,100)	7,737,125	-
Total	12,302,152	-	-	-	-	(9,100)	12,293,052	-

Note 1 – dependent holding no longer considered a dependent.

2020	Held at 1 July 2019	Granted as compensation	Exercise of options / rights	Purchases	Sales	Held at 30 June 2020 or on date ceased to be a KMP	Balance held nominally
<i>Directors:</i>							
Andrew McIlwain	4,519,927	-	-	-	-	4,519,927	-
Allan Trench	36,000	-	-	-	-	36,000	-
Robert Bills	7,746,225	-	-	-	-	7,746,225	-
<i>Other executives:</i>							
Trevor Verran ¹	100,000	-	-	-	-	100,000	-
Total	12,829,652	-	-	-	-	12,402,152	-

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

DIRECTORS' REPORT

REMUNERATION REPORT (audited) (continued)

9. Equity instrument disclosures (continued)

d) KMP options granted, exercised and lapsed for the 2021 financial year

	Grant date	Vest date	Number granted	Number Vested	Grant date fair value per option	Exercise price	Expiry date	% Vested
Rodney Wheatley	14/5/21	14/5/21	3,000,000	3,000,000	\$0.0227	\$0.11	31/12/23	100
			Total value granted	Value of options exercised during the year	Value of options lapsed during the year		Remuneration consisting of options	
			\$	\$		\$		%
Rodney Wheatley			67,976	-	-			51

There were no alterations to the terms and conditions of the options awarded as remuneration since their award date.

There were no shares issued on the exercise of options during the financial year.

e) KMP performance rights granted, exercised and lapsed for the 2021 financial year

	Grant date	Vest Date	Number granted	Number vested	Grant date fair value per right	Exercise Price	Expiry date	% Vested
Robert Bills								
Tranche 1	18/12/20	29/1/22	500,000	-	\$0.071	Nil	29/1/24	-
Tranche 1	18/12/20	29/1/23	500,000	-	\$0.071	Nil	29/1/24	-
Tranche 1	18/12/20	29/1/24	500,000	-	\$0.071	Nil	29/1/24	-
Tranche 2	18/12/20	29/1/22	1,000,000	-	\$0.071	Nil	29/1/24	-
Tranche 2	18/12/20	29/1/23	1,000,000	-	\$0.071	Nil	29/1/24	-
Tranche 2	18/12/20	29/1/24	1,000,000	-	\$0.071	Nil	29/1/24	-
Tranche 3	18/12/20	29/1/22	1,500,000	-	\$0.005	Nil	29/1/24	-
Tranche 3	18/12/20	29/1/23	1,500,000	-	\$0.006	Nil	29/1/24	-
Tranche 3	18/12/20	29/1/24	1,500,000	-	\$0.008	Nil	29/1/24	-
	Grant date	Total value granted	Value of rights exercised during the year	Value of rights lapsed during the year	Value of rights accrued for accounting purposes during the year	Remuneration consisting of options		
		\$	\$	\$	\$		%	
Robert Bills								
Tranche 1	18/12/20	35,500	-	-	16,921	3.7%		
Tranche 1	18/12/20	35,500	-	-	6,691	1.5%		
Tranche 1	18/12/20	35,500	-	-	3,029	0.7%		
Tranche 2	18/12/20	71,000	-	-	22,505	4.9%		
Tranche 2	18/12/20	71,000	-	-	11,776	2.6%		
Tranche 2	18/12/20	71,000	-	-	7,995	1.7%		
Tranche 3	18/12/20	7,200	-	-	686	0.1%		
Tranche 3	18/12/20	9,300	-	-	701	0.2%		
Tranche 3	18/12/20	11,850	-	-	1,011	0.2%		

DIRECTORS' REPORT

REMUNERATION REPORT (audited) (continued)

9. Equity instrument disclosures (continued)

e) KMP performance rights granted, exercised and lapsed for the 2021 financial year (continued)

There were no alterations to the terms and conditions of the performance rights awarded as remuneration since their award date.

There were no shares issued on the exercise of performance rights during the financial year.

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

There were no loans or other transactions with the key management personnel or their related parties during the year (2020: Nil).

The 2020 remuneration report was adopted at the company's 2020 Annual General Meeting (AGM) where over 99% of proxies received were in favour of the remuneration report for the 2020 financial year. The company received no questions at the 2020 AGM in relation to its remuneration report.

END OF REMUNERATION REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS

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

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

INDEMNIFICATION OF AUDITORS

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

CORPORATE GOVERNANCE

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

PROCEEDINGS ON BEHALF OF COMPANY

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

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the *Corporations Act 2001* is set out on page 60.

NON-AUDIT SERVICES

The auditor independence requirements of the *Corporations Act 2001* were not compromised during the year. Non-audit services provided by the Company's auditor; Ernst & Young is detailed in Note 25.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'RTBills', with a stylized flourish at the end.

Rob Bills

Managing Director & Chief Executive Officer

23 September 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
REVENUE			
Management and consulting fees		91,742	33,724
Interest income		36,788	38,472
TOTAL REVENUE		128,530	72,196
OTHER INCOME			
Gain on disposal of assets	4(a)	35,197	-
Rent received		-	600
Forfeited deposit	4(b)	-	200,000
Other		98,800	71,985
TOTAL REVENUE AND OTHER INCOME		262,527	344,781
EXPENSES			
Compliance and regulatory expenses		146,389	108,386
Consulting and legal expenses		387,135	118,576
Depreciation and amortisation expense		21,002	2,588
Employee benefits expense	4(c)	961,486	1,216,695
Impairment of exploration and evaluation assets	12	133,125	153,168
Occupancy expense		69,043	91,117
General and administration expenses		121,501	134,472
TOTAL EXPENSES		1,839,681	1,825,002
LOSS BEFORE INCOME TAX		(1,577,154)	(1,480,221)
Income tax	5	-	-
LOSS FOR THE YEAR		(1,577,154)	(1,480,221)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR YEAR		(1,577,154)	(1,480,221)
Basic loss per share - cents per share	6	(0.32)	(0.35)
Diluted loss per share - cents per share	6	(0.32)	(0.35)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	5,484,910	1,281,916
Other receivables	8	460,536	418,553
Prepayments	10	239,457	223,535
Total Current Assets		<u>6,184,903</u>	<u>1,924,004</u>
Non-current Assets			
Other financial assets	9	377,739	345,381
Property, plant and equipment	11	282,708	148,806
Exploration and evaluation assets	12	16,102,168	14,281,624
Right-of-use assets	13	191,189	-
Total Non-current Assets		<u>16,953,804</u>	<u>14,775,811</u>
TOTAL ASSETS		<u>23,138,707</u>	<u>16,699,815</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	14	638,449	381,040
Provisions	15	212,230	171,921
Lease liabilities		65,252	-
Total Current Liabilities		<u>915,931</u>	<u>552,961</u>
Non-current Liabilities			
Lease liabilities		127,641	-
Total Non-current Liabilities		<u>127,641</u>	<u>-</u>
TOTAL LIABILITIES		<u>1,043,572</u>	<u>552,961</u>
NET ASSETS		<u>22,095,135</u>	<u>16,146,854</u>
EQUITY			
Contributed equity	16	55,299,070	47,912,926
Share based payments reserve	17	3,501,939	3,362,648
Accumulated losses	18	(36,705,874)	(35,128,720)
TOTAL EQUITY		<u>22,095,135</u>	<u>16,146,854</u>

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Contributed Equity \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2019		47,912,926	2,936,036	(33,648,499)	17,200,463
Loss for the year		-	-	(1,480,221)	(1,480,221)
Total comprehensive income		-	-	(1,480,221)	(1,480,221)
Transactions with owners in their capacity as owners:					
Shares issued during the period		-	-	-	-
Share-based payments		-	426,612	-	426,612
Balance at 30 June 2020		47,912,926	3,362,648	(35,128,720)	16,146,854
Loss for the year		-	-	(1,577,154)	(1,577,154)
Total comprehensive income		-	-	(1,577,154)	(1,577,154)
Transactions with owners in their capacity as owners:					
Shares issued during the period	16	7,800,000	-	-	7,800,000
Share issue costs		(413,856)	-	-	(413,856)
Share-based payments		-	139,291	-	139,291
Balance at 30 June 2021		55,299,070	3,501,939	(36,705,874)	22,095,135

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Management and consulting fees received		83,991	38,548
Payments to suppliers and employees		(1,533,789)	(1,308,210)
Interest received		25,844	43,392
Interest paid		(2,542)	-
Government incentives and other income		201,883	268,000
NET CASH FLOWS USED IN OPERATING ACTIVITIES	19(a)	<u>(1,224,613)</u>	<u>(958,270)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of property, plant and equipment		9,182	-
Proceeds on disposal of tenement		26,189	-
Refund of environmental security deposits		-	431,794
Payment of environmental security deposits		(32,358)	-
Purchase of property, plant and equipment		(199,366)	(12,786)
Payments for exploration		(1,746,507)	(1,074,193)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<u>(1,942,860)</u>	<u>(655,185)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		7,800,000	-
Payment of share issue costs		(413,856)	-
Payment of principal portion of lease liability		(15,677)	-
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		<u>7,370,467</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		4,202,994	(1,613,455)
Cash and cash equivalents at beginning of period		<u>1,281,916</u>	<u>2,895,371</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	19(b)	<u><u>5,484,910</u></u>	<u><u>1,281,916</u></u>

The accompanying notes form part of these financial statements.

1. CORPORATE INFORMATION

The financial report of Emmerson Resources Limited (the Company, consolidated entity, Group or Emmerson) for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the directors on 23 September 2021.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

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

(b) Compliance with IFRS

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

(c) Use of judgements, estimates and assumptions

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

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

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

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

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

Impairment of capitalised exploration and evaluation expenditure

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

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

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made. An impairment loss of \$133,125 (2020: \$153,168) was recognised in the current year in respect of exploration expenditure. The impairment loss is directly attributable to mining tenements for which the consolidated entity no longer holds title and mining tenements where title is still held but where an assessment was made that minimal future exploration is planned or budgeted due to a lack of exploration potential.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Estimation of useful lives of assets

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

Share Based Payments

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

Impact of the COVID-19 pandemic

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

(d) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The loss of the Company for the year ended 30 June 2021 amounted to \$1,577,154 (30 June 2020: \$1,480,221) and net cash outflows from operating activities was \$1,224,613 (30 June 2020: \$958,270). The cash balance at 30 June 2021 was \$5,484,910 (30 June 2020: \$1,281,916) and net assets as at 30 June 2021 were \$22,095,135 (30 June 2020: \$16,146,854).

As a consequence of this the Directors believe there are sufficient funds to meet the Group's working capital requirements and, as at the date of this report, the directors believe they can meet all liabilities as and when they fall due. The Directors have concluded that the going concern basis is therefore an appropriate basis for preparing the financial statements.

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

New accounting standards adopted

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

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

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

The application of this amendment is effective from 1 January 2023 and will be adopted by the Group on 1 July 2023. This amendment to AASB 101 Presentation of Financial Statements clarifies the requirements for classifying liabilities as current or non-current.

(f) Basis of consolidation

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(g) Operating segments

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

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

(h) Financial Instruments

(i) Classification of financial instruments

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

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

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

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

(ii) Financial assets

Cash and cash equivalents

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

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

Trade and other receivables

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

For other receivables, the Group applies the general approach where a loss allowance for lifetime expected credit losses is recognised if there has been a significant increase in credit risk (measured using the lifetime probability of default) since initial recognition of the other receivable. If, at balance

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

date, the credit risk on other receivables has not increased significantly since initial recognition, a loss allowance for 12-month expected credit losses is recognised.

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

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

Initial recognition and measurement:

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

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

Subsequent measurement:

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

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of comprehensive income.

b) Amortised cost

In order for a financial asset to qualify for measurement as amortised cost, it has to pass both the contractual cash flow characteristics test as well as the business model test. Under the contractual cash flow characteristics test, an entity has to assess, whether the cash flows resulting from the financial asset are solely payments for principal and interest on the outstanding principal amount. Under the business model test the objective is to hold financial assets in order to collect contractual cash flows.

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

Impairment of other financial assets:

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(iii) Financial liabilities

Trade and other payables

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

(i) Property, plant and equipment

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

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

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

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

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

(j) Exploration and evaluation expenditure

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(k) Impairment of other non-financial assets

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

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

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

(l) Right-of-use assets

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

(m) Lease liabilities

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

Short-term leases and leases of low-value assets

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

(n) Provisions

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(o) Employee benefits

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

(p) Share-based payment transactions

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

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

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

(q) Contributed equity

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

(r) Revenue recognition

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

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

(i) Rendering of exploration services

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

(s) Other income

(i) Interest income

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

(ii) Gold sales royalty

The Company's share of gold mined under tribute mining agreements is recognised on outturn by the gold refinery.

(t) Income tax

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Tax consolidation legislation

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

(u) Goods and services tax

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

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

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

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

(v) Earnings per share

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

(w) Farm-in arrangements

The Group does not record any expenditure made by the farmee on its account. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the area of interest. The Group does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION

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

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

	Notes	2021 \$	2020 \$
4. REVENUE AND OTHER INCOME / EXPENSES			
Revenue and other income / expense include the following:			
(a) Gain on disposal of assets:			
Profit on disposal of plant and equipment		9,008	-
Profit on disposal of tenements		26,189	-
		<u>35,197</u>	<u>-</u>
(b) Forfeited deposit			
Deposit forfeited by NT Bullion Pty Ltd for a planned strategic alliance which did not proceed		-	200,000
(c) Employee benefits expense			
Salaries and other benefits		822,194	790,083
Share-based payments			
Options granted and issued	17	67,976	157,162
Options granted not yet issued	17	-	269,450
Performance rights granted or issued	17	71,316	-
		<u>961,486</u>	<u>1,216,695</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2021 \$	2020 \$
5. INCOME TAX		
a) Reconciliation of income tax to loss before income tax		
Loss before income tax	(1,577,154)	(1,480,221)
Tax benefit calculated at 27.5% on loss before tax	(433,717)	(407,061)
Add/(less) tax effect of:		
Share-based payments not deductible	38,305	117,318
Other	609	749
Tax losses and temporary differences not recognised	394,803	288,994
Income tax benefit	-	-

b) Deferred tax assets and liabilities

<i>Deferred tax assets</i>		
Unused tax losses	11,943,616	11,017,079
Deductible temporary differences:		
Accrued expenses	8,800	8,250
Provision for employee entitlements	58,363	47,278
Undeducted share issue costs	98,692	13,375
	12,109,471	11,085,982
<i>Deferred tax liabilities</i>		
Assessable temporary differences:		
Interest income receivable	(3,394)	(385)
Exploration and evaluation assets capitalised	(4,025,105)	(3,510,568)
	(4,028,499)	(3,510,953)
Net unrecognised tax balances	8,080,972	7,575,029

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

	2021 \$	2020 \$
6. LOSS PER SHARE		
Loss for the year	(1,577,154)	(1,480,221)
Loss used in calculating basic and diluted loss per share	(1,577,154)	(1,480,221)

As the company has incurred a loss, the diluted loss per share is disclosed as the same as basic loss per share. There is no impact from 94,084,615 options (30 June 2020: 29,700,000 options) or 9,500,000 performance rights (30 June 2020: Nil) on diluted loss per share as they are antidilutive.

	2021 Number of shares	2020 Number of shares
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	488,327,374	424,853,874

	2021 \$	2020 \$
7. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	1,084,910	331,916
Bank short term deposits	4,400,000	950,000
	5,484,910	1,281,916

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2021 \$	2020 \$
8. OTHER RECEIVABLES		
Receivables from joint venture partner	364,838	318,345
Interest receivable	12,342	1,399
Other receivables	83,354	98,809
	<u>460,536</u>	<u>418,553</u>

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

	Notes	2021 \$	2020 \$
9. OTHER FINANCIAL ASSETS			
Non-current			
Bank term deposits	(a)	198,487	198,487
Environmental rehabilitation security deposits	(b)	171,579	140,694
Security deposit		7,673	6,200
		<u>377,739</u>	<u>345,381</u>

(a) These bank term deposits were held as security for bank guarantee performance bonds in favour of the Northern Territory government for potential environmental rehabilitation obligations. As these term deposits were secured by the counterparties, they were not accessible to the Company.

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

	2021 \$	2020 \$
10. PREPAYMENTS		
Prepaid drilling expenditure (refer note 20(c))	200,000	200,000
Other	39,457	23,535
	<u>239,457</u>	<u>223,535</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Land & Buildings \$	Plant & Equipment \$	Other \$	Total \$
11. PROPERTY, PLANT AND EQUIPMENT				
2021				
Cost	177,867	766,042	263,210	1,207,119
Accumulated Depreciation	(99,667)	(588,138)	(236,606)	(924,411)
Net carrying amount	78,200	177,904	26,604	282,708

Movements in carrying amounts

Net carrying amount at beginning of year	53,763	77,530	17,513	148,806
Additions	31,652	146,859	20,855	199,366
Disposals	-	(174)	-	(174)
Depreciation	(7,215)	(46,311)	(11,764)	(65,290)
Net carrying amount at end of year	78,200	177,904	26,604	282,708

	Land & Buildings \$	Plant & Equipment \$	Other \$	Total \$
2020				
Cost	146,215	655,593	243,673	1,045,481
Accumulated Depreciation	(92,452)	(578,063)	(226,160)	(896,675)
Net carrying amount	53,763	77,530	17,513	148,806

Movements in carrying amounts

Net carrying amount at beginning of year	59,802	118,087	17,838	195,727
Additions	-	-	12,786	12,786
Disposals	-	-	-	-
Depreciation	(6,039)	(40,557)	(13,111)	(59,707)
Net carrying amount at end of year	53,763	77,530	17,513	148,806

	2021 \$	2020 \$
12. EXPLORATION AND EVALUATION ASSETS		
Costs carried forward in respect of areas of interest in pre-production exploration and evaluation phases		
Carrying amount at beginning of year	14,281,624	13,217,633
Additions	2,004,169	1,400,470
Research & development tax offset and co-funding grants	(50,500)	(183,311)
Impaired	(133,125)	(153,168)
Carrying amount at end of year	16,102,168	14,281,624

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2021 \$	2020 \$
13. RIGHT-OF-USE ASSETS		
Balance at beginning of year	-	-
Additions	208,570	-
Depreciation expense	(17,381)	-
Balance at end of year	<u>191,189</u>	<u>-</u>

The Group lease offices in Perth, Western Australia. The lease commenced on 1 April 2021 and is for three years, expiring in March 2024.

Refer to Note 2 (l) and 2(m) for further information on leases.

	2021 \$	2020 \$
14. TRADE AND OTHER PAYABLES		
Trade payables	518,850	324,237
Non-trade payables and accrued expenses	119,599	56,803
	<u>638,449</u>	<u>381,040</u>

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

15. PROVISIONS

Employee benefits provision for annual and long service leave	<u>212,230</u>	<u>171,921</u>
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	2021 Number	2021 \$	2020 Number	2020 \$
16. CONTRIBUTED EQUITY				
(a) Fully paid ordinary shares				
Ordinary shares fully paid	498,238,489	55,299,070	424,853,874	47,912,926
<i>Movements in ordinary share capital</i>				
Balance at beginning of year	424,853,874	47,912,926	424,853,874	47,912,926
Shares issued for cash under placement ¹	35,250,000	3,525,000	-	-
Shares issued for cash under share purchase plan	22,450,000	2,245,000	-	-
Shares issued for cash under placement ²	300,000	30,000	-	-
Shares issued for cash under placement ³	15,384,615	2,000,000	-	-
Share issue costs	-	(413,856)	-	-
Balance at end of year	<u>498,238,489</u>	<u>55,299,070</u>	<u>424,853,874</u>	<u>47,912,926</u>

1. Issued at \$0.10 per share to institutional and sophisticated investors

2. Issued at \$0.10 per share to institutional and sophisticated investors

3. Issued at \$0.13 per share under the share subscription agreement with Tennant Consolidated Mining Group (TCMG) to Langston Key Limited, a nominee of TCMG, on 23 March 2021.

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

16. CONTRIBUTED EQUITY (continued)

	2021 Number of options	2020 Number of options
(b) Options over ordinary shares		
<i>Unissued ordinary shares for which options are outstanding:</i>		
Exercise price of \$0.135 expiring 30/09/20	-	19,800,000
Exercise price of \$0.09 expiring on 14/11/21	4,200,000	4,900,000
Exercise price of \$0.16 expiring on 09/07/23	58,000,000	-
Exercise price of \$0.11 expiring on 31/12/23	3,000,000	-
Exercise price of \$0.14 expiring on 31/12/23	13,500,000	5,000,000
Exercise price of \$0.20 expiring on 31/12/25	15,384,615	-
	<u>94,084,615</u>	<u>29,700,000</u>

	2021 Number of rights	2020 Number of rights
(c) Rights over ordinary shares		
<i>Unissued ordinary shares for which rights are outstanding:</i>		
Expiring 29/01/24	9,000,000	-
	<u>9,000,000</u>	<u>-</u>

	Note	2021 \$	2020 \$
17. SHARE BASED PAYMENTS RESERVE			
Balance at beginning of year		3,362,648	2,936,036
Recognition of share-based payment expense to employees 4(b)		139,291	426,612
Balance at end of year		<u>3,501,939</u>	<u>3,362,648</u>

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

	2021 \$	2020 \$
18. ACCUMULATED LOSSES		
Balance at beginning of year	(35,128,720)	(33,648,499)
Loss for year	(1,577,154)	(1,480,221)
Balance at end of year	<u>(36,705,874)</u>	<u>(35,128,720)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2021 \$	2020 \$
19. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of net loss to cash flows used in operating activities		
Net loss	(1,577,154)	(1,480,221)
<i>Add/(Less) non-cash items:</i>		
Gain on disposal of assets	(35,197)	-
Depreciation expense	3,621	2,588
Impairment of exploration expenditure	133,125	153,168
Share-based payment	139,291	426,612
Right-of-use-Asset amortisation	17,381	-
<i>Change in assets and liabilities:</i>		
(Increase)/Decrease in trade and other receivables	84,388	9,745
Increase/(decrease) in trade and other payables	25,633	15,097
Increase in prepayments	(15,922)	(18,621)
(Decrease)/increase in provisions	221	(66,638)
Net cash flows used in operating activities	<u>(1,224,613)</u>	<u>(958,270)</u>
(b) Reconciliation of cash		
<i>Cash balance comprises:</i>		
Cash and cash equivalents	<u>5,484,910</u>	<u>1,281,916</u>
(c) Financing facilities available		
At reporting date, the following credit card facility had been negotiated and was available:		
Total facility	50,000	45,000
Facility used at reporting date	(12,852)	(7,649)
Facility unused at reporting date	<u>37,148</u>	<u>37,351</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

20. EXPENDITURE COMMITMENTS

a) Short-term lease commitments

The Company leases premises in Tennant Creek, Northern Territory under a lease expiring 18 March 2022. The lease is treated as a short-term lease under AASB 16 and expensed on a straight-line basis. During the year ended 30 June 2021, \$6,860.45 (2020: \$88,685) was recognised as an expense in the income statement and as cash paid in payments to suppliers and employees in the statement of cash flows in respect of short-term leases. Commitments for short-term lease payments are \$14,040, all due within 12 months.

b) Exploration expenditure commitments

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

	2021	2020
	\$	\$
Not later than one year	912,055	2,705,342
Later than one year and not later than five years	373,179	1,246,438
	1,285,234	3,951,780

c) Contractual commitments

In FY20 the Company entered into an agreement with AMWD Pty Ltd, a drilling company associated with Bacchus Resources Pty Ltd, for the following work programs:

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

The above commitment arose from an agreement to restore Emmerson's interest in the Kadungle tenement (previously EL6226, now EL8999). As at 30 June 2021 all conditions precedent under the agreement had been met, including a prepayment of \$200,000 to AMWD for future drilling.

21. REHABILITATION COMMITMENTS

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

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

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

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

22. FARM-IN AND JOINT VENTURE AGREEMENTS

The Company entered into an Option and Farm-In agreement with Aurelia Metals Ltd effective from 2 June 2016 to earn up to 80% interest in the Kadungle Project subject to meeting certain expenditure obligations. Emmerson met its farm-in expenditure obligations to earn an 80% interest in the Kadungle Project in the previous financial year and formed a joint venture with Aurelia Metals Ltd. Under the joint venture Emmerson will continue to increase its interest in the Kadungle Project in proportion to its contributions if Aurelia elect not to contribute further expenditure. Once either party's share of the joint venture falls below 10% its interest converts to a 2.5% net smelter royalty on future production from the Kadungle Project. As at year end the Company's interest in the Kadungle Project was approximately 89%.

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

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

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

On 9 November 2020 the Company terminated the Exploration Earn-In and Joint Venture Agreement and the Small Mines Joint Venture Agreement with Territory.

On 16 November 2020 Emmerson entered into a strategic alliance with Tennant Consolidated Mining Group (TCMG) in the Tennant Creek Mineral Field under an Exploration Earn-In & Joint Venture and a Small Mines Joint Venture Agreement.

Under the Exploration Earn-In & Joint Venture Agreement TCMG will fund \$5.5 million of exploration over five years across Emmerson's Northern Project Area (NPA) at Tennant Creek to earn a 75% interest in the NPA. After the Earn-in phase, a Joint Venture can be formed whereby Emmerson can elect to either maintain its equity position in the NPA by contributing 25% to the exploration programs or dilute. Emmerson will act as manager during the Earn-in period and receive a management fee. TCMG is required to produce a minimum of 30,000 oz of gold within 5 years with a cash settlement of any shortfall.

Under the Small Mines Joint Venture Agreement, Emmerson has a free carried 6% gold gross revenue royalty for production from any Small Mine within the NPA, other than Edna Beryl and Jasper Hills. A

22. FARM-IN AND JOINT VENTURE AGREEMENTS (continued)

Small Mine is defined as a mineral resource of up to 250,000oz gold equivalent. A Major Mines interest whereby the Company will retain up to a 40% equity interest in any Major Discovery of a mineral resource of greater than 250,000oz gold equivalent.

On 1 June 2021 Emmerson entered into a second strategic alliance with TCMG in the Tennant Creek Mineral Field under an Exploration Earn-In & Joint Venture and a Small Mines Joint Venture Agreement.

Under the Exploration Earn-In & Joint Venture Agreement TCMG will fund \$5.0 million of exploration over five years across Emmerson's Southern Project Area (SPA) at Tennant Creek to earn a 75% interest in the SPA. After the Earn-in phase, a Joint Venture can be formed whereby Emmerson can elect to either maintain its equity position in the SPA by contributing 25% to the exploration programs or dilute. Emmerson will act as manager during the Earn-in period and receive a management fee. TCMG is required to produce a minimum of 30,000 oz of gold within 5 years with a cash settlement of any shortfall.

Under the Small Mines Joint Venture Agreement, Emmerson has a free carried 6% gold gross revenue royalty for production from any Small Mine within the SPA. A Small Mine is defined as a mineral resource of up to 250,000oz gold equivalent. A Major Mines interest whereby the Company will retain up to a 40% equity interest in any Major Discovery of a mineral resource of greater than 250,000oz gold equivalent.

In November 2020, the Company announced a strategic alliance with Longreach Mineral Exploration. Under the alliance, either party can submit a project to the project working group and if unanimously accepted, becomes a strategic alliance project (SAP). In accordance with the strategic alliance agreement each party contributes 50% costs to the agreed work program with the work program undertaken by the nominated Manager who will receive a 6% management fee. Providing the SAP meets the agreed milestones, the project then becomes the subject of a Joint Venture between the parties. The Kadungle project in New South Wales was the first alliance project with Emmerson the managers and operators in undertaking the agreed work program.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

23. SHARE-BASED PAYMENTS

a) Options

The Company has an Incentive Option Scheme approved by shareholders at the 2020 Annual General Meeting held on 29 January 2021 to provide share-based payment benefits, whereby options to acquire ordinary shares are issued as an incentive to improve employee and shareholder goal congruence and provide a retention incentive for participants. Vesting conditions are set by the board for each offer and typically vest after a service period of one year with a three-year period to exercise.

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

Granted	Exercise price	Vesting date	Expiry date	2021 Number of options	2020 Number of options
Incentive Option Scheme:					
21/12/2018	\$0.09	14/11/2019	14/11/2021	4,200,000	4,900,000
01/04/2020	\$0.14	01/04/2020	31/12/2023	5,000,000	5,000,000
14/05/2021	\$0.11	14/05/2021	31/12/2023	3,000,000	-
Placement fee share-based payment:					
19/10/2017	\$0.1350		30/09/2020	-	9,000,000
Director options:					
01/04/2020 ¹	\$0.14	24/08/2020	31/12/2023	8,500,000	8,500,000
Outstanding at end of year				20,700,000	27,400,000

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

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

	2021 Number of options	2021 Weighted average exercise price	2020 Number of options	2020 Weighted average exercise price
Outstanding at beginning of year	27,400,000	\$0.1250	13,900,000	\$0.1191
Granted during year	3,000,000	\$0.1100	13,500,000	\$0.1400
Exercised during year	-	-	-	-
Forfeited during the year	(700,000)	\$0.0900	-	-
Lapsed during the year	(9,000,000)	\$0.1350	-	-
Outstanding at end of year	20,700,000	\$0.1260	27,400,000	\$0.1290
Exercisable and vested at end of year	20,700,000	\$0.1260	18,900,000	\$0.1250

The range of exercise prices for options outstanding at the end of the year was \$0.090 to \$0.14 (2020: \$0.09 to \$0.14) and a weighted average remaining contractual life of 2.1 years (2020: 2.1 years).

The weighted average fair value of \$0.023 for share-based payment options granted during 2021 was calculated using a Black and Scholes option pricing model inputting a weighted average share price of \$0.075, a weighted average exercise price of \$0.11, a weighted average risk free interest rate of 0.1%, a weighted average expected life of 2.6 years, a volatility factor of 66.58% based on historical volatility and expected changes to future volatility. No other features such as a market condition were incorporated into the measurement of fair value.

The fair value of options granted under the Incentive Option Scheme is recognised as an expense over the period from grant to vesting date, unless the options fail to vest due to not meeting service or non-market performance conditions. The amount recognised as part of employee benefits expense during the year was \$67,976 (2020: \$426,612).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

23. SHARE-BASED PAYMENTS (continued)

b) Performance Rights

On 29 January 2021, following shareholder approval, 9,000,000 director performance rights were granted for nil consideration. The performance rights will vest upon achieving the following milestones over the next three years.

Class	Performance measures	Number	Vesting Period		
			Year 1	Year 2	Year 3
Tranche 1	Retention Continued employment	1,500,000	500,000	500,000	500,000
Tranche 2	Non-financial measures Pre-agreed individual key performance indicators and critical tasks	3,000,000	1,000,000	1,000,000	1,000,000
Tranche 3	Financial measure - Company share price performance - End of Yr 1 - A\$0.14 - End of Yr 2 - A\$0.20 - End of Yr 3 - A\$0.25	4,500,000	1,500,000	1,500,000	1,500,000

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

Director Performance Rights:	Granted	Exercise price	Vesting date	Expiry date	2021 Number of rights	2020 Number of rights
Tranche 1	18/12/2020	Nil	29/01/2022	29/01/2024	500,000	-
Tranche 1	18/12/2020	Nil	29/01/2023	29/01/2024	500,000	-
Tranche 1	18/12/2020	Nil	29/01/2024	29/01/2024	500,000	-
Tranche 2	18/12/2020	Nil	29/01/2022	29/01/2024	1,000,000	-
Tranche 2	18/12/2020	Nil	29/01/2023	29/01/2024	1,000,000	-
Tranche 2	18/12/2020	Nil	29/01/2024	29/01/2024	1,000,000	-
Tranche 3	18/12/2020	Nil	29/01/2022	29/01/2024	1,500,000	-
Tranche 3	18/12/2020	Nil	29/01/2023	29/01/2024	1,500,000	-
Tranche 3	18/12/2020	Nil	29/01/2024	29/01/2024	1,500,000	-
Outstanding at end of year					9,000,000	-

The fair value of the performance rights for tranche one and two is determined to be 7.1 cents, being the share price on the date of issue. The tranche three fair value was independently calculated using a pricing model that incorporates a Monto Carlo type simulation. The assumptions included as inputs to the calculation are as follows:

	Milestone 1	Milestone 2	Milestone 3
Exercise price	Nil	Nil	Nil
Grant date	18/12/2020	18/12/2020	18/12/2020
Vesting date	29/01/2022	29/01/2023	29/01/2024
Expiry date	29/01/2024	29/01/2024	29/01/2024
Share price at issue date	\$0.071	\$0.071	\$0.071
Expected volatility	59%	59%	59%
Expected dividend yield	Nil	Nil	Nil
Risk free rate	0.04%	0.08%	0.10%
Fair value per share	\$0.0048	\$0.0062	\$0.0079

The fair value of performance rights granted under is recognised as an expense over the period from grant to vesting date, unless the performance rights fail to vest due to not meeting service or non-market performance conditions. The amount recognised as part of employee benefits expense during the year was \$71,316 (2020: \$Nil).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

24. RELATED PARTY DISCLOSURES

a) Subsidiaries

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

	2021	2020
	% Interest	% Interest
Giants Reef Exploration Pty Ltd	100%	100%
Santexco Pty Ltd	100%	100%
TC8 Pty Ltd	100%	100%
Lachlan Resources Pty Ltd	100%	100%

b) Compensation of key management personnel

	2021	2020
	\$	\$
Short-term employee benefits	675,736	609,281
Post-employment benefits	42,181	46,990
Termination benefits	-	-
Share-based payments	139,291	334,753
Total compensation	<u>857,208</u>	<u>991,024</u>

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

c) Transactions with key management personnel

Andrew McIlwain's fees for services as a director of the Company were paid to Andrew McIlwain and Associates Pty Ltd, a company of which Mr McIlwain is a shareholder and beneficiary. The amount recognised as an expense during the year was \$73,913 (2020: \$64,673). The amount outstanding and included in the trade and other payables liability at year end is \$6,775 (2020: nil).

Allan Trench's fees for services as a director of the Company were paid to Judicial Holdings Pty Ltd, a company of which Mr Trench is a shareholder and beneficiary. The amount recognised as an expense during the year was \$35,478 (2020: \$31,043). The amount outstanding and included in the trade and other payables liability at year end is \$3,252 (2020: \$1,626).

Options and performance rights over ordinary shares held by key management personnel are detailed in the Remuneration Report on pages 26 and 27.

Refer to Note 23 for further details of the Incentive Option Scheme.

	2021	2020
	\$	\$

25. AUDITORS REMUNERATION

Amounts paid to Ernst & Young for:

Audit and review of financial reports	49,840	46,293
Taxation services	-	-
	<u>49,840</u>	<u>46,293</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2021	2020
	\$	\$
26. PARENT ENTITY INFORMATION		
The individual financial statements for the parent entity show the following aggregate amounts:		
Current assets	6,184,901	1,924,004
Non-current assets	19,084,750	14,775,811
Total assets	<u>25,269,651</u>	<u>16,699,815</u>
Current liabilities	(915,931)	(552,961)
Non-current liabilities	(2,258,585)	(2,129,996)
Total liabilities	<u>(3,174,516)</u>	<u>(2,682,957)</u>
Net assets	<u>22,095,135</u>	<u>14,016,858</u>
Contributed equity	55,299,070	47,912,926
Other reserves	3,501,939	3,362,649
Accumulated losses	(36,705,874)	(37,258,717)
Total equity	<u>22,095,135</u>	<u>14,016,858</u>
Loss for the year	(1,577,154)	(3,610,217)
Total comprehensive loss for the year	(1,577,154)	(3,610,217)

The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2021 and 30 June 2020.

27. FINANCIAL RISK MANAGEMENT

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

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

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

	Note	2021	2020
		\$	\$
Financial assets			
Cash and cash equivalents	7	5,484,910	1,281,916
Trade and other receivables	8	460,536	418,553
Other financial assets	9	377,739	345,381
Total financial assets		<u>6,323,185</u>	<u>2,045,850</u>
Financial liabilities			
Trade and other payables:			
- 6 months or less	14	638,449	381,040
Lease liabilities		192,893	-
Total financial liabilities		<u>831,342</u>	<u>381,040</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

27. FINANCIAL RISK MANAGEMENT (continued)

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

Credit risk

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

Credit risk management: cash deposits

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

Credit risk management: deposits held as security for bank guarantees

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

Credit risk management: trade and other receivables

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

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

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

Liquidity risk

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

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

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

Interest rate risk

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

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

	Note	2021 \$	2020 \$
Cash and cash equivalents	7	5,484,910	1,281,916
Other financial assets (environmental security bank deposits)	9(a)	198,487	198,487
		<u>5,683,397</u>	<u>1,480,403</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

27. FINANCIAL RISK MANAGEMENT (continued)

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

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

Impact on loss after tax to:

1.0% increase in interest rates (reduce loss)	56,834	14,804
1.0% decrease in interest rates (increase loss)	(56,834)	(14,804)

Capital management risk

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

The capital structure of the Company consists of cash and cash equivalents and equity, comprising issued capital, reserves and accumulated losses as disclosed in Notes 16, 17 and 18 respectively. Capital management predominantly takes the form of managing of the Company's cash reserves, taking into account forecast operating and capital expenditure requirements of the consolidated entity. The Company had no long-term debt at 30 June 2021.

During the 2021 and 2020 financial years the Company has maintained the capital base through a clear cash management strategy and when required, the issue of equity instruments.

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

28. EVENTS SUBSEQUENT TO REPORTING DATE

There have not been any material events subsequent to the end of the reporting date and the date of this financial report that has not been recognised in this financial report.

DIRECTORS' DECLARATION

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

(1) In the opinion of the directors:

- (a) the financial statements and notes of Emmerson Resources Limited for the financial year ended 30 June 2021 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of its financial position as at 30 June 2021, and performance for the year ended on that date; and
 - (ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2021.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'RTBills', with a stylized, cursive flourish at the end.

Rob Bills

Managing Director & Chief Executive Officer

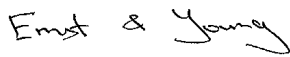
23 September 2021

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

As lead auditor for the audit of the financial report of Emmerson Resources Limited for the financial year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. No contraventions of any applicable code of professional conduct in relation to the audit.

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



Ernst & Young



T G Dachs
Partner
23 September 2021

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

Report on the audit of the financial report

Opinion

We have audited the financial report of Emmerson Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Key audit matters

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of

material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
As disclosed in Note 12 as at 30 June 2021, the Group held capitalised exploration and evaluation expenditure assets of \$16,102,168. The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation expenditure may exceed its recoverable amount. The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgments including whether the Group has tenure, intends to perform ongoing exploration and evaluation activity and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. During the year, the Group recognised an impairment charge of \$133,125 in relation to certain areas of interest. The Group determined that there had been no indicators of impairment for its other areas of interest.	In performing our procedures, we: ▶ Considered the Group's right to explore in the relevant areas of interests, which included obtaining and assessing supporting documentation. ▶ Considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area, which included assessment of the Group's cash-flow forecast models, discussions with senior management and Directors as to the intentions and strategy of the Group. ▶ Considered whether the exploration activities within each area of interest have reached a stage where the commercially viable resource estimate could be made, which included obtaining and assessing supporting documentation such as exploration reports and the Group's announcements in the Australian Stock Exchange in relation to its mineral resource and ore reserve. ▶ Recalculated the impairment charge based on management's determination of areas of interest that no longer have active or significant continuing exploration and evaluation activities. ▶ Assessed the adequacy of the disclosure included in the financial report.

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

The directors are responsible for the other information. The other information comprises the information included in the Company's 2021 annual report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the audit of the remuneration report

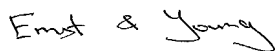
Opinion on the remuneration report

We have audited the Remuneration Report included in pages 19 to 29 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Emmerson Resources Limited for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



Ernst & Young



T G Dachs
Partner
Perth
23 September 2021

TENEMENT SCHEDULE

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

Tenement	Name	Interest	Tenement	Name	Interest	Tenement	Name	Interest
EL10114	McDougall	100	MCC340	The Trump	100	MLC138	Golden Forty	100
EL10124	Speedway	100	MCC341	The Trump	100	MLC139	Golden Forty	100
EL10313	Kodiak	100	MCC344	Mt Samuel	100	MLC140	Golden Forty	100
EL10406	Montana	100	MCC364	Estralita	100	MLC141	Golden Forty	100
EL23285	Corridor 2	100	MCC365	Estralita	100	MLC142	Golden Forty	100
EL23286	Corridor 3	100	MCC366	Estralita	100	MLC143	Golden Forty	100
EL23905	Jackie	100	MCC524	Estralita	100	MLC144	Golden Forty	100
EL26594	Bills	100	MCC55	Mondeuse	100	MLC146	Golden Forty	100
EL26787	Rising Ridge	100	MCC56	Shiraz	100	MLC147	Golden Forty	100
EL27011	Snappy Gum	100	MCC57	Mondeuse	100	MLC148	Golden Forty	100
EL27408	Grizzly	100	MCC66	Golden Forty	100	MLC149	Golden Forty	100
EL27537	Chappell	100	MCC67	Golden Forty	100	MLC15	Eldorado 4	100
EL27538	Mercury	100	MCC9	Eldorado	100	MLC16	Eldorado 5	100
ELA27539	Telegraph	100	MCC925	Brolga	100	MLC17	The Trump	100
ELA27902	Lynx	100	MCC926	Brolga	100	MLC176	Chariot	100
EL28601	Malbec	100	ML22284	Billy Boy	100	MLC177	Chariot	100
EL28602	Red Bluff	100	ML23216	Chariot	100	MLC18	West Gibbet	100
EL28603	White Devil	100	MLA29527	Wiso	100	MLC182	Riesling	100
EL28618	Comstock	100	MLA29528	Wiso	100	MLC183	Riesling	100
EL28760	Delta	100	MLA29529	Wiso	100	MLC184	Riesling	100
EL28761	Quartz Hill	100	MLA29530	Wiso	100	MLC253	Mulga 1	100
EL28775	Trinity	100	MLA29532	Wiso	100	MLC254	Mulga 1	100
EL28776	Whippet	100	ML30096	Malbec	100	MLC255	Mulga 1	100
ELA30123	Mosquito Creek	100	ML30177	North Star	100	MLC256	Mulga 2	100
EL30167	Dolomite	100	ML30322	Verdot	100	MLC257	Mulga 2	100
EL30505	Golden East	100	ML30620	Kia Ora	100	MLC258	Mulga 2	100
EL30584	Juno North	100	ML30623	Pinnacles South	100	MLC259	Mulga 2	100
ELA30746	Mule	100	ML30716	Comstock	100	MLC260	Mulga 2	100
ELA30747	Power of Wealth	100	ML30742	Black Cat	100	MLC261	Mulga 2	100
EL30748	Battery Hill	100	ML30743	True Blue	100	MLC32	Golden Forty	100
ELA30749	Mary Anne	100	ML30870	Rising Star	100	MLC342	Tinto	100
ELA31355	Mt Samuel	100	ML30872	The Extension	100	MLC343	Rocky Range	100
EL31832	Russell	100	ML30893	Troy	100	MLC344	Rocky Range	100
EL31833	Prosperity	100	ML30909	Archmedes	100	MLC345	Rocky Range	100
EL31834	Colombard	100	ML30911	Wolseley	100	MLC346	Rocky Range	100
EL31835	Bishops Creek	100	ML30912	Ivanhoe	100	MLC347	Golden Forty	100
EL31919	Billy Boy	100	ML30938	EXP195	100	MLC348	Brolga	100
EL32030	Grey Bluff East	100	ML30945	Metallic Hill	100	MLC349	Brolga	100
EL32213	Golden Slipper	100	ML31074	Rocky Range	100	MLC35	Golden Forty	100
EL9403	Jess	100	ML31123	Gibbet 1	100	MLC350	Brolga	100
EL9958	Running Bear	100	ML31651	White Devil	100	MCC239	West Peko	100
MA23236	Udall Road	100	ML32214	Mauretania	100	MCC240	West Peko	100
MA30798	Little Ben	100	MLC127	Peko East Ext 4	100	MCC308	Mt Samuel	85
MCC203	Galway	100	MLC132	Golden Forty	100	MLC354	Golden Forty	100
MCC211	Shamrock	100	MLC133	Golden Forty	100	MLC355	Golden Forty	100
MCC212	Mt Samuel	85	MLC134	Golden Forty	100	MLC36	Golden Forty	100
MCC316	The Trump	100	MLC135	Golden Forty	100	MLC362	Lone Star	100
MCC317	The Trump	100	MLC136	Golden Forty	100	MLC363	Lone Star	100
MCC334	Estralita Group	100	MLC137	Golden Forty	100	MLC364	Lone Star	100

TENEMENT SCHEDULE

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

Tenement	Name	Interest	Tenement	Name	Interest	Tenement	Name	Interest
MLC365	Lone Star	100	MLC522	Aga Khan	100	MLC615	Lone Star	100
MLC366	Lone Star	100	MLC523	Eldorado	100	MLC616	Lone Star	100
MLC367	Lone Star	100	MLC524	Susan	100	MLC617	Mt Samuel	50
MLC368	Lone Star	100	MLC527	Mt Samuel	100	MLC619	Ture Blue	85
MLC369	Lone Star	100	MLC528	Dingo, Eldorado	100	MLC644	Enterprise	100
MLC37	Golden Forty	100	MLC529	Cats Whiskers	100	MLC645	Estralita	100
MLC370	Lone Star	100	MLC53	Gold Forty	100	MLC654	TC8 Lease	100
MLC371	Lone Star	100	MLC530	Lone Star	100	MLC66	Traminer	100
MLC372	Lone Star	100	MLC535	Eldorado No. 5	100	MLC67	Traminer	100
MLC373	Lone Star	100	MLC54	Gold Forty	100	MLC683	Eldorado	100
MLC374	Lone Star	100	MLC546	The Mount	100	MLC692	Warrego Mine	100
MLC375	Lone Star	100	MLC55	Golden Forty	100	MLC705	Apollo 1	100
MLC376	Mulga 1	100	MLC555	Curlew	100	MLC91	Carraman/Klondyke	100
MLC377	Mulga 1	100	MLC558	New Hope	100	MLC92	Carraman/Klondyke	100
MLC378	Mulga 1	100	MLC56	Golden Forty	100	MLC93	Carraman/Klondyke	100
MLC379	Mulga 1	100	MLC576	Golden Forty	100	MLC94	Carraman/Klondyke	100
MLC38	Memsahib East	100	MLC577	Golden Forty	100	MLC95	Carraman/Klondyke	100
MLC380	Mulga 1	100	MLC581	Eldorado ABC	100	HLDC101	Sally No Name	100
MLC381	Mulga 1	100	MLC582	Eldorado ABC	100	HLDC37	Warrego No. 1	100
MLC382	Mulga 1	100	MLC583	Eldorado ABC	100	HLDC39	Warrego Min	100
MLC383	Mulga 1	100	MLC584	Golden Forty	100	HLDC40	Warrego No. 2	100
MLC384	Mulga 2	100	MLC585	Golden Forty	100	HLDC41	Warrego No. 3	100
MLC385	Mulga 2	100	MLC586	Golden Forty	100	HLDC42	Warrego S7	100
MLC386	Mulga 2	100	MLC591	TC8 Lease	100	HLDC43	Warrego S8	100
MLC387	Mulga 2	100	MLC592	TC8 Lease	100	HLDC44	Warrego No. 2	100
MLC4	Peko Extended	100	MLC593	TC8 Lease	100	HLDC45	Warrego No. 1	100
MLC406	Comet	100	MLC594	TC8 Lease	100	HLDC46	Warrego No. 1	100
MLC407	Comet	100	MLC595	TC8 Lease	100	HLDC55	Warrego No. 4	100
MLC408	Comet	100	MLC596	TC8 Lease	100	HLDC56	Warrego No. 5	100
MLC409	Comet	100	MLC597	TC8 Lease	100	HLDC58	Wiso Line No. 6	100
MLC432	Mulga 1	100	MLC598	Golden Forty	100	HLDC59	Warrego No. 6	100
MLC48	Tinto	100	MLC599	Mt Samuel	85	HLDC94	Warrego No. 4	100
MLC49	Mt Samuel	100	MLC601	TC8 Lease	100	HLDC95	Warrego No. 3	100
MLC498	Eldorado	100	MLC602	TC8 Lease	100	HLDC96	Wiso Basin	100
MLC499	Eldorado	100	MLC603	TC8 Lease	100	HLDC97	Wiso Basin	100
MLC5	Peko Extended	100	MLC604	TC8 Lease	100	HLDC99	Wiso No.3 pipe	100
MLC50	Eldorado Anom	100	MLC605	TC8 Lease	100	MLC502	Eldorado	100
MLC500	Eldorado	100	MLC606	Lone Star	100	MLC503	Eldorado	100
MLC501	Eldorado	100	MLC607	Lone Star	100	MLC504	Eldorado	100
MLC129	Peko Sth-East	100	MLC608	Lone Star	100	MLC505	Eldorado	100
MLC130	Golden Forty	100	MLC609	Lone Star	100	MLC611	Lone Star	100
MLC131	Golden Forty	100	MLC610	Lone Star	100	MLC612	Lone Star	100
MLC51	Eldorado Anom	100	MLC351	Brolga	100	MLC613	Lone Star	100
MLC518	Ellen, Eldorado	100	MLC352	Golden Forty	100	MLC614	Lone Star	100
MLC520	Great Northern	100	MLC353	Golden Forty	100			

TENEMENT SCHEDULE

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

Tenement	Name	Interest	Tenement	Name	Interest	Tenement	Name	Interest
EL8463	Wellington	90%	EL8590	Kiola	90%	EL8766	Greater Kadungle	100%
EL8464	Fifield	90%	EL8652	Sebastopol	90%	EL8999	Kadungle	82%

SHAREHOLDER INFORMATION AS AT 15 SEPTEMBER 2021

	Number of holders	Number of units held	% of issued
ORDINARY SHARES			
<i>Distribution of ordinary shares</i>			
1 – 1,000	37	2,889	0.00%
1,001 – 5,000	152	641,117	0.13%
5,001 – 10,000	395	3,364,370	0.68%
10,001 – 100,000	1,284	51,511,608	10.34%
100,001 and over	488	442,718,505	88.86%
Total	2,356	498,238,489	100.00%
<i>Holdings less than a marketable parcel of shares</i>			
	285	1,248,969	0.25%

Twenty largest ordinary shareholders

J P Morgan Nominees Australia Pty Limited	70,604,744	14.47%
Evolution Mining Limited	49,144,000	9.86%
UBS Nominees Pty Ltd	23,150,000	4.65%
Territory Resources Pty Ltd	16,021,440	3.22%
Langstone Key Limited	15,384,615	3.09%
HSBC Custody Nominees (Australia) Limited	14,236,641	2.86%
Noontide Investments Limited	11,161,854	2.24%
Mr Robert Trevor Bills	6,723,125	1.35%
Shorlane Pty Ltd <Jolma Super Fund A/C>	6,687,500	1.34%
Noontide Securities Pty Ltd	5,066,954	1.02%
Kurraba Investments Pty Ltd	5,000,000	1.00%
My Geoffrey Kevin Cammell <Cammell Discretionary A/C>	3,988,000	0.8%
Bond Street Custodians Limited <Davkre - D08642 A/C>	3,675,000	0.74%
Jorgenson-Watts Pty Ltd <Jorgenson-Watts Family A/C>	3,300,000	0.66%
Ms Mandy Hung Lin Chan	3,227,188	0.65%
Mr Cheung Lock Hung	3,029,427	0.61%
Citicorp Nominees Pty Limited	2,904,558	0.58%
Mr Andrew Ivor Bruce McIlwain	2,803,828	0.56%
SH Berdoukas Pty Ltd <Tambo Super Fund A/C>	2,735,783	0.55%
Croftbank Pty Ltd <Watts Family Super Fund A/C>	2,700,000	0.54%
	251,544,657	50.49%

Substantial shareholders

J P Morgan Nominees Australia Pty Limited	70,604,744	14.47%
Evolution Mining Limited	49,144,000	9.86%
	119,748,744	24.03%

* The voting rights attached to ordinary shares are set out as below:

At meeting of members or classes of members:

- (a) Each member entitled to vote may vote in person or by proxy, attorney or respective;
- (b) On a show of hands, every person present who is a member or a proxy, attorney or representative of a member has one vote; and
- (c) On a poll, every person present who is a member or a proxy, attorney or representative of a member has:
 - (i) For each fully paid share held by person, or in respect of which he/she is appointed a proxy, attorney or representative one vote for the share.
 - (ii) For each partly paid share, only the fraction of one vote which the amount paid (not credited) on the share bears to the total amounts paid and payable on the share (excluding amounts credited).

Subject to any rights or restrictions attached to any shares or class of shares.

There is no current on-market buy back.

SHAREHOLDER INFORMATION AS AT 15 SEPTEMBER 2021

	Number of holders	Number of units held	% of issued
UNQUOTED OPTIONS* OVER ORDINARY SHARES			
Exercise price of \$0.11 expiring on 31/12/23	1	3,000,000	3.19
Exercise price of \$0.09 expiring on 14/11/21	3	4,200,000	4.46
Exercise price of \$0.14 expiring on 31/12/23	5	13,500,000	14.35
Exercise price of \$0.16 expiring on 9/7/23	247	58,000,000	61.65
Exercise price of \$0.20 expiring on 31/12/25	1	15,384,615	16.35
		<u>94,084,615</u>	<u>100.00%</u>

*There are no voting rights attached to options

UNQUOTED PERFORMANCE RIGHTS* OVER ORDINARY SHARES

Expiring on 29/01/24	1	9,000,000	100.00
		<u>9,000,000</u>	<u>100.00%</u>

*There are no voting rights attached to performance rights

RESTRICTED SECURITIES

15,384,615 ordinary shares are escrowed until 23 March 2022.

16,021,440 ordinary shares have a holding locked in place indefinitely.

Contact

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 twitter.com/Emmerson_ERM