

EMMERSON RESOURCES

FRESH CONCEPTS, RIGOROUS STRATEGY

Emmerson Resources is intent on restoring a historic mineral-rich region to its former glory as one of Australia's most reputable high-grade gold-copper mineral provinces.

IN ITS FIRST SEVEN MONTHS as a public company, Emmerson Resources has proved it knows how to allocate dollars and know-how to an aggressive, yet focused, exploration strategy and business plan within a region popular opinion has all but dismissed.

With 2700 square kilometres of tenements in the Tennant Creek mineral province, Emmerson concluded a heavily over-subscribed \$20 million initial public offering late last year, debuting on the Australian Securities Exchange eight days before Christmas.

Closing day-one trade at a 25% premium to its offer of 20c per share and with solid institutional support, the gold and copper explorer has since maintained above-par prices for much of one of the most unpredictable global trading periods in recent years.

Boasting an experienced board out of MIM, WMC and BHP Billiton, plus leading finance and advisory firms, Emmerson has developed a distinct business process designed to continually sort the wheat from the chaff within its developing portfolio of prospective projects.

These comprise the former substantial holdings of Giants Reef Mining and Emmerson is keen to ensure the exploration dollars are allocated to the highest-quality projects.

Non-executive directors Tim Kestell and Simon Andrew purchased the assets out of administration in August 2006, raising the seed finance and acquiring 95% of a highly prospective, yet poorly explored (by modern exploration techniques) iron oxide gold-copper province within the Tennant Creek mineral field.

Thus Emmerson was born, in command of a dominant land position

in one of Australia's highest-grade gold provinces.

Managing director and chief executive Rob Bills points out that while copper and gold prices have appreciated considerably since then, grades within the Tennant Creek mineral field have historically averaged 15-20 grams per tonne gold and 2-3.5% copper.

This means any similarly endowed new discovery would translate into an economically robust project, retaining a high margin, almost regardless of cost and metal price fluctuations.

Along with its ground, Emmerson picked up a 300,000 tonne per annum carbon in pulp gold mill and associated infrastructure requiring minimal refurbishment, plus arguably the largest, most comprehensive database for any historically productive, high-grade mineral province in Australia.

Considered a gold mine in itself, this bank of information comprises 50 years of multi-element assay data, geophysical information, drill core, historical production records, underground workings and mine level plans from the likes of Peko-Wallsend, ADL, Normandy and Giants Reef.

Re-interpretation and reprocessing of this data is providing a deep pipeline of quality brownfields projects that will be systematically tested during the next few field seasons.

Emmerson's first drillhole, consisting of 13m at 66.9gpt gold, including 9m at 95.5gpt, at its West Gibbet project, is testament to the quality of this pipeline.

Simultaneously, Emmerson is undertaking one of the largest geophysical programs ever completed

in the Tennant Creek province.

This comprises an extensive ground-based gravity survey by contractor Fugro Geophysics and a low-level, high-resolution aeromagnetic survey by UTS Geophysics.

The surveys are aimed to not only identify extensions to known mineralisation in brownfields areas, but to also provide new targets in the greenfields environment and potentially discover a new generation of iron oxide gold-copper deposits.

Given that only 7% of all drillholes in the field have extended below 150m, Emmerson's tenements are ripe for the application of this new search technology.

RC drilling at the discovery hole at Emmerson's West Gibbet project



"This is what makes Emmerson stand out from other junior companies who have to keep putting all their money into perhaps only two or three projects and then flogging them to death," Bills said.

"We don't have to do this because of the depth and quality of our project pipeline.

"Like most successful companies, the fundamental building block is our people and in this respect Emmerson has attracted a high-calibre team, split between a small corporate office in Subiaco, Western Australia and a growing exploration and operations base in Tennant Creek.

"The Tennant Creek base is headed by exploration manager Steve Russell and operations manager Justin Hankinson, whose combined experience in the resource business totals more than 35 years.

"Moreover, the Northern Territory and local governments, traditional owners, CLC and community have been hugely supportive, which is understandable given the potential flow-on effects that could come from re-establishing Tennant Creek as a premier mining district."

Emmerson has contracted a dedicated reverse circulation (RC) drill rig currently testing prioritised brownfields projects such as West Gibbet, Golden Kangaroo and several previously overlooked targets in the historic Golden Forty mine area.

While continuing to drill test its pipeline of brownfields projects, the company has completed initial drilling on four of these and is keenly awaiting the results before planning the next stage.

An additional percussion rotary air blast (RAB) drill rig will be contracted and, depending on the type of targets and depth of drilling, a diamond rig may also commence later in the year.

Aiming from the outset to simultaneously assess greenfields and brownfields projects, Emmerson allocated an aggressive exploration budget for 2008, dedicating \$1.5 million to geophysics alone and about \$4.5 million to drilling.

Expenditure and activity levels are likely to be similar in 2009.

Bills nominates as a further differentiator Emmerson's clear strategy of applying new technology and concepts to unlock the full potential of the Tennant Creek mineral field.

Previous exploration focused on using aeromagnetics as the primary detection technique, but while it

was obviously successful, it did not identify the non-magnetic parts of the iron oxide gold-copper deposits.

"The exciting aspect of this is that the non-magnetic portion of similar deposit types, such as Olympic Dam and Prominent Hill in South Australia, actually host the highest grades of gold and copper," Bills said.

"This is the principle reason Emmerson is utilising systematic gravity geophysics in combination with the aeromagnetics."

More than just applying new detection technologies, the company has also begun a deliberate strategy of deploying the best consultants in structural geology, geophysics and alteration studies.

"This not only provides better predictive tools at the regional scale, but also increases the probability of success at the drill scale with tools that will assist in identifying vectors to the mineralisation," Bills said.

"For a junior company, this is a very big investment at the front end of the business, but we believe this is what it will take to reinvigorate the discovery history of the Tennant Creek mineral field.

"Moreover, given Emmerson owns the Warrego mill and that it was completely refurbished in 2003, getting into production will not be a huge barrier once we establish a solid resource base.


"As Warrego is the only mill in the province, it is obviously a very strategic asset and could be leveraged to treat third-party feed.

"As most investors know, exploration success can be elusive."

Bill believes exploration success is a product of applying four ingredients: consolidated ground position in a fertile province; application of appropriate exploration concepts and tools; right strategy, leadership and people; and disciplined business processes and persistence.

"This ensures shareholder funds are channelled into the highest quality opportunities," he said.

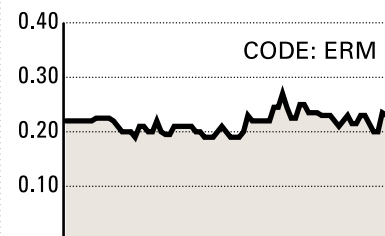
"This is one reason Emmerson initially targeted institutional investors during its IPO, as they are more likely to stick with the story, providing we demonstrate that we are making progress toward discovery.

"We're satisfied our shareholders see we have a very sound strategy, a business process that ensures the dollars are going into the highest-quality projects, that we have had early success and that we have a good, experienced team." 



Emmerson Resources managing director and chief executive Rob Bills

EMMERSON RESOURCES AT A GLANCE



4 months ending June 30, 2008

HEAD OFFICE

Level 1
65 Hay Street
Subiaco WA 6008
Ph: +61 8 9489 7082
Fax: +61 8 9489 7070
Email:
info@emmersonresources.com.au
Web:
www.emmersonresources.com.au

DIRECTORS

Andrew McIlwain, Rob Bills
Tim Kestell, Simon Andrew

MARKET CAPITALISATION

\$39 million (at press time)

MAJOR SHAREHOLDERS

Stark Emu Gold 35.85%
JP Morgan Nominees 11.14%
HSBC Custody Nominees 6.34%
National Nominees 4.74%