

New charge by Friedland vehicle

Ivanhoe Australia Ltd has expanded its presence in Australia's exploration sector by joining forces with an active junior currently looking for gold and copper in the Northern Territory.

During mid April the company – which is led by enigmatic global mining financier Robert Friedland – announced its intention to inject \$18 million into Western Australian-based Emmerson Resources Ltd over three years to earn 51% in the majority of the latter's Tennant Creek tenements in the NT.

Under the farm-in arrangement, Ivanhoe must then spend another \$10 million to retain the majority interest and sole fund projects over 500,000 gold ounces equivalent to earn a 70% in them if, and when, they hit the 1 million oz mark.

This part of the deal covers what have been referred to as tier one projects.

In terms of the second tier plays (ones with less than 250,000 gold equivalent oz), Emmerson will retain the sole funding and potential development rights by using its wholly-owned Warrego mill.

According to Emmerson boss Rob Bills, the company had recently approved a \$4.3 million exploration budget for the 2009 field season to spend on the aggressive drill testing and advancement of existing



Rob Bills



Peter Reeve



The Warrago mill near Tennant Creek is set to be a key element in Emmerson's second tier development strategy.

projects where it reported high-grade gold and copper drill intercepts last year.

This exploration activity, he explained, would now be accelerated and sole funded by Ivanhoe under this joint venture.

"Our view has been that this world class field has a lot more to offer and we are delighted to have secured the involvement of one of the world's most progressive and successful international mining companies to join us in the quest for a new generation of discoveries at Tennant Creek," Bills said.

"This agreement effectively secures the future of our company by ensuring that adequate funding is available to underpin a very significant exploration push over the next three years, enabling the JV to test a range of deep drilling targets and, if successful, fast track these through to development.

"We have established an excellent working relationship with Ivanhoe, which has a very similar approach and strong commitment to increasing shareholder wealth through applying innovative and systematic exploration.

"The JV represents an excellent fit with our exploration strategies and we are looking forward to working closely with the Ivanhoe team in managing and delivering a world class exploration effort over the next three years."

Chief executive of Ivanhoe Australia, Peter Reeve, said the deal with Emmerson Resources (of which he is now a director) had the potential to discover multiple very large tier one gold and gold-copper deposits.



Robert Friedland

"The investment in Emmerson Resources is an exciting development for Ivanhoe Australia, providing us with additional opportunities for large iron oxide-copper-gold mineral discoveries in a region that, despite its long history of production, remains very under explored," he noted.

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

Emmerson will manage the exploration programs. Following the deal, the junior expects to have \$113 million in the bank.

As for Ivanhoe, it is the first significant investment the company has made in another Australian explorer since it teamed up with Queensland-focused Exco Resources Ltd a few years ago.