Emmerson Resources launches $1 million SPP as part of $4.575 million capital raising to accelerate NSW exploration

Emmerson Resources Ltd (ASX:ERM) has launched a share purchase plan (SPP) to raise $1 million as part of its $4.575 million capital raising with funds to advance its gold strategy.

The SPP will supplement the company's oversubscribed placement which raised $3.575 million and SPP to raise $1 million.

Funds raised will primarily be used to accelerate exploration across Emmerson's suite of highly prospective gold and gold-copper projects in the Lachlan Fold Belt of NSW which has been attracting strong attention.

Other funds will be allocated to support the emerging gold royalty business in Tennant Creek and to evaluate new opportunities under the strategic alliance with Longreach Minerals Exploration.

SPP offer

The SPP allows eligible shareholders to apply for a maximum of $30,000 worth of shares at an issue price of 10 cents per share, together with one SPP Option for every one SPP Share subscribed for and issued.

This represents a 13.7% discount to the VWAP for shares calculated over the last five days on which sales of the shares were recorded before the date of announcement of the SPP.

Shareholders are eligible to participate in the SPP if they had a registered address in Australia or New Zealand on Emmerson's register at 7.00pm (Perth time) on Wednesday, July 1.

The purpose of the SPP is to allow eligible shareholders the right to participate on equal terms as participants in the placement component of the capital raising.

Emmerson reserves the right to accept oversubscriptions under the SPP offer.

Prospectus available

The company intends to lodge the prospectus in relation to the SPP offer with ASIC and ASX on July 13 with the SPP subject to the terms and conditions set out in the prospectus.

A link to the prospectus and application form has been emailed to shareholders that have provided ERM with an email address.

All other shareholders have been sent a letter setting out instructions on how to access a copy of the prospectus and application form via the web site of ERM's share registry, Advanced Share Registry Limited.
Applications and payment of funds must be received by the company on or before July 31, 2020, unless the company extends the closing date of the SPP offer.

The issue of options is subject to the company obtaining shareholder approval at a general meeting to be held in August 2020.

**Allocation of funds**

Funds raised from the placement and SPP offer are planned to be used in accordance with the following table:

<table>
<thead>
<tr>
<th>Proceeds of the Placement and SPP Offer</th>
<th>Full Subscription</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Further exploration at the Kiola Project</td>
<td>$750,000</td>
<td>16.4</td>
</tr>
<tr>
<td>Drilling at the Kadungle Project and the Sebastopol gold field</td>
<td>$480,000</td>
<td>10.5</td>
</tr>
<tr>
<td>Exploration at the Wellington copper-gold project</td>
<td>$250,000</td>
<td>5.5</td>
</tr>
<tr>
<td>Sebastopol drilling(^1)</td>
<td>$220,000</td>
<td>4.8</td>
</tr>
<tr>
<td>Edna Beryl underground drilling</td>
<td>$600,000</td>
<td>13.1</td>
</tr>
<tr>
<td>Working capital and identifying new projects</td>
<td>$1,949,000</td>
<td>42.6</td>
</tr>
<tr>
<td>Expenses of the Offers(^2)</td>
<td>$326,000</td>
<td>7.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,575,000</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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