

21 September 2021

**Fast Facts**

ASX Code: EMR  
Shares on issue: 515,397,207  
Market Cap: ~A\$443 million  
Cash: A\$23 million (at 30 June 2021)

**Board & Management**

Simon Lee AO, Non-Executive Chairman  
Morgan Hart, Managing Director  
Mick Evans, Executive Director  
Ross Stanley, Non-Executive Director  
Mark Clements, Non-Executive Director  
and Company Secretary  
Bernie Cleary, Operations Manager  
Brett Dunnachie, Chief Financial Officer

**Company Highlights**

- First mover in an emerging gold province in Cambodia;
- Okvau Deposit: Indicated and Inferred Mineral Resource Estimate of 1.14Moz at 2.0g/t Au;
- Project built in 2021 on time on budget and now in production;
- Forecast economics demonstrates high grade, low cost, compelling project;
  - Ore Reserve of 14.3Mt & 2.0g/t Au for 0.9Mozs in a single open pit with waste:ore ratio of 5.8:1;
  - LOM average annual production of 106,000ozs pa;
  - AISC US\$754/oz over LOM (at a US\$1,450 gold price assumption);
- Mineral Investment Agreement governs significant tax and duty concessions for first 5 years and includes offshore arbitration process;
- Highly credentialed gold project operational and development team;
- Significant resource growth potential;
- Focussed on a net positive impact on near-mine environmental and social values by targeting strict compliance with corporate governance, international guidelines (IFC PS's) and local law by engaging and collaborating with all stakeholders.

**Registered Office**

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## Okvau Gold Mine Ramps Up to Full Production

### HIGHLIGHTS

- **Commissioning of the Okvau gold plant complete with ramp up of operations to full production**
- **Over 19koz gold produced to date including ~12koz gold poured**
- **Gold shipments to the refiner commenced in July 2021**
- **Gold production to end of Quarter 2021 on track for ~23koz (inclusive of gold in circuit)**
- **Process plant throughput 10% above DFS targeted nameplate rate of 2.0Mtpa**
- **Sulphide ore production for the first 15 days of September has averaged 420 ounces per day recovered, confirms plant is capable of +100koz p.a. gold production**
- **Grade control and mill production showing a strongly positive reconciliation to reserve for fresh rock sulphide ore and oxide ore**
- **Sulphide ore gold recoveries consistent with expected recoveries for the areas mined (~82%). Life of mine recoveries remain in line with the DFS of ~84%**
- **Mining operations are on schedule and in line with milling requirements, meeting all ore and waste feed requirements**
- **AISC materially on budget with guidance for remainder of FY2022 in line with DFS forecasts at 25-30koz per quarter at cash costs in a range of US\$720 – US\$780/oz**

Emerald Resources NL (ASX: EMR) ("Emerald") is pleased to advise that it has completed ramp up activities at its 100% owned 2.0Mtpa Okvau Gold Mine. The management team will continue to focus on optimising the performance of the Okvau Gold Mine.

### Emerald's Managing Director, Morgan Hart, said:

"It is pleasing to announce that we have achieved the successful ramp up of operations to full production at the Okvau Gold Mine which now places Emerald in the ranks of a 100,000+ ounce per annum gold producer.

Importantly we are either meeting or exceeding the Okvau Gold Mine DFS<sup>1</sup> which is a testament to the skill and quality of our staff and contractors in light of the significant challenges of the global pandemic and commissioning and ramp up activities during the recent wet season.

We look forward to positive cash flows from the Okvau Gold Mine providing the opportunity to grow the Company through exploration and acquisition. Notably with environmental approvals recently granted at the Memot Project, our exploration is scheduled to commence on a maiden drilling campaign in the near term."

**Figure 1 | Okvau Gold Mine Processing Plant Control Room**



<sup>1</sup> Refer ASX Announcements dated 1 May 2017 and 26 November 2019.

**Figure 2 | Okvau Gold Mine Processing Plant**



### Gold Production

Post commissioning of the sulphide float regrind circuit and achieving practical completion in July 2021, activities have focussed on ramp up to full production which has been maintained for a number of weeks.

Gold production since commissioning on oxide ore in June 2021 (inclusive of gold in circuit) is approximately 19,000 ounces with circa 23,000 ounces expected to the end of the current quarter. This includes ore production for the first 15 days of September averaging 420 ounces per day recovered, confirming suitability of all plant for +100,000 ounce per annum gold production.

Since the Company's maiden gold pour in June 2021, six shipments totalling 8,144 ounces of gold have been received by the refinery with out-turns received. A total of 6,958 ounces of gold have been sold to date at an average price of US\$1,795 per ounce. A further 5,132 ounces of gold dore has been poured ahead of mint out-turn.

**Figure 3 | Gold Doré Bar No OKV0038 of 634oz Poured at the Okvau Gold Mine**



The process plant has run consistently above nameplate throughput rate of 2.0Mtpa. Throughput rate for this period has averaged 275 tonnes per hour which is 10% above DFS target. The plant has been run on predominantly fresh Diorite and Hornfelsed Metasediment ore feed.

Ore reconciliation to date on a combination of oxide and sulphide ore feed has been strongly positive with actual production numbers indicating ~+25% positive reconciliation to reserve. Whilst the numbers are preliminary in nature due to the early stage of production the trend in sulphide grade control reconciliation to reserve is also positive ~+33% with higher grade and additional tonnes defined.

Sulphide ore gold recoveries to date have averaged 82% which is in line with the expectations for the areas mined and milled (part transitional ore treated). Forecast gold recoveries for life of mine average ~84%, further refinement of the sulphide circuit and ore blend management are expected to improve recoveries to +84%.



Mining operations are on schedule and in line with milling requirements with sulphide and oxide ore available on a continuous basis from open cut operations and stockpiled reserves. Despite the challenges of the wet season, the mining fleet and management team have met all ore and waste feed requirements matching the budgeted mill throughput and stripping ratio.

**Figure 4 | MACA Mining Fleet**



The current cost per day average is on budget compared to DFS forecast, which is based on a US\$1,450 gold price assumption, an AISC of US\$754 per ounce and a 2Mtpa plant at 2.0g/t for 106,000 ounces per annum. This equates to approximately US\$220,000 per day cost profile during operations. The AISC for August 2021 was approximately US\$225,000 per day. With the positive reconciliation and additional throughput, the operation is expected to achieve an annualised AISC per ounce of US\$720 to US\$780/oz.

Gold production guidance at the Okvau Gold Mine remains in line with the DFS of 100,000oz to 110,000oz on an annualised basis. Production guidance for the remainder of FY2022 remains in line with DFS forecasts at 25-30,000 ounces per quarter and cash costs of US\$720 – US\$780/oz.

This ASX release was authorised on behalf of the Emerald Board by: Morgan Hart Managing Director.

For further information please contact  
 Emerald Resources NL

**Morgan Hart**  
**Managing Director**

**Table 1 | Okvau Mineral Resource Estimate**

Okvau Mineral Resource Estimate									
Cut-off (Au g/t)	Indicated Resource			Inferred Resource			Total Resource		
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
0.70	15.11	2.08	1,008	2.57	1.61	133	17.68	2.01	1,141

The Project has a JORC Ore Reserve (Probable) estimate of 14.26Mt @ 1.98g/t Au for 907,000 ounces gold (refer Table 2).

**Table 2 | Okvau Ore Reserve Estimate**

Okvau Ore Reserve Estimate		
	Tonnage (Mt)	Grade (g/t Au)
Probable Ore Reserve	14.26Mt	1.98g/t Au
		Contained Au (Koz)
		907koz

## **Forward Looking Statement**

This document contains certain forward looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about the industry in which Emerald Resources operates, and beliefs and assumptions regarding the Company's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known or unknown risks, uncertainties and other factors, some of which are beyond the control of the Company, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, which reflect the view of Emerald Resources only as of the date of this announcement. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Emerald Resources will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

This document has been prepared in compliance with the current JORC Code 2012 Edition and the ASX listing Rules.

The Company believes that it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any production targets and financial estimates, based on the information contained in this announcement. Reference is made to ASX Announcement dated 1 May 2017 and 26 November 2019. All material assumptions underpinning the production target or the forecast financial information continue to apply and have not materially changed. 100% of the production target referred to in this announcement is based on Probable Ore Reserves.

Emerald has a highly experienced management team, undoubtedly one of the best credentialed gold development teams in Australia with a proven history of developing projects successfully, quickly and cost effectively. They are a team of highly competent mining engineers and geologists who have overseen the successful development of gold projects in developing countries such as the Bonikro Gold Project in Cote d'Ivoire for Equigold NL and more recently, Regis Resources Ltd.

## **Competent Persons Statements**

The information in this report that relates to Exploration and Grade Control Results is based on information compiled by Mr Keith King, who is an employee to the Company and who is a Member of The Australasian Institute of Mining & Metallurgy. Mr Keith King has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Keith King has reviewed the contents of this release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

The information in this report that relates to the Mineral Resources for the Okvau Gold Deposit was prepared by EGRM Consulting Pty Ltd, Mr Brett Gossage, who is a consultant to the Company, who is a Member of the Australasian Institute of Mining & Metallurgy (AIG), and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Gossage has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

Information in this announcement that relates to Ore Reserves for the Okvau Gold Deposit is based on, and fairly represents, information and supporting documentation prepared by Mr Glenn Williamson, an independent specialist mining consultant. Mr Williamson is a Member of the Australasian Institute of Mining & Metallurgy. Mr Williamson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or "CP") as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Williamson has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

## **No New Information**

To the extent that announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.