



EMERALD
RESOURCES NL

ABN 72 009 795 046

2022 Annual Report



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CORPORATE DIRECTORY

Non-Executive Chairman

Simon Lee AO

Managing Director

Morgan Hart

Executive Director

Michael Evans

Non-Executive Directors

Ross Stanley

Billie Slott

Michael Bowen

Jay Hughes

Mark Clements

Company Secretary

Mark Clements

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Solicitors

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Securities Exchange Listing

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: EMR

Website Address

www.emeraldresources.com.au

CHAIRMAN'S LETTER

Dear Fellow Shareholders

I am very pleased to report the Company's maiden profit following the first period of gold production from our 100% owned Okvau Gold Mine in Cambodia. This operating success is a tribute to the unwavering efforts of our experienced management team and staff, both in Australia and Cambodia, our dedicated contractors combined with the support and collaboration from the Government of Cambodia and its people.

We are now the first modern large-scale gold producer in Cambodia, utilising the latest equipment and mining techniques accompanied by a significant focus in all aspects of safety and the environment, investment in education and skills transfer to the local Cambodian people.

I am very proud to say that following commissioning and first gold production from the Okvau Gold Mine in September last year, which was constructed on time and on budget, the operation has been performing at or above Definitive Feasibility Study estimates and has now poured over 3,000kgs of gold bullion with over 200 gold doré bars produced.

I thank our experienced executive and management team, led by Managing Director Morgan Hart and Executive Director Mick Evans, and the Government of Cambodia for their praise of our sustainable approach to mining activities at Okvau and regional tenure.

In particular we thank the Cambodian Prime Minister, Samdech Akka Moha Sena Padei Techo Hun Sen, the Ministry of Mines & Energy and its Minister, His Excellency Suy Sem, Secretary of State, His Excellency Meng Saktheara, Academy General, His Excellency Dr Aun Porn Moniroth, Deputy Prime Minister, Minister of Ministry of Economy & Finance, His Excellency Dr Say Samal, Minister of the Ministry of Environment, His Excellency Keo Rottanak, Minister attached to the Prime Minister, Managing Director of Electricite du Cambodge and the broader MME teams for their transparent and collaborative efforts conducted in a professional manner.

From the beginning we have wanted Emerald to set the benchmark for an environmentally and socially responsible, sustainable and transparent mining industry in Cambodia. Our commitment to the environment, local communities, diversity and gender equality in mining has never been stronger. Development of our climate strategy, including carbon neutrality targets and pathways, and investigation of carbon offset programme options, is underway. We hosted an inaugural Community Open Day involving over 600 community members and we celebrated International Women in Mining Day with the large female contingent on our site who work across a variety of roles and have benefited immensely from our training and development programmes. We continue to aim to deliver best practice environmental and sustainability so that all stakeholders can be proud of their association with us.

We are here to deliver profits and create value for our shareholders, but we also want to benefit the people of Cambodia who have become part of our family. To do this we have focused on developing the right culture across the organisation, which is strongly based on a Board, executive team and staff who demonstrate the right attributes, qualities and share a strong belief of the benefits of our engagement and development in Cambodia for our employees and the Cambodian people in general.

We have recently appointed three highly experienced directors to your Board who share that belief. They possess outstanding professional qualifications and are exceptionally well regarded in their respective fields but most importantly share similar perspectives on enhancing shareholder value in the right way.

Corporately, our strategy of becoming a multi-gold project Company was demonstrated during the year with the acquisition of circa 60% of Bullseye Mining Limited. Our ambition is to create a gold exploration and production company with a diversified asset base, strong balance sheet, solid and recurring revenue, with significant cost savings and operational synergies. We believe Bullseye's Dingo Range greenstone belt has significant potential which can be unlocked by our highly credible development and geological team as we look to build and operate a second gold mine in the coming years.

We welcome those Bullseye shareholders who joined our register which continues to attract globally recognised institutional shareholders who trust in our vision.

During the year we took great steps to create the potential for substantial increases in resources and reserves at and around Okvau, including the significant gold mineralisation of the Memot Project located 95km to the southwest of the Okvau Gold Mine.

On behalf of the Board, I would like to convey the pride we feel in the efforts of everyone that has contributed to the success of the Company to date and the manner in which our employees, consultants and contractors have conducted themselves as representatives of Emerald and Renaissance Minerals (Cambodia) to the people of Cambodia.

CHAIRMAN'S LETTER

I look forward to reporting next year on the second year of production at our 100% owned Okvau Gold Mine with the potential to create significant shareholder value at our 100% owned Memot Project in Cambodia and ~60% owned Dingo Range greenstone belt in Western Australia in the coming 12 months.

Yours faithfully

A handwritten signature in black ink, appearing to read "Simon Lee".

Simon Lee AO
Chairman

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DIRECTORS' REPORT

The Directors of Emerald Resources NL ('Emerald' or 'the Company') submit herewith the consolidated financial statements of the Company and its controlled entities ('consolidated entity' or 'Group') for the year ended 30 June 2022 in order to comply with the provisions of the Corporations Act 2001.

Directors

The following persons were Directors of Emerald during the whole of the financial year and up to the date of this report, unless otherwise stated:

Simon Lee AO	Non-Executive Chairman
Morgan Hart	Managing Director
Michael Evans	Executive Director
Ross Stanley	Non-Executive Director
Mark Clements	Non-Executive Director
Billie Jean Slott	Non-Executive Director (appointed 5 October 2021)
Michael Bowen	Non-Executive Director (appointed 13 September 2022)
Jay Hughes	Non-Executive Director (appointed 13 September 2022)

Principal Activities

The principal activity of the consolidated entity during the financial year was the development of the Company's 100% owned Okvau Gold Mine and mineral exploration and evaluation activities at its exploration assets, primarily in Cambodia.

Operating Results

The profit attributable to owners of the Company after providing for income tax amounted to \$45,366,000 (2021: loss of \$16,700,000) including a loss on revaluation of embedded derivative of \$12,437,000 (2021: \$1,592,000) in relation to the Sprott debt facility. Sprott debt repayments commenced in December 2021 with \$16,370,000 repaid during the financial year.

	2022	2021	Change	Change
Key financial data	\$'000	\$'000	\$'000	%
Financial results				
Sales revenue	206,532	21	206,511	9,834
Cost of sales (excluding D&A)	(69,540)	-	(69,540)	n/a
Other income	8	71	63	(1)
Corporate, admin and other costs	(10,779)	(15,057)	4,278	-
EBITDA	126,221	(14,965)	141,186	(9)
Depreciation & amortisation (D&A)	(31,066)	(69)	(30,997)	449
Finance income/(expenses)	(32,447)	(1,666)	(30,781)	18
Profit/(loss) before tax	62,708	(16,700)	79,408	(5)
Income tax expense	(17,342)	-	(17,342)	n/a
Report profit/(loss) after tax	45,366	(16,700)	62,066	(4)

Dividends Paid or Recommended

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Financial Position

The consolidated entity has \$43 million in cash and cash equivalents as at 30 June 2022 (2021: \$23 million).

Business Strategies & Prospects for the Forthcoming Year

The consolidated entity has successfully completed the development of Emerald's 100% owned Okvau Gold Mine. This culminated in the maiden gold pour after commissioning the processing plant and gold room as announced on 26 June 2021. Commissioning of the sulphide float regrind circuit was completed in July 2021. The practical completion of the Okvau Gold Mine commissioning process and commencement of normal run-of-mine operations was effective in September 2021.

DIRECTORS' REPORT

Review of Operations

Significant Changes in the State of Affairs

Emerald has now poured over 3,800kgs of gold bullion from its operations with a total of approximately US\$213 million of gold doré to the date of this report.

The Company is now seeking to expand on the current near mine resources and reserves with a sustained exploration programme funded from operational cash flows. Emerald will also continue to actively explore for gold mineralisation within its current portfolio of projects in Cambodia, in particular the 100% owned Memot Gold Project, as well as the newly acquired tenure of the North Laverton Gold Project in Western Australia (EMR: 59.32%), with the object of identifying additional commercial resources.

Material business risks that may impact the results of future operations include tenure risks, environmental risks, ore reserve and mineral resources estimates, production estimates and metallurgical recovery, sovereign risks, debt funding risks, future commodity prices, exchange rate risks, development risks, reliance on key personnel, operating risks, sustaining capital costs, operating costs, occupational health and safety, political and regulatory risks.

The following significant changes in the state of affairs of the consolidated entity occurred during the financial year:

- On 21 September 2021 the Company announced that the successful commissioning and commercial operations at Okvau Gold Mine;
- On 19 May 2022 the Company announced the acquisition of a controlling interest in Bullseye Mining Limited.

Cambodian Gold Projects

Background

Emerald is focused on the exploration and development of its Cambodian Gold Projects which comprise of a combination of 100% owned granted licences, applications and earn-in and joint venture agreements covering a combined area of 1,239km². The 100% owned Okvau Gold Mine is the Company's most advanced project which commenced production in June 2021. The Okvau Gold Mine is located approximately 275km north-east of Cambodia's capital city of Phnom Penh in the province of Mondulkiri (refer Figures 1 and 2). The town of Kratie is located on the Mekong River approximately 90km to the west and the capital of Mondulkiri, Saen Monourom is located approximately 60km to the south-east.

Figure 1 | Cambodian Gold Project | Location

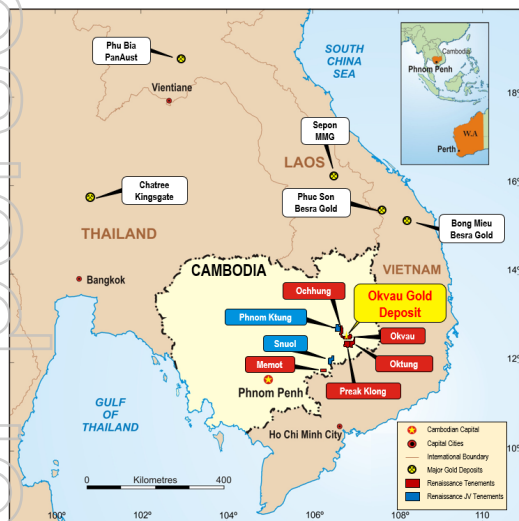
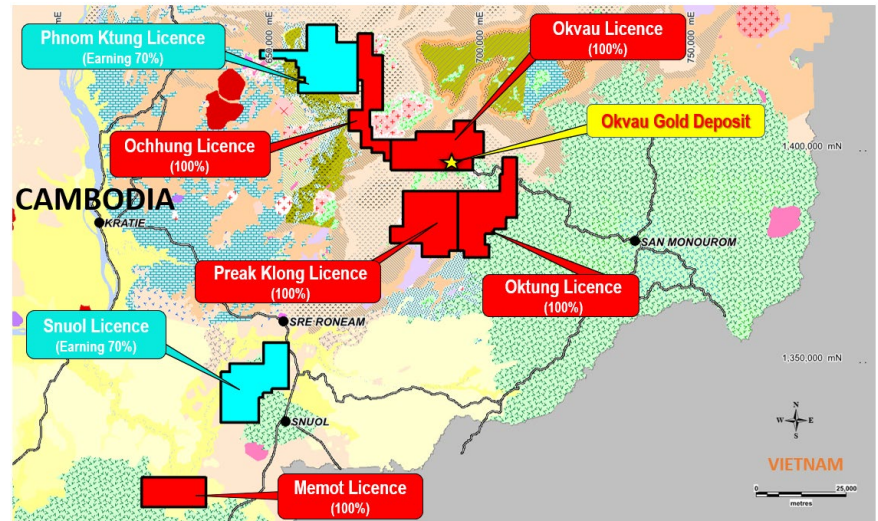


Figure 2 | Cambodian Gold Project | Exploration Licence Areas



Okvau Gold Mining Activity

Mining operations during the year began in Stage 1 and advanced through to Stage 3. Work in the Stage 1 pit was targeting fresh sulphide ore. Mining accelerated in Stage 2, exposing high-grade sulphide. Minimal oxide ore and waste was mined from Stage 3 along the northern pit wall, allowing for the future integration of the Stage 2 and 3 designs. Mining remains ahead of schedule and in line with milling requirements.

Actual fresh sulphide ore mined project to date of **3,324 kt @ 1.584g/t for 169,266oz** (lower cut 0.5g/t), reconciles positively against reserve (+6.5%) of 2,540kt @ 1.946g/t for 158,873oz (lower cut 0.625g/t). The positive reconciliation has allowed the Company the flexibility of preferentially milling the highest-grade ore zones whilst maintaining a substantial circa +1.5g/t stockpiles (+687kt), with a further 1.3Mt of low-grade stockpile at +0.6g/t. Total surveyed movement for the year was 5,699,037 BCM of ore and waste against a scheduled 5,476,627 BCM with 4,934,882 blasted.

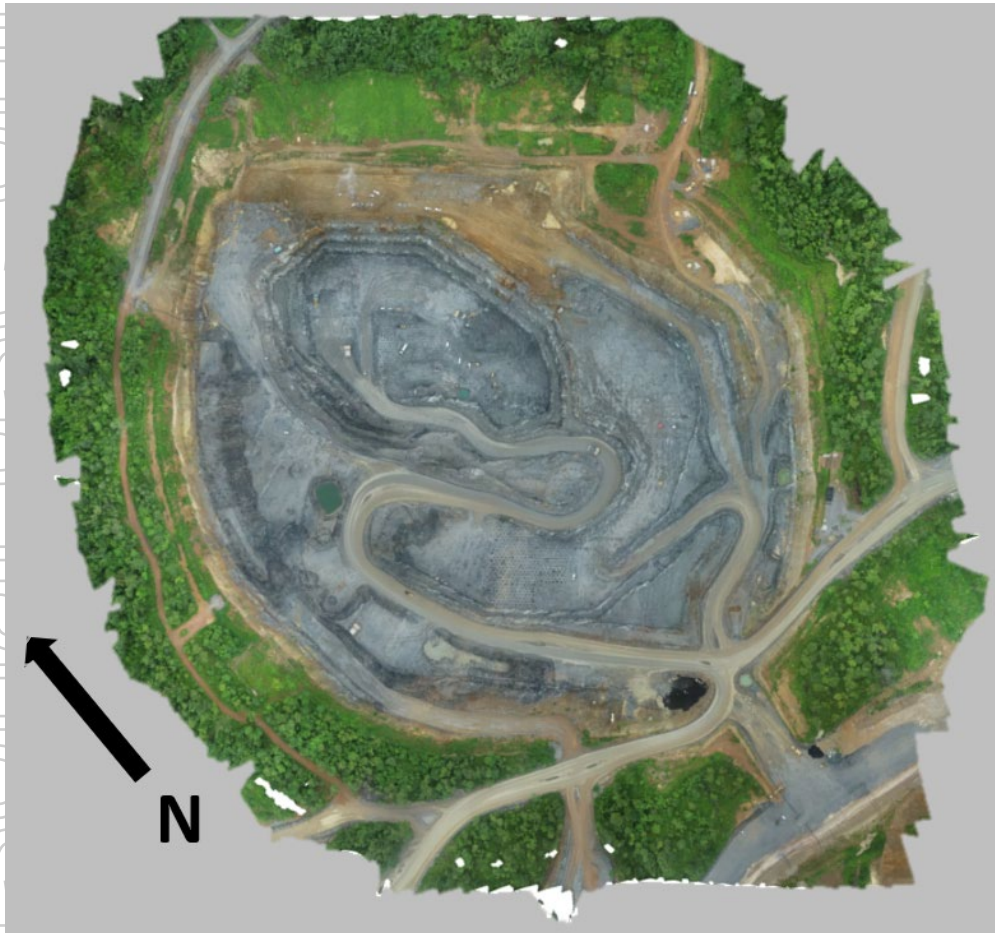
DIRECTORS' REPORT

Review of Operations (continued)

The Company maintains its guidance that the production at the Okvau Gold Mine is forecast to be 100,000oz to 110,000oz on an annualised basis at a slightly increased AISC of US\$740 - \$810/oz. The slight increase against the Company's Definitive Feasibility Study⁽ⁱ⁾ is in line with (predominantly) increasing fuel and explosive costs.

(i) Refer ASX announcements for the DFS release on 1 May 2017 and subsequently updated on 26 November 2019.

Figure 3 | Okvau Gold Mine Open Pit as at 30 June 2022



Processing

Since achieving practical completion and reaching a steady state of production in September 2021, the process plant has run consistently above nameplate of 2.0Mtpa and is now achieving a throughput rate +9% above DFS target. A summary of throughput and mill availability since reaching a steady state of production is as follows:

Table 1 | Okvau Processing Statistics

	Month of Sep21	Dec21 Qtr	Mar22 Qtr	Jun22 Qtr
Ore milled annualised (DFS: 2.0Mtpa)	2,199,000t	2,258,000t	2,182,000t	2,187,000t
Milling rate (DFS: 250tph)	266tph	258tph	249tph	252tph
Availability (DFS: 91.3%)	91.9%	96.3%	93.6%	94.9%

Sulphide ore gold recoveries averaged circa 80% during the year. Operational adjustments subsequent to year end will allow the introduction of float circuit underflow (float tail) ore into the CIL tanks and increase recovery.

DIRECTORS' REPORT

Review of Operations (continued)

Figure 4 | Okvau Gold Mine processing plant



Gold Production

Gold production since commissioning on oxide ore in June 2021 (inclusive of gold in circuit) is 100,988 ounces to the end of the period. This compares well and confirms the suitability of all plant for +100,000 ounce per annum gold production. Gold poured during the year totalled 94,791 ounces.

During the year, shipments totalling 95,331 ounces of gold have been received by the refinery with outturns received. All of these shipments have been sold at an average price of US\$1,707 per ounce.

Operating Physicals

A summary of operating physicals since reaching a steady state of production is as follows:

Table 2 | Okvau Operating Physicals

	Sep21 Qtr	Dec21 Qtr	Mar22 Qtr	Jun22 Qtr	Total FY22
Ore mined ('000 BCM)	405	352	256	286	1,299
Waste mined ('000 BCM)	939	1,207	1,123	1,130	4,399
Stripping ratio (waste:ore)	2.32	3.43	4.39	3.95	3.39
Ore mined ('000 t)	985	1,155	841	870	3,851
Ore milled ('000 t)	520	568	538	545	2,171
Head grade (g/t)	1.56	2.04	1.97	1.92	1.88
Recovery (%)	79.7%	70.7%	79.7%	79.4%	77.0%
Gold production (oz)	20,722	26,396	27,216	26,654	100,988

Total production numbers from commencement of operations in July 2021 to end of June 2022 show that the Okvau Gold Mine has produced 100,988 ounces of gold at an average AISC of US\$754 per ounce. Total project to date gold produced is 103,277 ounces with 95,331 ounces poured.

DIRECTORS' REPORT

Review of Operations (continued)

Operational Outlook

Gold production guidance at the Okvau Gold Mine remains in line with the DFS of 100-110,000oz on an annualised basis. Production guidance for FY23 remains in line with DFS forecasts at 25-30,000oz per quarter and cash costs are expected to increase slightly to US\$740 – US\$810/oz.

Process plant throughput continues to perform above 2.0Mtpa DFS targeted nameplate rate. Okvau fresh rock orebody continuing to achieve strongly positive reconciliation (+6%) to reserve to end of the financial period.

Okvau Gold Mine Mineral Resources and Reserves Estimates

Table 3 | Okvau Mineral Resource Estimate – March 2022

Measured Resources			Okvau March 2022 Mineral Resource Estimate Indicated Resources			Inferred Resources			Total Resources		
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)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
1.67	0.94	51	12.93	2.10	872	2.55	1.62	133	17.15	1.91	1,056

The DFS delivered a maiden Ore Reserve (Probable) estimate of 14.26Mt @ 1.98g/t Au for 907,000 ounces gold (refer Table 4).

A new Resource and Reserve update is currently being assessed with recent near mine exploration drilling data to be included.

Table 4 | Okvau Ore Reserve Estimate - March 2022

	Okvau March 2022 Ore Reserve Estimate		Contained Au (Koz)
	Tonnage (Mt)	Grade (g/t Au)	
Proven Ore Reserve	1.67Mt	0.94g/t Au	51koz
Probable Ore Reserve	11.80Mt	2.02g/t Au	765koz
Total Ore Reserve	13.48Mt	1.88g/t Au	816koz

Figure 5 | The 201st gold doré bar poured at the Okvau Gold Mine to achieve the 3,000kgs gold bullion milestone



Figure 6 | Processing plant personnel



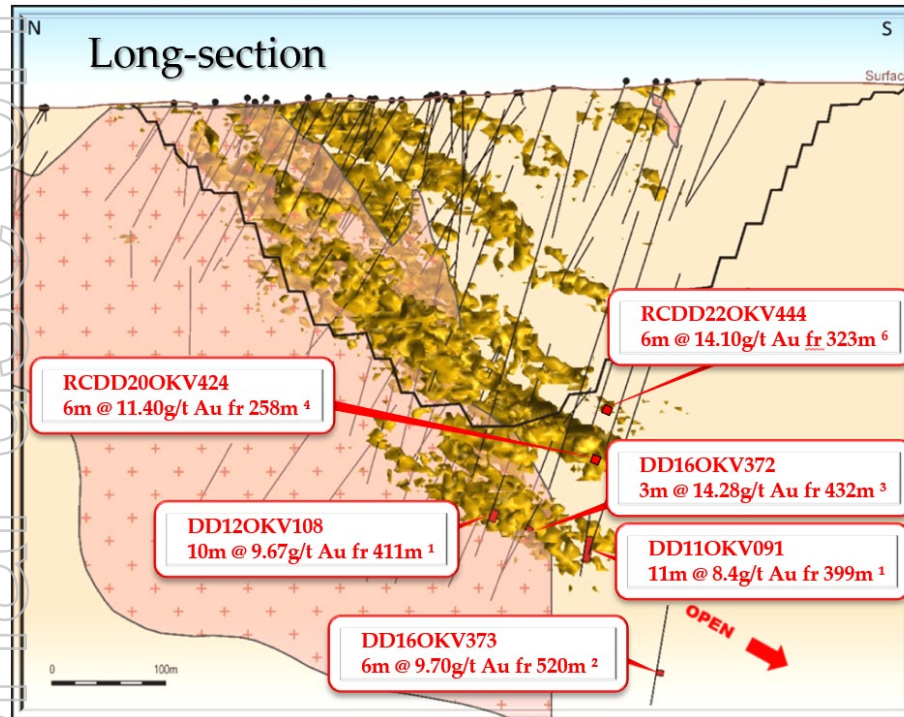
DIRECTORS' REPORT

Review of Operations (continued)

Okvau Gold Project | Resource Growth

The DFS for the Okvau Gold Project only considered an open pit mining operation. The Okvau Deposit remains 'open' at depth with high grade shoots providing longer term underground potential. High grade resources have been defined immediately below the floor of the final pit design (refer Figure 7).

Figure 7 | Okvau Resource Growth | Depth Extensions



Some of the highest grade intersections sit beneath the open pit floor. Deep diamond core holes have been drilled to test for strike and down dip continuity of high grade gold zones intersected with previous deeper drilling. Results included (refer Figure 7):

- 11m @ 8.4g/t gold from 399m (DD11OKV091);
- 10m @ 9.6g/t gold from 411m (DD12OKV108);
- 3m @ 14.2g/t gold from 432m (DD16OKV372);
- 6m @ 9.7g/t gold from 520m (DD16OKV373);
- 6m @ 11.4g/t gold from 258m (RCDD20OKV424).

(refer to ASX announcement dated 1 May 2017 and Renaissance Minerals Limited ASX announcement dated 19 September 2012).

During the year, an exploration drill programme focusing on infilling and extending the mineralisation proximally within and beyond the reserve pit shell continued. The drilling to date includes 20 drill holes for 5,425m. (2,718m RC and 2,707m diamond) with 754m of assays pending.

The drilling identified significant mineralisation outside the current reserve including:

- 23m @ 4.37g/t Au from 315m including 6m @ 14.10g/t from 323m (RCDD22OKV444);
- 11m @ 4.51g/t from 40m including 3m @ 15.61g/t Au from 48m (RCDD22OKV436);
- 2m @ 13.10 from 8m (RCDD22OKV426);
- 3m @ 36.19g/t from 13m (140_675_015);
- 4m @ 9.05g/t from 1m (145_665_106); and
- 7m @ 4.18g/t from 2m (135_665_001).

(refer to ASX announcements dated 29 April 2022 and 28 July 2022)

Figure 8 | High grade sulphide (arsenopyrite, pyrrhotite and pyrite) mineralisation from RCDD22OKV444, 6m @ 14.10g/t from 323m



The reported high-grade intersections are understood to be associated with the previously announced interpreted feeder zone (refer to ASX announcements dated 2 July 2019 and 28 January 2021). An additional hole has been planned to further test the depth and strike of these mineralised zones with the goal of extending the reserve beyond the current pit.

DIRECTORS' REPORT

Review of Operations (continued)

The results will be incorporated in any future expansion of the Okvau resource and likely reserve base (refer Figures 9 and 10).

Figure 9 | Oblique Long Section along Eastern Fault Zone | Drill Hole Pierce Points with Okvau Indicated Reserve Block

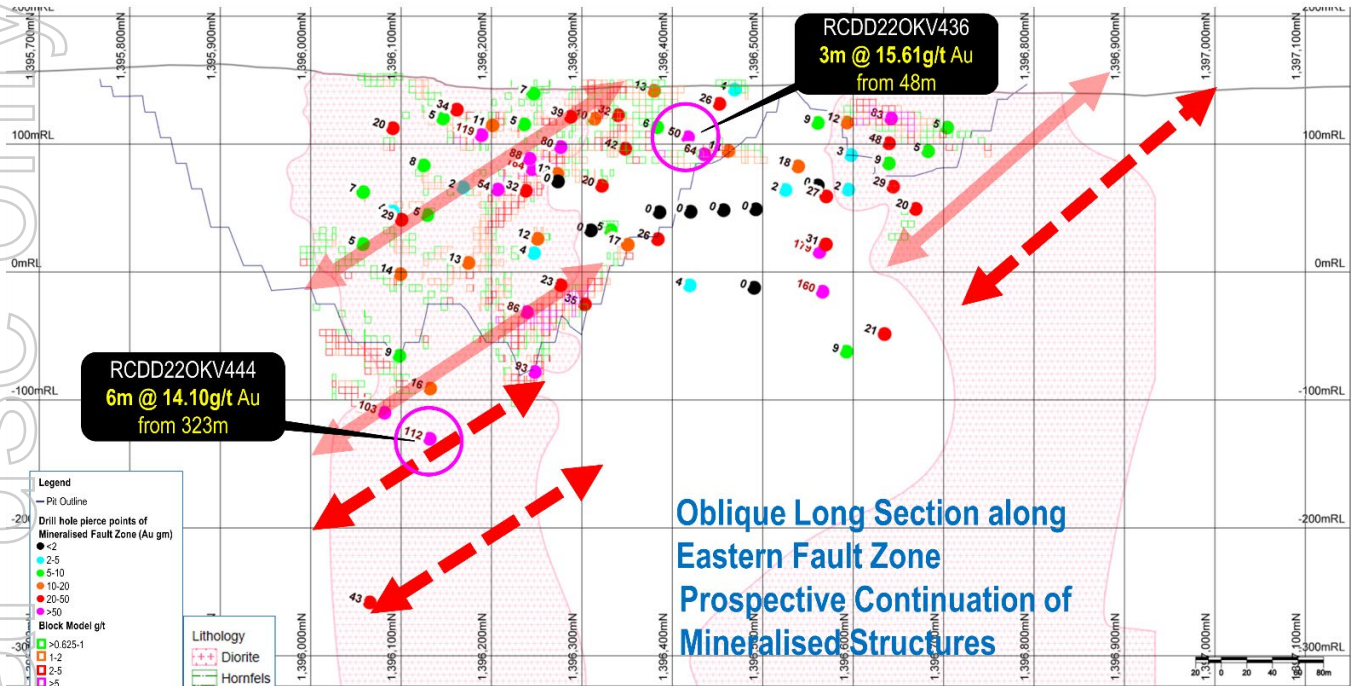
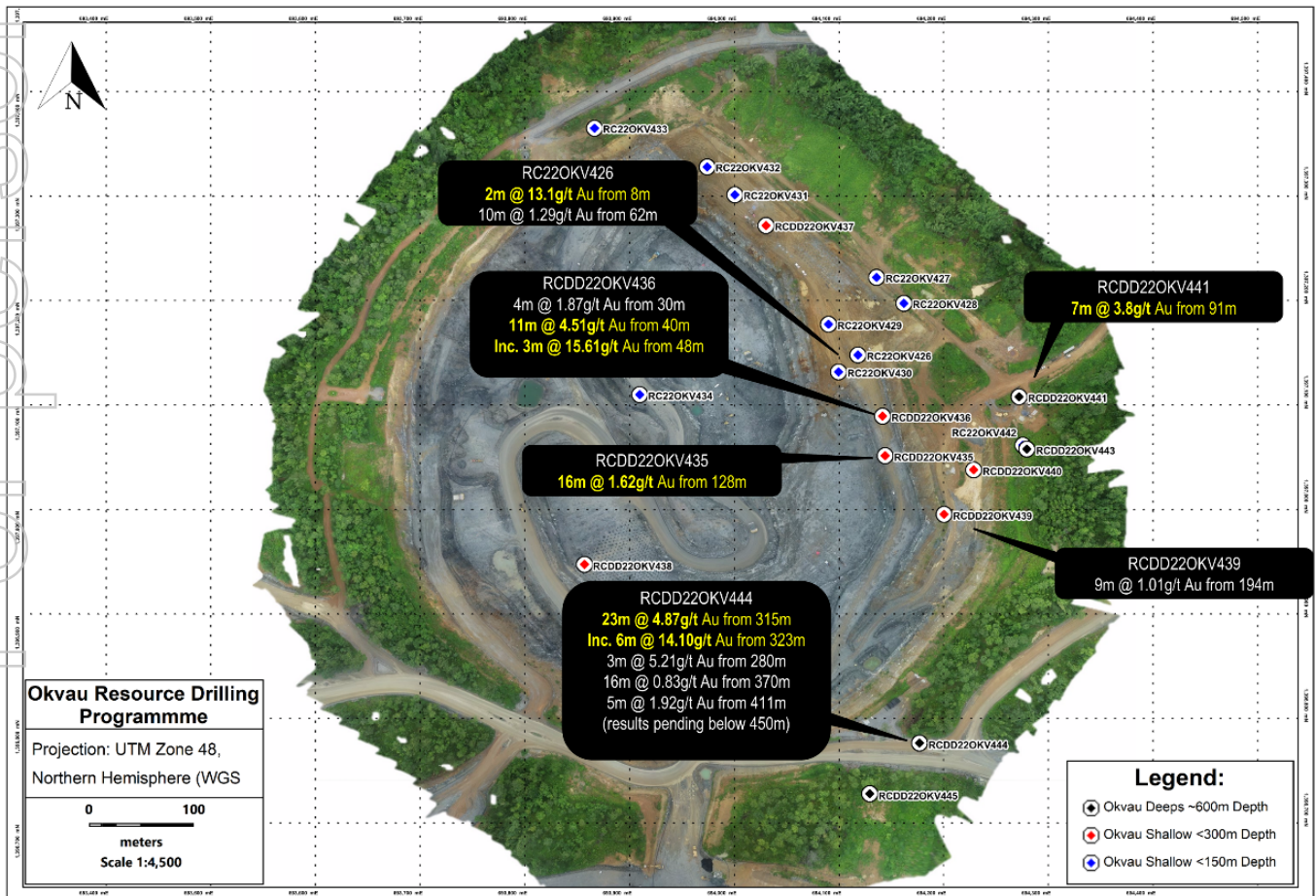


Figure 10 | Significant drill intersections from Okvau Resource Drilling Programme



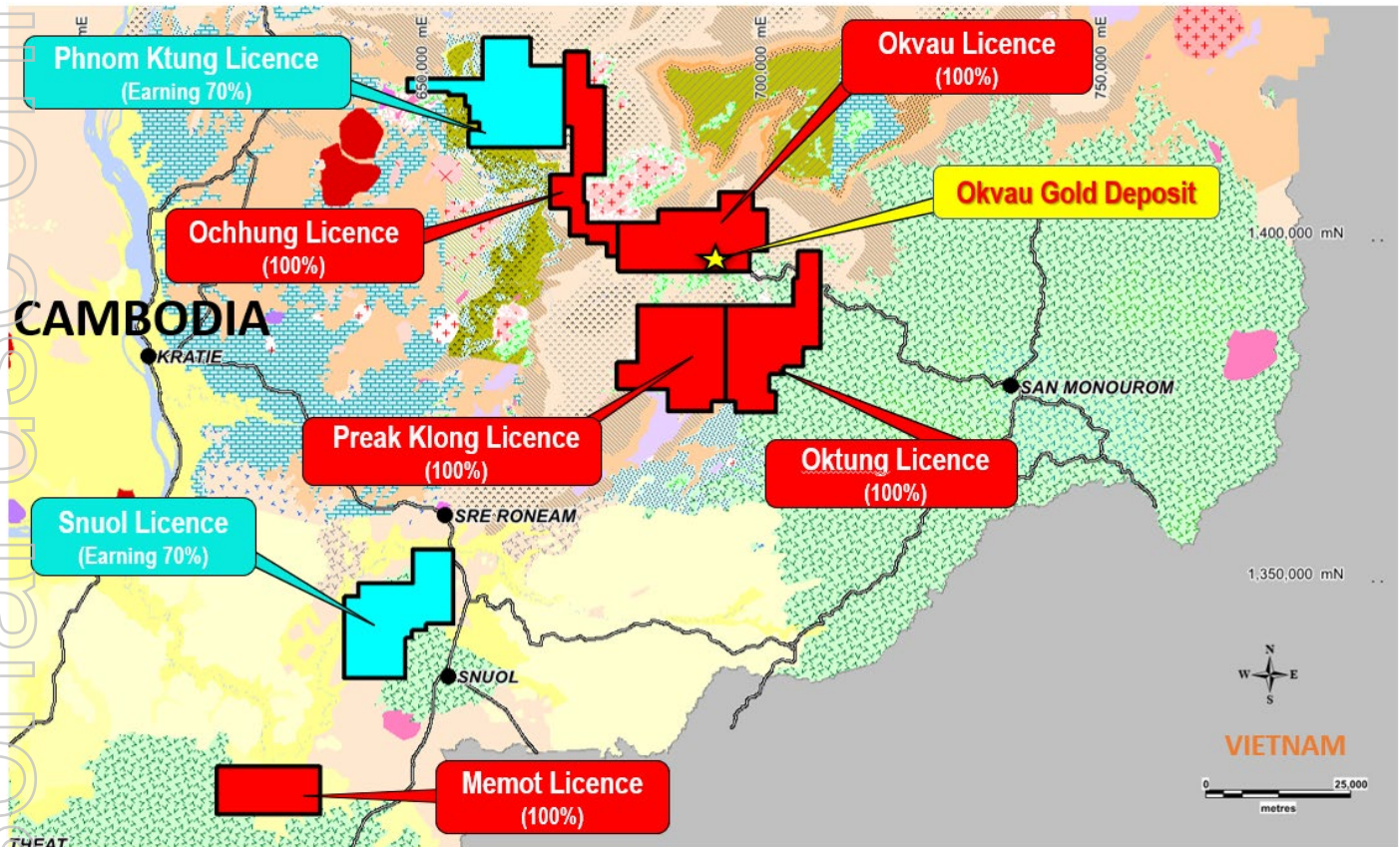
DIRECTORS' REPORT

Review of Operations (continued)

Regional Exploration

Emerald's exploration tenements, which comprise of a combination of 100% owned granted licences and joint venture agreements now cover a combined area of 1,239 km².

Figure 11 | Exploration Licence Areas



Memot Project (100%)

During the Year, the Company completed a broad spaced, 24 collar (4,280m) diamond drill programme which targeted regional stratigraphy and structural continuity associated with historical drilling results and local artisanal workings. The drilling also targeted strong chargeability anomalies identified from the Company's IP geophysical surveys (refer ASX announcement dated 31 January 2022).

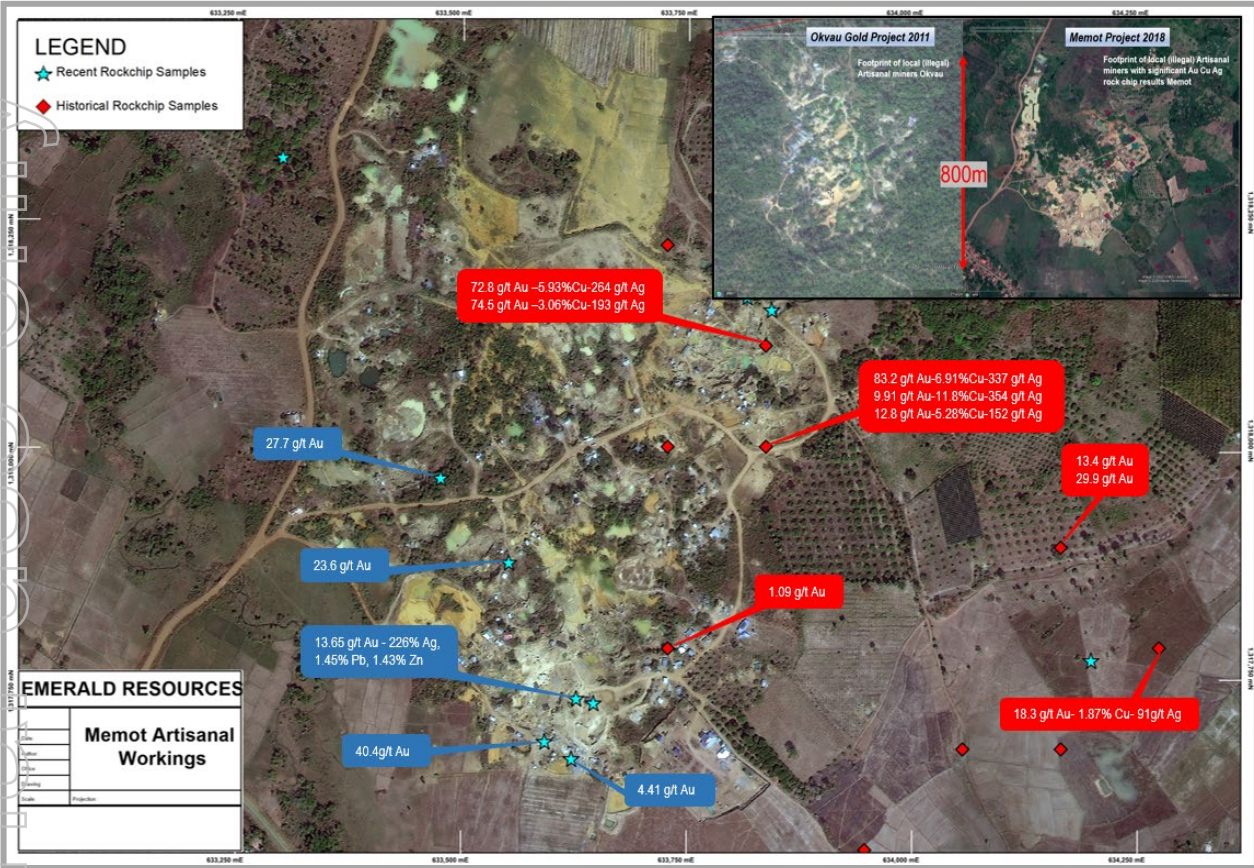
Several mineralised sub-horizontal quartz vein sets identified by the drilling. Most of the mineralisation is intersected at ~100m vertical depth, but deeper mineralisation was also identified. Significant assays returned include:

- 1.3m @ 7.41 g/t Au from 18m, (DD22MMT013);
- 0.4m @ 17.05 g/t Au from 34m (DD22MMT013);
- 2m @ 8.60 g/t Au from 73m (DD22MMT013);
- 3.5m @ 2.41 g/t Au from 58.5m (DD22MMT016);
- 0.3m Au @ 23.10 g/t Au from 50.15m (DD22MMT019);
- 1m @ 37.20 g/t Au from 33m (DD21MMT005);
- 1m @ 31.70g/t from 49m (DD21MMT010);
- 1m @ 25.40 g/t Au from 30m (DD21MMT006);
- 1m @ 11.10 g/t Au from 28m (DD21MMT002);
- 0.3m @ 23.1g/t Au from 50.15m (DD22MMT019);
- 0.4m @ 17.70 g/t Au, 230 g/t Ag, 2.78% Cu, 0.56% Pb and 1.74% Zn from 190m (DD22MMT013);
- 0.3m @ 29.1g/t Au from 159m (DD22MMT023); and
- 0.4m @ 18.55g/t Au from 150.9m (DD22MMT022).

(refer Figure 13 and refer to ASX announcements dated 30 January 2022 and 29 April 2022).

DIRECTORS' REPORT

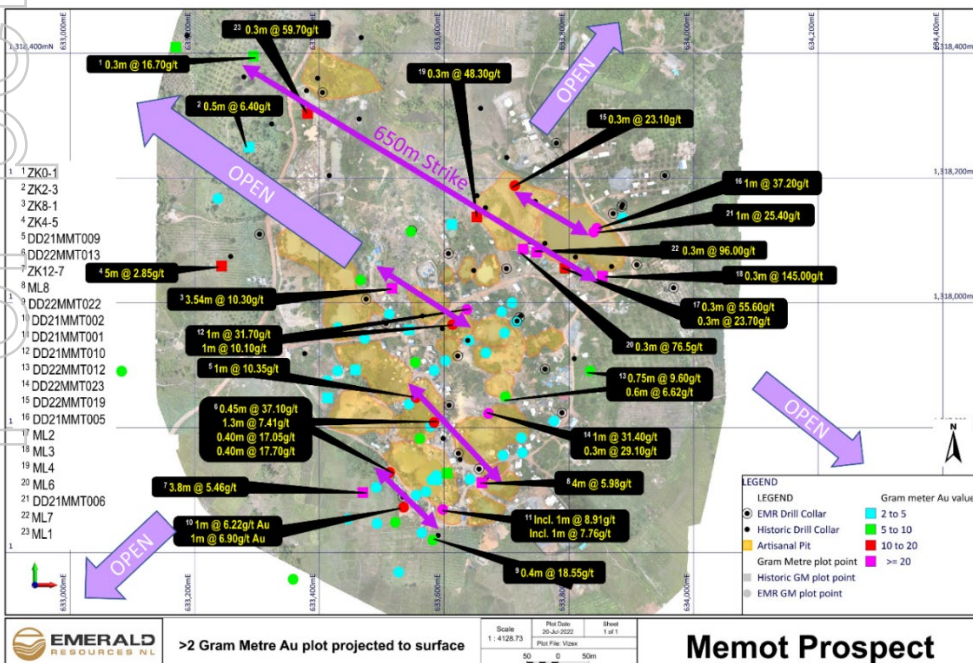
Review of Operations (continued) Figure 12 | Memot Artisanal Workings



The mineralisation is associated with quartz veining and sulphides including arsenopyrite, chalcopyrite, pyrrhotite, pyrite and sphalerite (refer Figure 14).

The current interpreted strike length of 650m and open in all directions (refer to ASX announcement dated 28 July 2022).

Figure 13 | Memot Artisanal Workings with >2g/t metre intersections projected to surface, as well as collar points of previously announced drilling completed by the Company and historic drilling



DIRECTORS' REPORT

Review of Operations (continued)

Figure 14 | Mineralised veins in Memot Diamond Core



The Company also completed an extensive geochemical survey, covering the surrounding ground in a ~3km radius around the significant artisanal workings and maïdan diamond drill programme. The survey included both a 734 geochemical auger soil sampling programme was completed on a 50m x 200m grid and a 1309 sample geochemical shallow soil programme sampled on a 100m x 200m grid.

The peak assay results returned includes 2320, 1790, 1420, 1000, 958, 660, 558, 538, 507, 428, 391, 386 and 339 Au ppb (refer Figure 15). The results indicate a +30ppb Au anomaly with a +3km strike length (refer Figure 15), and significant nearby Cu, As and Ag anomalism (refer Figure 16), indicating the known gold results are part of a potentially larger mineralised system (refer to ASX announcement dated 29 July 2022).

A ~5,000m RC infill drill programme has been planned to commence next quarter to bring the current drill spacing down to a nominal 50m x 100m spacing and to further explore the extents of the mineralisation down dip and along strike.

Oktung (100%)

During the year, the Company commenced a 40 collar (2,559m) shallow reconnaissance RC drill programme over the previously announced significant gold-in-soil anomalism on the O'Kapai prospect (refer to ASX announcement dated 28 January 2021), located 15km south of the Okvau Gold Project. Arsenopyrite rich sulphide mineralisation of a similar style to the Okvau Gold Project has been observed with anomalous gold results including:

- 43m @ 0.43g/t from 21m (RC22OKA018);
- 1m @ 8.45g/t from 29m (RC22OKA036); and
- 13m @ 0.47g/t from 16m (RC22OKA017) (refer Figure 17).

These positive drill results have encouraged the Company to commit to further drilling later in the year once the dry season commences and access improves (refer to ASX announcement dated 28 July 2022).

DIRECTORS' REPORT

Review of Operations (continued)

Figure 15 | Memot geochemical survey results with Au values and 30ppb contouring

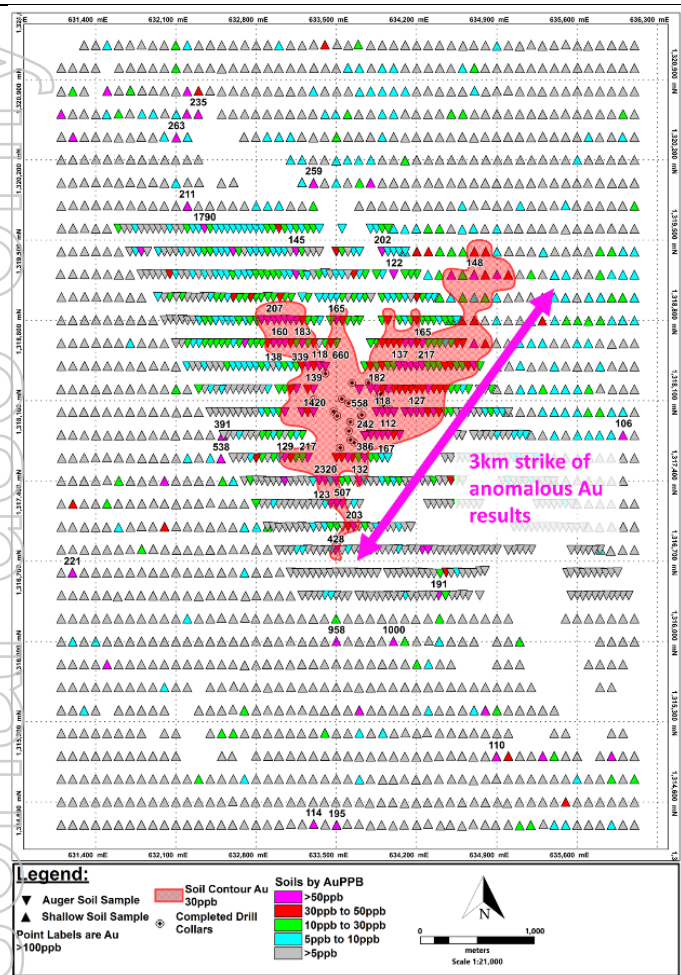


Figure 16 | Memot geochemical survey results with multielement contouring

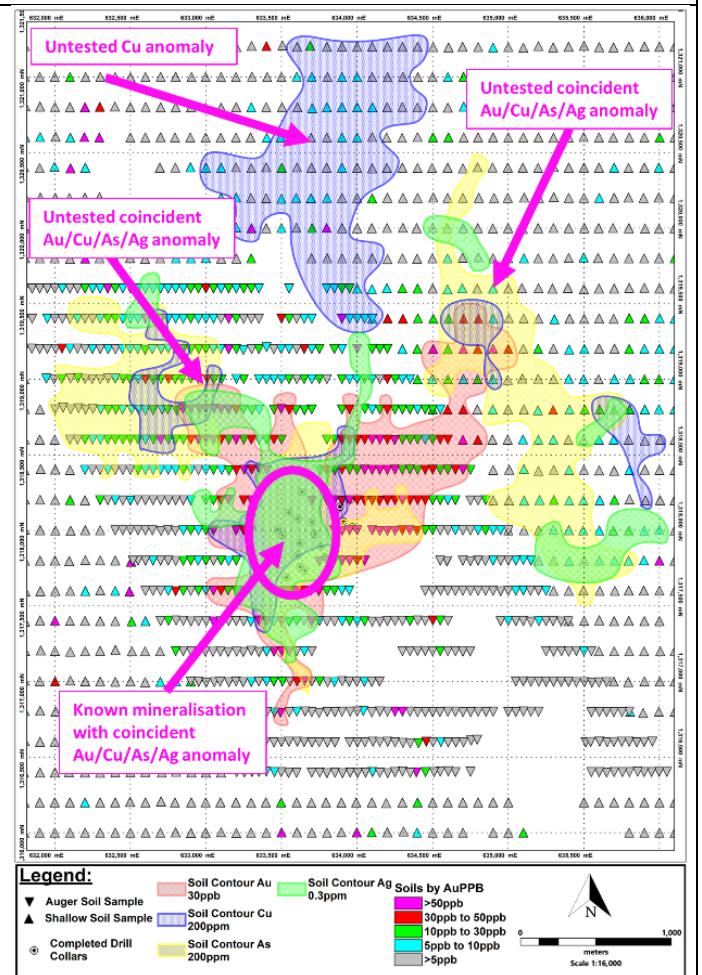
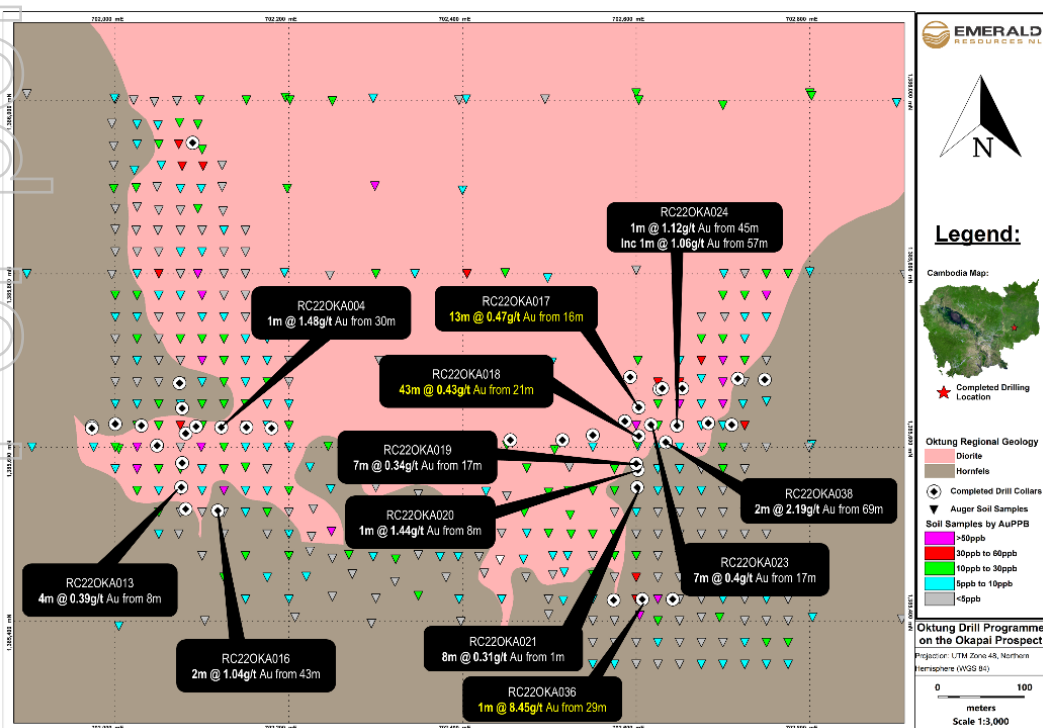


Figure 17 | O'Kapai Drill collars and significant results



DIRECTORS' REPORT

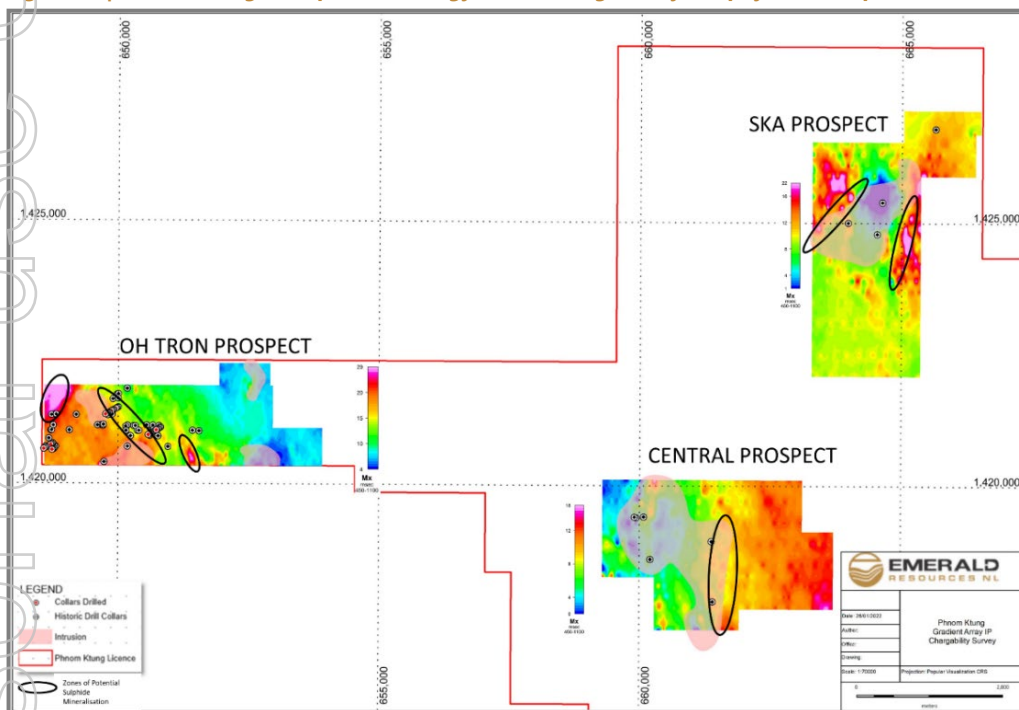
Review of Operations (continued)

Phnom Ktung (100%)

During the year the IP Gradient Array geophysical survey on Ska (57km survey lines) and Central (55km survey lines) and Oh Tron (82km survey lines) prospects were completed, processed and the results returned.

The results of the surveys show all three prospects have moderate to high chargeability signatures (refer Figure 18) often associated with zones of potential sulphide mineralisation and are coincident with the interpreted boundaries of intrusions. This is geologically similar to many of the high-grade mineralised structures within the 1.1Moz Okvau Gold Project. As at the date of this report, +2,000 shallow soils sampling programme targeting the geophysical anomalies has commenced on the Ska and Central prospects to assist with the targeting of a reconnaissance drill programme once results have been received.

Figure 18 | Phnom Ktung: Interpreted Geology and IP Chargeability Geophysical Interpretation



Preak Klong (100%)

During the year, the results from a 1,140 shallow soils geochemical sampling programme were returned with peak results including 11550, 765, 713, 427 and 331 ppb Au. The samples were taken on a 50m x 200m grid and anomalous gold-in-soil results are associated with two sub-parallel, significant chargeability geophysics IP anomalies extending ~2km in length (refer Figure 19) (refer to ASX announcement dated 31 January 2021).

Further geochemistry programmes are being planned to infill around the significant results to assist with future drill targeting (refer to ASX announcement dated 28 July 2022).

The programmes were designed to investigate the continuity of historic drilling completed by the previous tenement holders such as:

- 1m @ 16.16g/t Au from 74m (RC09PKL001);
- 3m @ 8.92g/t Au from 73m (DD10PKL002);
- 4m @ 10.25g/t Au from 56m (DD11PKL006);
- 3m @ 12.94g/t Au from 38m (DD10GSN003);
- 3m @ 8.51g/t Au from 58m (DD11GSN009); and
- 2m @ 13.49g/t Au from 89m (DD11GSN015).

The drill assay results confirmed the existing mineralisation with significant results including:

- 3m @ 31.09g/t Au from 65m (Incl. 1.0m @ 92.1g/t Au from 67m) (RC22PRK016);
- 2m @ 14.07g/t Au from 21m (Incl. 1.0m @ 26.2g/t Au from 21m) (RC22GSN025);
- 5m @ 3.11g/t Au from 41m (Incl. 1.0m @ 10.1g/t Au from 42m) (RC22GSN024B); and
- 2m @ 5.95g/t Au from 30m (Incl. 1.0m @ 10.1g/t Au from 31m) (RC22GSN023).

DIRECTORS' REPORT

Review of Operations (continued)

Figure 19 | Shallow Soils results over the Gradient array chargeability signature on the Ska project

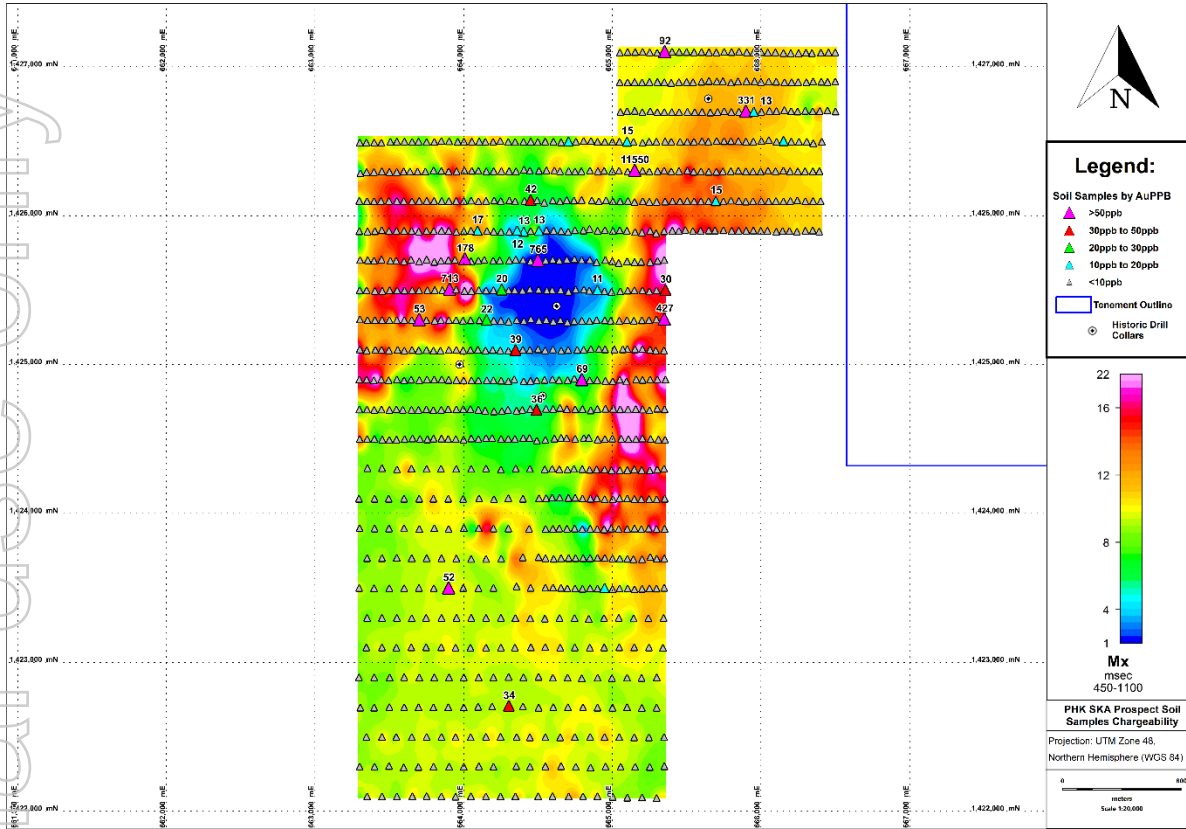
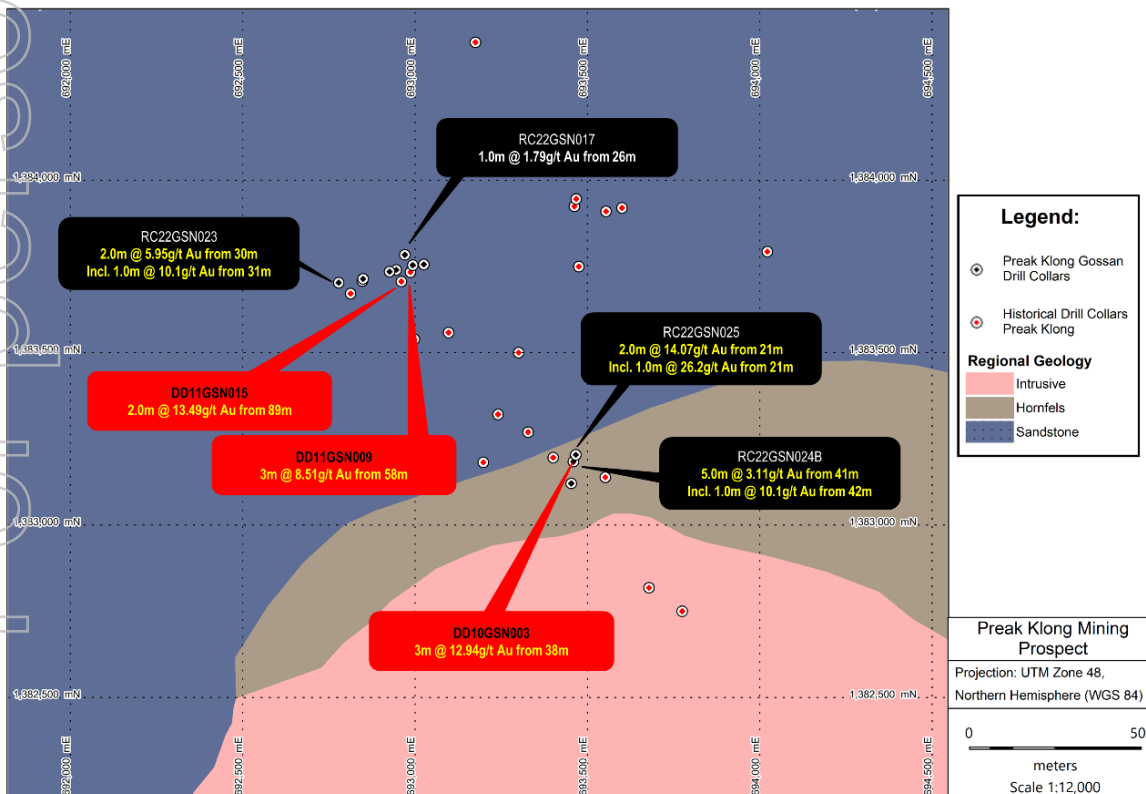


Figure 20 | Gossan: Interpreted geology and drill location and significant intersections



DIRECTORS' REPORT

Review of Operations (continued)

During the year a Dipole-Dipole Geophysical survey was completed on the Preak Klong NW prospect. The data was processed and modelled with a significant drill target identified. The interpreted IP chargeability anomaly indicates a potential zone of massive and disseminated sulphide alteration which is located beneath artisanal workings (refer Figure 21) and previously announced historical drill intersections (refer Figure 21). Drilling is to continue in the dry season to adequately test the anomaly.

Figure 21 | Preak Klong NW Prospect Dipole-Dipole IP Chargeability Geophysics over Historical Intersections and Artisanal Mine Workings

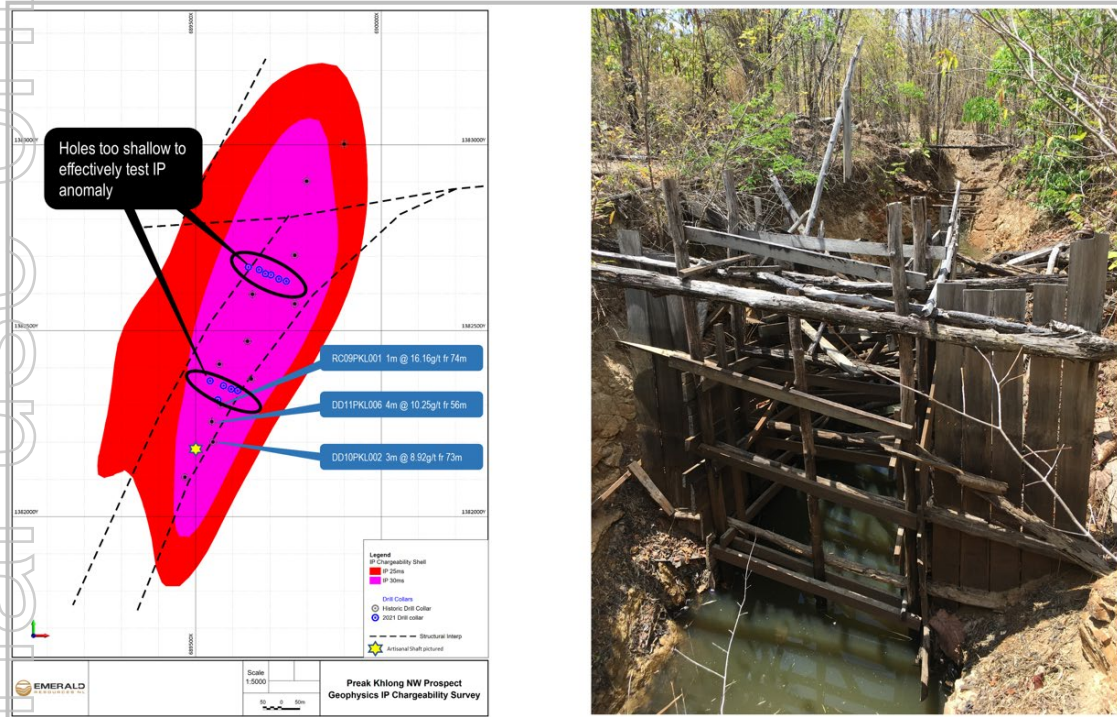
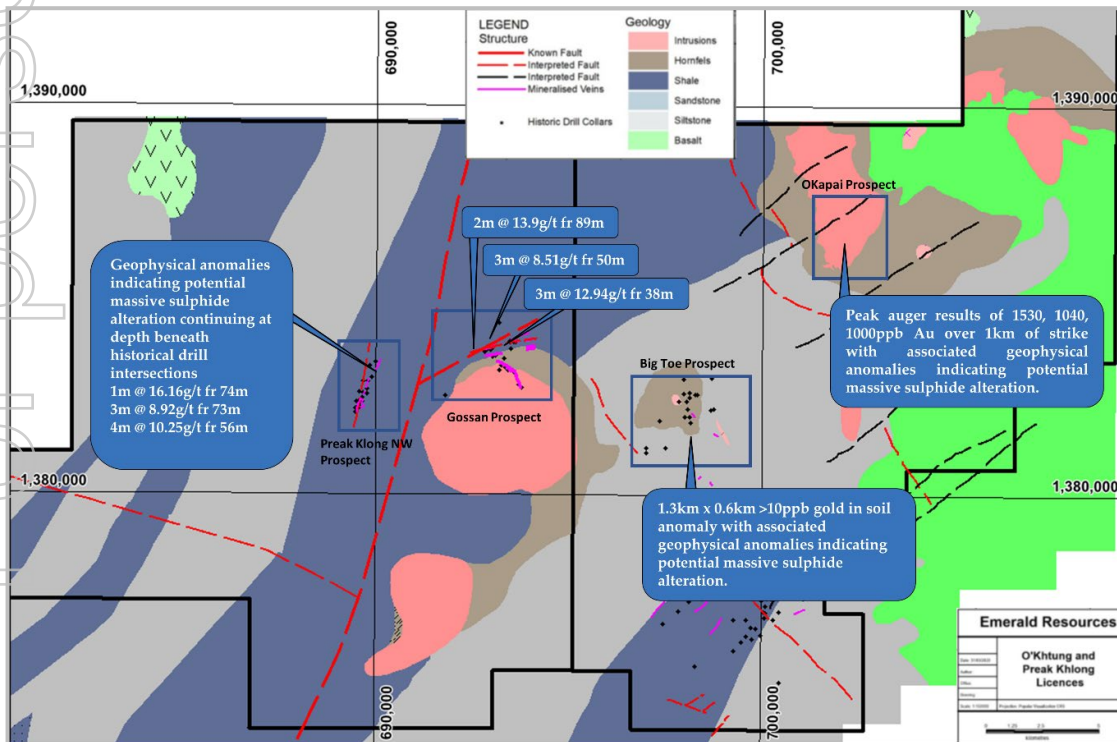


Figure 22 | Oktung and Preak Klong historical intersections and interpreted geology



DIRECTORS' REPORT

Review of Operations (continued)

North Laverton Gold Project (Bullseye, EMR 59.32%)

As announced on 19 May 2022, the Company acquired a controlling stake in Bullseye Mining Limited which owns the North Laverton Gold Project, consisting of 32 exploration licences (including 2 applications) and 4 mining licences controlling the entire Dingo Range greenstone belt which covers more than 800km² of tenure (refer Figure 23) and has the potential to host multiple standalone deposits or satellite deposits to supply additional ore to a central processing mill. It includes the Boundary, Neptune, Stirling, Hurleys and Bungarra Prospects over a 6.4km greenstone strike length (refer Figure 24). The Company has commenced a ~90km RC and diamond resource drill programme following up existing significant results across ~114,000m of existing drilling completed to an average depth of ~120m.

Neptune Gold Prospect (Bullseye, EMR 59.32%)

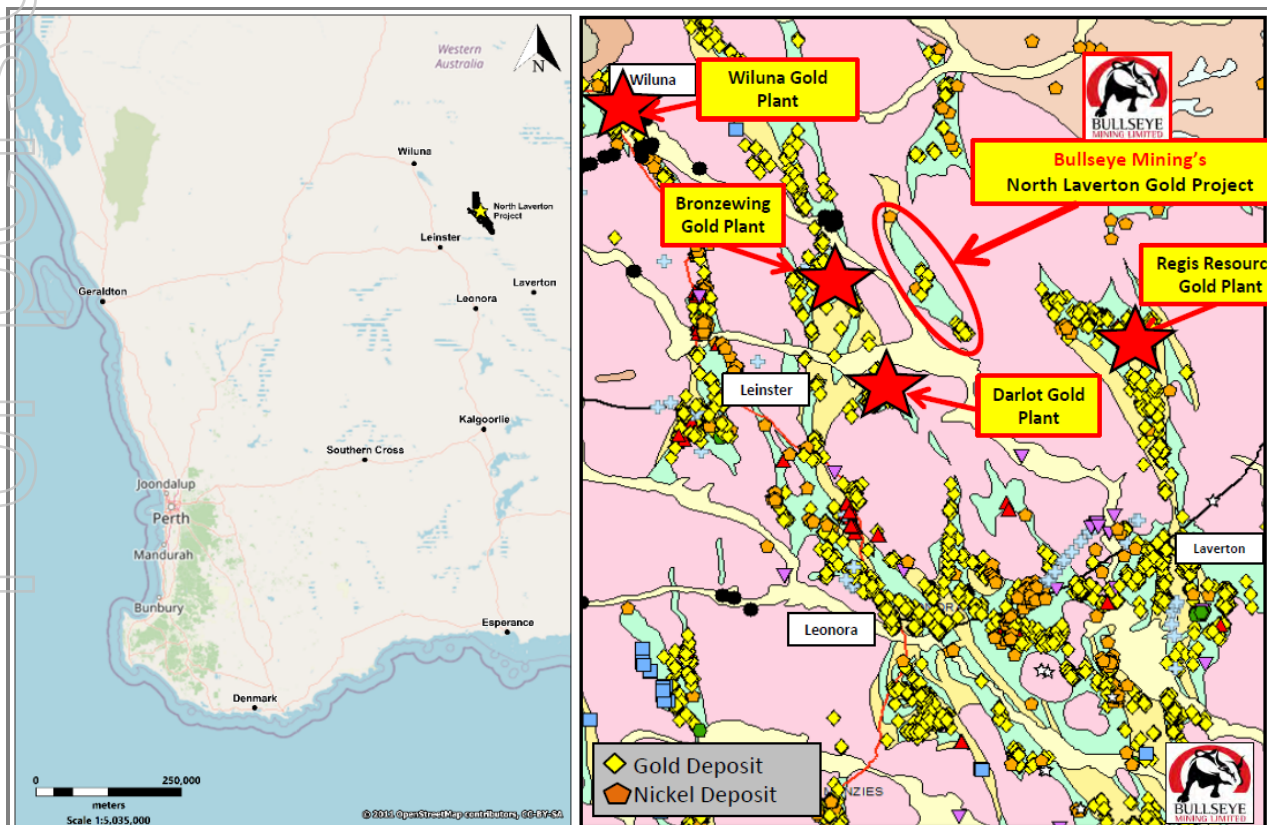
During the year the Company announced recent drilling results from Bullseye's Neptune Prospect which is a 430m south-eastern extension of the Boundary Prospect. A 23 collar (2,140m) resource definition programme was completed in early 2021. This was followed by an 84 collar (5,104m) mine definition RC programme in late 2021. In early 2022, a further 24 collar (4,005m) RC resource definition programme and 64 collar (3,092m) infill mine definition RC programme was completed. The significant results are reported below (refer ASX announcement dated 15 July 2022).

Neptune Resource Drilling

RC Resource Definition drilling was completed in 2021 and early 2022:

- 22m @ 4.87g/t from 17m (NPRD0056);
- 9m @ 9.44g/t from 82m (NPRD0078);
- 3m @ 20.55g/t from 70m (NPRD0065);
- 9m @ 6.29g/t from 74m (NPRD0042);
- 16m @ 3.07g/t from 26m (NPRD0053);
- 16m @ 2.59g/t from 56m (NPRD0063);
- 19m @ 2.11g/t from 45m (NPRD0051);
- 10m @ 3.67g/t from 38m (NPRD0059);
- 3m @ 12.11g/t from 69m (NPRD0051); and
- 17m @ 2.12g/t from 77m (NPRD0086).

Figure 23 | North Laverton Gold Project Location



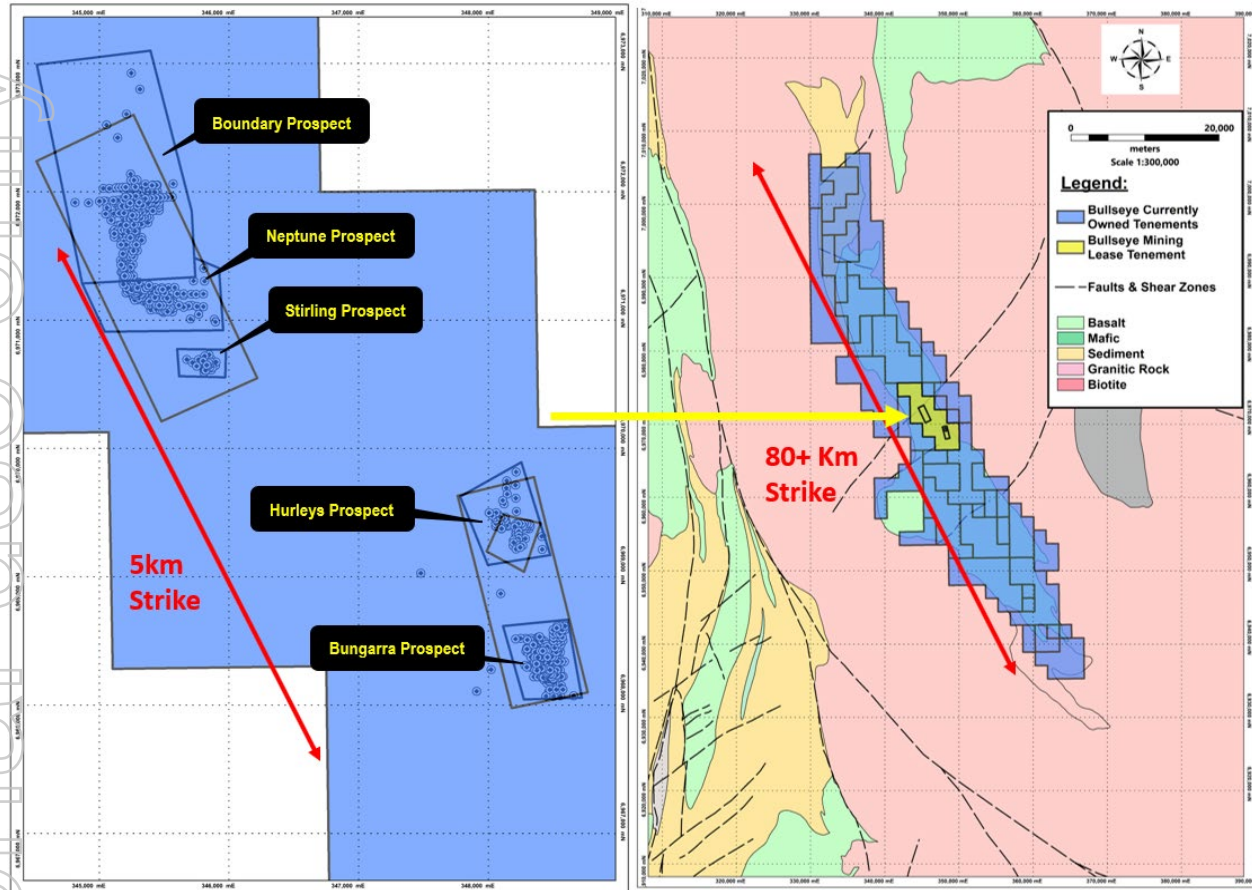
DIRECTORS' REPORT

Review of Operations (continued)

Figure 24 | North Laverton Tenements and location of known gold mineralisation zones

Boundary- Bungarra Prospects

North Laverton Gold Project Tenure Holding



Neptune Mine Definition Drilling 18m x 18m spacing

Significant gold mineralisation from mine definition RC drill programme completed late 2021:

- 33m @ 3.82g/t from 37m (NPMD1019);
- 15m @ 6.60g/t from 67m (NPMD1007);
- 3m @ 29.85g/t from 45m (NPMD1026);
- 53m @ 1.45g/t from 12m (NPMD1034);
- 22m @ 2.54g/t from 16m (NPMD1052);
- 8m @ 6.91g/t from 37m (NPMD1065); and
- 17m @ 2.98g/t from 72m (NPMD1000).

Neptune Infill Mine Definition Drilling 10m x 10m spacing

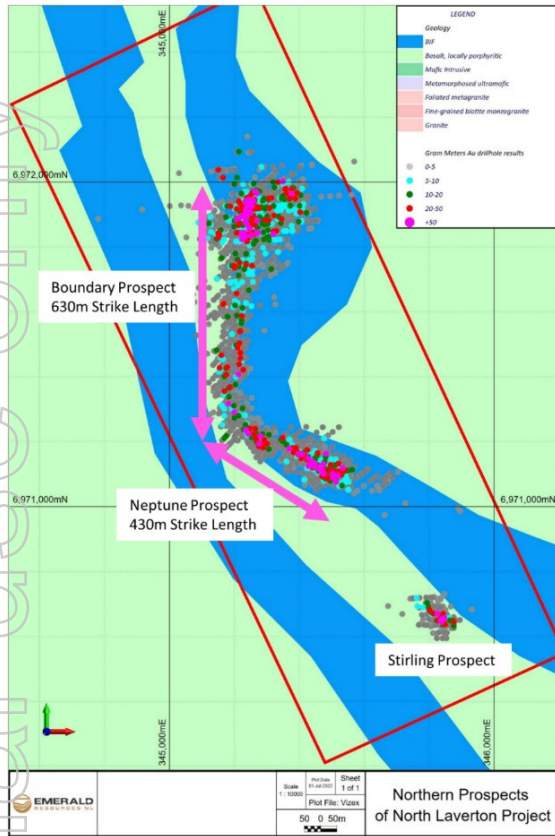
Significant gold mineralisation from infill mine definition RC drill programme completed early 2022:

- 25m @ 5.24g/t from 0m (NPGC0053);
- 40m @ 2.98g/t from 14m (NPGC0025);
- 6m @ 14.24g/t from 37m (NPGC0018);
- 9m @ 9.36g/t from 7m (NPGC0045);
- 21m @ 3.19g/t from 1m (NPGC0026);
- 40m @ 1.67g/t from 11m (NPGC0032) (EOH);
- 9m @ 7.19g/t from 52m (NPGC0014);
- 17m @ 3.7g/t from 2m (NPGC0047);
- 20m @ 3.05g/t from 2m (NPGC0035);
- 26m @ 2.17g/t from 53m (NPGC0012);
- 23m @ 2.35g/t from 28m (NPGC0027);
- 10m @ 5.11g/t from 11m (NPGC0039); and
- 9m @ 5.54g/t from 17m (NPGC0048).

DIRECTORS' REPORT

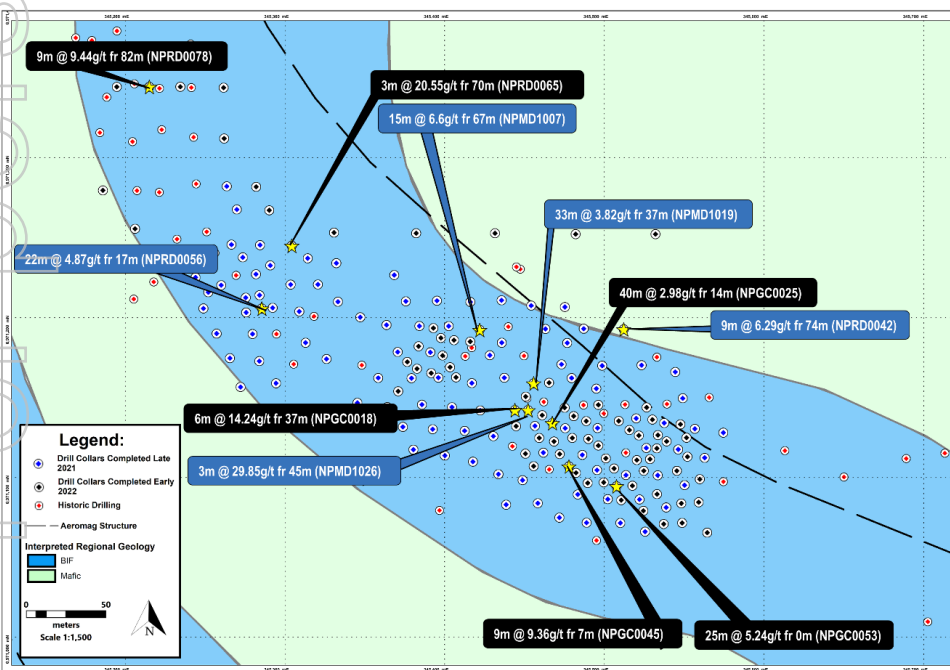
Review of Operations (continued)

Figure 25 | Au gram x metre intercepts from drilling completed on the Boundary, Neptune and Stirling prospects



The recent drilling on the Neptune Prospect continued to delineate high-grade, southeast trending mineralised structures extending 430m from the Boundary prospect (refer Figures 25 and 26).

Figure 26 | Drill collar plan of Neptune Prospect including latest significant drill intersections

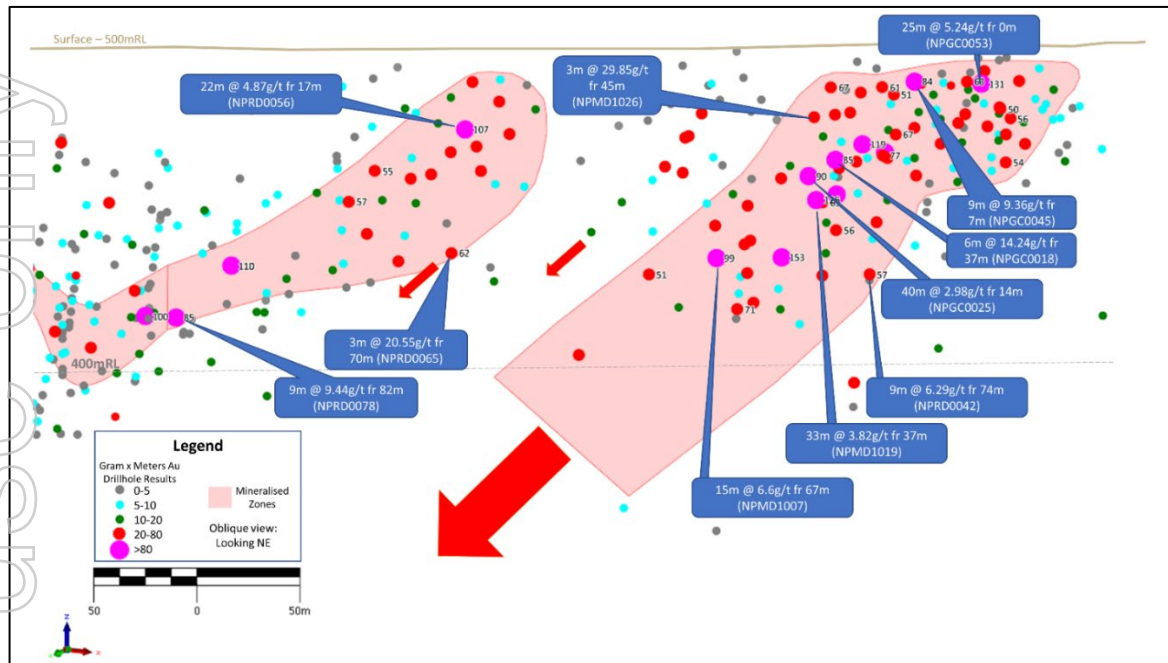


Drilling on the Neptune Prospect to date has only been tested to ~80m vertical depth (on average). It remains open at depth (refer Figure 27).

DIRECTORS' REPORT

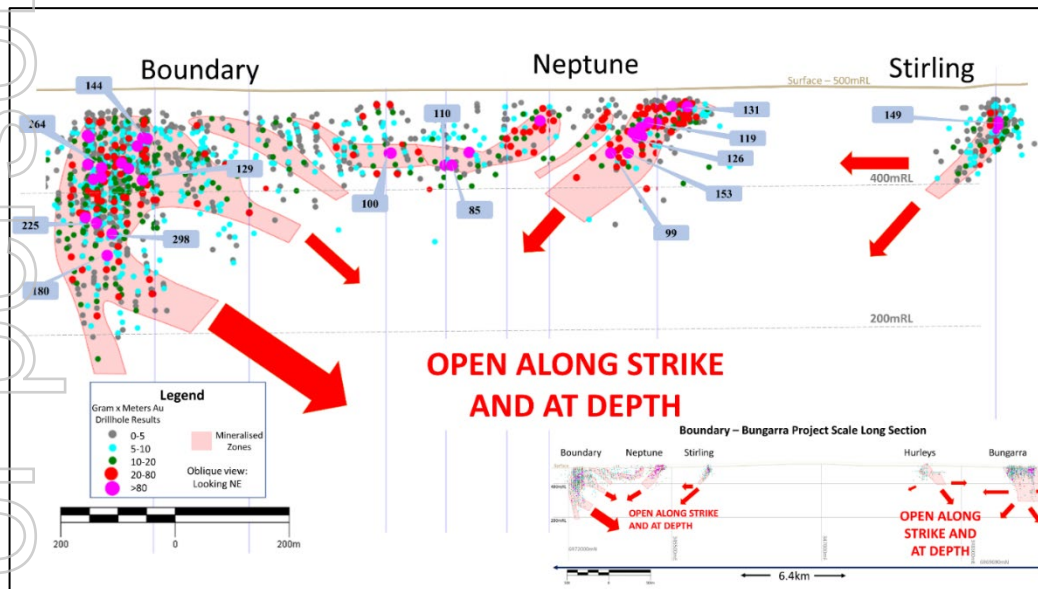
Review of Operations (continued)

Figure 27 | Long section of Neptune Prospect with Au gram x metre intercepts. The recent drill results are highlighted with drill intercept details (oblique section view has vertical exaggeration of approx. x1.5)



The regional long section (refer Figure 28) also highlights the potential for extensions of mineralisation both down-dip and along strike of all prospects. The interpreted corridor of mineralisation extends along the 6.4km strike length between the northern Boundary Prospect and the southern Bungarra Prospect.

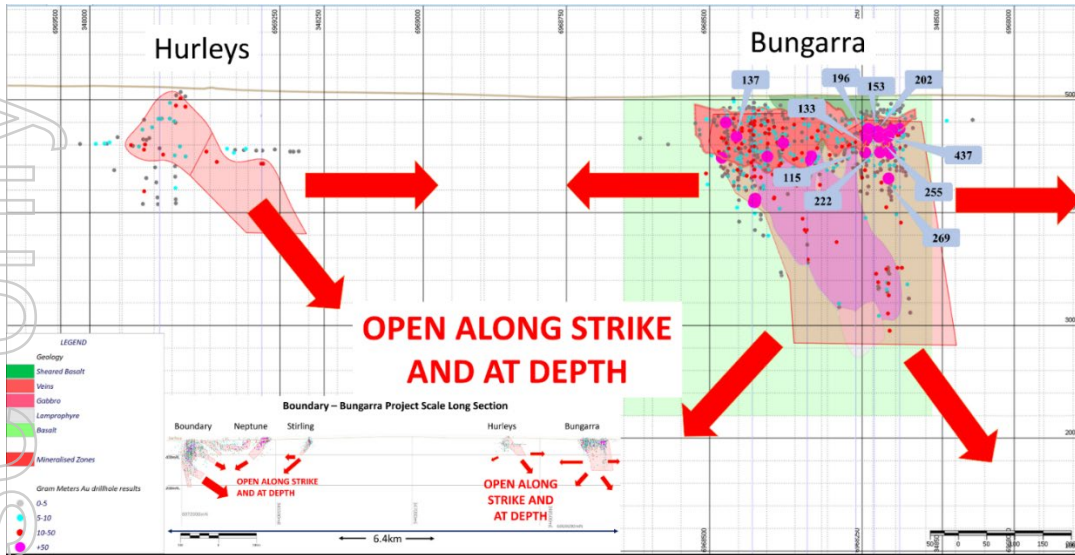
Figure 28 | Long section of North Laverton Project with Au gram x metre intercepts



DIRECTORS' REPORT

Review of Operations (continued)

Figure 29 | Long section of North Laverton Project with Au gram x metre intercepts



Other Exploration

The Company continues to look to expand on its prospective tenure in Cambodia by seeking to make further applications for tenure when identified and advancing discussions with third parties. The Company continues to assess additional prospective gold development opportunities both in Australia and internationally with the aim to create a multi asset gold producing company.

The Company continues to assess the results from the geochemical geophysical surveys programmes on the Okvau and Ochhung licences. Drilling has been planned on several identified targets for when access improves once the current wet season has passed. These targets are prospective as potential supplemental feed to the Okvau Gold Project.

The Company has a ~4,000m drill programme planned on Snuol licence planned to commence before the end of 2022. The programme is designed to investigate untested gold-in-soil anomalies and extended the historic results including:

- 6m @ 8.28g/t from 12m;
- 3m @ 6.43g/t from 6m;
- 5m @ 6.23g/t from 14m;
- 8m @ 1.37g/t from 34m; and
- 3m @ 2.67g/t from 24m.

The Company remains vigilant on opportunities to expand its regional footprint in Cambodia by identifying prospective tenure and advancing discussions with potential joint venture partners.

DIRECTORS' REPORT

Review of Operations (continued)

Corporate

Acquisition of Bullseye Mining Limited

On 7 December 2021 the Company announced the signing of a Takeover Bid Implementation Agreement ('Implementation Agreement') with Bullseye Mining Limited ('Bullseye'), an Australian unlisted public company. Under the Implementation Agreement, it is proposed that Emerald will acquire all of the issued shares of Bullseye in a share-based transaction by way of a Bullseye Board recommended off-market takeover offer ('Offer').

Under the Offer, Bullseye shareholders received 1 new Emerald share for every 3.43 Bullseye shares held. The Offer valued Bullseye at approximately \$117 million or \$0.30 per based on Emerald's 30 calendar day VWAP of \$1.03 as at 26 November 2021.

On 21 June 2022 the Company announced the closure of the recommended and unconditional Offer for Bullseye with a direct equity percentage of 59.32%.

Subsequent to the close of the Offer, Emerald directors, Morgan Hart and Mark Clements were appointed to the Bullseye Board, with Mr Hart as Chairman of Bullseye. The administrative, financial and operational functions of Bullseye have been transitioned to Emerald.

Further, it was announced that an extensive 98,000 metre (RC and diamond) drilling programme had been budgeted for approximately \$10 million. Emerald's experienced development and geological team are initially focussing on the Boundary through Bungarra mineralised zone. The drilling programme and future exploration and development will be funded using Bullseye's existing cash reserves and ongoing pro-rata entitlement offers to Bullseye shareholders as required.

Emerald's strategy is to become a multi-gold project producing company. The transaction with Bullseye (assuming completion) creates an expanded gold exploration, development and production company, with a diversified portfolio of highly prospective gold project areas and provides an attractive investment proposition for existing and new shareholders.

About Bullseye

Bullseye was incorporated as a public unlisted company in Western Australia in 2006. Bullseye is a gold exploration and production company with a significant portfolio of gold assets in Western Australia. Bullseye owns three Western Australian gold projects, totalling in excess of 1,200km² of highly prospective gold tenure.

Bullseye's most advanced project, the North Laverton Gold Project, which covers in excess of 800km² of tenure and captures the entire Dingo Range greenstone belt, is located in Western Australia within one of the world's richest and most established gold regions. In excess of 100 million ounces of gold has been produced or discovered in the areas surrounding the project.

In addition to the North Laverton Gold Project, Bullseye has a further two gold projects. There are the Southern Cross Gold Project and the Aurora Gold Project, which cover over 400km² of tenure.

North Laverton Gold Project

The North Laverton Gold Project consists of 32 exploration licences (including 4 applications) and 4 mining licences controlling the entire Dingo Range greenstone belt which covers in excess of 800km² of tenure (refer Figures 23 and 24).

In 2015 a JORC compliant resource was calculated based on limited shallow (average to approximately 120m) drilling. Significant additional drilling has subsequently been undertaken by Bullseye consisting of 242 collars for 35,000m, which is intended to form the basis of an updated resource estimate in 2022. Emerald has further expectation for significant growth to resources with a planned drilling programme in 2022.

JORC 2012 Mineral Resource Estimate

The defined Indicated and Inferred JORC compliant mineral resource of 3,414,000 tonnes at 2.51 g/t for 276,000 ounces of gold ('Maiden Resource') is at its Boundary, Stirling and Bungarra deposits, located within the North Laverton Gold Project.²

The Maiden Resource has been calculated using a lower cut of 0.6g/t, is to a depth of approximately 120 metres and comprises the following components:

DIRECTORS' REPORT

Review of Operations (continued)

Table 5 | Boundary-Bungarra Mineral Resource Estimate

Prospect	Indicated Resources			Inferred Resources			Total Resources		
	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)
Boundary	2.540	2.39	195.0	0.241	2.13	17.0	2.781	2.34	212.0
Stirling	0.047	2.49	3.7	0.041	1.99	2.6	0.088	2.25	6.4
Bungarra	0.449	3.34	48.7	0.096	2.87	8.9	0.545	2.26	57.6
Total	3.036	2.53	247.4	0.378	2.30	28.5	3.414	2.51	276.0

² Refer ASX announcement on 30 April 2018

Bullseye is currently undergoing a 98,000m exploration drill program to formulate an updated Resource and Reserve Statement in FY23.

Regional Exploration Potential

In addition to the Maiden Resource, the North Laverton Gold Project which covers over 800km² and captures the underexplored Dingo Range greenstone belt, has the potential to host multiple standalone deposits or satellite deposits to supply additional ore.

Project Generation

The Company is continuously seeking to identify and review prospective opportunities and additional mineral exploration projects to satisfy the Company's objectives and offer value enhancing opportunities to its shareholders.

Matters Subsequent to the End of the Financial Year

The following material events have occurred subsequent to balance date:

- As announced on 14 September 2022, the Company has strengthened its Board with the appointment of Mr Michael Bowen and Mr Jay Hughes as non-executive directors.
- As announced on 21 September 2022, Bullseye Mining Limited entered into a binding agreement with Blue Cap Equities (BCE) to acquire their 30% interest in the Blue Cap Bullseye JV (BCBJV). Upon settlement, Bullseye will assume 100% ownership of all on-site Bungarra gold ore stockpiles and retain 100% rights to the Bungarra gold project and Neptune gold deposit, which are currently being drilled and developed as part of a 98,000m resource definition programme.

Bullseye will acquire BCE's 30% interest in the following:

- The shares of Blue Cap Bullseye Joint Venture Pty Ltd
- The units in Blue Cap Bullseye Joint Venture Trust; and
- The shares in Dingo Range Pty Ltd.

Bullseye will contribute funds of circa \$2m to the BCBJV to pay, in full, loan and interest owing to Blue Cap Equities.

Bullseye will also contribute circa \$2m to payout all creditors and liabilities of the BCBJV (and all associated entities), as well as acquire certain BCE owned heavy machinery, infrastructure and on-site chattels.

There are no further material events subsequent to balance date.

Likely Developments and Expected Results of Operations

The Company is focused upon the operations of the Okvau Gold Mine in Cambodia, exploration at the 100% owned Memot Gold Project in Cambodia and at the 59.32% owned Dingo Range greenstone belt in Western Australia, as well as exploration within its current portfolio of regional tenure in Cambodia and will also continue to assess other viable gold project opportunities which may offer value enhancing opportunities for shareholders.

Material business risks that may impact the results of future operations include tenure risks, environmental risks, ore reserve and mineral resources estimates, production estimates and metallurgical recovery, sovereign risks, debt funding risks, future commodity prices, exchange rate risks, development risks, reliance on key personnel, operating risks, capital costs, operating costs, occupational health and safety, political and regulatory risks.

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in the Annual Report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

DIRECTORS' REPORT

Environmental Regulation

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all appropriate regulations when carrying out any exploration or development work throughout the World. Further details of the Company's focus on operating in a safe, responsible and sustainable manner are included in the Sustainability Report in this Annual Report.

Information on Directors and Company Secretary

Simon Lee AO		Non-Executive Chairman	
Appointed	20 August 2014		
Experience	Mr Lee has had extensive management experience with a diverse range of business enterprises in a career that has based him in Asia, England, Canada and Australia. Mr Lee has held a number of positions, which included Board Member of the Australian Trade Commission (AUSTRADE) and President of the Western Australian Chinese Chamber of Commerce Inc. In 1993, he received the Advance Australia Award for his contribution to commerce and industry and in 1994, he was bestowed an Officer of the Order of Australia. Mr Lee has a successful track record in the resources industry which has included building gold mining companies, Great Victoria Gold NL, Samantha Gold NL and Equigold NL.		
Interest in securities	Fully paid ordinary shares	24,733,333 ^A	
	^A SHL Pty Ltd is the holder of 24,733,333 fully paid ordinary shares. Mr Simon Lee is not a director, shareholder or involved in the management of SHL Pty Ltd. Mr Lee's children, Ms Cheryl Lee and Mr Ryan Lee are directors of SHL Pty Ltd and therefore SHL Pty Ltd is considered a related party of Mr Simon Lee under the Corporations Act and AASB 124.		
Other directorships in the last 3 years	MOD Resources Limited –January 1997 to October 2019		
Morgan Hart		Managing Director	
Appointed	30 July 2014		
Experience	Mr Hart is a geologist and highly experienced mining executive with over 30 years' experience in the Australian and international gold mining industries. Mr Hart has been Executive Director and Chief Operating Officer at both Regis Resources Ltd and Equigold NL. Both companies were highly successful in taking gold resources through to successful operational mines.		
Interest in securities	Fully paid ordinary shares	39,383,333	
Other directorships in the last 3 years	nil		
Michael Evans		Executive Director	
Appointed	3 October 2018		
Experience	Mr Evans has over 20 years' experience in various mining and processing industries throughout Australia and Africa. Mr Evans spent 7 years with Regis Resources Ltd, firstly as Projects Manager and subsequently as Chief Development Officer, where he was responsible for the construction of the processing plants at the Moolart Well, Garden Well and Rosemont gold mines. Prior to that, Mr Evans spent 10 years with Equigold NL where he was instrumental in the construction of the Bonikro processing plant in Cote D'Ivoire.		
Interest in securities	Fully paid ordinary shares	1,991,677	
	\$0.434 options expiring 5 June 2023	500,000	
	\$0.670 options expiring 30 July 2025	1,000,000	
	\$1.090 options expiring 29 July 2026	500,000	
Other directorships in the last 3 years	nil		

DIRECTORS' REPORT

Information on Directors and Company Secretary (continued)

Billie Slott

Non-Executive Director

Appointed Experience	<p>4 October 2021</p> <p>Ms Slott is a highly respected commercial and dispute resolution legal advisor. Over the past 16 years, Ms Slott has represented both private companies and the Royal Government of Cambodia. Ms Slott was instrumental in the establishment of the Cambodian National Commercial Arbitration Centre, under appointment by the Royal Government of Cambodia. She was also a founding member of the Cambodian mining association, CAMEC. Ms Slott has also distinguished herself by teaching Cambodian and international law in the areas of criminal law, civil procedure and environmental law at American University of Phnom Penh where she is still legal counsel. Ms Slott is a member of the California State Bar.</p>
Interest in securities	Fully paid ordinary shares nil
Other directorships in the last 3 years	nil

Ross Stanley

Non-Executive Director

Appointed Experience	<p>20 August 2014</p> <p>Mr Stanley is a well-respected mining executive with extensive experience both in Australian and African mining enterprises. Mr Stanley was formerly the majority shareholder and Managing Director of ASX listed Stanley Mining Services prior to its merger with Layne Christensen in 1997. Stanley Mining Services was the dominant drill services provider in Ghana in the 1990's. Mr Stanley also served as non-executive director of Equigold NL.</p>
Interest in securities	Fully paid ordinary shares 36,599,695
Other directorships in the last 3 years	Lucapa Diamond Company Limited - 26 July 2018 to current

Michael Bowen

Non-Executive Director

Appointed Experience	<p>13 September 2022</p> <p>Mr Bowen is a partner of the national law firm Thomson Geer. He practices primarily corporate, commercial and securities law with an emphasis on mergers, acquisitions, capital raisings and resources. Mr Bowen advises both bidders and targets in various hostile and friendly takeovers and advises on schemes of arrangements for reconstructions and mergers and also has extensive experience in negotiating the terms of joint venture arrangements for major projects.</p> <p>Mr Bowen holds a Bachelor of Laws, Jurisprudence and Commerce from the University of Western Australia. He has been admitted as a barrister and solicitor of the Supreme Court of Western Australia since 1979 and is also admitted as a solicitor of the High Court of Australia. He is a Certified Public Accountant and member of the Australian Society of Accountants.</p>
Interest in securities	Fully paid ordinary shares Nil
Other directorships in the last 3 years	<p>Lotus Resources Limited – 22 February 2021 to current</p> <p>Genesis Minerals Limited – 19 November 2021 to current</p> <p>Omni Bridgeway Limited – December 2001 to current</p> <p>Trek Metals Limited – 22 February 2017 to 4 September 2020</p>

DIRECTORS' REPORT

Information on Directors and Company Secretary (continued)

Jay Hughes	Non-Executive Director	
Appointed Experience	13 September 2022 Mr Hughes started his career on the Perth Stock Exchange trading floor in 1986. In 2000 he was one of the founders of Euroz limited and he is currently an Executive Director of Euroz Hartleys Group Limited and Non-Executive Chairman of Westoz Funds Management Pty Ltd. He was the Non-Executive Chairman of Westoz Investment Company Limited and Ozgrowth Limited until the successful completion of their takeover schemes in April 2022. He was recognised as an Affiliate of the ASX in December 2000 and was admitted in May 2004 as a Master Practitioner Members (MSAFAA) of the SAFAA.	
	Mr Hughes hold a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia (FINSIA).	
Interest in securities	Fully paid ordinary shares	1,850,000
Other directorships in the last 3 years	Euroz Hartleys Group Limited – 28 November 2000 to current Westoz Funds Management Pty Ltd – 15 October 2003 to current	
Mark Clements	Non-Executive Director & Company Secretary	
Appointed Experience	12 June 2020 Mr Clements has an extensive range of experience in capital management, finance, financial reporting, corporate strategy and governance across a range of industries. He was appointed Company Secretary in 2014 and is a Fellow of Chartered Accountants Australia and New Zealand, Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors. He is company secretary for a number of diversified ASX listed companies and is non-executive director of Alterra Limited and MSM Corporation International Limited. He was previously Executive Chairman of MOD Resources Limited.	
Interest in securities	Fully paid ordinary shares	555,115
Other directorships in the last 3 years	Alterra Limited – February 2021 to current MSM Corporation International Limited – January 2016 to current MOD Resources Limited – March 2006 to October 2019	

DIRECTORS' REPORT

Audited Remuneration Report

Remuneration structure, policy and strategy

Emerald recognises that success cannot be achieved without having a Company built on strong fundamentals, driven by a group of high achieving employees who are committed to the corporate vision and, most importantly, supported by a continuous social licence to operate.

As Emerald looks to the future, we aim to continue to grow and mature towards becoming a multi-project resource producer and employer of choice. To attract and retain competent people for the right roles, the Board has sought to ensure that the remuneration strategy for the executive team and broader staff base is progressive and consistent with the Company objectives and motivates them to grow the Company's long-term shareholder value. The Company's remuneration principles are set to align with business needs and market practice and implement a clear and consistent remuneration approach for the Company that could grow as development activities increase.

How to Measure the Success of the Philosophy:

The Company measures the success of its remuneration philosophy on:

- (a) The willingness of potential employees to join the Company to be part of a successful project, to be well rewarded and, importantly, to be part of a culture representing an employer of choice; and
- (b) Zero or low staff turnover.

In the previous reporting period, the Company engaged with independent remuneration consultants, The Reward Practice to ensure that the remuneration structure, policy and strategy for the executive team and employees were aligned with shareholder expectations and reflect the Company's strategy. The Company also obtained references to other meaningful industry remuneration survey data, as the Company progressed toward its strategic objective of becoming a resource producer.

In FY22, the Company entered an important phase and we believe that the remuneration framework is appropriate and fit-for-purpose based on the Company's development and growth profile and to drive and deliver the outcomes desired by all shareholders.

Details regarding the remuneration framework for the executive directors, non-executive directors, key management personnel ('KMP') and staff are outlined in this report.

Remuneration Outcomes:

Details of the remuneration outcomes for the year ended 30 June 2022 are summarised below:

Executive fixed remuneration

- Fixed remuneration increased in 2022 for the Managing Director and Executive Director ('the Executive') following an external review by an independent remuneration consultant and references to other meaningful industry remuneration survey data.
- For other KMP; the Chief Financial Officer's fixed remuneration increased in 2022 following an external review by an independent remuneration consultant and references to other meaningful industry remuneration survey data.

Executive incentives

- Short-term incentives ('STI'):
A new STI framework was established whereby performance measures set for the Executive, KMP and key staff in 2022 were based upon the Company's Critical Pillars and Strategic Pillars. A cash bonus was paid to the development team, including Executive Director, Mr Michael Evans, who was critical to the successful commissioning of the Okvau Gold Mine.

DIRECTORS' REPORT

Audited Remuneration Report (continued)

- Long-term incentives ('LTI'): There were no options issued to directors or other KMP's during the year other than to the Chief Financial Officer, Mr Brett Dunnachie and to the Executive Director, Mr Michael Evans, who has been critical to the success of the construction and commissioning of the Okvau Gold Mine. Mr Evans' options were issued following shareholder approval at the Company's annual general meeting held 25 November 2021. Details of these options were included in the Notice of Annual General Meeting announced 15 October 2021. The resolution received more than 99% of 'Yes' votes.

The vesting period of the options has increased to a minimum three year period, subject to continued employment.

Non-executive director remuneration

- The aggregate remuneration pool for non-executive directors' was increased from \$300,000 to \$500,000 following shareholder approval at the Company's Annual General Meeting held 25 November 2021. This represented the first request for an increase in the non-executive director fee pool for 10 years (since 2011). The fees for non-executive directors increased following an external review by an independent remuneration consultant and references to other meaningful industry remuneration survey data.

Remuneration Committee

- The composition of the Committee includes only independent non-executive directors.

Remuneration in 2022

The directors are pleased to present this remuneration report which sets out remuneration information for Emerald Resources NL's non-executive directors, executive directors and other key management personnel ('KMP') for the year ended 30 June 2022.

In 2H21, the Board carefully considered the Company's remuneration framework to ensure it remained appropriate and consistent with the Company's strategy of completing the development of, and then successfully commissioning the Company's 100% owned Okvau Gold Mine.

The following sections are included within this report:

- Directors and other key management personnel disclosed in this report;
- Remuneration governance;
- Performance evaluation;
- Use of remuneration consultants;
- Executive remuneration policy and framework;
- Relationship between remuneration and Emerald Resources NL's performance;
- Non-executive director remuneration policy;
- Voting and feedback on the Company's 2021 Remuneration Report;
- Details of remuneration;
- Details of share-based compensation;
- Service agreements;
- Equity instruments held by directors and key management personnel;
- Loans to key management personnel;
- Other transactions with key management personnel.

A. Directors and other key management personnel disclosed in this report

This report details the nature and amount of remuneration for all KMP of Emerald Resources NL and its subsidiaries. The information provided within this remuneration report has been audited as required by section 308(C) of the *Corporations Act 2001*. The individuals included in this report are:

Non-Executive Directors

Mr S Lee AO	Non-Executive Chairman
Mr R Stanley	Non-Executive Director
Mr M Clements	Non-Executive Director
Ms B Slott	Non-Executive Director
Mr M Bowen	Non-Executive Director
Mr J Hughes	Non-Executive Director

Executive Directors

Mr M Hart	Managing Director
Mr M Evans	Executive Director

DIRECTORS' REPORT

Audited Remuneration Report (continued)

Other Key Management Personnel

Mr B Dunnachie	Chief Financial Officer
Ms S Campbell	Chief Financial Officer (Acting)

B. Remuneration governance

The Group has established a Remuneration Committee which for FY22 consisted of solely non-executive directors and included the following:

Mr R Stanley	Remuneration Committee Chairman
Mr S Lee AO	Remuneration Committee Member
Ms Billie Slott	Remuneration Committee Member
Mr M Clements	Remuneration Committee Member

Subsequent to year end the composition of the Remuneration Committee better reflects the corporate governance guidelines as it consists solely of independent non-executive directors following Mr Ross Stanley rescinding his membership and with the appointment of Mr Michael Bowen and Mr Jay Hughes as below:

Mr J Hughes	Remuneration Committee Chairman
Mr S Lee AO	Remuneration Committee Member
Ms Billie Slott	Remuneration Committee Member
Mr Michael Bowen	Remuneration Committee Member
Mr M Clements	Remuneration Committee Member

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees. The Remuneration Committee is responsible for reviewing and recommending the remuneration arrangements for the executive directors, non-executive directors and KMP each year in accordance with the Company's remuneration policy approved by the Board. This includes an annual remuneration review and performance appraisal for the executive directors and other KMP, including their base salary, short-term and long-term incentives, bonuses, superannuation, termination payments and service contracts.

Further information relating to the Remuneration Committee can be found within the Corporate Governance Statement in this report or on the Company's website, refer to http://www.emeraldresources.com.au/corporate_governance.

The Remuneration Committee met four times during the year to consider, and approve where required, the FY22 annual remuneration review and performance appraisal for the Executive Directors and other KMP, including their base salary, status of achievement of Critical and Strategic Pillars as they relate to short-term incentives (STI) and long-term incentives (LTI)

C. Performance evaluation

A further role of the Remuneration Committee is to assist the Board with the review of its performance and the performance of the individual directors including the Managing Director, the committees of the Board, the Company and management on a regular basis. This is an important element of the Board's monitoring role, especially with regard to the long-term growth of the Company and of shareholder value.

The Board is required to annually assess their performance as a whole and the chairperson of the Board is responsible for meeting with individual directors to discuss their individual performance and contribution to the Board. As part of the performance evaluation process, all directors are expected, where applicable, to highlight areas for improvement and provide a description as to how this can be achieved. At least annually the Board must review the performance of Committees reporting to it to ensure that the Committees are achieving outcomes.

The Managing Director is responsible for assessing the performance of the key executives within the organisation. This is to be performed annually with the outcomes and recommendations reported to the Remuneration Committee. The Remuneration Committee are then responsible for reviewing the recommended compensation arrangement, making adjustments if necessary and preparing a recommendation to the Board of the compensation arrangements for each individual.

The Managing Director's performance is assessed by the Remuneration Committee, the Committee recommends a compensation arrangement for the Managing Director in line with the Committee Charter. Each manager is responsible for assessing the performance of their direct reports. With respect to performance-based remuneration and the issue of shares under the Incentive Option Plan, the options will be forfeited if, prior to completion of the vesting period, the employee commits any fraud, dishonest or grossly negligent act.

DIRECTORS' REPORT

Audited Remuneration Report (continued)

In the event that a director, key executive or employee is not performing to an acceptable level, a performance evaluation can be conducted on an as needs basis.

Annual performance reviews were undertaken for FY22.

D. Use of remuneration consultants

To ensure the Remuneration Committee is fully informed when making remuneration decisions, it seeks external remuneration advice where required. Remuneration consultants are engaged by, and report directly to, the Committee. In selecting remuneration consultants, the Committee considers potential conflicts of interest and requires independence from the Company's key management personnel and the Executive as part of their terms of engagement.

As noted earlier, in the previous reporting period, the Remuneration Committee engaged independent remuneration consultants, The Reward Practice, to undertake an external review, including independent benchmarking of remuneration for the Executive, KMP and key staff as the Company moved toward its key strategic objective, which was the development of, and ultimately the production from, the Company's Okvau Gold Project in Cambodia targeting safety, environment, sustainability and community.

Their findings, in conjunction with references to other meaningful industry remuneration survey data such as the Aon and Governance Institute of Australia's Board & Executive Remuneration Report ('AGIA Report') and subscription to AON Human Capital's Mining Infrastructure Engineering Remuneration Report provided a platform for the Remuneration Committee to maintain awareness of its peers when considering the Company's FY22 remuneration framework.

Whilst the AGIA Report combines data from the ASX 300 and Emerald is currently outside the ASX 300 Index, when compared to the remuneration surveyed for those ASX listed companies either ranked 251-300 or with revenue less than \$100m in the metals and mining industry, the annual remuneration of the Company's Chairman (30 June 2021: \$48,000) and non-executive directors (30 June 2021: \$36,000) is well below the 25th percentile. On a similar basis the Managing Director's (30 June 2021: \$323,026) and the Executive Director's (30 June 2021: \$323,026) annual remuneration, comprising salary and superannuation, were also well below the 25th percentile in FY21. As such the Remuneration Committee resolved to approve adjustments to the total fixed remuneration of the KMP effective FY22 as detailed below.

E. Executive remuneration policy and framework

Remuneration Policy

The remuneration policy of the Group has been designed to appropriately align the other KMP incentives with the goals and achievements of the Group. The Board recognises the importance of retaining highly skilled, qualified and motivated people to ensure the Group's performance and success. Accordingly, remuneration needed to be competitive whilst taking into account the Group's activities and stage of development of the Okvau Gold Mine and now as an emerging resource producer. The Board believes shareholder transparency of remuneration is extremely important.

The Board endeavours to ensure that the mix of executive compensation between fixed, variable, long-term, short-term and cash versus equity is appropriate. To date, given the Company's stage of growth, the remuneration mix has reflected the preservation of cash expenditure by providing a greater proportion of compensation in the form of equity instruments. This allows cash resources to be directed towards exploration and the operation of the Okvau Gold Mine to drive shareholder value.

In FY22, the Remuneration Committee, utilising the outcomes of the external review by independent remuneration consultants, The Reward Practice and references to other meaningful industry remuneration survey data, resolved to adjust FY22 total fixed remuneration, STI and LTI framework as the Company progressed toward its strategic objective of becoming a resource producer.

The remuneration policy provides a mix of fixed and variable "at risk" remuneration and a blend of short and long-term incentives. The remuneration for the Executive, KMP and staff has three components:

- Fixed remuneration (TFR), inclusive of superannuation and allowances;
- Short-term incentives (STI's), a performance-based cash bonus; and
- Long-term incentives (LTI's) which includes participation in the Company's shareholder approved Incentive Option Plan.

DIRECTORS' REPORT

Audited Remuneration Report (continued)

Total Fixed Remuneration (TFR)

TFR of the Executive and KMP is approved by the Remuneration Committee in consultation with the Managing Director and Executive Director each year and is based on market relativity and individual performance. Market relativity is benchmarked against a defined "remuneration peer group" of listed comparable companies to ensure that fixed remuneration is fair and competitive with the market in which the Company operates.

The Company aims to reward the Executive and KMP with a level and mix (proportion of fixed, short-term incentives and long-term incentives) of remuneration appropriate to the Company's stage of growth, their position, responsibilities and performance within the Company and that which is aligned with targeted market comparators.

When the Company was in an exploration and development phase, the remuneration paid to the Executive and KMP was considered modest and comparably low in the context of industry peers. During 2H21, the Remuneration Committee, in conjunction with independent remuneration consultants, The Reward Practice and references to other meaningful industry survey data, assessed the Company's peers to provide a basis for FY22 fixed remuneration to be fair and competitive with the market in which the Company operates.

The Managing Director and the Executive Director performed a remuneration review of KMP and staff and provided a recommendation to the Remuneration Committee. The Remuneration Committee determined that it was appropriate to benchmark the remuneration of the Company's Executive and KMP at the 50th percentile for FY22 following the recent commissioning and commencement of production at the Okvau Gold Mine. The remuneration levels for KMP and staff were considered fair and competitive with the market in which the Company operates for FY22.

The Managing Director and the Executive Director's total fixed remuneration for FY22 was increased to \$495,000, inclusive of superannuation, respectively and the Chief Financial Officer's total fixed remuneration for FY22 was increased to \$385,000 inclusive of superannuation.

The Executive, KMP and key staff hold meaningful shareholdings in the Company. Of note, the Managing Director has acquired 39,383,333 shares since his appointment in 2014 and is a substantial shareholder in the Company. None of these shares have been granted as a result of participation in the Company's equity-based incentive plan.

Further details of the shareholdings and fixed remuneration of the Executive Director and KMP are noted in Sections I and J of the Remuneration Report.

Variable Remuneration – short-term incentives (STI)

The Company operates an annual STI programme that is available to the Executive, KMP and staff through the award of a cash bonus subject to the attainment of financial and non-financial measures such as achieving the highest standards of safety, environmental, social and stakeholder relations, operational outcomes at or above the Definitive Feasibility Study estimates and definition and growth of existing resources and progression of development activities.

No short-term incentives were paid during the 2021 financial year as the Board is of the opinion that the variable long-term remuneration provided to the Executive, KMP and key staff is sufficient for the current stage of operations to align the interest of management with shareholders. Further, the Board believed it prudent to ensure the Okvau Gold Mine was successfully commissioned and into production prior to the issue of any cash STI's.

In FY22, the Remuneration Committee considered the outcomes of the external review by the independent remuneration consultants, The Reward Practice and references to other meaningful industry remuneration survey data to formulate an appropriate STI framework. The STI's are in the form of cash and are to be measured against the Company's critical performance pillars of Sustainability and Safety. If these critical performance pillars are met throughout the year, an assessment will be undertaken on the agreed KPI's for the remaining strategic pillars of the business including Production, Costs and Exploration to determine the quantum of an STI which may represent approximately 20% of the Executive, KMP and key staff's total remuneration.

The Remuneration Committee's assessment of achievement of the Critical Pillars and Strategic Pillars for FY22 are described below:

DIRECTORS' REPORT

Audited Remuneration Report (continued)

Critical Pillars	FY22 STI Assessment (% Achieved)
A. Safety Demonstrate commitment to a safe working environment for employees and contractors	100%
B. Sustainability Demonstrate commitment to long-term sustainable value creation	100%
Strategic Pillars	FY22 STI Assessment (% Achieved)
C. Production Production at or above targeted number of ounces per quarter	100%
D. Costs Production costs at or below targeted AISC per quarter	100%
E. Exploration Replacement of annual probable ore reserves	50%

The Company has remained resilient throughout the COVID-19 crisis. The Company has effectively managed the pandemic to date such that there have been no disruptions to operations. This has been possible due to the Cambodian Government's significant confidence in the exceptional protocols in place at the Okvau Gold Mine to minimise the potential transmission of COVID-19 and strict adherence to Government directives.

Variable Remuneration – long-term incentives (LTI)

LTI awards to the Executive, KMP and key staff are made under the shareholder approved Incentive Option Plan and are delivered in the form of premium priced share options to align recipients' long-term interests with shareholders as there exists a direct correlation between shareholder wealth and remuneration outcomes. On a regular basis, the Managing Director and the Executive Director recommend to the Remuneration Committee an appropriate level of remuneration incentive for each executive, KMP and key staff, relative to their involvement in the management of the consolidated entity. If satisfied the Remuneration Committee and Board then approves the recommendation and a tranche of premium priced share options is offered to recipients. In the case a quantum of option awards is proposed for the Executive, the equivalent terms are offered, with the additional requirement of shareholder approval and the Executive excuses himself from the decision making and approval process. The Managing Director has not historically participated in the Incentive Option Plan.

In FY22, the Remuneration Committee, in conjunction with independent remuneration consultants, The Reward Practice, has considered the Company's long-term incentive plan and considered it appropriate for the Company given its remuneration philosophy.

The Remuneration Committee, using the outcome of the external review by independent remuneration consultants, The Reward Practice, has amended the vesting criteria of the long-term incentives offered to the executive, KMP and key staff to better align with the corporate governance guidelines. The granted LTI options previously vested after 24 months (50%) and 36 months (50%) subject to continued employment hurdles and expire five years from the time of the original option grant. The amended vesting criteria has eliminated the first vesting period so that now 100% of the options vest after a minimum three-years.

The exercise price of the options is determined on the basis of a 120% premium to the volume weighted average price (VWAP) in the preceding 30 days prior to the date of grant. The Remuneration Committee and Board considers the vesting hurdles appropriate and reasonable for the Company's stage of growth and is consistent with the Company's timeframe of becoming an established resource producer and employer of choice in accordance with the Company's remuneration philosophy.

In FY22, the quantum of options awarded was determined with consideration of the remuneration mix referencing external independent remuneration peer analysis for KMP and staff, as recommended by the Managing Director and the Executive Director and approved by the Remuneration committee and Board.

DIRECTORS' REPORT

Audited Remuneration Report (continued)

The premium priced options granted require significant share price growth for the LTI awards to result in tangible benefits to the Executive, KMP and key staff. The exercise prices for the tranches of options granted in FY22 were between \$1.09 and \$1.40 (representing a 20% premium to the share price at the time of grant) (30 June 2021: \$0.67 and \$1.02). In 2022, 1,125,000 LTI awards from prior years vested (30 June 2021: 1,223,250) and 883,750 LTI awards were exercised (30 June 2021: nil).

The total options on issue under the Company's shareholder approved Incentive Option Plan is approximately 2.6% of the total issued capital of the Company (will not exceed 5% of the issued capital of the Company at the time of grant).

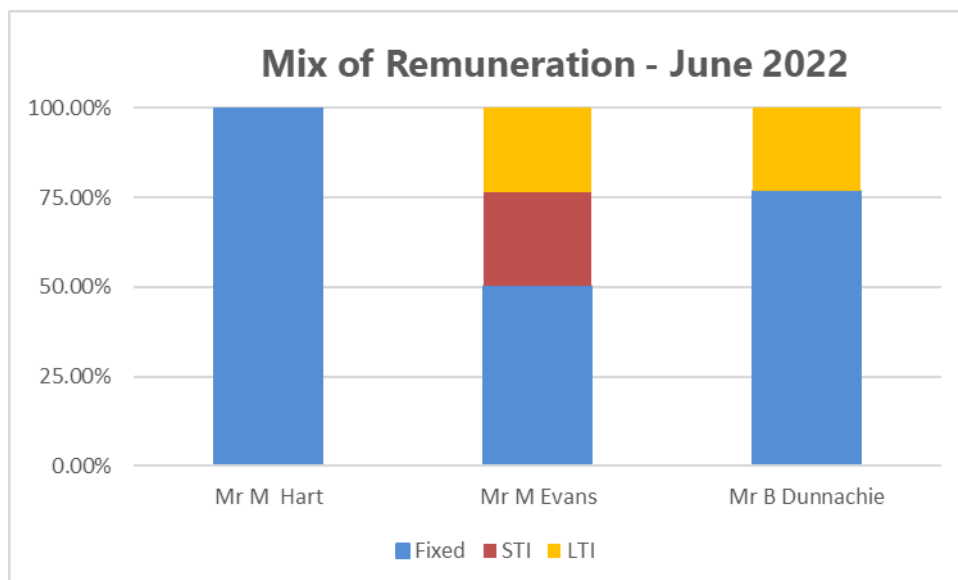
There are no re-testing provisions under the long-term incentive structure and there are no adjustments to exercise prices, vesting conditions or term of the premium priced options once granted. Equity awards do not automatically vest in the event of a change of control or termination. On the resignation of the Executive, KMP or staff, the options that have been issued as remuneration lapse within 1 to 3 months unless exercised.

The Executive and KMP are encouraged by the Board to hold shares in the Group to provide an incentive for participants to partake in the future growth of the Group and to participate in the Group's profits and dividends that may be realised in future years.

Further details of the Executive and KMP interests in options and shares are noted in Section J of the Remuneration Report.

Remuneration Mix

The following table sets out the mix of remuneration for the Executive and KMP between fixed, short-term incentives and long-term incentives for the 2022 financial year.



F. Relationship between remuneration and Emerald Resources NL's performance

Company Performance, Shareholder Wealth & Executive Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and the Executive, KMP and key staff. This has been achieved by the consideration of short-term incentives and the issue of long-term incentive premium priced options. This structure rewards the Executive, KMP and key staff for both short-term and long-term shareholder wealth development.

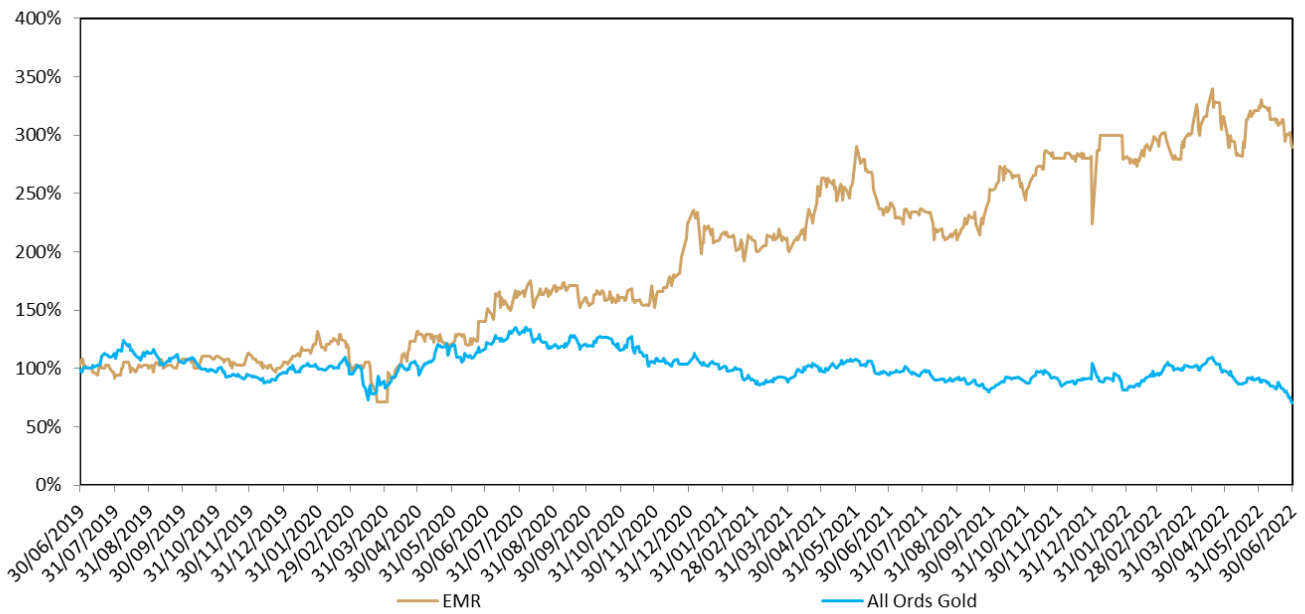
In the prior period, the Company was in an exploration and development phase and did not have an income-producing mine. As such, measuring performance requires a pragmatic approach. The most meaningful measure of internal performance is against performance goals which have a project exploration and development focus as well as in relation to safety, environment, sustainability and community. The most appropriate measure for external performance is the change in the share price.

DIRECTORS' REPORT

Audited Remuneration Report (continued)

The chart below shows the volatility in the Company share price since June 2019. In December 2019, the Company announced the approval by the Cambodian Council of Ministers for the Okvau Mineral Investment Agreement and in early 2020, finalised the financing package. Since that time the Company's share price has outperformed that of the ASX All Ordinaries Gold Index.

Emerald Resources NL v All Ordinaries Gold Index



Values derived on a base of 100

In 2019 the Company commenced construction activities and the Mineral Investment Agreement was executed. In early 2020 a substantial equity raising underpinned the financing for the Okvau Gold Mine and the project funding through Sprott was finalised. In 2021, the Company completed the construction of the Okvau Gold Mine and announced commissioning in late 2021. Whilst the share price and market capitalisation of the Company significantly improved in FY21, despite the worldwide COVID-19 pandemic, the fixed remuneration of the Executive, KMP and key staff remained unchanged and no STI bonuses were paid, instead the Company used LTI's delivered in the form of premium priced share options to align recipients' long-term interests with shareholders as there exists a direct correlation between shareholder wealth and remuneration outcomes.

In FY22, the Company successfully commissioned the Okvau Gold Mine and is entering a significant growth phase. The Company is investigating the potential for substantial increases in resources and reserves at and around Okvau and is seeking to discover further economic resources at the Company's 100% owned Memot Project and large regional exploration licences in Cambodia and at the Dingo Range Project in Western Australia (EMR: 59.32%).

		2022	2021	2020	2019	2018
Revenue	\$'000s	206,532	21	121	249	90
Profit/(loss) after income tax	\$'000s	45,366	(16,700)	(11,471)	(8,860)	(11,424)
Share price at 30 June	\$	1.10	0.90	0.54 ⁽ⁱ⁾	0.04	0.03
Basic earnings/(loss) per share	cents per share	8.45	(3.24)	(0.45)	(0.34)	(0.50)
Dividends	\$	Nil	Nil	Nil	Nil	Nil

(i) Shareholders approved the consolidation of capital on a 10:1 basis at the general meeting held 13 March 2020.

DIRECTORS' REPORT

Audited Remuneration Report (continued)

G. Non-executive director remuneration policy

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. In accordance with ASX Corporate Governance Recommendations and to safeguard the interests of shareholders, fees for non-executive directors are not linked to the performance of the Group to maintain independence and impartiality. Non-executive directors are not incentivised by short-term or long-term incentives. The Company does not pay retirement allowances to non-executive directors, and they do not receive separate remuneration for serving on a committee.

The Board's policy is that non-executive directors should receive adequate remuneration to attract and retain competent people with appropriate skills and diverse backgrounds to make informed, well-reasoned judgements without influence.

In determining competitive remuneration rates, the Board review local and international trends among comparative companies and industry generally.

In FY22, the Remuneration Committee, using the outcome of the external review by independent remuneration consultants, The Reward Practice and references to other meaningful industry remuneration survey data, compared non-executive remuneration to companies with similar market capitalisations and projected revenue in the exploration and resource development business group to benchmark the remuneration of the Company's non-executive directors at the 50th percentile, following the recent commissioning and commencement of production at the Okvau Gold Mine. Shareholders approved an increase to the non-executive director aggregate remuneration at the Company's annual general meeting which had not been reviewed for 10 years (since it was approved by shareholders on 11 November 2011) based on the future growth of the Company and the planned increase in numbers of independent directors.

Non-executive director fees for the year ending June 2022 were as follows:

Position	Fee ^(A)
Non-executive Chairman	\$90,000
Non-executive Directors	\$66,000

(A) Including superannuation where applicable

Non-executive directors may also be entitled to a termination benefit of up to 6 months of base fees, dependent upon the circumstances in which the engagement is terminated.

Further to ongoing reviews, the maximum aggregate amount of fees that can be paid to non-executive directors is set within the Company's constitution and can only be increased by approval of shareholders at a general meeting. The maximum aggregate amount is currently set at \$300,000 per annum. The total non-executive director remuneration paid during the financial year was well below this maximum aggregated amount. On guidance from Shareholders and proxy advisors, the proposed aggregate fee pool was increased to provide for the equivalent fee of two additional non-executive directors' base fees. However, with the appointment of an additional two independent non-executive directors (subsequent to year end) and continuing evolution of the Company's multi-project, resource-producing strategy, the Remuneration Committee is considering a further increase to the aggregate amount of fees at the Company's 2022 Annual General Meeting.

Non-executive directors are encouraged by the Board to hold shares in the Group to partake in the future growth of the Group and, to participate in the Group's profits and dividends that may be realised in future years. The non-executive directors hold meaningful shareholdings in the Company.

H. Voting and feedback on the Company's 2021 Remuneration Report

At the 2021 Annual General Meeting more than 99% of the votes received supported the remuneration report for the 2021 financial year and the issue of the long-term incentive to Executive Director, Mr Michael Evans, given his critical role in the construction and commissioning of the Okvau Gold Mine.

DIRECTORS' REPORT

Audited Remuneration Report (continued)

I. Details of remuneration

The remuneration of directors and other key management personnel of Emerald Resources NL and the Group for the year ended 30 June 2022 is set out in the table below:

2022	Short-Term Employee Benefits			Post-Employment	Long-Term Benefits	Securities	Total
	Cash Salary & Fees	Incentives	Other	Super-annuation	Annual and long service leave	Options	
	\$	\$	\$	\$	\$	\$	
<i>Non-executive directors</i>							
Mr S Lee AO	90,000	-	-	-	-	-	90,000
Mr R Stanley	60,000	-	-	6,000	-	-	66,000
Mr M Clements	66,000	-	-	-	-	-	66,000
Ms B Slott ⁽ⁱ⁾	49,500	-	-	-	-	-	49,500
<i>Executive directors</i>							
Mr M Hart	471,432	-	-	23,568	85,683	-	580,683
Mr M Evans	471,432	295,000	-	23,568	74,266	267,915	1,132,181
<i>Other key management personnel</i>							
Mr B Dunnachie	361,432	-	-	23,568	47,227	130,265	562,492
Total Remuneration	1,569,796	295,000	-	76,704	207,176	398,180	2,546,856

(i) Ms Slott was appointed on 4 October 2021.

2021	Short-Term Employee Benefits			Post-Employment	Long-Term Benefits	Securities	Total
	Cash Salary & Fees	Incentives	Other	Super-annuation	Annual and long service leave	Options	
	\$	\$	\$	\$	\$	\$	
<i>Non-executive directors</i>							
Mr S Lee AO	48,000	-	-	-	-	-	48,000
Mr R Stanley	32,877	-	-	3,123	-	-	36,000
Mr M Clements	36,000	-	-	-	-	-	36,000
<i>Executive directors</i>							
Mr M Hart	301,331	-	-	21,695	34,401	-	357,427
Mr M Evans	301,331	-	-	21,695	35,544	115,876	474,446
<i>Other key management personnel</i>							
Mr B Dunnachie	220,000	-	-	20,900	10,761	81,271	332,932
Total Remuneration	939,539	-	-	67,413	80,706	197,147	1,284,805

None of the remuneration above is considered to be performance based.

DIRECTORS' REPORT

Audited Remuneration Report (continued)

J. Details of share-based compensation

Issue of Options

The terms and conditions of each grant of options affecting remuneration in the current or future reporting periods are as follows:

Grant Date	Expiry Date	Exercise Price	Fair Value Per Option	Price of Shares on Grant Date	Estimated Volatility	Risk Free Interest Rate	Dividend Yield	% Vested
25 Nov 21	29 Jul 26	\$1.090	\$0.68	\$1.085	80%	1.475%	0.00%	0%
11 Aug 21	29 Jul 26	\$1.090	\$0.54	\$0.900	80%	0.545%	0.00%	0%
25 Nov 20	30 Jul 25	\$0.670	\$0.35	\$0.580	80%	3.000%	0.00%	0%
31 Jul 20	30 Jul 25	\$0.670	\$0.38	\$0.620	80%	4.100%	0.00%	0%
1 Jun 18	5 Jun 23	\$0.434	\$0.19	\$0.380	80%	2.470%	0.00%	100%

Options granted carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share. The table shows the percentages of the options granted that vested during the year. Further information is set out in note 24 to the financial statements.

Options are issued to the Executive, key management personnel and key staff as part of the LTI portion of their remuneration. The options are issued to increase goal congruence between executives and shareholders.

Options were issued to Mr Evans and Mr Dunnachie during the current year. The expense included in current year remuneration report includes the current year grant and the expense for options issued in prior years, as the option valuation is expensed over the vesting period of the options. Details are as follows:

	Granted	Options Forming Part of Remuneration	Total Remuneration Represented by Options	Exercised	Price of shares on exercise date	Lapsed
	No.	\$	%	No.	\$	No.
30 June 2022						
<i>Other key management personnel</i>						
Mr M Evans	500,000	267,915	24%	-	-	-
Mr B Dunnachie	250,000	130,265	24%	(133,750)	\$1.08	-
30 June 2021						
<i>Other key management personnel</i>						
Mr M Evans	1,000,000	115,876	24%	-	-	-
Mr B Dunnachie	500,000	81,271	24%	(116,250)	\$1.10	-

The assessed fair value at grant date of options granted is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected share price volatility, the expected dividend yield and the risk-free rate for the term of the option, as set out in note 23 to the financial statements.

DIRECTORS' REPORT

Audited Remuneration Report (continued)

K. Service agreements

On appointment to the Board all non-executive directors enter into a service agreement in the form of a letter of appointment. The letter sets out the Company's policies and terms including compensation relevant to the director. Refer to Section G of this Remuneration Report for current fees for non-executive directors.

Remuneration and other key terms of employment for the Managing Director, the Executive Director and other KMPs are formalised in Executive Service Agreements. Termination benefits are within the limits set by the Corporations Act 2001. Major provisions of the agreements relating to remuneration for the year ended 30 June 2022 are set out below:

Name	Position	Term of agreement	Base salary (incl superannuation)	Termination benefit
Mr M Hart	Managing Director	No fixed term	\$495,000	1 to 12 months ^A
Mr M Evans	Executive Director	No fixed term	\$495,000	1 to 12 months ^A
Mr B Dunnachie	Chief Financial Officer	No fixed term	\$385,000	1 month

^A Termination benefits range from 1 to 12 months and are dependent upon the circumstances in which the agreement is terminated.

L. Equity instruments held by directors and key management personnel

The tables below show the number of:

- (i) options over ordinary shares in the Company that were held during the financial year by directors and other KMP of the Group, including their family members and entities related to them; and
- (ii) shares held in the Company that were held during the financial year by Directors and KMP of the Group, including their family members and entities related to them.

Option holdings

2022	Balance at start of the year	Granted as remuneration	Exercised	Net change other	Balance at end of the year	Vested and exercisable
<i>Non-executive directors</i>						
Mr S Lee AO	-	-	-	-	-	-
Mr R Stanley	-	-	-	-	-	-
Mr M Clements	-	-	-	-	-	-
Ms B Slott ⁽ⁱ⁾	-	-	-	-	-	-
<i>Executive directors</i>						
Mr M Hart	-	-	-	-	-	-
Mr M Evans	1,500,000	500,000	-	-	2,000,000	500,000
<i>Other key management personnel</i>						
Mr B Dunnachie	883,750	250,000	(133,750)	-	1,000,000	250,000

(i) Ms Slott was appointed to the Board on 4 October 2021.

2021	Balance at start of the year	Granted as remuneration	Exercised	Net change other	Balance at end of the year	Vested and exercisable
<i>Non-executive directors</i>						
Mr S Lee AO	-	-	-	-	-	-
Mr R Stanley	-	-	-	-	-	-
Mr M Clements	-	-	-	-	-	-
<i>Executive directors</i>						
Mr M Hart	-	-	-	-	-	-
Mr M Evans	500,000	1,000,000	-	-	1,500,000	500,000
<i>Other key management personnel</i>						
Mr B Dunnachie	500,000	500,000	(116,250)	-	883,750	383,750

DIRECTORS' REPORT

Audited Remuneration Report (continued)

Share holdings

2022	Balance at start of the year	Received on exercise of options	Purchases of shares	Disposal of shares	Other changes, appointments, resignations	Balance at end of the year
<i>Non-executive directors</i>						
Mr S Lee AO ⁽ⁱ⁾	24,733,333	-	-	-	-	24,733,333
Mr R Stanley	35,599,695	-	1,000,000	-	-	36,599,695
Mr M Clements	555,115	-	-	-	-	555,115
Ms B Slott ⁽ⁱⁱ⁾	-	-	-	-	-	-
<i>Executive directors</i>						
Mr M Hart	39,383,333	-	-	-	-	39,383,333
Mr M Evans	1,991,677	-	-	-	-	1,991,677
<i>Other key management personnel</i>						
Mr B Dunnachie	116,250	133,750	-	(46,500)	-	203,500

(i) SHL Pty Ltd is the holder of all fully paid ordinary shares held. Mr Lee is not a director, shareholder or involved in the management of SHL Pty Ltd. Mr Lee's children are directors of SHL Pty Ltd and therefore SHL Pty Ltd is considered a related party of Mr Lee under the Corporations Act and AASB 124.

(ii) Ms Slott was appointed to the Board on 4 October 2021.

2021	Balance at start of the year	Received on exercise of options	Purchases of shares	Disposal of shares	Other changes, appointments, resignations	Balance at end of the year
<i>Non-executive directors</i>						
Mr S Lee AO ⁽ⁱ⁾	24,733,333	-	-	-	-	24,733,333
Mr R Stanley	35,599,695	-	-	-	-	35,599,695
Mr M Clements	555,115	-	-	-	-	555,115
<i>Executive directors</i>						
Mr M Hart	39,383,333	-	-	-	-	39,383,333
Mr M Evans	1,991,677	-	-	-	-	1,991,677
<i>Other key management personnel</i>						
Mr B Dunnachie	-	116,250	-	-	-	116,250

(i) SHL Pty Ltd is the holder of all fully paid ordinary shares held. Mr Lee is not a director, shareholder or involved in the management of SHL Pty Ltd. Mr Lee's children are directors of SHL Pty Ltd and therefore SHL Pty Ltd is considered a related party of Mr Lee under the Corporations Act and AASB 124.

There were no shares granted during the year as compensation.

M. Loans to Key Management Personnel

There were no loans made to directors and other key management personnel of the Group, including their family members.

N. Other transactions with key management personnel

The following transactions occurred with related parties:

	Consolidated	
	2022 \$'000s	2021 \$'000s
<i>Payments to director related entities:</i>		
Payments made to Castilo Pty Ltd for office space rental ⁽ⁱ⁾	307,478	197,011
Payments made to Balion Pty Ltd for company secretarial fees ⁽ⁱⁱ⁾	120,000	60,000

(i) Castilo Pty Ltd, an entity associated with director Mr Stanley, which provides office space for the Company on normal commercial terms.

(ii) Balion Pty Ltd is an entity associated with director Mr Clements, which provides company secretarial and director services to the Company, on normal commercial terms.

End of remuneration report.

DIRECTORS' REPORT

Shares under option

Unissued ordinary shares of Emerald under option at the date of this report are as follows:

Expiry date	Exercise price	Number under option
5 June 2023	\$0.434	1,500,000
30 January 2024	\$0.390	600,000
21 June 2024	\$0.470	300,000
12 March 2025	\$0.510	600,000
19 May 2025	\$0.530	675,000
30 July 2025	\$0.670	5,125,000
8 October 2025	\$0.770	650,000
4 January 2026	\$0.820	600,000
23 February 2026	\$0.950	550,000
22 March 2026	\$0.940	350,000
3 May 2026	\$1.020	150,000
29 July 2026	\$1.090	3,375,000
14 March 2027	\$1.320	350,000
14 June 2027	\$1.400	250,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Proceedings on behalf of the 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 these proceedings. Other than as detailed below, the Company was not a party to any such proceedings during the year.

Matter COR 83 of 2020 (Initial Proceedings)

The trial in the Supreme Court of Western Australia ("Supreme Court") of matter COR 83 of 2020 has continued with a further block of trial dates heard in August 2022 before his Honour Justice Marcus Solomon ("Initial Proceedings"). This action was initiated against Bullseye and certain current and former directors of Bullseye¹, as part of a long running dispute with Bullseye's second largest shareholder, Hongkong Xinhe International Investment Company Limited ("Xinhe"). A further final block of court dates has been scheduled in November 2022 for closing submissions and the trial is proceeding towards conclusion. Justice Solomon will then proceed to make a determination of the oppression claims in the Initial Proceedings on their merits, before dealing with the remedies claimed. Those remedies may be dealt with straight away or following the outcome of the Second Proceedings referred to below.

Recommended Judicial Mediation of Initial Proceedings

Justice Solomon has recently recommended that the parties to the Initial Proceedings engage in a Supreme Court judicial mediation process to be presided over by his Honourable Justice Kenneth Martin ("Judicial Mediation"). All parties agreed to proceed with the recommended Judicial Mediation process and attended between the dates of 15 to 22 September 2022. No final outcome has yet been reached and the Judicial Mediation has been adjourned for further hearing on 25 October 2022.

Matter COR 159 of 2022 (Second Proceedings)

Emerald advises that in advance of the scheduled Judicial Mediation of the Initial Proceedings, Xinhe and its related entity Au Xingao Investment Pty Limited ("Xingao") (together the "Plaintiffs") have commenced further proceedings in the Supreme Court via matter COR 159 of 2022, against Bullseye, Emerald, certain current and former directors of Bullseye² and the Australian Securities and Investments Commission (the "Second Proceedings"). The Second Proceedings have been filed in the Supreme Court and recently served on Emerald.

The Second Proceedings are in addition to the ongoing litigation brought by Xinhe against Bullseye via the Initial Proceedings. The Second Court Proceedings involve claims of oppressive conduct and alleged contraventions of the Corporations Act in relation to the affairs of Bullseye by Bullseye, Emerald and certain current and former directors of Bullseye² and contravention by Bullseye of its Constitution.

Notes:

1 Peter G Burns (current), Peter J Burns (former), Dariena Mullan (former)

2 Peter G Burns (current), Anthony Short (current), Peter J Burns (former), Dariena Mullan (former), and Ian Ladyman (former).

DIRECTORS' REPORT

Emerald notes that a substantial number of the remedies claimed by the Plaintiffs in the Second Proceedings relate to matters which have previously been considered by the Takeovers Panel with various orders having been made and complied with by the relevant parties (Refer to Bullseye Mining Limited 03 [2022] ATP 4, Bullseye Mining Limited 04 [2022] ATP 8 and Bullseye Mining Limited 05 [2022] ATP 14).

The Second Proceedings have been launched in the wake of an unsuccessful rival takeover bid for Bullseye by Xingao, which expired last month whilst it was still subject to various defeating conditions, including Foreign Investment Review Board (FIRB) approval. Based on information publicly disclosed by Xingao, at the close of Xingao's takeover offer, it had only received acceptances for 0.6% of the issued shares in Bullseye (acceptances which have now been unwound as the offer did not proceed).

Emerald is continuing to consider its rights and will seek to have the Second Proceedings dealt with efficiently and otherwise in a manner reflective and respecting of its best interests and those of its stakeholders. Emerald has appointed Murcia Pestell Hillard Lawyers to file an appearance and represent Emerald on this matter.

Matter CIV 1987 of 2020

As announced on 8 December 2021, Mr Sam Cheng has brought an action in the District Court of Western Australia, CIV 1987 of 2020, against Bullseye, alleging that Bullseye has breached a contract between Bullseye and Mr Cheng, entered into around 9 October 2013, by failing or refusing to pay monthly consulting fees to Mr Cheng in the amount of \$580,000 during the period from June 2018 until May 2020. Bullseye denies that claim.

Bullseye has brought a counterclaim in CIV 1987 of 2020 against the following parties:

- (a) Sam Cheng;
- (b) Wu Qiyuan;
- (c) Xinhe;
- (d) Yiyang Qiu (Luke Huang);
- (e) Brett Clark;
- (f) Doonbeg Capital Pty Ltd;
- (g) Kevin Dundo; and
- (h) Red 5 Limited.

Bullseye seeks unliquidated damages against the above parties for conspiring to cause harm and injury to Bullseye. The action is in the interlocutory stages of the Court process and is awaiting judgment to be delivered by the District Court concerning applications for security for costs issued against Bullseye by six of the defendants to the counterclaim.

Once the security for costs applications have been determined, Bullseye will advance its damages claim. As the matter progresses, it is expected to be elevated to the Supreme Court commensurate with the damages to be sought in the proceeding.

Matter CIV 1989 of 2020

As announced on 8 December 2021, Mr Sam Cheng and Mr Eddy Cheng, as trustees of the NEZA Trust (the Plaintiffs) have brought an action in the District Court of Western Australia, CIV 1989 of 2020, against Bullseye, seeking payment of capital raising fees from Bullseye in the amount of \$366,000.

Bullseye has filed a defence and counterclaim in the proceedings, denying any amount is owing to the Plaintiffs, and claiming:

- (a) reimbursement of fees paid by Bullseye to the Plaintiffs in the sum of \$120,000; and
- (b) the transfer to Bullseye of 900,000 shares in Bullseye, or alternatively reimbursement of fees in the sum of \$117,000.

The trial of this matter commenced on 31 January 2022 and proceeded for four sitting days. On 4 February 2022, the trial was adjourned, part-heard, until 17 October 2022 for an anticipated further four trial days. This matter is not deemed material to Bullseye or Emerald.

Dispute with Inca Minerals Limited

Bullseye and Inca Minerals Limited ("Inca") are in dispute in relation to nickel rights on two of Bullseye's non-core tenements within Bullseye's North Laverton Gold Project. The parties have agreed to enter into a mediation process and look forward to resolving the matter in due course. This matter is not deemed material to Bullseye or Emerald.

DIRECTORS' REPORT

Applications for Forfeiture and Objections to Exemption

Bullseye has received applications for forfeiture lodged against many of the North Laverton Gold Project tenements and the Southern Cross tenements. The applications for forfeiture have been lodged by the following parties against the following projects:

Project	Application for forfeiture
North Laverton Gold Project	Zygmund Wolski
North Laverton Gold Project	Golden Soak Enterprises Pty Ltd (Michael Jay Williams)
Southern Cross Gold Project	Zygmund Wolski
Southern Cross Gold Project	West Australian Prospectors Pty Ltd (Vernon Wesley Strange)

18 applications of forfeiture have been lodged against Bullseye's mining tenements by Golden Soak Enterprises Pty Ltd (Golden Soak) and a total of 55 applications for forfeiture have collectively been lodged by West Australian Prospectors Pty Ltd (WAP) and Mr Zygmund Wolski (Wolski) against mining tenements held by Bullseye and its subsidiaries.

In addition to the above, 14 objections to exemption from expenditure applications have been lodged by WAP or Wolski against 17 mining tenements held by Bullseye and its subsidiaries. If any of the objections to exemption from expenditure applications are determined in favour of Bullseye, then any forfeiture applications in respect of those 17 tenements will fall away.

The objections to exemption applications lodged by WAP and Wolski have been listed for a substantive hearing on 1 to 3 November 2022. Bullseye has agreed with both WAP and Wolski that any substantive hearing of the applications for forfeiture lodged by those parties will not be heard until after the applications for exemptions have been determined. Bullseye expects that any substantive hearings of the Wolski and WAP forfeiture applications will not occur until the second half of 2023.

Most of the Golden Soak applications for forfeiture are second in time to forfeiture applications lodged by either WAP or Wolski. On that basis, Golden Soak and Bullseye have agreed that the first in time applications for forfeiture should be heard first.

Bullseye Board is of the view that the Plaints are opportunistic and without merit. Bullseye has engaged specialist legal counsel to assist in defending all outlined actions.

Meetings of directors

The number of Directors' meetings held during the financial year that each Director who held office during the financial year was eligible to attend and the number of meetings attended by each Director were:

Director	Directors' Meetings		Audit & Risk Committee		Remuneration Committee	
	No. Eligible to Attend	Meetings Attended	No. Eligible to Attend	Meetings Attended	No. Eligible to Attend	Meetings Attended
Mr S Lee AO	10	10	2	2	4	4
Mr M Hart	10	10	n/a	n/a	n/a	n/a
Mr M Evans	10	9	n/a	n/a	n/a	n/a
Mr M Clements	10	10	2	2	4	4
Ms B Slott ⁽ⁱ⁾	8	8	1	1	2	2
Mr R Stanley	10	10	2	2	4	4

(i) Ms Slott was appointed on 4 October 2021

Insurance of officers

During the financial year, Emerald paid a premium to insure the directors and secretary of the Company and its controlled entities. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

Auditor's Independence Declaration & non-audit services

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 72 of the Directors' Report. No fees were paid or payable to the auditors for non-audit services performed during the year ended 30 June 2022.

DIRECTORS' REPORT

Rounding

The amounts contained in this report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the company under ASIC Corporations Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in blue ink, appearing to read "Morgan Hart".

Morgan Hart
Managing Director
Perth, 30 September 2022

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SUSTAINABILITY REPORT

Emerald strives to operate in a safe, responsible and sustainable manner to generate value for shareholders whilst working collaboratively with our local stakeholders to create positive and enduring social and environmental outcomes.

This report includes Emerald’s Cambodian projects – the Okvau Gold Project which is now in its operational phase, and regional exploration projects. As the Company continues to grow, this report will evolve to become a full sustainability report, disclosures guided by the Global Reporting Initiative (GRI) Standards and will include all activities and entities associated with Emerald. This Sustainability Report should be read in conjunction with the full Annual Report.

The Company aims to follow the values and principles that include:





- Ensure safety is always the first priority;
- Deliver a net positive impact on near-mine social values by engaging and collaborating with all stakeholders in the Okvau Gold Project area;
- Maintain highest environmental standards for all exploration and operational activities;
- Employment to be sourced from within Cambodia where possible;
- Provide training programmes for all employees to support them in their work;
- Specialist advisors from overseas to provide technical support and help upskill local workers;
- Support sustainable local businesses in Monduliri province whenever possible and look to support the creation of new local business opportunities;
- Build and maintain relationships based on transparency and open communication with local government and the communities in which we operate; and
- Zero tolerance for any activities that may lead to illegal or corrupt outcomes.

Sustainable development goals















Emerald have been working to align its business to the United Nations Sustainable Development Goals (SDG’s). SDGs were adopted by all United Nations member states in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Emerald has identified 13 of the 17 SDGs where key performance indicators (KPI’s) can be selected to align to targets within those goals. Cambodia recognises an 18th goal to its localised version of the SDG’s – “End the negative impact of mines/ERW and promote victim assistance” which is also included.






Results of key achievements are reported in Table 6. Work will continue to define internal targets for selected indicators for future monitoring and reporting requirements.

Table 6 | Key achievements aligned to Sustainable Development Goals

Theme	SDG Target	SDG	Emerald’s Key Achievements and Outcomes
Climate & Biodiversity 	Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	  	<ul style="list-style-type: none"> ▪ 73,000m³ of organic waste diverted from landfill; ▪ 28,380 tonnes of scrap steel recycled; ▪ 167,812 L of hydrocarbons recycled via Ecocycle; ▪ 10.7Mm³ of diesel consumed; ▪ 7,604 tonnes of reagents used through the plant.
	Target 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.		<ul style="list-style-type: none"> ▪ Carbon offset programme is in the screening phase.
	Target 15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.		<ul style="list-style-type: none"> ▪ 80% of activities for the biodiversity offset programme are implemented; ▪ Zero net gain in biodiversity values.
	Target 15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species.		<ul style="list-style-type: none"> ▪ 80% of activities for the biodiversity offset programme are implemented.

SUSTAINABILITY REPORT

Theme	SDG Target	SDG	Emerald's Key Achievements and Outcomes
	Target 15.c Enhance global support for efforts to combat poaching and trafficking of protected species, including by increasing the capacity of local communities to pursue sustainable livelihood opportunities.		<ul style="list-style-type: none"> 61 patrols conducted by Rangers in Biodiversity Offset.
Fair Work & Diversity 	Target 1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.		<ul style="list-style-type: none"> 377 roles are filled by Cambodians.
	Target 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.		<ul style="list-style-type: none"> 4 women are occupying leadership roles.
	Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.		<ul style="list-style-type: none"> Two disabled employees are holding full-time roles; 100% of men and women are paid equally based on the role that they do.
	Target 10.2 By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.		<ul style="list-style-type: none"> 18% of employees in full-time employment are female; One indigenous person is in full-time employment.
	Target 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.		<ul style="list-style-type: none"> 100% of employees are provided a 'living wage'.
Environmental Management & Resource Efficiency (Circularity) 	Target 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.		<ul style="list-style-type: none"> 167,812 tonnes of waste hydrocarbons recycled via Ecocycle.
	Target 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.		<ul style="list-style-type: none"> 66% of plant water requirement was recycled from the TSF; Zero triggers for the Cease to Transfer Order.
	Target 6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.		<ul style="list-style-type: none"> 19.4 ha of riparian zone under enhanced protection in the biodiversity offset.
Social Engagement & Investment / Corporate Social Responsibility 	Target 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational, and tertiary education, including university		<ul style="list-style-type: none"> 18 university graduates are in full-time positions.
	Target 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.		<ul style="list-style-type: none"> 100% of employees received on-the-job training.
	Target 9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.		<ul style="list-style-type: none"> Three industry events participated in to support best practice mining in Cambodia.
	Target 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development.		<ul style="list-style-type: none"> One partnership is held with a local university.
	Target 11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage		<ul style="list-style-type: none"> 100% implementation of the Chance Find Procedure.
			

Theme	SDG Target	SDG	Emerald's Key Achievements and Outcomes
	Target 15.c Enhance global support for efforts to combat poaching and trafficking of protected species, including by increasing the capacity of local communities to pursue sustainable livelihood opportunities.		<ul style="list-style-type: none"> 5% of employees originate from near-mine communities; 61 patrols conducted by Rangers in Biodiversity Offset.
	Target 16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.		<ul style="list-style-type: none"> 7 near-mine villages received training in the grievance mechanism; Three public dissemination activities conducted.
	Target 17.11 Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020.		<ul style="list-style-type: none"> 96,057oz of gold exported.
	Target 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.		<ul style="list-style-type: none"> One knowledge exchange initiative implemented.
	Target 18.1 To completely clear the identified mine and explosive remnants of war (ERW) areas by the year 2030.		<ul style="list-style-type: none"> 1337 ha of ERW cleared around Okvau since 2019; US\$1,000 donation to victims of de-mining.
Health, Safety & Wellbeing 	Target 3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents.	  	<ul style="list-style-type: none"> 42 employees have received driver-safety training; 76 minor road incidents were reported at the mine; 7 road incidents were reported by contractors off-site; One road safety initiative was implemented in near-mine communities.
	Target 3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes.		<ul style="list-style-type: none"> 100% of employees received various health awareness training; 12 initiatives supporting a social service were implemented.
	Target 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.		<ul style="list-style-type: none"> 100% of relevant employees and contractors were trained to manage hazardous materials; Zero pollution incidents; 100% of water quality monitoring is compliant with standards.
	Target 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.		<ul style="list-style-type: none"> Zero lost-time-injuries occurred. 8 newly trained and appointed OHS representatives; 100% employees trained in emergency response procedures; 54 employees received first aid training; 645 employees, contractors and visitors received a general induction and OHS training; 181 incidents reported to OHS department
	Target 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.		<ul style="list-style-type: none"> 645 employees, contractors and visitors received a general induction and OHS training; Zero occurrence of hazmat incidents or accidents.

SUSTAINABILITY REPORT

Climate & Biodiversity

Emerald's vision is to be the standard for a sustainable gold producer not only in Cambodia but wherever our projects are located. The Company strives to not only limit our impacts but achieve a net-gain against losses.



2022 highlights

| Commenced carbon neutrality pathway planning | Biodiversity offset monitoring increased numbers of the peafowl population

Carbon neutrality targets

Environmental consultancy Earth Systems, is providing technical support to develop the Company's climate strategy, including carbon neutrality targets and pathways and a carbon offset concept. Two main carbon offset strategic options have been presented including;

- seek to sign a carbon credit purchasing agreement with an existing Cambodian carbon project;
- or to finance and develop a proprietary carbon offset.

Within the second strategy, four possible project options are under consideration, including an afforestation project, a regenerative agriculture/agroforestry soil carbon project, sustainable charcoal/cookstove project and development of a REDD+ or similar concept. Work continues to refine the preferred strategy with a viable offset concept to be selected Q4 2022.

Energy use and emissions

IFC Performance Standard 3 states that for projects that are currently or expected to produce more than 25,000 tonnes of CO₂-equivalent annually that the project will quantify Scope 1 and Scope 2 GHG emissions.

During the reporting period, Earth Systems conducted a Greenhouse Emissions Assessment as a component of the carbon offset activity to verify previously reported emissions and to estimate future emissions. As a result, emissions reported in previous years have been changed slightly due to the inclusion of vegetation-specific emissions factors being used (e.g. evergreen, mixed deciduous), a clearing reconciliation and the inclusion of waste streams. Previously reported Scope 1 emissions were 13,944 tCO₂e (2020) and 87,465 tCO₂e (2021) and Scope 2 was 574 tCO₂e (2021).

Energy is drawn from the national grid. Cambodian national electricity grid emission factor has been applied and considers coal and oil-fired power plants as well as imported electricity, hydro and biomass power plants.

Table 7 | Emissions estimation

Emissions	Unit	2019/2020	2020/2021	2021/2022
Direct (Scope 1) emissions	tCO ₂ e	10,884	74,656	44,292
Indirect (Scope 2) emissions	tCO ₂ e	-	528	28,705
Total emissions (Scope 1 & 2)	tCO ₂ e	10,884	75,184	72,997
Emissions intensity	CO ₂ /ounce	N/A	2.74*	0.71
Energy Consumption	GJ	9,009	216,638	696,977

Methodology and emission factors (EF) to estimate the GHG emissions are primarily based on the following:

GRI 305: Emissions Standard (2016); Emission factors from the Australian Government National Greenhouse Accounts (NGA) Factors 2021; 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories; IPCC Sixth Assessment Report 100 Year Global Warming Potentials; Global Environmental Strategies, Grid Emission Factors in Cambodia, 2016

* 1 month gold production during commissioning phase shown.

Biodiversity management

Emerald implements an IFC Performance Standard aligned Biodiversity Action Plan at the Okvau Gold Project for the best practice management of biodiversity by describing avoidance, minimising, and restoring actions to limit impacts on biodiversity. Procedures are implemented to limit habitat loss and degradation including a permitting and reporting system. To date, 438.7ha has been progressively cleared at the site.

Emerald has been implementing a biodiversity offset programme within the Phnom Prich Wildlife Sanctuary since April 2020. The programme is designed for the Okvau Gold Project to achieve a net-gain in biodiversity values. Key offset activities across three offset sites (>9,000ha protected) include:

- Offsetting vegetation losses through enhancing protection of habitat and species;
- Targeted Green Peafowl conservation work;
- Beng tree planting programme; and
- Supporting conservation actions: financial support for the PPWS.

SUSTAINABILITY REPORT

Figure 30 | Some flora and fauna around Okvau gold mine site



Emerald engaged environmental consultancy Earth Systems to monitor the offset during Q4 2022 and help facilitate the official launch workshop with key stakeholders (delayed due to the pandemic, held 25 July 2022). Preliminary monitoring results were shared and found that whilst there were gains in peafowl conservation, losses in habitat quality and forest cover were recorded in the northern offset site. Improvements to the programme are being implemented and involve the cooperation of Phnom Prich Wildlife Sanctuary Authority, the WWF and Emerald.

Figure 31 | Biodiversity offset programme launch and monitoring workshop



Emerald has been implementing a School Nursery Programme since 2017 to support the biodiversity offset, site rehabilitation requirements and to enable schools to earn funding. A nursery is supplied along with soil and prepared seeds and US\$5 is paid for every healthy tree after a 12-18 month growth period. Two additional schools were added to the school nursery programme in Q2 2021 bringing the total number of schools currently participating to five. A buy-back in June/July resulted in 928 trees being purchased from 3 schools; a total of 3,603 trees being purchased from schools since the programme began.

Rehabilitation

A Conceptual Rehabilitation and Mine Closure Plan has been prepared for the project with plans for a full mine closure plan to be developed within the next 2 years. Emerald progressively rehabilitates its mining and exploration projects. Progressive rehabilitation has commenced on available areas at Okvau such as sediment dam walls and old tracks, with 2.6ha now under rehabilitation. Various tree species have been planted and pre-clearance collected seed hand-cast at the sites.

Figure 32 | Students potting seeds



Environmental Management & Resources Efficiency (Circularity)

Emerald is committed to doing the right thing by the environment. Emerald operates in a responsible manner and recognises that whilst mining has an unavoidable impact on the environment, through best practice management and strong environmental stewardship impacts can be minimised, and long-term legacy issues mitigated



2022 highlights

**| Audit determined largely compliant with the IFC Performance Standards |
Planted 1500 trees in biodiversity offset**

Compliance

Earlier in the year, Environmental Consultancy Earth Systems conducted an environmental and social compliance audit of the Okvau Gold Project, including the Environmental Management System benchmarked against ISO 14001: 2015 Environmental Management Systems Standard, Cambodian legislation and the International Finance Corporation (IFC) Performance Standards. Earth systems determined Okvau to be compliant with Cambodian legislation and largely compliant with the requirements of both ISO14001 and the IFC Performance Standards.

SUSTAINABILITY REPORT

Recommendations being actioned include:

- Updating the Environmental Policy to explicitly state compliance with IFC;
- Develop a procedure for internal and external communications; and
- Develop an annual sustainability report aligned to SDG's.

Monitoring of ambient surface and groundwater conditions commenced in 2016 and air quality, noise and vibration in 2018 to further inform the baseline prior to commencement of construction. Key water samples are analysed at ALS Global in Australia, a NATA accredited laboratory, with in-country and site-based laboratories utilised for samples requiring rapid response. Significant investment has been made with the purchase of portable particulate, gas, noise, and vibration monitors that are also used to monitor exploration sites.

The project regularly monitors:-

- ✓ Air quality, noise & vibration
- ✓ Surface and ground waters
- ✓ GHG emissions & Blasting
- ✓ In-migration & security
- ✓ Wildlife
- ✓ Landforms
- ✓ Rehabilitation & offset sites
- ✓ Meteorological conditions
- ✓ Compliance with ESIA, IFC

Water management

A site water balance and tailings storage facility (TSF) water model is being maintained. Water for the plant is primarily sourced from the TSF (1,672,966m³ transferred) with raw water requirements (plant, potable water, some dust suppression) being sourced from the nearby Prek Te river (888,385m³) abstracted. River water demand by the end of the reporting period has reduced by 62%. Prior to the onset of the 2022 wet season, a water sustainability review determined a trigger level for river flow in advance of the 160L/s which is subject to a voluntary Cease to Transfer. River flow monitoring documented flow rates well-above the trigger level and Cease to Transfer limit.

Resources efficiency

Waste audits are regularly conducted at the Okvau Gold Project to identify opportunities for recycling and to monitor the volume and types of wastes going to landfill. Aluminium cans, plastic water bottles, batteries and metals are collected separately for recycling and organic wastes from the camp are composted. Paper waste is collected and used to help facilitate organic mulching. Waste hydrocarbons are reused via Chip Mong Insee's EcoCycle for Sustainable Industrial Waste Management through co-processing. Resource re-use and repurposing is regularly implemented at Okvau Gold Project and a large recycling area maintained nearby the landfill facility.

Waste Rock

Waste rock is managed to reduce the risk of long-term legacy issues. A Waste Rock Management Plan has been implemented and includes classification of waste material before emplacement within designated areas of the waste rock dump.

Fair Work & Diversity

Emerald recognises the importance of its people in building a strong and successful organisation, particularly in developing a new operation. Emerald's Diversity Policy is committed to inclusion at all levels of the organisation and promotes an environment where staff can enjoy good working relationships with each other.



2022 highlights

| Celebrating Women in Mining – 18% Emerald Cambodian Workforce | 1% Employment rate of workers who live with a disability

People And Culture

Emerald has focussed on developing the right culture across the organisation, which is strongly based on a Board, Executive team and key staff who demonstrate the right attributes, qualities and share a strong belief of the benefits of our engagement and development in Cambodia for our employees and the Cambodian people in general.

High performance and open communication are strong aspects of our culture and we have been instilling this in our teams in Perth and Cambodia with regular discussions to ensure our team know what is expected of them, both operationally and behaviourally, and are recognised for their good work.

These standards guide the recruitment strategy to ensure a strong focus on sourcing talent from across Cambodia for all levels of its workforce. This strategy targets skilled mining talent and local labour for as many internal and contract positions as possible. Emerald expects that as the Company continues to grow, its commitment to local employment and procurement will also continue to grow.

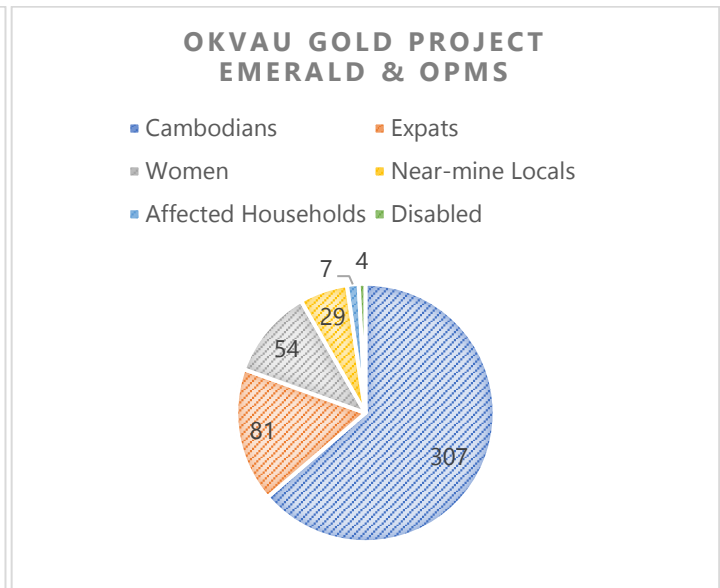
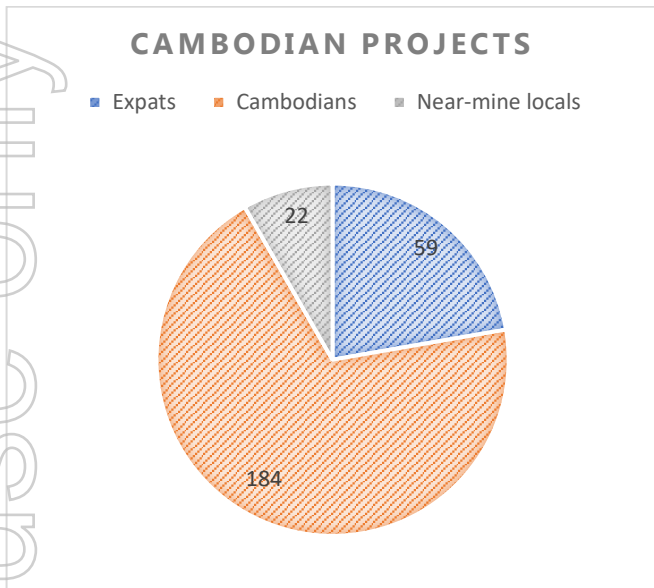
The Emerald employs 265 staff for its Cambodian projects, or 388 when including OPMS. Expats hail from Australia, NZ, Thailand, Laos, Indonesia and the Philippines. On the job training is provided to all employees. 1% of the workforce at the Okvau Gold Project have a disability.

SUSTAINABILITY REPORT

Emerald is seeking ways to engage with the local ethnic minority groups to ensure they have access to information and assistance to apply for employment opportunities at the Okvau Gold Project.

Figure 33 | Employment breakdown – all Cambodian projects

Figure 34 | Employment breakdown Okvau including OPMS



Women in mining

In June 2022, Okvau Gold Project celebrated International Day of Women in Mining. The Company's wholly owned subsidiary, Renaissance Minerals (Cambodia) Limited and OPMS (Cambodia) Co., Ltd (OPMS), the local subsidiary of MACA Mining, employ 54 women working across a variety of roles which include environment and community management, laboratory supervisors, mining engineers, geologists, metallurgical technicians, heavy equipment operators, administration and camp. Women represent 18% of Emerald's workforce in Cambodia.

"Ladies Chat" is an initiative implemented by management to support women at the Okvau Gold Project, most who are new to living communally and working away from home. It provides a safe and united forum for women to connect and discuss issues and implement solutions that will enhance their site experience.

Meetings have 100% participation and have resulted in:

- Support network;
- Privacy screens around the dormitory;
- Priority access to recreational equipment and the gym once a week to encourage participation;
- Stocking of new items at the site store and discrete purchasing opportunities;
- Annual celebration; and
- Employment of a female nurse (September 2022).

Figure 35 | International Day of Women in Mining



Human rights

Emerald is committed to respecting the human rights of all stakeholders and seeks to prevent or mitigate any negative impacts of our activities, maximise our positive impacts and to ensure that our operations do not contribute to conflict.

SUSTAINABILITY REPORT

Emerald is committed to:

- Seeking to use its influence to prevent Human Rights abuses occurring in the vicinity of its operations, and engage in dialogue with stakeholders to promote Human Rights;
- Recognising and respecting the cultural values, traditions and beliefs of the communities where it operates, including Indigenous Peoples;
- Working to ensure respect of Human Rights by personnel, both private and public, providing security to Emerald's operations;
- Striving to ensure a direct, honest and open relationship with employees that is built on mutual trust, and respect for the dignity and worth of each individual;
- Not engaging in or condoning forced, compulsory or child labour, and work to ensure that these are not present in Emerald's workforce or supply chain;
- Promoting continuous improvement in relation to human rights matters;
- Conducting human rights training for key stakeholders; and
- Communicating our expectation to all Emerald's stakeholders (including directors, employees, contractors, non-managed sites, joint ventures and suppliers).

Social Engagement, Investment & Corporate Social Responsibility

Emerald is committed to responsible human rights, community, environmental and governance practices. Emerald implements safe and sustainable environmental practices and manages risks across mining and exploration projects.



2022 highlights

| US\$47,300 spent on community development initiatives | CSO & local authority site visits | Inaugural Community Open Day

Funding obligations

The Environmental and Social Impact Assessment for the Okvau Gold Project was finalised in July 2017 (ESIA) and approved by the Ministry of Environment (MoE) in November 2017. The Company has transferred US\$2.2m (of a staged US\$5.5 million bonding package) for the environmental bond and has made contributions to the Environmental, Social and Endowment funds in accordance with its environmental obligations.

A Mineral Fund for Community Development has been established with a minimum commitment of US\$50,000 deposited annually. Emerald is assisting the Ministry of Mines and Energy to implement guidelines governing the fund.

Reporting

Emerald provides quarterly Environmental and Social Monitoring Reports for the Okvau Gold Project and exploration projects to the Ministry of Environment and Ministry of Mines and Energy on a quarterly basis. An annual environmental & social monitoring report is also prepared for the Ministry of Environment.

Stakeholder engagement

Ongoing stakeholder engagement is critical to maintain Emerald's "Social Licence to Operate" at the Okvau Gold Project. Emerald regularly engages with a range of stakeholders including affected households and peoples, communities in nearby communes, local government, local NGO's such as the WWF and relevant ministries.

Keeping our local government informed, Community Liaison Officers visited the two near-mine communes during Q4 to re-inform Commune Leaders, Village Chief's, and Chief of Police about the Company's Grievance Mechanism and to provide an opportunity for community representative feedback. A site visit was organised soon after that which enabled the local government leaders to visit Okvau and learn about the mining operation including practices that safeguard the environment and community and worker safety. These activities were well-received, and no grievance has been received, project-to-date.

The Company successfully held its first Community Open Day on 12 June 2022. An estimated 600 community members from nearby communes eagerly visited Chong Plas Primary School throughout the day to learn about the Okvau Gold Project with displays of mining, processing, safety, environment, and human resources activities. Visitors enjoyed video presentations, hearing from local employees, observing how the site is monitored for environmental compliance and learning about the important role the local Phnom Prich Wildlife Sanctuary Rangers have in protecting the area, including the Biodiversity Offset. OPMS provided a popular earthmoving display, and 50 community members were bussed to the mine for an in-depth tour. The community was also provided information about the Biodiversity Offset, employment opportunities and the Company's Grievance Mechanism.

SUSTAINABILITY REPORT

Figure 36 | Community Open Day: Children in OPMS Earth Moving Bucket



Figure 37 | Renaissance Minerals display at Community Open Day



Knowledge sharing

In January 2022, the Company was pleased to host 10 delegates from the Extractive Industry Governance Forum (EIGF) Civil Society Organisations (CSO) (organisations including the WWF, Oxfam, DPA and ANSA) at its Okvau Gold Mine. The visit enabled delegates to view an international standard mining operation and understand more about how the Company is directing significant resources to environmental and social management, including the Biodiversity Offset Programme (BPO) implemented in the Phnom Prich Wildlife Sanctuary. Overall, delegates were impressed by the Company's approach, high level of compliance and quantifiable outcomes.

Figure 38 | CSO Site Visit



Community development

Emerald is committed to seeing near-mine communities benefit from the Okvau Gold Project. In addition to the Mineral Fund, almost US\$50,000 was spent supporting a variety of community development initiatives and donations to mostly benefit near-mine communities. Some of the activities and initiatives supported are shown in Table 8.

Figure 39 | Memong Community Security Team with their new uniforms



Figure 40 | Men & Women's ablutions at Memong Commune Office



Figure 41 | Freshly graded community road



Figure 42 | Chong Plas Primary school students, local elders and Village Chief celebrating the newly installed water well



SUSTAINABILITY REPORT

Table 8 | Emerald Supported Community and Environmental Initiatives

Project	Focus Area	Highlights
Beng Trees	Conservation: 1,500 Beng Trees planted in Offset, >4,000 planted to date.	Increased environmental awareness and the importance of conservation.
COVID-19 supplies	Health: Donation of protection equipment to nearby police for COVID-19 checkpoints.	Contribution to health and wellness of local communities.
Cambodian Red Cross	Health: US\$15,000 Donated to the Cambodian Red Cross.	Supporting internationally recognised welfare organisation assisting local communities.
Funding and support	Education: Sponsorship of various public events such as Labour Day and interministerial sporting events, and support for capacity building in the mining industry.	Increasing awareness of community issues and supporting local business opportunities.
Latrine	Health & Wellness: A toilet block was built Memong Commune office.	Contribution to health and wellness of local communities.
Road Safety	Community Development: 5km of community road maintenance; road safety signage.	Improved accessibility and road safety.
Security Uniforms	Community Safety: Uniforms and other supplies were provided to two local security teams who voluntarily assist the local police with law and order in remote villages.	Contribution to community health and safety of local communities.
School Nursery Programme	Education: Two new near-mine schools added to the programme; 5 schools participating. Educating students about the environment, to grow trees for offset and rehabilitation activities and to provide an avenue for students to earn much-needed funding for school resources.	Increased environmental awareness and the importance of conservation
UXO	Community Safety: Funded UXO clearance in Roulous village.	Contribution to community health and safety of local communities
Water Wells	Health & Wellness: Donation of 2 new water wells to improve access to water in remote villages.	Contribution to health and wellness of local communities
Previously Supported Initiatives		
Lion Water Sanitation Initiative	Health & Wellness: Supporting the Lion Water Sanitation Initiative in Obenlieu Commune, installing latrines and water filters in homes.	Contribution to health and wellness of local communities.
Tree planting ceremonies	Education/Conservation: Conducted two tree planting ceremonies to celebrate tree donations and to raise environmental awareness among community members and school children.	Increased environmental awareness and the importance of conservation.
Health Post	Health: Medical post was built for the people in Sre Chhouk Commune to improve access to health care.	Contribution to health and wellness of local communities

SUSTAINABILITY REPORT

Cultural heritage

Emerald conducts archaeological and cultural heritage surveys and consultations with local stakeholders as part of the environmental and social impact assessment and prior to accessing new exploration areas. However, during certain work activities, it is possible to uncover a previously unidentified cultural resource. To address this, Emerald has implemented and trained its key staff within the mining and exploration teams on the Chance Find Procedure to help identify and protect sites of archaeological or spiritual significance for Indigenous peoples.

Resettlement and compensation

The resettlement process for 62 Affected Households (AH's) were compensated in December 2018 with all families moving out of the project development area mid-February 2019. An independent review of resettlement implementation completed by Young Consultants in August 2019 found that the process was undertaken in line with IFC Performance Standard 5. In April 2020 a Post-Compensation Evaluation on Socio-Economic Status of AH's was completed by Cambodian consultancy A&E Solutions during April 2020. Monitoring formed part of the company's commitment within the Resettlement Action Plan and IFC to monitor socio-economic status to see how AH's tracking towards same or better living conditions to pre-compensation with positive results received. This preceded the final contractual payments made to the 44 of 62 eligible AH's (those that relocated outside of the protected area) completed at the end of June 2021. Whilst the resettlement process has concluded, Emerald continues to actively reach-out to affected households to offer employment opportunities.

The compensation process for resin collectors impacted by the project was successfully concluded following the third and final compensation payment in November 2021. The village Chief expressed gratitude for the entire compensation process. Three resin collectors have since been employed at Okvau Gold Project.

Figure 43 | Final Resin Compensation



Health, Safety & Wellbeing

The health, safety and wellbeing of employees and communities are of utmost importance to Emerald. Emerald maintains a safe environment for all employees, contractors and visitors.



2022 highlights

| Zero LTIs | Pandemic disease management | Light vehicle verification of competency implemented

Occupational health, safety and wellbeing

Emerald's Occupational, Health and Safety Policy recognises that the health and safety of contractors and employees is the Company's highest priority. We are striving to create a workplace that is free from serious injuries. As the Company continues to evolve, so do the health and safety practices and procedures to reflect the stage of the project. Through empowering employees and developing a culture that proactively identifies and mitigates risk, coupled with a mindset of continuous safety improvement, Emerald believes it can eliminate all injuries and serious incidents from the workplace.

SUSTAINABILITY REPORT

As at 30 June 2022, the Company recorded a Lost Time Injury Frequency Rate ("LTIFR") of 0.3 per million hours worked ("LTI"s). These statistics include both contractors and employees (zero LTI's for 2021/2022).

Health topics are selected based on issues presented to the medical team and an educational campaign undertaken to provide guidance in preventative health measures. Vaccinations are made freely available to the workforce with 250 influenza vaccines distributed. All drivers on site have received light-vehicle verification of competence and pit permit training. First aid training is continually offered to employees.

Figure 44 | First Aid training



Figure 45 | Light vehicle competency verification



Processes were put in place to reduce the risk of COVID-19 exposures to the virus on site and nearby communities. Whilst the pandemic is largely easing, staff are continually reminded of ways to protect themselves and others from the virus. All site-based employees and contractors have chosen to be vaccinated against the virus.

Community safety

Emerald continues to consult closely with affected communities to ensure they are safe from the mining operation. The operation is fully fenced and secure to prevent accidental entry into an active mining area. Exploration projects are well-signed and nearby villages consulted with in advance to advise of the safety risks associated with activities. Improvements are continually made along the access road to enhance road safety such as the installation of signage and working with transport contractors to improve driving behaviour. During the pandemic, PPE supplies were donated and interaction with community members limited (online/telephone only) as a protective management measure.

CORPORATE GOVERNANCE STATEMENT

In fulfilling its obligations and responsibilities to its various stakeholders, the Board of Emerald Resources NL is a strong advocate of corporate governance. The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" (Recommendations) where considered appropriate for a company of Emerald's size and complexity.

Emerald has implemented the ASX Corporate Governance Council's Fourth Edition Corporate Principles (4th Edition) and Recommendations. Accordingly, this Corporate Governance Statement has been prepared on the basis of disclosure under the 4th Edition of these principles. Details of the Company's compliance with these principles are summarised in the Appendix 4G announced to ASX in conjunction with the Annual Report. This statement describes how Emerald has addressed the Council's guidelines and eight corporate governance principles and where the Company's corporate governance practices depart from a recommendation, the Company discloses the reason for adoption of its own practices on an "if not, why not" basis.

Given the size and stage of development of the Company and the cost of strict compliance with all the recommendations, the Board has adopted a range of modified procedures and practices which it considers appropriate to enable it to meet the principles of good corporate governance. The information in this statement is current as at 30 June 2022.

Background

Emerald has a highly experienced Board and 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, in a corporately responsible manner.

Emerald recognises the importance of its people in building a strong and successful organisation, particularly in developing a new operation. To achieve this, Emerald has focussed on developing the right culture across the organisation, which is strongly based on a Board, executive team and key staff who demonstrate the right attributes, qualities and share a strong belief of the benefits of our engagement and development in Cambodia for our employees and the Cambodian people in general.

High performance and open communication are strong aspects of our culture and we have been instilling this in our teams in Perth and Cambodia with regular discussions to ensure our team know what is expected of them, both operationally and behaviourally, and are recognised for their good work.

Emerald's purpose is to create long-term stakeholder and shareholder value through the sustainable discovery, acquisition and development of natural resources, primarily in the gold mining field. The Board is targeting the highest standards of corporate governance to continue their track record of delivering this value.

In FY22, the Company continued to prioritise the health and wellbeing of staff, contractors and stakeholders by maintaining stringent protocols to limit the impact of the COVID-19 pandemic on site. The Company collaborated with the Cambodian Ministry of Health to successfully implement a full site-wide vaccinating of all Okvau Gold Mine site staff. Commissioning activities were completed and the first gold pour achieved on schedule despite the logistical challenges brought on by the global pandemic which is a testament to the skill and experience of the team the Company has assembled on site.

The following governance-related documents can be found on the Company's website at www.emeraldresources.com.au under the section marked "Corporate Governance".

CORPORATE GOVERNANCE STATEMENT

Charters, Policies and Procedures:

- Board Charter;
- Audit Committee Charter;
- Remuneration Committee Charter;
- Anti-Corruption and Bribery Policy;
- Code of Conduct;
- Diversity Policy;
- Human Rights Policy;
- Policy and Procedure for Selection and (Re)Appointment of Directors;
- Policy on Assessing the Independence of Directors;
- Performance Evaluation Policy;
- Procedure for the Selection, Appointment and Rotation of External Auditor;
- Policy on Continuous Disclosure;
- Risk Management Policy;
- Securities Trading Policy;
- Shareholder Communication Policy; and
- Whistleblower Policy.

1. Principle 1 | Lay solid foundations for management and oversight

The main function of the Board is to lead and oversee the management and strategic direction of the Company. The Board regularly measures the performance of management in implementation of the strategy through regular Board meetings.

Emerald has adopted a formal board charter delineating the roles, responsibilities, practices and expectations of the Board collectively, the individual directors and management.

The Board of Emerald ensures that each member understands its roles and responsibilities and ensures regular meetings to retain full and effective control of the Company.

1.1 Role of the Board

The Board responsibilities are as follows:

- Setting the strategic aims of Emerald and overseeing management's performance within that framework;
- Making sure that the necessary resources (financial and human) are available to the Company and management to meet its objectives;
- Overseeing and measuring management's performance of the Company's strategic plan;
- Selecting and appointing a Managing Director (or equivalent) with the appropriate skills to help the Company in the pursuit of its objectives;
- Controlling and approving financial reporting, capital structures and material contracts;
- Ensuring that a sound system of risk management and internal controls is in place;
- Setting the Company's values and standards;
- Undertaking a formal and rigorous review of the Corporate Governance policies to ensure adherence to the ASX Corporate Governance Council principles;
- Ensuring that the Company's obligations to shareholders are understood and met;
- Ensuring the health, safety and well-being of employees in conjunction with management, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to assure the well-being of all employees;
- Ensuring an adequate system is in place for the proper delegation of duties for the effective day to day running of the Company without the Board losing sight of the direction that the Company is taking; and
- Establishing a diversity policy and setting objectives for achieving diversity.

1.2 Delegation to Management

Other than matters specifically reserved for the Board, responsibility for the operation and administration of the Company has been delegated to the Managing Director. This responsibility is subject to an approved delegation of authority which is reviewed regularly and at least annually.

Internal control processes are designed to allow management to operate within the parameters approved by the Board and the Managing Director cannot commit the Company to additional activities or obligations in excess of these delegated authorities without specific approval of the Board.

CORPORATE GOVERNANCE STATEMENT

1.3 Election of Directors

The Board is responsible for overseeing the selection process of new directors and will undertake appropriate checks before appointing a new director or putting forward a candidate for election as a director.

All relevant information is to be provided in the Notice of Meeting seeking the election or re-election of a director including:

- biographical details including qualifications and experience;
- other directorships and material interests;
- term of office;
- statement by the board on independence of the director;
- statement by the board as to whether it supports the election or re-election; and
- any other material information.

1.4 Terms of Appointment

1.4.1 Non-Executive Directors

To facilitate a clear understanding of roles and responsibilities all non-executive directors have signed letter of appointment. This letter of appointment letter includes acknowledgement of:

- director responsibilities under the Corporations Act, Listing Rules, the Company's Constitution and other applicable laws;
- corporate governance processes and Company policies;
- board and board committee meeting obligations;
- conflicts and confidentiality procedures;
- securities trading and required disclosures;
- access to independent advice and employees;
- confidentiality obligations;
- directors' fees;
- expenses reimbursement;
- directors and officer's insurance arrangements;
- other directorships and time commitments; and
- board performance review.

1.4.2 Managing Director and Executive Director

The Managing Director and Executive Director have signed executive services agreements. For further information in relation to the terms of these agreements, refer to the Remuneration Report included in the Annual Report for the year ended 30 June 2022.

1.5 Role of Company Secretary

The Company Secretary is accountable to the Board for:

- advising the Board and committees on corporate governance matters;
- the completion and distribution of board and committee papers;
- completion of board and committee minutes; and
- the facilitation of director induction processes and ongoing professional development of directors.

The Company Secretary is Mr Mark Clements (appointed 20 August 2014). Mr Clements has an extensive range of experience in capital management, finance, financial reporting, corporate strategy and governance across a range of industries. He is a Fellow of the Institute of Chartered Accountants in Australia, Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors. He is company secretary for a number of diversified ASX listed companies and is non-executive Chairman of Alterra Limited.

Mr Clements' extensive corporate experience has strengthened the independence on the Board and he has been appointed as Chair of the Audit Committee and serves as a member of the Company's Remuneration Committee.

All directors have access to the Company Secretary who has a direct reporting line to the Chairman.

1.6 Diversity

The Board values diversity in all aspects of its business and is committed to creating a working environment that recognises and utilizes the contribution of its employees. The purpose of this policy is to provide diversity and equality relating to all employment matters. The Company's policy is to recruit and manage on the basis of ability and qualification for the position and performance, irrespective of gender, age, marital status, sexuality, nationality, race/cultural background, religious or political opinions, family responsibilities or disability. The Company opposes all forms of unlawful and unfair discrimination.

CORPORATE GOVERNANCE STATEMENT

In June 2022, the Company celebrated International Day of Women in Mining at the Okvau Gold Project. The Company's wholly owned subsidiary, Renaissance Minerals (Cambodia) Limited and OPMS (Cambodia) Co., Ltd (OPMS), the local subsidiary of MACA Mining, employ 58 women working across a variety of roles which include environment and community management, laboratory supervisors, mining engineers, geologists, metallurgical technicians, heavy equipment operators, administration and camp.

During the year, the Board welcomed Ms Billie Jean Slott as a director of the Company. Ms Slott is also on the Board of the Company's wholly owned subsidiary in Cambodia. The Company is also well represented by females in managerial roles in finance and administration and environment.

The Board acknowledges that some corporate governance guidelines expect a minimum of two female representatives on a Board of our size. The Board has determined that the composition of the current Board represents the best mix of Directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management.

The Board acknowledges the ACSI policy proposal calling for listed companies to set a timeframe for achieving gender balanced boards. However, due to the size of the Company and stage of growth, the Board does not deem it practical to limit the Company to specific targets for gender diversity as it operates in a very competitive labour market where positions are sometimes difficult to fill. However, every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity or cultural background.

The Company has not set or disclosed a measurable objective for achieving at least 30% of directors of each gender on the Board. However, in principle, the Company is committed to:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- improved employment and career development opportunities for women;
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect of diversity.

Table 9 | Diversity Table as at 30 June 2022

	Total workforce	Senior Management	Board
Full time males	180	12	2
Full time females	49	3	-
Part time males	10	4	3
Part time females	1	1	1
	240	20	6
% of females	20.8%	20.0%	16.7%

The following senior positions within the Company are currently held by female employees:

- Non-Executive Director – Emerald Resources NL
- Chief Financial Officer (Acting)
- Finance and Administration Manager
- Environmental Manager

During the identification of suitable independent non-executive directors several female candidates were considered as part of the Board competencies analysis. These candidates were not selected due to their unavailability due to existing commitments, conflicts of interest or concerns in relation to over-boarding.

The Board is aware that many studies suggest that greater gender diversity at Board and management level creates a positive force for driving corporate performance as qualified and committed directors with different backgrounds, experiences and knowledge will likely enhance corporate performance. In that regard, the Board remains focussed on resolving the gender imbalance on the Board by continuing to identify a pipeline of suitably qualified candidates with careful consideration of those who strengthen the Board skills matrix.

CORPORATE GOVERNANCE STATEMENT

1.7 Performance Review

1.7.1 Board and Board Committees

A performance review of the Board, individual Directors (including the Managing Director), committees of the Board, the company and management is conducted annually, and the performance of individual directors is undertaken regularly. The Board has the discretion for these reviews to be conducted either independently or on a self-assessment basis.

The review focuses on:

- strategic alignment and engagement;
- board composition and structure;
- processes and practices;
- culture and dynamics;
- relationship with management; and
- personal effectiveness.

A formal review of the Board's performance and effectiveness in respect of the year ended 30 June 2022 was conducted in accordance with the Performance Evaluation Policy.

1.7.2 Managing Director and Senior Executives

Performance evaluation of the Managing Director and Executive Director, senior executives and employees is undertaken annually through a performance appraisal process which involves reviewing and assessment of performance against agreed corporate and individual key performance indicators and deliverables.

A formal review of the Managing Director, Executive Director and senior executive's performance and effectiveness was conducted in the year ended 30 June 2022.

For further information in relation to the respective remuneration of the Managing Director, Executive Director and KMP, refer to the Remuneration Report included in the Directors' Report for the current financial year.

1.8 Retirement and Rotation of Directors

Retirement and rotation of directors are governed by the Corporations Act 2001 and the Constitution of the Company. Each year, one third of directors must retire and may offer themselves for re-election. Any casual vacancy filled will be subject to shareholder vote at the next Annual General Meeting of the Company. It is intended that non-executive director, Mr Ross Stanley will stand for re-election by rotation (last re-elected in November 2019) at the Company's Annual General Meeting along with recently appointed independent non-executive directors Mr Michael Bowen and Mr Jay Hughes.

The remaining directors who have previously offered themselves for re-election, excluding the Managing Director, are Executive Director, Mr Michael Evans (last re-elected in November 2021), non-executive director, Ms Billie Jean Slott (elected in November 2021), independent non-executive Chairman, Mr Simon Lee (last re-elected in November 2020) and non-executive director, Mr Mark Clements (last re-elected in November 2020).

The Board has a succession plan in place to ensure there is an appropriate blend of skills and experience to effectively govern the Company's growth phase as it transitions to a resource producer.

The Board succession plan aims to increase the level of gender diversity on the Board. The Company continues to support the Australian Institute of Company Directors' Board diversity initiatives and will continue to evolve its Board in alignment with the Company's needs and diversity best practice.

1.9 Independent Professional Advice

Each director of the Company or a controlled entity has the right to seek independent professional advice at the expense of the Company or the controlled entity. However prior approval of the Chairman is required which will not be unreasonably withheld.

1.10 Access to employees

Directors have the right of access to any employee. Any employee shall report any breach of corporate governance principles or Company policies to the Managing Director who shall remedy the breach. If the breach is not rectified to the satisfaction of the employee, they shall have the right to report any breach to an independent director without further reference to senior executives of the Company.

CORPORATE GOVERNANCE STATEMENT

1.11 Directors' and officers' liability insurance

Directors' and officers' liability insurance is maintained by the Company for the directors and senior executives at the Company's expense.

1.12 Board meetings

The frequency of board meetings and the extent of reporting from management at board meetings are as follows:

- a minimum of four scheduled meetings are to be held per year;
- other meetings will be held as required;
- meetings can be held where practicable by electronic means;
- information provided to the Board includes all material information related to the operations of the Company including exploration, development and production operations, budgets, forecasts, cash flows, funding requirements, investment and divestment proposals, business development activities, investor relations, financial accounts, taxation, external audits, internal controls, risk assessments, people and health, safety and environmental reports and statistics;
- once established, the Chairman of the appropriate board committee will report to the next subsequent board meeting the outcomes of that meeting and the minutes of those committee meetings are also tabled.

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year are set out in the Directors' Report for the current financial year.

2 Principle 2 | Structure the Board to be effective and add value

2.1 Composition of the Board

The Board members as at the date of this report are:

Table 10 | Board Composition

Name	Position	Length of service	Independent
Mr Simon Lee AO	Non-executive Chairman	7.2 years	Yes
Mr Morgan Hart	Managing director	7.2 years	No
Mr Michael Evans	Executive director	3.0 years	No
Mr Ross Stanley	Non-executive director	7.2 years	No
Ms Billie Jean Slott	Non-executive director	1.0 year	Yes
Mr Michael Bowen	Non-executive director	0.1 year	Yes
Mr Jay Hughes	Non-executive director	0.1 year	Yes
Mr Mark Clements	Non-executive director and company secretary	1.3 years	Yes

The ASX guidance requires a majority of the Board to be independent directors. The ASX guidance on factors relevant to an assessment of independence includes interest, positions, associations or relationships which might interfere with, or reasonably seen to interfere with, a director's capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders generally.

In accordance with this guidance, five of the eight directors are considered independent, being Mr Simon Lee AO (Independent Chairman – appointed 20 August 2014), Ms Billie Jean Slott (non-executive director – appointed 4 October 2021), Mr Michael Bowen (non-executive director – appointed 13 September 2022), Mr Jay Hughes (non-executive director – appointed 13 September 2022) and Mr Mark Clements (non-executive director - appointed 12 June 2020). Mr Simon Lee AO is considered independent as he is not a director, shareholder or involved in the management of SHL Pty Ltd which is a substantial holder associated with Realee Pty Ltd. The Board is of the opinion that this relationship does not materially influence or could reasonably be perceived to materially influence his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders generally. Mr Clements is a director of Balion Pty Ltd which provides company secretarial services to the Company on commercial arms-length basis. He also provides company secretarial services to a number of other ASX listed companies via services agreements with Balion Pty Ltd. The Board is of the opinion that this relationship does not materially influence or could reasonably be perceived to materially influence his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders generally. Mr Ross Stanley (appointed 20 August 2014) is not considered to be independent due to his substantial shareholding in the Company. Mr Morgan Hart (appointed as a director on 30 July 2014 and Managing Director on 20 August 2014) and Mr Michael Evans (appointed as Executive Director on 3 October 2018) do not meet the criteria for an independent director due to their executive roles.

CORPORATE GOVERNANCE STATEMENT

The composition of the Board has been structured so as to provide Emerald with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfill the business objectives of the Company.

The Board has sought to address its composition as the Company transitioned from an explorer to producer. The Board set about identifying and assessing suitable independent non-executive director candidates who each have extensive technical, financial and commercial expertise to complement the existing competencies of the Board to drive performance, create shareholder value and lead ethically by example. Since the end of the last reporting period, the Company has appointed three independent non-executive directors such that the Board is now comprised by a majority of independent directors. The Board's two sub-committees have also been reconfigured such that they now comprise only independent non-executive directors with Mr Stanley now no longer a member of either sub-committee.

The names of the directors of the Company and their qualifications are set out in the section headed "Information on Directors" in the current financial year's Directors' Report.

2.2 Board Competencies

The Board have agreed upon a number of competencies that can be applied to the Company's industry and current stage of growth and next phase of development. The Board periodically assesses individual competencies via a Board Skills Matrix to highlight the importance of various Board competencies and current capabilities of the Board and ensure those skill sets are complemented by additional industry expertise in the sector pursued, as well as to consider future competencies that may be required for a potential future board composition.

The Board Skills Matrix is an important driver to formalise the Director nomination processes. It has been applied each time independent non-executive director candidates have been considered.

The skills assessment of the current Board is judged below:

Table 10 | Board Skills Matrix

Skill	Number of directors holding this skill
Resource industry experience	8
Mineral industry experience	8
Strategy	8
Mergers and acquisitions	8
Finance	8
Risk management	8
International relations	8
Capital management/project financing	8
Sustainable development	8
Previous board experience	7
Governance	8
Policy	8
Executive leadership	8
Remuneration	8

The competencies that the current Board members have formulated their analysis on, are based upon the criteria judged as important by the Board given the Company's current stage of growth, in conjunction with independent industry guidance as follows:

CORPORATE GOVERNANCE STATEMENT

Skill	Criteria
Resource industry experience	Experience in the resources industry, including broad knowledge of exploration, operations, project development, markets, shipping and competition.
Mineral industry experience	Specific experience in the gold industry, including an in-depth knowledge of exploration, operations, project development, markets, shipping, competitors and relevant technology.
Strategy	Identifying and critically assessing the strategic opportunities and threats to the organisation and developing and implementing successful strategies in context to an organisation's policies and business objectives.
Mergers and acquisitions	Experience managing, directing or advising on mergers, acquisitions, divestments and portfolio optimisations.
Finance	Senior executive or other experience in financial accounting and reporting, internal financial and risk controls, corporate finance and restructuring corporate transactions.
Risk management	Experience working with and applying broad risk management frameworks in various countries, regulatory or business environments, identifying key risks to an organisation, monitoring risks and compliance and knowledge of legal and regulatory requirements.
International relations	Senior management or equivalent experience (particularly transactional) working in politically, culturally and regulatory diverse business environments.
Capital management/ project financing	Experience with projects involving contractual negotiations, significant capital outlays, procuring project investment and securing partners with long investment horizons.
Sustainable development	Senior management or equivalent experience in economic, social and environmental sustainability and workplace health and safety practices.
Previous board experience	Serving on boards of varying size and composition in varying industries and for a range of organisations. Awareness of global practices, benchmarking, some international experience.
Governance	Implementing the high standards of governance in a major organisation that is subject to rigorous governance standards and assessing the effectiveness of senior management.
Policy	Identifying key issues for an organisation and developing appropriate policy parameters within which the organisation should operate.
Executive leadership	Experience in corporate structuring, overseeing strategic human capital planning, evaluating the performance of senior management, industrial relations, organisational change management and sustainable success in business at senior level.
Remuneration	Experience in remuneration strategy, remuneration governance frameworks, Corporations Act and employment law, performance and incentive schemes.

2.3 Nomination of other Board Members

Membership of the Board of Directors is reviewed on an on-going basis by the Chairperson of the Board to determine if additional core strengths are required to be added to the Board in light of the nature of the Company's businesses and its objectives.

As the Company transitioned to become a producer, the Board has focussed on a measured process to ensure it maintains a strong, well-credentialed Board to oversee the Company's next growth phase at the Okvau Gold Project and other prospective global gold projects that are value accretive for shareholders.

CORPORATE GOVERNANCE STATEMENT

The Board Skills Matrix forms an integral basis in the identification and assessment of suitable candidates based on readily available information on respective backgrounds, current Board positions and visible competencies. The Board currently performs the role of a Nomination Committee given the Company's size and stage of growth. However, this will be reviewed to ensure there is a continued emphasis on board membership which aligns with the Company's corporate culture and addresses independence and diversity.

2.4 Director induction and ongoing professional development

The Company has a formal induction programme for directors detailing policies, corporate governance and various other corporate requirements of being a director of an ASX Listed company. Due to the size and nature of the Company, directors are expected to already possess a level of both industry and commercial expertise before being considered for a directorship.

Directors are provided with the opportunity to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively, access employees of the business and access to any information they require about the business including access to regular news articles and publications where considered relevant.

3. Principle 3 | Instil a culture of acting lawfully, ethically and responsibly

Directors, officers, employees and consultants to the Company are required to observe high standards of behaviour and business ethics in conducting business on behalf of the Company and they are required to maintain a reputation of integrity on the part of both the Company and themselves. The Company does not contract with or otherwise engage any person or party where it considers integrity may be compromised.

Emerald recognises the importance of its people in building a strong and successful organisation, particularly in developing a new operation.

To achieve this, Emerald has focussed on developing the right culture across the organisation, which is strongly based on a Board, Executive team and key staff who demonstrate the right attributes, qualities and share a strong belief of the benefits of our engagement and development in Cambodia for our employees and the Cambodian people in general.

3.1 Code of Conduct

The Company's Code of Conduct Policy has been endorsed by the Board and applies to all Directors and Employees. The Code may be viewed at the Company's website, and it covers the following:

- the pursuit of the highest standards of ethical conduct in the interests of shareholders and other stakeholders;
- usefulness of financial information by maintaining appropriate accounting policies, practices and disclosure;
- employment practices such as employment opportunity, the level and structure of remuneration and conflict resolution;
- responsibilities to the community;
- compliance with all legislation affecting the operations and activities of the consolidated entity, both in Australia and overseas;
- conflicts of interest;
- corporate opportunities such as preventing directors and key executives from taking advantage of property, information or position for personal gain;
- confidentiality of corporate information;
- protection and proper use of the Company's assets;
- compliance with laws; and
- reporting of unethical behaviours.

3.2 Whistleblower Policy

In line with the Code of Conduct, the Company has a Whistleblower Policy which has been endorsed by the Board and ensures that persons who make a report in good faith can do so without fear of intimidation, disadvantage or reprisal. The Whistleblower Policy assists to create a culture within the Company that encourages our people to speak up and raise concerns regarding breaches of internal rules or policy, or conduct that is illegal, unacceptable or undesirable, or concealment of such conduct relating to the Company, its branches, directors, officers, and employees. It encourages the reporting of behaviour that may result in financial or non-financial loss, or reputational damage to the Company and plays a key role in detecting reportable conduct and maintaining good corporate governance.

CORPORATE GOVERNANCE STATEMENT

3.3 Anti-Bribery and Corruption Policy

The Company's Anti-Bribery and Corruption Policy has been endorsed by the Board and applies to Directors, officers, employees and consultants to the Company requiring all business to be conducted in an honest and ethical manner and in accordance with all applicable laws, rules and regulations in all jurisdictions in which Emerald operates.

Emerald recognises the importance of ethical conduct and protecting human rights and the Company's impact on the environment. The Company is committed to adhering to internationally recognised and accepted standards and responsible business conduct such as the UN Guiding Principles on Business and Human Rights, the UN Sustainable Development Goals, the International Finance Corporation ("IFC") Performance Standards and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

3.4 Conflicts of Interest

Directors are required to disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the director or the interests of any other party in so far as it affects the activities of the Company and to act in accordance with the Corporations Act if conflict cannot be removed or if it persists. That involves taking no part in the decision-making process or discussions where that conflict does arise.

3.5 Trading in Company Securities

Directors are required to make disclosure of any share trading. The Company policy in relation to share trading is that officers are prohibited to trade whilst in possession of unpublished price sensitive information concerning the Company or within a period of the release of results i.e. the blackout period. That is information which a reasonable person would expect to have a material effect on the price or value of the Company's shares. An officer must receive authority to acquire or sell shares with the directors or the Company Secretary prior to doing so to ensure that there is no price sensitive information of which that officer might not be aware. The undertaking of any trading in shares must be notified to the ASX.

4. Principle 4 | Safeguard the integrity of corporate reports

Emerald has a financial reporting process which includes quarterly, half year and full-year reports which are signed off by the Board before they are released to the market.

The Board receives a declaration from the Managing Director and Chief Financial Officer in relation to these corporate reports on the propriety of compliance on internal controls and reporting systems and ensures that they are working efficiently and effectively in all material respects.

High performance and open communication are strong aspects of our culture and we have been instilling this in our teams in Perth and Cambodia with regular discussions to ensure our team know what is expected of them, both operationally and behaviourally, and are recognised for their good work.

4.1 Audit Committee

The Board has a separate Audit and Risk Committee to manage the financial oversight as well as advise on the modification and maintenance of the Company's financial reporting, internal control structure, external audit functions, and appropriate ethical standards for the management of the Company.

The responsibilities of the Committee are set out in a formal Charter approved by the Board. The Charter sets out the purpose, membership, responsibilities, authority and reporting requirements of the Committee.

The Audit and Risk Committee consists of five members, all of which are considered independent, including independent non-executive director, Mr Mark Clements (Chair), independent non-executive director, Mr Simon Lee AO, independent non-executive director, Ms Billie Jean Slott, independent non-executive director, Mr Michael Bowen and independent non-executive director, Mr Jay Hughes with non-executive director, Mr Ross Stanley recently rescinding his membership this Committee.

Mr Clements is a Fellow of the Institute of Chartered Accountants in Australia and has significant experience in relation to managing external audit processes, liaising with and assessing the performance of external auditors, liaising with management on financial matters and understanding the regulatory framework governing financial reporting, compliance and disclosure. He previously worked for an international accounting firm. All members of the Committee have an extensive range of experience in capital management, finance, financial reporting, corporate strategy and governance across a range of industries.

CORPORATE GOVERNANCE STATEMENT

In discharging its oversight role, the Audit and Risk Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

There were two Audit and Risk Committee meetings held during the year ended 30 June 2022 which were attended by all members of the Committee.

4.2 Selection, Appointment and Rotation of External Auditor

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Audit and Risk Committee is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period.

The Audit Committee may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit and Risk Committee.

The Company's external auditor attends each Annual General meeting and is available to answer questions from shareholders relevant to the conduct of the external audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the auditor.

5. Principle 5 | Make timely and balanced disclosure

Emerald has adopted a formal policy dealing with its disclosure responsibilities. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The policy also addresses the Company's obligations to prevent the creation of a false market in its securities. Emerald ensures that all information necessary for investors to make an informed decision is available on its website.

The Managing Director has ultimate authority and responsibility for approving market disclosure which, in practice, is exercised in consultation with the Board and Company Secretary.

In addition, the Board will also consider whether there are any matters requiring continuous disclosure in respect of each and every item of business that it considers.

6. Principle 6 | Respect the rights of security holders

The Board's fundamental responsibility to shareholders is to work towards meeting the Company's objectives so as to add value for them. The Board maintains an investor relation programme which will inform shareholders of all major developments affecting the Company by:

- preparing half yearly and yearly financial reports;
- preparing quarterly cash flow reports and reports as to activities;
- making announcements in accordance with the listing rules and the continuous disclosure obligations;
- posting all of the above on the Company's website;
- annually, and more regularly if required, holding a general meeting of shareholders and forwarding to them the annual report, if requested, together with notice of meeting and proxy form; and
- voluntarily releasing other information which it believes is in the interest of shareholders.

The Annual General Meeting enables shareholders to discuss the annual report and participate in the meetings either by attendance or by written communication. The Notice of Meeting is published and available on the Company website so all shareholders can be fully informed. The Company provides all shareholders with a proxy form so that are able to vote on all resolutions at the Annual General Meeting. Shareholders are able to discuss any matter with the directors and/or the auditor of the Company who is also invited to attend the Annual General Meeting.

Shareholders have the option to receive all Company and share registry communications electronically and may also communicate with the Company by emailing the Company via its website. All shareholders can request copies of ASX releases, all of which are published and available on the Company's website immediately after they are released to ASX.

CORPORATE GOVERNANCE STATEMENT

The Company regularly reviews its stakeholder communication policy and endeavours to maintain a programme appropriate for a company of its size and stage of growth.

7. Principle 7 | Recognise and Manage Risk

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the Managing Director and Executive Director, who are responsible for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for updating the Company's material business risks register to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Managing Director and Executive Director may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

The Board does not have a separate Risk Management Committee as the Board monitors and reviews the integrity of financial reporting and the Company's internal financial control systems. Management assess the effectiveness of the internal financial control on an annual basis and table concerns and recommendations at Board meetings were required.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- Establishment of financial control procedures and authority limits for management;
- Approval of an annual budget;
- Adoption of a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations;
- Adoption of a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices; and
- Maintenance and review of a risk register to identify the Company's material business risks and risk management strategies for these risks. The risk register is reviewed regularly and updated as required. Management reports to the Board on material business risks at each Board meeting.

The Board has required management to design, implement and maintain risk management and internal control systems to manage the material business risks of the Company. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received a report from management as to the effectiveness of the Company's management of its material business risks for the reporting period.

The Managing Director and Chief Financial Officer (or equivalent) provide a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risks.

The Board monitors the adequacy of its risk management framework annually to ensure that it continues to be sound and deals adequately with contemporary and emerging risks and that Emerald is operating with due regard to the risk appetite set by the Board and discloses that reviews have taken place at the end of each reporting period. All members of the Board have an extensive range of experience in mining, human resource and capital management, finance, financial reporting, corporate strategy and governance across a range of industries to apply to the risk evaluation process.

7.1 Internal Audit

The Company does not have an internal audit function as the Board believes the business is neither the size nor complexity that requires such a function. The Board is currently responsible for monitoring the effectiveness of internal controls, risk management procedures and governance. Non-executive director, Mr Clements is a Fellow of the Chartered Accountants Australia and New Zealand and previously worked in an international accounting firm and all members of the Board have an extensive range of experience in capital management, finance, financial reporting, corporate strategy and governance across a range of industries.

CORPORATE GOVERNANCE STATEMENT

7.2 Sustainability Risks

The Company has a detailed risk matrix which it regularly reviews; it highlights critical risk factors the Company faces at any particular time. The principal risks highlighted are what would typically be expected for an exploration company transitioning into the development phase along a path to production and includes:

- Reliance on key executives;
- Inability to access new exploration capital;
- Volatility in gold prices and applicable exchange rates (mainly USD);
- Delays in equipment fabrication or mobilisation to site;
- Failing to appropriately manage local stakeholder relations;
- Unsuccessful exploration results; and
- Legislature changes in jurisdictions in which the Company operates.

As the Company expands its activities either within the Okvau Gold Project or with the addition of new projects, it is expected that the sustainability risks will change accordingly. The Board reviews the overall sustainability of both the gold industry and more specifically, the Company, in its normal course of business. All members of the Board have an extensive range of experience in mining, human resource and capital management, finance, financial reporting, corporate strategy and governance across a range of industries to apply to the risk evaluation process.

Details of the Company's sustainability activities are set out in the "Sustainability Report" in the Annual Report.

7.3 Environmental and Social Risks

The Company strives to operate in accordance with the highest standards of environmental practice and comply in all material respects with applicable environmental laws and regulations. Such regulations typically cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations.

The Environmental Management System for the Okvau Gold Project is well developed and has been substantially implemented throughout the construction phase of the Project. An Environmental Compliance Register of all ESIA and management plan commitments, monitoring and mitigation actions are being continually reviewed and maintained.

The Company has adopted a Human Rights Policy which applies to all Directors, officers, employees and consultants that work with the Company. The policy seeks to ensure that the Company operates in an ethical and transparent manner in all business dealings and that the Company has a mechanism for staff to alert management should any issues or incidents occur.

The Board monitors the adequacy of its environmental and social risk management to ensure that it continues to be sound and deals adequately with contemporary and emerging risks. All members of the Board have an extensive range of experience in mining, human resource and capital management, finance, financial reporting, corporate strategy and governance across a range of industries to apply to the risk evaluation process.

Details of the Company's environmental activities and commitment to human rights are set out in the "Sustainability Report" within the Annual Report.

8. Principle 8 | Remunerate fairly and responsibly

The Company has a Remuneration Committee to monitor and review the remuneration policy of the Company. The Remuneration Committee consists of five members, all of which are considered independent, including independent non-executive director, Mr Jay Hughes (Chair), independent non-executive director, Mr Simon Lee AO, independent non-executive director, Ms Billie Jean Slott, independent non-executive director, Mr Michael Bowen and independent non-executive director, Mr Mark Clements with non-executive director, Mr Ross Stanley recently rescinding his membership in this Committee. In the previous reporting period, the Remuneration Committee engaged independent remuneration consultants, The Reward Practice, to undertake an external review, including independent benchmarking of remuneration for the Executive, KMP and key staff as the Company moved toward its key strategic objective, which was the development of, and ultimately the production from, the Company's Okvau Gold Project in Cambodia targeting safety, environment, sustainability and community.

Details of the remuneration review are contained in the Remuneration Report included in the Directors' Report for the current financial year.

CORPORATE GOVERNANCE STATEMENT

The responsibilities of the Committee are set out in a formal Charter approved by the Board. The Charter sets out the purpose, membership, responsibilities, authority and reporting requirements of the Committee.

Details of the remuneration policy are contained in the Remuneration Report included in the Directors' Report for the current financial year.

In relation to the remuneration of non-executive directors, the Company's policy is to pay at market rates for comparable companies for time, commitment and responsibilities. In accordance with ASX Corporate Governance Recommendations and to safeguard the interests of shareholders, fees for non-executive directors are not linked to the performance of the Company to maintain independence and impartiality. Non-executive directors are not incentivised by short term or long-term incentives. The Company does not pay retirement allowances to non-executive directors and non-executive directors do not receive separate remuneration for serving on a committee.

The maximum aggregate amount of fees (including superannuation payments) that can be paid to non-executive directors is subject to approval by the shareholders at general meeting. Non-Executive directors may be entitled to a termination benefit of up to 6 months of base fees dependent upon circumstances when the engagement is terminated.

There were four Remuneration Committee meetings held during the year ended 30 June 2022 which were attended by all members of the committee, at the time of the meetings.

With regard to the remuneration of executives, pay and rewards for executive directors and senior executives consists of a base salary and performance incentives. Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness. Short term performance incentives may include a cash bonus payable upon achievement of agreed upon key performance indicators on financial and non-financial metrics relating to the key drivers of the Company. Long term performance incentives may include premium priced options granted to senior executives and key staff in accordance with an agreed upon remuneration mix following a recommendation from the Managing Director and Executive Director and approval of the Remuneration Committee and Board. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and are subject to vesting conditions and employment retention.

The Company is entering an important phase and the Board believes that the remuneration framework is appropriate and fit-for-purpose based on the Company's development and growth profile and to drive and deliver the outcomes desired by all shareholders.

The Company's key strategic objective at the start of FY22 was to successfully commission the Okvau Gold Mine and meet or exceed the Definitive Feasibility Study estimates targeting operating performance with a focus on safety, environment, sustainability and community. This was achieved following commissioning of the Okvau Gold Mine in September 2021 thanks to the enormous efforts of our experienced executive and management team led by Managing Director Morgan Hart and Executive Director, Michael Evans.

Given the Company's size and evolving transition from explorer to producer, the Remuneration Committee utilises the Company's Incentive Option Plan approved by shareholders on 25 November 2020 to provide long-term equity incentives and short-term cash incentives tied to performance against relevant targets, for the key management personnel and senior management to drive alignment of the Company's critical and strategic pillars.

The Company has remained resilient throughout the COVID-19 crisis. The Company has effectively managed the pandemic to date such that there have been no disruptions to operations or on the STI framework for FY22. This has been possible due to the Cambodian Government's significant confidence in the exceptional protocols in place at the Okvau Gold Mine to minimise the potential transmission of COVID-19 and strict adherence to Government directives.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Emerald Resources NL for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.



Perth, Western Australia
30 September 2022

L Di Giallonardo
Partner

hlb.com.au

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FINANCIAL STATEMENTS

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These financial statements are the consolidated financial statements of the consolidated entity consisting of Emerald Resources NL and its subsidiaries. The financial statements are presented in Australian dollars.

Emerald Resources NL is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Emerald Resources NL
 Ground Floor, 1110 Hay Street
 West Perth WA 6005

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities on pages 5 to 26 in the Directors' Report, both of which are not part of these financial statements.

The financial statements were authorised for issue by the directors on 30 September 2022. The Company has the power to amend and reissue the financial statements.

Through the use of the internet, the Company has ensured that its corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial statements and other information are available on our website: www.emeraldresources.com.au.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	Consolidated	
		2022 \$'000s	2021 \$'000s
Revenue from continuing operations	3	206,532	21
Other income	4	8	71
Cost of sales	5	(100,556)	-
Administrative expenses	6(a)	(3,593)	(923)
Employee benefits expense	6(b)	(3,485)	(1,420)
Share-based payment expense	24(a)	(2,166)	(1,177)
Depreciation expense		(50)	(69)
Finance costs	6(c)	(20,010)	(74)
Fair value loss on financial assets		(12)	(41)
Fair value loss on financial liabilities	19	(12,437)	(1,592)
Exploration and feasibility expenditure expensed		(5,266)	(3,333)
Development expenditure		(1,156)	(1,798)
Net gain/(loss) on foreign exchange		5,170	(6,365)
Other expenditure		(271)	-
Profit/(loss) before income tax		62,708	(16,700)
Income tax expense	8	(17,342)	-
Profit/(loss) for the year		45,366	(16,700)
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
- Exchange differences on translation of foreign operations		2,219	7
Total other comprehensive income for the year		2,219	7
Total comprehensive income/(loss) attributable to members of the parent		47,585	(16,693)
<i>Earnings/(loss) per share</i>			
Basic earnings/(loss) per share (cents per share)	26	8.45	(3.24)
Diluted earnings/(loss) per share (cents per share)	26	8.38	n/a

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	Consolidated	
		2022 \$'000s	2021 \$'000s
Current assets			
Cash and cash equivalents	9	43,047	22,761
Trade and other receivables	10	15,780	7,016
Inventory	11	32,870	1,510
Financial assets at fair value through profit or loss	12(a)	191	204
Other financial assets	12(b)	4,097	-
Other current assets		182	144
Total current assets		96,167	31,635
Non-current assets			
Property, plant and equipment	13	88,884	1,521
Right-of-use assets	14	35,693	33,514
Mine properties	15	109,766	183,440
Exploration and evaluation expenditure	16(c)	87,150	-
Inventory	11	24,386	-
Other non-current assets held for sale		756	-
Total non-current assets		346,635	218,475
Total assets		442,802	250,110
Current liabilities			
Trade and other payables	17	25,857	17,878
Interest-bearing liabilities	18	35,496	27,869
Financial liabilities	19	15,571	8,924
Provisions	20	14,760	-
Total current liabilities		91,684	54,671
Non-current liabilities			
Interest-bearing liabilities	18	58,705	65,500
Financial liabilities	19	18,876	24,540
Other non-current liabilities		599	-
Provisions	20	23,815	331
Total non-current liabilities		101,995	90,371
Total liabilities		193,679	145,042
Net assets		249,123	105,068
Equity			
Share capital	21	286,156	195,352
Reserves	22(c)	5,857	1,472
Accumulated losses		(47,369)	(91,756)
Equity attributable to equity holders of the parent		244,644	105,068
Non-controlling interests	23	4,479	-
Total equity		249,123	105,068

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

Consolidated	Issued Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total	Non-controlling Interests	Total Equity
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Balance at 1 July 2020	195,089	1,359	(1,071)	(75,056)	120,321	-	120,321
Net loss for the year	-	-	-	(16,700)	(16,700)	-	(16,700)
Exchange differences on translation of foreign operations	-	-	7	-	7	-	7
Total comprehensive loss for the year	-	-	7	(16,700)	(16,693)	-	(16,693)
Transactions with owners in their capacity as owners:							
Contributions of equity	290	-	-	-	290	-	290
Transaction costs of issuing capital	(27)	-	-	-	(27)	-	(27)
Share-based payment transactions	-	1,177	-	-	1,177	-	1,177
	263	1,177	-	-	1,440	-	1,440
Balance at 30 June 2021	195,352	2,536	(1,064)	(91,756)	105,068	-	105,068
Balance at 1 July 2021	195,352	2,536	(1,064)	(91,756)	105,068	-	105,068
Net profit for the year	-	-	-	45,366	45,366	-	45,366
Exchange differences on translation of foreign operations	-	-	2,219	-	2,219	-	2,219
Total comprehensive income for the year	-	-	2,219	45,366	47,585	-	47,585
Transactions with owners in their capacity as owners:							
Contributions of equity	90,809	-	-	-	90,809	-	90,809
Transaction costs of issuing capital	(5)	-	-	-	(5)	-	(5)
Share-based payment transactions	-	2,166	-	-	2,166	-	2,166
Changes to accumulated losses	-	-	-	(979)	(979)	-	(979)
	90,804	2,166	-	(979)	91,991	-	91,991
Acquisition of non-controlling interest	-	-	-	-	-	4,479	4,479
Balance at 30 June 2022	286,156	4,702	1,155	(47,369)	244,644	4,479	249,123

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note	Consolidated	
		2022 \$'000s	2021 \$'000s
Cash flows from operating activities			
Receipts from customers		206,567	-
Payments to suppliers and employees		(108,605)	(2,682)
Payments for development		(389)	(984)
Interest received		18	21
Payments for exploration and evaluation		(5,594)	(2,816)
Income tax paid		(3,041)	-
Other income		2	71
Net cash provided by/(used in) operating activities	27	88,958	(6,390)
Cash flows from investing activities			
Gold sales revenue during pre-production		19,932	-
Payments for development		(43,017)	(92,500)
Proceeds from sale of investments		-	135
Purchase of property, plant and equipment		(4,418)	(30)
Payments for investments		(740)	(92)
Payments for interest and other costs of finance		(1,688)	(3,133)
Payments for other non-current assets		(1,560)	-
Cash received upon acquisition of Bullseye Mining Limited	16	3,022	-
Net cash (used in) investing activities		(28,469)	(95,620)
Cash flows from financing activities			
Proceeds from issue of shares		468	290
Share issue transaction costs		(4)	(8)
Repayment of borrowings		(15,878)	-
Interest paid on borrowings		(21,167)	-
Payments for lease liabilities		(6,041)	-
Transaction costs related to loans and borrowings		(3,627)	-
Proceeds from Blue Cap Bullseye JV loan		3,471	-
Net cash provided by/(used in) financing activities		(42,778)	282
Net increase/(decrease) in cash and cash equivalents		17,711	(101,728)
Cash and cash equivalents at the start of the year		22,761	136,175
Effect of exchange rates on cash holdings in foreign currencies		2,575	(11,686)
Cash and cash equivalents at the end of the year	9	43,047	22,761

Amounts relating to payments to suppliers and employees as set out above are inclusive of goods and services tax.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the financial years presented, unless otherwise stated. These financial statements cover Emerald Resources NL as a consolidated entity consisting of Emerald Resources NL and its subsidiaries ('the consolidated entity' or 'the Group').

a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and the Corporations Act 2001.

(i) Compliance with IFRS

The consolidated financial statements of Emerald Resources NL ('Group') also comply with Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes as presented comply with International Financial Reporting Standards ('IFRS').

For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets at fair value through profit or loss and derivative liabilities.

b. Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Emerald Resources NL as at 30 June 2022 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations of the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies of the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of changes in equity and statement of financial position.

(ii) Joint venture entities

A joint venture entity is an entity in which the Group holds a long-term interest, and which is jointly controlled by the consolidated entity and one or more other venturers. Decisions regarding the financial and operating policies essential to the activities, economic performance and financial position of that venture require the consent of each of the venturers that together jointly control the entity.

(iii) Jointly controlled assets

The Group has certain contractual arrangements with other participants to engage in joint activities where all significant matters of operating and financial policy are determined by the participants such that the operation itself has no significant independence to pursue its own commercial strategy. These contractual arrangements do not create a joint venture entity due to the fact that the policies are those of the participants, not a separate entity carrying on a trade or a business of its own. The financial statements of the Group include its share of the assets, liabilities and cash flows in such joint venture operations, measured in accordance with the terms of each arrangement, which is usually pro-rata to the Group's interest in the joint venture operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

c. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

d. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the business activities as follows:

Interest income

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Gold income

The Group primarily generates revenue from the sale of gold bullion. This sales revenue is recognised when ownership of the metal is transferred to the buyer. This typically occurs when physical bullion, from a contracted sale, is transferred from the Group's metal account to the metal account of the buyer.

Where the Group receives provisional payments from buyers in advance of transfer of ownership, the Group classifies the provisional payment as deferred revenue liability until ownership is transferred and associated revenue is recognised.

e. Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction 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.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

f. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) 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. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the assets.

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the 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 the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because 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 lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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 office equipment that are considered to be low value. 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.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an assets are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

g. Impairment of assets

At each reporting date the Group assesses whether there is any indication that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

h. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash 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, and bank overdrafts.

i. Trade receivables, other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

The Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics that have been grouped based on the days past due.

j. Inventories

Ore stockpiles, gold in circuit and bullion on hand inventories are valued at the lower of weighted average cost and net realisable value. Costs include direct production costs and an appropriate allocation of attributable overheads. Depreciation and amortisation attributable to production of inventory are also included in the cost of inventory.

Consumable stores are valued at the lower of cost and net realisable value. The cost of consumable stores is measured on an average cost basis.

k. Exploration and evaluation expenditure

The exploration and evaluation expenditure accounting policy is to expense expenditure as incurred except for the capitalisation of acquisition costs. Expenditure is carried forward in areas for which the Group has rights of tenure and where economic mineralisation is indicated, but activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine properties under development. No amortisation is charged during the exploration and evaluation phase.

l. Mine properties

(i) Mines under development

"Mines under development" comprises of expenditure transferred from 'exploration and evaluation expenditure' once the work completed to date supports the future development of the property and such development receives appropriate approvals. After transfer of the exploration and evaluation expenditure, all subsequent expenditure incurred in construction, drilling costs, removal of overburden to gain access to the ore and installation or completion of infrastructure facilities is capitalised in mines under development, net of proceeds from the sale of ore extracted during the development phase. Accumulated expenditure is carried separately for each area of interest in which economically recoverable reserves and resources have been identified.

Once commercial production rates have been established, all aggregated expenditure is transferred to non-current assets as either mine development (a separate category within Mine properties) or an appropriate class of property, plant and equipment.

(ii) Mine development

"Mine development" represents expenditure transferred from 'mines under development' previously accumulated and carried forward in relation to areas of interest in which mining has now commenced. When further development expenditure is incurred in respect of an area of interest after commencement of commercial production, such expenditure is carried forward as part of the cost of the mine property only when future economic benefits are reasonably assured, otherwise the expenditure is classified as part of the cost of production and expensed as incurred. Such capitalised development expenditure is added to the total carrying value of mine development being amortised.

Mine development costs are amortised on a units-of-production basis over the life of mine to which they relate. In applying the units of production method, amortisation is calculated using the expected total processed tonnes as determined by the life of mine plan specific to that mine property. For development expenditure undertaken during production, the amortisation rate is based on the ratio of total development expenditure (incurred and anticipated) over the expected total processed tonnes as estimated by the relevant life of mine plan to achieve a consistent amortisation rate per tonne. The rate per tonne is typically updated upon a revised life of mine.

m. Investments and other financial assets

(i) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(ii) Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL);
- equity instruments at fair value through other comprehensive income (FVOCI); and
- debt instruments at fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

(iii) Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss.

Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139. Any gains or losses recognised in other comprehensive income (OCI) are not recycled upon derecognition of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI.

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is to “hold to collect” the associated cash flows and sell financial assets; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

(iv) Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced AASB 139's 'incurred loss model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1');
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2');
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date; and
- '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

n. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are initially recorded at fair value and then subsequently at amortised cost.

o. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

p. Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on the nature of the derivative.

Derivatives are classified as current or non-current depending on the expected period of realisation.

q. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance 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. The increase in the provision due to the passage of time is recognised as interest expense.

r. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave liability and all other short-term employee benefit obligations are presented in payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as present value of expected future wage payments to be made. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

The Company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of shares of Emerald Resources NL ('market conditions').

s. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

t. Earnings per share

(i) Basic earnings/loss per share

Basic earnings/loss per share is calculated by dividing the profit/loss attributable to equity holders of the Company excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

- (ii) Diluted earnings/loss per share
 Diluted earnings/loss per share adjusts the figures used in the determination of basic earnings/loss per share to take into account the after-tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

u. Value added tax ('VAT')

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Australian goods and services tax ('GST') is a type of VAT.

v. Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

w. Foreign currency translation

- (i) Functional and presentation currency
 Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Emerald Resources NL's functional and presentation currency.
- (ii) Transactions and balances
 Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale financial assets are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for the statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

x. New accounting standards and interpretations

In the year ended 30 June 2022, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the reporting period beginning on or after 1 July 2021. As a result of this review, the directors have determined that there is no material impact of the Standards and Interpretations issued on the Company and, therefore, no change is necessary to its accounting policies.

Other standards not yet applicable

The directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2022. As a result of this review, the directors have determined that there is no material impact of the Standards and Interpretations on issue not yet adopted on the Company and, therefore, no change is necessary to its accounting policies.

No other new standards, amendments to standards or interpretations are expected to affect the Company's financial statements.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amount of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Taxation

Balances disclosed in the financial statements related to taxation, are based on best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income tax legislation and the Directors' understanding thereto.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

2. Critical accounting estimates and judgement (continued)

b. Derivative financial instrument

The Group measures the fair value of the derivative financial instrument based on the forward gold price over the term of the repayments, discounted to present value. The instrument is re-assessed at each reporting date.

c. Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 24.

d. Accounting for leases

- Assessing contracts to determine whether they contain a lease and if so, whether they also contain non-lease components.
- Estimating the useful lives and depreciation rates of right-of-use assets.
- Setting the discount rate of the lease contracts, which is used in the calculation of lease liabilities.

e. Value added tax receivable

Estimating the amount recoverable and timing of recovery of VAT receivable from the Cambodian government.

f. Valuation of rehabilitation provision

Estimating the future cash flows to settle mine restoration obligations and setting the discount rate used in the calculation of the rehabilitation provision.

g. Date of commencement of commercial production

Setting the pre-determined levels of operating capacity intended by management for deciding when the development of the Okvau gold project was completed and production started. This date is known as the 'date of commencement of commercial production' and is used for establishing when project costs of an operating nature are no longer capitalised to mine properties under development and depreciation and amortisation of the associated assets commences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

		Consolidated	
		2022	2021
		\$'000s	\$'000s
3.	Revenue from continuing operations		
	Gold sales	206,451	-
	Other sales	18	-
	Interest received	63	21
	Total revenue from continuing operations	206,532	21
4.	Other income		
	ATO Cashflow boost	-	50
	OSRWA COVID-19 grant	-	18
	Other	8	3
	Total other income	8	71
5.	Cost of sales		
	Production expenses	98,283	-
	Royalties and other selling costs	9,785	-
	Depreciation and amortisation	31,016	-
	Changes in inventory	(38,528)	-
	Total cost of sales	100,556	-
6.	Expenses		
(a)	Administrative expenses		
	Administrative costs	596	274
	Consultancy expenses	616	229
	Occupancy expenses	284	109
	Compliance and regulatory expenses	320	150
	Insurance expenses	1,777	161
	Total administrative expenses	3,593	923
(b)	Employee benefits expense		
	Salaries and wages expense	3,120	1,136
	Defined contribution superannuation expense	147	88
	Other employee benefit expenses	218	196
	Total employee benefits expense	3,485	1,420
(c)	Finance costs		
	Interest on Sprott secured loan	6,448	-
	Interest on right-of-use assets	2,887	-
	Borrowing costs	10,675	74
	Total finance costs	20,010	74
		Consolidated	
		2022	2021
		\$	\$
7.	Auditor's remuneration		
	Auditing or reviewing the financial statements	105,000	48,920
	Non-assurance services	-	-
	Total auditor remuneration	105,000	48,920

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

		Consolidated	
		2022	2021
		\$'000s	\$'000s
8.	Income tax benefit/(expense)		
(a)	Income tax expense		
	Current tax	17,342	-
	Deferred tax	-	-
	Total income tax benefit	17,342	-
(b)	Numerical reconciliation of income tax expense to prima facie tax payable		
	Net profit/(loss) from continuing operations before income tax expense	64,045	(16,701)
	Tax benefit at the tax rate of 30%	19,213	(5,010)
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Share-based payments	649	353
	Other non-deductible amounts	5,046	1,743
	Tax rate differential on foreign income	(3,734)	-
	Accounting income not included as assessable income	-	(15)
	Utilisation of previously unrecognised losses	(321)	-
	Unrecognised tax losses	(3,474)	2,985
	Deductible equity raising costs	(37)	(53)
	Income tax benefit	17,342	-
(c)	Recognised deferred tax assets and liabilities		
	Deferred tax assets		
	Employee benefits	27	1
	Other provisions and accruals	88	-
	Tax losses	5,119	-
		5,234	1
	Set-off of deferred tax liabilities	(5,234)	(1)
	Net deferred tax assets	-	-
	Deferred tax liabilities		
	Exploration and mine properties	(5,233)	-
	Prepayments	(1)	(1)
		(5,234)	(1)
	Set-off of deferred tax assets	5,234	1
	Net deferred tax liabilities	-	-
(d)	Unused tax losses and temporary differences for which no deferred tax asset has been recognised		
	Deferred tax assets have not been recognised in respect of the following using applicable corporate tax rates for each jurisdiction:		
	Deductible temporary differences	6,717	2,801
	Tax revenue losses	12,319	5,542
	Tax capital losses	11,957	11,948
	Total unrecognised deferred tax assets	30,993	20,291

The corporate tax rates on both recognised and unrecognised deferred tax assets and deferred tax liabilities have been calculated with respect to the tax rate that is expected to apply in the year the deferred tax asset is realised or the liability is settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

		Consolidated	
		2022	2021
		\$'000s	\$'000s
9.	Cash and cash equivalents		
(a)	Total cash and cash equivalents		
	Cash at bank and on hand	42,977	21,691
	Deposits at call	70	1,070
	Total cash and cash equivalents	43,047	22,761
(b)	Cash at bank and on hand		
	Cash on hand is non-interest bearing.		
	Cash at bank bears interest rates between 0.00% and 0.01% (2021: 0.00% and 0.06%).		
(c)	Deposits at call		
	Deposits at call are bearing an interest rate of 1.36% (2021: 0.30%).		
10.	Trade and other receivables		
(a)	Current		
	VAT receivable	13,968	4,880
	Gold bullion awaiting settlement	-	1,266
	Prepayments	1,446	752
	Other receivables	366	118
	Total current trade and other receivables	15,780	7,016
(b)	Past due and impaired receivables		
	As at 30 June 2022, there were no receivables that were past due or impaired (2021: nil).		
(c)	Effective interest rates and credit risk		
	Information concerning effective interest rates and credit risk of both current and non-current trade and other receivables is set out in note 25.		
11.	Inventory		
	Ore stockpiles	38,079	-
	Gold in circuit	6,072	-
	Gold on hand	7,393	-
	Inventory consumables	5,712	1,510
	Total inventory	57,256	1,510
	Current inventory	32,870	1,510
	Non-current inventory	24,386	-
	Total inventory	57,256	1,510
12.	Financial assets at fair value through profit or loss		
(a)	Current		
	Financial assets at fair value through profit or loss (Level 1)	191	204
	Total current financial assets	191	204
(b)	Other financial assets		
	Security deposit held for rehabilitation funds	1,597	-
	Loan receivable from Blue Cap Bullseye JV	2,500	-
	Total other financial assets	4,097	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

	Furniture & Fittings	Plant & Equipment	Motor Vehicles	Leasehold Improve- ments	Buildings & Infra- structure	Tailings Dam	Mill Liners	Capital Work in Progress	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
13. Property, plant and equipment									
<i>Year ended 30 June 2021</i>									
Opening net book amount	18	61	43	48	-	-	-	-	170
Additions	28	-	-	-	-	-	1,354	3	1,385
Transfer between classes	2	(2)	-	-	-	-	-	-	-
Disposals/write-offs	-	-	-	-	-	-	-	-	-
Depreciation charge	(19)	(26)	(21)	(3)	-	-	-	-	(69)
Effect of exchange rates	-	-	(4)	-	-	-	39	-	35
Closing net book amount	29	33	18	45	-	-	1,393	3	1,521
<i>At 30 June 2021</i>									
Cost or fair value	209	167	254	48	-	-	1,393	3	2,074
Accumulated depreciation	(180)	(134)	(236)	(3)	-	-	-	-	(553)
Net book amount	29	33	18	45	-	-	1,393	3	1,521
<i>Year ended 30 June 2022</i>									
Opening net book amount	29	33	18	45	-	-	1,393	3	1,521
Additions	8	211	22	11	-	-	516	863	1,631
Transfer between classes	103	243	-	-	107	1,419	-	(1,872)	-
Transfer from Mine Properties	850	53,702	512	-	38,556	3,502	1,263	-	98,385
Disposals/write-offs	-	(1)	-	-	-	-	-	-	(1)
Depreciation charge	(104)	(6,932)	(53)	(3)	(5,020)	(469)	(1,825)	-	(14,406)
Effect of exchange rates	(29)	(293)	(35)	-	621	(19)	151	1,358	1,754
Closing net book amount	857	46,963	464	53	34,264	4,433	1,498	352	88,884
<i>At 30 June 2022</i>									
Cost or fair value	1,199	54,698	1,054	65	39,623	4,921	3,435	352	105,347
Accumulated depreciation	(342)	(7,735)	(590)	(12)	(5,359)	(488)	(1,937)	-	(16,463)
Net book amount	857	46,963	464	53	34,264	4,433	1,498	352	88,884

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

		Consolidated	
		2022	2021
		\$'000s	\$'000s
14.	Right-of-use assets		
	Opening balance	33,514	-
	Additions	6,111	35,773
	Depreciation capitalised to mine properties (refer note 15)	(1,202)	(2,617)
	Depreciation expensed	(6,081)	-
	Effect of exchange rates	3,351	358
	Total right-of-use assets	35,693	33,514
15.	Mine properties		
	Opening balance	183,440	71,594
	Additions during the period	37,055	115,323
	Transferred to property, plant and equipment	(99,346)	-
	Transferred to inventory	(11,607)	-
	Less amortisation	(12,335)	-
	Effect of exchange rates	12,559	(3,477)
	Total mine properties under development	109,766	183,440
16.	Bullseye Mining Limited Acquisition		
	On 7 December 2021 Emerald lodged a takeover offer of Bullseye Mining Limited ('Bullseye'). Under the offer, Bullseye shareholders received 1 new Emerald share for every 3.43 Bullseye shares held.		
	On 19 May 2022, Emerald had acquired 50.56% of Bullseye shares with 65,680,575 new shares to existing Bullseye shareholders. A further 8.76% was acquired up to 17 June 2022, by issuing a further 11,389,451 new shares, bringing the current interest in Bullseye to 59.32%.		
(a)	Value of investment		
	Issue of share capital	90,340	-
	Fees in relation to acquisition	3,342	-
	Total investment in Bullseye Mining	93,682	-
	Non-controlling interest	4,479	-
	Total value of investment	98,161	-
	The Group has determined that the transaction does not constitute a business combination in accordance with AASB 2 Business Combinations. The acquisition of the net assets has therefore been accounted for as an asset acquisition. When an asset acquisition does not constitute a business combination, the assets and liabilities acquired are allocated a carrying amount, based on their relative fair values.		
	The value of the assets acquired, and liabilities assumed has been allocated on a Fair Value basis. Details of the purchase consideration and the net assets acquired are as follows:		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

		Consolidated	
		2022 \$'000s	2021 \$'000s
16.	Bullseye Mining Limited Acquisition (continued)		
(b)	Net assets acquired		
	Cash and cash equivalents	3,022	-
	Trade and other receivables	626	-
	Loan receivable	6,000	-
	Property, plant and equipment	257	-
	Development asset	2,791	-
	Non-current asset held for sale	756	-
	Total assets	13,452	-
	Trade and other payables	1,026	-
	Other payables	1,226	-
	Lease liability	79	-
	Right-of-use asset	110	-
	Total liabilities	2,441	-
	Net assets acquired	11,011	-
	Total value of investment	98,161	-
	Less net assets acquired	(11,011)	-
(c)	Capitalised exploration asset	87,150	-
17.	Trade and other payables		
	Current		
	Trade payables	14,761	10,728
	Accruals	6,605	5,894
	Other payables	4,491	1,256
	Total current trade & other payables	25,857	17,878
	No trade or other payables are considered past due.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

		Consolidated	
		2022	2021
		\$'000s	\$'000s
18.	Interest-bearing liabilities		
(a)	Secured loan – Sprott		
	Opening balance	58,994	49,868
	Amortisation of capitalised borrowing costs	8,198	7,968
	Capitalised interest	-	5,762
	Repayments	(16,370)	-
	Effect of exchange rates	5,244	(4,604)
	Total secured loan liability	56,066	58,994
	Current liability	28,316	22,685
	Non-current liability	27,750	36,309
	Total secured loan liability	56,066	58,994
	<p>The Group holds a debt facility with Sprott Private Resource Lending II (Collector) L.P (“Sprott”) with a face value of US\$60.0 million, having a maturity repayment date of 31 March 2025, secured against the Group’s assets. The facility attracts an interest rate of 6.5% per annum plus the greater of LIBOR or 2.50% per annum. 75% of monthly interest was capitalised up to May 2021 and forms part of the principal amount at 30 June 2022. No additional drawings are available.</p> <p>The Group has entered into an “all-assets” general security deed to secure the Group’s obligations under the relevant documents encompassing the Sprott debt facility. The securities granted to Sprott are first ranking.</p>		
(b)	Finance lease liabilities on right-of-use assets		
	Current liability	7,129	5,184
	Non-current liability	30,955	29,191
	Total finance lease liabilities on right-of-use assets	38,084	34,375
(c)	Other finance lease liabilities		
	Current liability	51	-
	Non-current liability	-	-
	Total finance lease liabilities	51	-
(d)	Total interest-bearing liabilities		
	Current liability	35,496	27,869
	Non-current liability	58,705	65,500
	Total interest-bearing liabilities	94,201	93,369
19.	Financial liabilities		
	Opening balance	33,464	34,602
	Payment of derivative liability	(14,179)	-
	Revaluation of derivative liability	12,437	1,592
	Effect of exchange rates	2,725	(2,730)
	Total finance liabilities	34,447	33,464
	Current liability	15,571	8,924
	Non-current liability	18,876	24,540
	Total finance liabilities	34,447	33,464
	<p>As part of the Sprott debt facility, additional interest is payable based on the differential between the average USD LBMA PM gold price per ounce (of the prior month) and US\$1,100 per ounce (multiplied by 1,449oz per month for 43 months to a total of 62,307oz, with 10 payments being made during the period).</p>		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

Consolidated

	2022 \$'000s	2021 \$'000s
20. Provisions		
Opening balance	331	264
Rehabilitation provision recorded	22,313	-
Employee provisions	102	85
Provision for taxation	15,912	-
Payments made during the period	(1,876)	-
Revaluations	278	-
Effect of exchange rates	1,515	(18)
Total provisions	38,575	331
(a) Income tax provision		
Current liability	14,753	-
Total income tax provisions	14,753	-
(b) Rehabilitation provision		
Non-current liability	23,553	100
Total rehabilitation provision	23,553	100
(c) Employee provision		
Current liability	7	-
Non-current liability	262	231
Total employee provision	269	231
(c) Total provisions		
Current liability	14,760	-
Non-current liability	23,815	331
Total employee provision	38,575	331

Consolidated

	2022 No. of shares	2021 No. of shares	2022 \$'000s	2021 \$'000s
21. Share Capital				
(a) Issued capital				
Ordinary shares (fully paid)	593,350,983	515,397,207	286,156	195,352
Total contributed equity	593,350,983	515,397,207	286,156	195,352
(b) Ordinary Shares				
Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders meetings each ordinary share is entitled to one vote in proportion to the paid-up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.				
(c) Options				
Information relating to options including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 24.				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

	Date	Shares	Issue Price	Total
		No.	\$/share	\$'000s
21. Share Capital (continued)				
Opening Balance 1 July 2020		514,498,207		195,089
Option exercise	14 Jul 2020	193,750	\$0.323	63
Option exercise	3 Aug 2020	77,500	\$0.323	25
Option exercise	14 Sep 2020	387,500	\$0.323	125
Option exercise	30 Sep 2020	240,250	\$0.323	77
Less: Transaction costs				(27)
Closing balance at 30 June 2021		515,397,207		195,352
<hr/>				
Opening Balance 1 July 2021		515,397,207		195,352
Issue of securities	7 Dec 2021	22,067,700	\$1.065	23,502
Option exercise	23 Dec 2021	250,000	\$0.520	130
Option exercise	23 Dec 2021	46,500	\$0.510	24
Option exercise	22 Mar 2022	337,250	\$0.570	192
Issue of securities	14 Apr – 1 Jun 2022	54,302,841	\$1.10 - \$1.29	66,006
Option exercise	7 Jun 2022	250,000	\$0.490	123
Issue of securities	17 Jun 2022	699,485	\$1.190	832
Less: Transaction costs				(5)
Closing balance at 30 June 2022		593,350,983		286,156
<hr/>				
				Consolidated
				2022 2021
				\$'000s \$'000s
22. Reserves				
(a) Option reserve				
Opening balance			2,536	1,359
Options issued – share based payment expense			2,166	1,177
Expiry of options			-	-
Closing balance			4,702	2,536
<p>The option reserve records items recognised on valuation of director, employee and contractor share options, as well as options issued as consideration for acquisitions. Information relating to options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 24.</p>				
<hr/>				
(b) Foreign currency translation reserve				
Opening balance			(1,064)	(1,071)
Exchange differences arising on translation of foreign operations			2,219	7
Closing balance			1,155	(1,064)
<p>Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in the profit or loss when the net investment is disposed of.</p>				
<hr/>				
(c) Total Reserves				
Option reserve			4,702	2,536
Foreign currency translation reserve			1,155	(1,064)
Total reserves			5,857	1,472

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

	Bullseye Mining Limited	Bullseye Mining Limited
	2022 \$'000s	2021 \$'000s
23. Non-controlling interest		
NCI percentage	40.68%	-
Summarised financial position		
Current assets	9,648	-
Non-current assets	3,804	-
Total assets	13,452	-
Current liabilities	2,441	-
Non-current liabilities	-	-
Total liabilities	2,441	-
Net assets	11,011	-
Accumulated NCI	4,479	-
For more information on the acquisition of Bullseye Mining Limited, refer to note 16.		

	Consolidated	
	2022 \$'000s	2021 \$'000s
24. Share-based payments		
(a) Recognised share-based payments expense		
Options issued to directors, management, employees and consultants	2,166	1,177
Total share-based payments expense	2,166	1,177

The fair value of the options issued is recognised over the vesting period of the options.

(b) Summary of options granted				
The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year:				

	2022		2021	
	No.	WAEP	No.	WAEP
Balance at the start of the year	12,133,750	\$0.605	5,532,750	\$0.425
Granted during the year	3,975,000	\$1.130	7,500,000	\$0.686
Exercised during the year	(883,750)	\$0.530	(899,000)	\$0.323
Balance at the end of the year	15,225,000	\$0.747	12,133,750	\$0.605
Exercisable at the end of the year	3,075,000	\$0.448	2,833,750	\$0.461

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

24. Share-based payments (continued)

		2022	2021		
Other information					
Weighted average remaining contractual life	Years	3.10	3.50		
Range of exercise prices	\$	\$0.39 - \$1.40	\$0.39 - \$1.02		
Weighted average fair value of options granted during the year	\$	\$0.579	\$0.411		
Option pricing model					
The fair value of the share-based options granted under the Incentive Option Plan is estimated as at the date of grant, using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model:					
		Expiry dates			
		29 Jul 2026	29 Jul 2026	14 Mar 2027	14 June 2027
Number		2,875,000	500,000	350,000	250,000
Expected share price volatility	%	80.00	80.00	80.00	80.00
Risk-free interest rate	%	0.55	1.48	2.14	3.68
Exercise price	\$	\$1.09	\$1.09	\$1.32	\$1.40
Life of the option	Yrs	5.0	4.7	5.0	5.0
Weighted average underlying share	\$	\$0.90	\$1.08	\$1.06	\$1.19
Fair value per option at grant date	\$	\$0.54	\$0.68	\$0.65	\$0.76

All options were issued as part of the incentive component of the recipients' remuneration packages. The options with expiry date of 29 July 2026 are subject to below vesting conditions, all other options will vest 36 months from the date of issue.

- 50% of options issued vest 24 months from the date of issue; and
- The remaining 50% of options issued vest 36 months from the date of issue.

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate. The life of the options is based on historical exercise patterns, which may not eventuate in the future. Total share-based payment transactions recognised during the year were as set out above.

25. Financial Instruments, Risk Management Objectives and Policies

The consolidated entity's principal financial instruments comprise cash and cash equivalents. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Group. The consolidated entity also has other financial instruments such as trade and other receivables and trade and other payables which arise directly from its operations. For the year under review, it has been the consolidated entity's policy not to trade in financial instruments.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

25. Financial Instruments, Risk Management Objectives and Policies (continued)

Consolidated 2022	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest	Non- interest Bearing	Total
	%	\$'000s	\$'000s	\$'000s	\$'000s
<i>Financial assets</i>					
Cash and cash equivalents	0.01	39,457	70	3,520	43,047
Trade and other receivables	0.00	-	-	15,780	15,780
Financial assets at fair value through profit or loss ⁽ⁱ⁾	0.00	-	-	191	191
Other financial assets	8.69	-	4,097	-	4,097
Other current assets	0.00	-	-	182	182
		39,457	4,167	19,673	63,297
<i>Financial liabilities</i>					
Trade and other payables	0.00	-	-	25,857	25,857
Interest-bearing liabilities	9.00	56,066	38,101	34	94,201
Other financial liabilities	0.00	-	-	34,447	34,447
Non-current payables	0.00	-	-	599	599
		56,066	38,101	60,937	155,104

(i) These financial assets are equity investments and are all classed as held for trading. The market value of equity investments represent the fair value based on either quoted prices on active markets (ASX) or using other valuation techniques, as at the reporting date without any deduction for transaction costs. These investments are classified as Level 1 financial instruments.

Consolidated 2021	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest	Non- interest Bearing	Total
	%	\$'000s	\$'000s	\$'000s	\$'000s
<i>Financial assets</i>					
Cash and cash equivalents	0.01	16,144	1,070	5,547	22,761
Trade and other receivables	0.00	-	-	7,016	7,016
Financial assets at fair value through profit or loss ⁽ⁱⁱ⁾	0.00	-	-	204	204
Other current assets	0.00	-	-	144	144
		16,144	1,070	12,911	30,125
<i>Financial liabilities</i>					
Trade and other payables	0.00	-	-	17,878	17,878
Interest-bearing liabilities	9.00	58,994	34,375	-	93,369
Other financial liabilities	0.00	-	-	33,464	33,464
		58,994	34,375	51,342	144,711

(ii) These financial assets are equity investments and are all classed as held for trading. The market value of equity investments represent the fair value based on either quoted prices on active markets (ASX) or using other valuation techniques, as at the reporting date without any deduction for transaction costs. These investments are classified as Level 1 financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

25. Financial Instruments, Risk Management Objectives and Policies (continued)

(a) Interest Rate Risk (continued)

The maturity date for all cash, trade and other receivable and trade and other payable financial instruments included in the above tables is one year or less from balance date.

Group sensitivity analysis

The Group's main interest rate risk arises from cash and cash equivalents with variable and fixed interest rates, as well as the LIBOR component of the Sprott secured debt facility (note 18). At 30 June 2022 the Group's exposure to interest rate risk is not considered material.

(b) 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 has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the Group aims at ensuring flexibility in its liquidity profile by managing its cash requirements and will have the ability to seek additional funding via credit facility or undertake capital raisings. Funds in excess of short-term operational cash requirements are generally only invested in short-term bank bills.

Consolidated 2022	Carrying amount \$'000s	Contractual cashflows \$'000s	Less than 6 months	6 to 12 months \$'000s	1 to 5 years \$'000s	Total \$'000s
Trade and other payables	25,857	25,857	25,857	-	-	25,857
Interest-bearing liabilities	94,201	154,985	22,603	21,906	110,476	154,985
Derivative liability	34,447	38,338	8,964	6,607	22,767	38,338
Total	154,505	219,180	57,424	28,513	133,243	219,180

Consolidated 2021	Carrying amount \$'000s	Contractual cashflows \$'000s	Less than 6 months	6 to 12 months \$'000s	1 to 5 years \$'000s	Total \$'000s
Trade and other payables	17,878	17,878	17,878	-	-	17,878
Interest-bearing liabilities	93,369	141,341	10,175	20,577	110,589	141,341
Derivative liability	33,464	40,431	4,032	4,892	31,507	40,431
Total	144,711	199,650	32,085	25,469	142,096	199,650

(d) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk primarily arising from costs denominated in USD, and loans and borrowings denominated in USD.

The Group also has transactional currency exposures. Such exposure arises from purchases by an operating entity in currencies other than the functional currency.

The Group does not have a policy to enter into forward contracts or other hedge derivatives.

At 30 June 2022, the Group had the following exposure to USD foreign currency expressed in AUD equivalents:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

25. Financial Instruments, Risk Management Objectives and Policies (continued)

(d) Foreign currency risk (continued)

	Consolidated	
	2022 \$'000s	2021 \$'000s
Financial assets		
Cash and cash equivalents	37,367	20,601
Trade and other receivables	14,258	6,267
Other current assets	1,597	144
	<u>69,540</u>	<u>27,012</u>
Financial liabilities		
Trade and other payables	19,535	16,788
Interest-bearing liabilities	99,170	95,143
Other financial liabilities	34,447	33,464
	<u>197,937</u>	<u>145,395</u>

A 10 per cent strengthening or weakening of the AUD against the following currencies at 30 June 2022 would have increased(decreased) net assets by the amounts shown in the below table. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for the year ended 30 June 2021.

	+10%		-10%	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
USD	7,725	5,695	(9,442)	(6,961)

(e) Price risk

The Group is exposed to commodity price risk on its future gold production. This risk is estimated by management using forecasts of the quantity and cost of future gold production. While the Group's price risk could be partially managed using a range of different types of hedging instruments, the Group did not have any open hedge instruments at 30 June 2022 (2021: nil).

(f) Fair value measurements

Carrying amounts of financial assets and financial liabilities at balance date approximate their fair value.

For all fair value measurement and disclosures, the Group uses the following to categorise the method used:

- Level 1: the fair value is calculated using quoted prices in active markets for identical assets or liabilities;
- Level 2: the fair value is estimated using inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The Group's derivative liabilities are classified as Level 2, as they were valued using valuation techniques that employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, and spot and forward rate curves of the underlying commodity; and
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data. The group does not have any financial assets or liabilities in this category.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

		Consolidated	
		2022	2021
		\$'000s	\$'000s
26.	Earnings per share		
(a)	Earnings/(loss)		
	Profit/(loss) used in the calculation of basic earnings/loss per share	45,366	(16,700)
(b)	Weighted average number of ordinary shares ('WANOS')		
	WANOS used in the calculation of basic loss per share ('000s):	537,152	515,233
(c)	Weighted average number of ordinary shares ('WANOS')		
	WANOS used in the calculation of diluted loss per share ('000s):	541,480	n/a
27.	Cash flow information		
	Reconciliation of cash flows from operating activities with profit/(loss) from ordinary activities after tax:		
	Profit/(loss) from ordinary activities after income tax	45,366	(16,700)
	Depreciation & amortisation	32,293	69
	Share-based payments	2,167	1,177
	Fair value loss/(gain) on financial assets	12	41
	Fair value loss on financial liabilities	12,437	1,592
	Rehab accretion expense	270	-
	Loss on disposal of fixed assets	1	-
	Finance costs	20,003	-
	Non-cash investment	-	(95)
	Net exchange differences	(5,170)	6,365
	Other items	-	(353)
	Changes in assets and liabilities:		
	- Decrease/(increase) in operating receivables and prepayments	(48,078)	1,344
	- Decrease/(increase) in other financial assets	(548)	-
	- Increase/(decrease) in operating trade and other payables	16,026	103
	- Increase in provisions	14,179	67
	Net cash inflows/(outflows) from operating activities	88,958	(6,390)
28.	Commitments		
(a)	Exploration and mining license commitments		
	In order to maintain rights to tenure of mineral tenements, the Group would have discretionary exploration expenditure requirements below up until expiry of leases or in accordance with Joint Venture or Earn-In Agreements. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable per the maturities below. If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.		
	The Group has additional commitments under its Environmental Contract with the Cambodian Ministry of Environment. These amounts relate to US\$3,300,000 as a remaining bond for rehabilitation commitments over a three year period (from December 2022 to December 2024) and a further annual contribution of US\$368,889 for a further seven year period with funds applied to Environmental and Social initiatives.		
	Within one year	2,132	2,506
	Between one and five years	5,335	6,560
	Longer than five years	1,071	1,619
	Total exploration and mining license commitments	8,538	10,685

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

		Consolidated	
		2022	2021
		\$'000s	\$'000s
28.	Commitments (continued)		
(b)	Okvau Gold Mine capital expenditure commitments		
	The outstanding capital commitments relating to the Okvau Gold Mine at 30 June are:		
	Within one year	559	1,331
	Total capital commitments	559	1,331

29. Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For the purposes of segment reporting the chief operating decision maker has been determined as the Board of Directors. The Board monitors the entity primarily from a geographical perspective, and has identified three operating segments, being exploration and development of mineral reserves within Cambodia, Australia and the corporate/head office function in Australia.

(b) Segment information provided to the Board of Directors

The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2022 is as follows:

Consolidated 2022	Mine Development	Exploration	Other	Total
By Operating Segment	\$'000s	\$'000s	\$'000s	\$'000s
Total segment revenue	206,469	-	71	206,540
Interest revenue	-	-	63	63
Depreciation and amortisation expense	(31,016)	(24)	(24)	(31,064)
Total segment profit/(loss) before income tax	54,540	(5,290)	(3,881)	45,369
Total segment assets	338,398	87,415	16,690	442,503
Total segment liabilities	(186,925)	(212)	(6,542)	(193,679)
Capital expenditure for the year	42,842	-	-	42,842
Consolidated 2022	Cambodia	Western Australia	Other	Total
By Geographical Segment	\$'000s	\$'000s	\$'000s	\$'000s
Total segment revenue	206,494	46	-	206,540
Total segment non-current assets	258,282	88,353	-	346,635
Consolidated 2021	Mine Development	Exploration	Other	Total
	\$'000s	\$'000s	\$'000s	\$'000s
Total segment revenue	-	-	21	21
Interest revenue	-	-	21	21
Depreciation and amortisation expense	-	(20)	(49)	(69)
Total segment (loss) before income tax	(3,442)	(3,353)	(9,905)	(16,700)
Total segment assets	245,891	173	4,046	250,110
Total segment liabilities	(143,947)	(190)	(905)	(145,042)
Capital expenditure for the year	113,228	-	-	113,228

(c) Measurement of segment information

All information presented in part (b) above is measured in a manner consistent with that in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

29. Segment information (continued)

(d) Segment revenue

No inter-segment sales occurred during the current financial year. The entity is domiciled in Australia. No revenue was derived from external customers in countries other than the country of domicile. Revenues consisted primarily of gold sales revenue of \$206,451,000 (2021: nil). Interest revenue of \$63,000 (2021: \$21,000) were derived from one Australian and one Cambodian financial institution during the year. These revenues are attributable to the corporate segment.

(e) Reconciliation of segment information

Total segment revenue, total segment profit/(loss) before income tax, total segment assets and total segment liabilities, as presented in part (b) above, equal total entity revenue, total entity profit/(loss) before income tax, total entity assets and total entity liabilities respectively, as reported within the financial statements.

30. Events occurring after the balance date

The following material events have occurred subsequent to balance date:

- As announced to the ASX on 14 September 2022, the Company has strengthened its Board with the appointment of Mr Michael Bowen and Mr Jay Hughes as non-executive directors; and
- As announced on 21 September 2022, that Bullseye Mining Limited entered into a binding agreement with Blue Cap Equities (BCE) to acquire their 30% interest in the Blue Cap Bullseye JV (BCBJV). Upon settlement, Bullseye will assume 100% ownership of all on-site Bungarra gold ore stockpiles and retain 100% rights to the Bungarra gold project and Neptune gold deposit, which are currently being drilled and developed as part of a 98,000m resource definition programme.

Bullseye will acquire BCE's 30% interest in the following:

- iv) The shares of Blue Cap Bullseye Joint Venture Pty Ltd
- v) The units in Blue Cap Bullseye Joint Venture Trust; and
- vi) The shares in Dingo Range Pty Ltd.

Bullseye will contribute funds of circa \$2m to the BCBJV to pay, in full, loan and interest owing to Blue Cap Equities.

Bullseye will also contribute circa \$2m to payout all creditors and liabilities of the BCBJV (and all associated entities, as well as acquire certain BCE owned heavy machinery, infrastructure and on-site chattels.

There are no further material events subsequent to balance date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

31. Related party transactions

(a) Parent entity

The ultimate parent entity within the Group is Emerald Resources NL.

(b) Subsidiaries

Interests in subsidiaries are set out in note 33.

	Consolidated	
	2022	2021
	\$	\$
(c) Key management personnel compensation		
Short-term employee benefits	1,864,796	939,539
Post-employment benefits	76,704	67,413
Long term benefits	207,176	80,706
Share-based payments	398,180	197,147
Total key management personnel compensation	2,546,856	1,284,805

Detailed remuneration disclosures are provided within the audited remuneration report which can be found on pages 29 to 41 of the directors' report.

(d) **Transactions with director related parties**

The following transactions occurred with related parties:

Payments to director related entities:

Payments to Castilo Pty Ltd for office space rental ⁽ⁱ⁾	307,478	197,011
Payments made to Balion Pty Ltd for company secretarial and director fees ⁽ⁱⁱ⁾	120,000	60,000

(i) Castilo Pty Ltd, an entity associated with director Mr Stanley, which provides office space for the Company on normal commercial terms

(ii) Balion Pty Ltd is an entity associated with director, Mr Clements which provides company secretarial and director services to the Company on normal commercial terms.

(e) **Terms and conditions of related party transactions**

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

32. Contingent liabilities

The Group has a contingent liability relating to a 1.5% gross smelter royalty capped at \$22.5 million payable to a subsidiary of OZ Minerals Limited on production from the Cambodian Gold Projects. Royalty payments to the subsidiary of OZ Minerals Limited are secured by a General Security Deed under which Renaissance Cambodia Pty Ltd provided an all-assets security. To the date of this report, \$3.4 million of royalties have been paid to OZ Minerals Limited.

Bullseye Mining Limited has a Net Smelter Royalty (NSR) of 1.5%, payable to Resolute (Treasury), relating to the Hopes Hill Gold Mine (M77/0551). The NSR is only payable if the Hopes Hill Gold Mine is put back into production.

There are no further material contingent liabilities outstanding at the end of the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

33. Subsidiaries

The Group's principal subsidiaries at 30 June 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity Holding ⁽ⁱ⁾	
			2022 %	2021 %
Renaissance Minerals Limited	Australia	Ordinary	100.00	100.00
Renaissance Cambodia Pty Ltd	Australia	Ordinary	100.00	100.00
Renaissance Minerals (Cambodia) Limited	Cambodia	Ordinary	100.00	100.00
Renaissance WA Pty Ltd	Australia	Ordinary	100.00	100.00
Emerald Gas USA Holdings Inc	USA	Ordinary	100.00	100.00
Bullseye Mining Limited	Australia	Ordinary	59.32	-
Broken Hill Metals Pty Ltd	Australia	Ordinary	59.32	-
Bullseye Resources Limited	Australia	Ordinary	59.32	-
EGF Nickel Pty Ltd	Australia	Ordinary	59.32	-
Goldwinner Corporation Pty Ltd	Australia	Ordinary	59.32	-

34. Parent entity information

	Company	
	2022 \$'000s	2021 \$'000s
(a) Assets		
Current assets	4,354	5,044
Non-current assets	190,885	101,191
Total assets	195,239	106,235
(b) Liabilities		
Current liabilities	4,100	1,089
Non-current liabilities	1,481	78
Total liabilities	5,581	1,167
(c) Equity		
Issued capital	366,519	275,715
Reserves	6,828	4,661
Accumulated losses	(188,168)	(175,308)
Total equity	185,179	105,068
Non-controlling interest	4,479	-
Total equity	189,658	105,068
(d) Total comprehensive (loss) for the year		
(Loss) for the year	(708)	(16,692)
Other comprehensive income for the year	-	-
Total comprehensive (loss) for the year	(708)	(16,692)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

35. Interests in Joint Venture and Earn-In Agreements

Mekong Minerals Ltd Joint Venture (Emerald Earning 70% Interest)

The Company has a Joint Venture Agreement with Santana Minerals Ltd (formerly Mekong Minerals Ltd) ('Mekong Minerals') to earn up to a 70% interest in the Snuol and Phnom Ktung Projects which consist of two exploration licences covering 411km². Under a pre-existing agreement between Mekong Minerals and Southern Gold Ltd ('Southern Gold'), Southern Gold holds a 15% interest in the Mekong Projects which is free carried to completion of a Definitive Feasibility Study. Southern Gold also holds a 2% gross royalty capped to US\$11 million and 1% gross royalty thereafter across all the Mekong Projects.

Key terms of the Joint Venture are:

- Southern Gold's existing 15% interest will be maintained;
- Emerald has the right to withdraw any of the exploration licences from the Earn-in & Joint Venture at any time;
- Emerald has sole funded US\$0.5 million of exploration expenditure on each of the exploration licences within the initial 2 years and earned an effective interest of 20%;
- Emerald is then to sole fund a further US\$1.0 million of exploration expenditure on each of the exploration licences over the following 2 years, to increase its effective interest to 51%;
- Upon Emerald earning an effective 51% interest, Mekong Minerals may elect to either contribute to maintain its interest of 34% (Southern Gold remains free carried for 15%) or not contribute and be free carried to completion of a DFS for a 15% interest;
- If Mekong Minerals has not elected to contribute, Emerald will earn an effective interest of 70% upon completion of a DFS; and
- Emerald will be the Manager of the Snuol and Phnom Ktung Projects.

Blue Cap Bullseye Joint Venture (Bullseye Mining Limited interest is 70%)

Interest in joint ventures are set out below:

Name of entity	Country of incorporation	Class of shares	Equity Holding ⁽ⁱ⁾	
			2022 %	2021 %
Blue Cap Bullseye Joint Venture Pty Ltd	Australia	Ordinary	70*	70*
Dingo Range Pty Ltd	Australia	Ordinary	70*	70*
Blue Cap Bullseye Joint Venture Unit Trust	Australia	Unit	70*	70*

*Bullseye owns 70% of the shares of the company and 70% of the units in the unit trust and Blue Cap owns 30% of the shares in the company and 30% of the units in the unit trust. The Blue Cap Bullseye Joint Venture Pty Ltd and Blue Cap Bullseye Joint Venture Unit Trust have been determined to be a stapled arrangement.

The Boards of Blue Cap Bullseye Joint Venture and Dingo Range Joint Venture have two directors, each representing one of the joint venturers, with each director having equal voting rights. Blue Cap and Bullseye equally manage the joint ventures.

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 73 to 107 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date;
- (b) the audited remuneration disclosures set out on pages 29 to 41 of the Directors' report comply with section 300A of the *Corporations Act 2001*;
- (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; and
- (d) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors.



Morgan Hart
Managing Director

Perth, Western Australia
30 September 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Emerald Resources NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Emerald Resources NL ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and 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 Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; 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* ("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 judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
<p data-bbox="245 353 903 389">Property, Plant and Equipment and Mine Properties</p> <p data-bbox="245 389 549 421">Refer to Notes 13 and 15</p> <p data-bbox="245 452 788 757">The Okvau Gold Project transitioned from the development phase to the production phase during the year. The existence, accuracy and completeness of capitalised expenditure incurred as part of the development and construction of the Okvau Gold Project was considered a key audit matter. This is due to the size of the balances of mine properties of \$109,766,000 and property, plant and equipment of \$88,884,000.</p> <p data-bbox="245 775 788 922">The Group used judgement in the identification and allocation of costs between operating expenditure and capitalised expenditure. The risks we focussed on included:</p> <ul data-bbox="245 936 788 1173" style="list-style-type: none"> • The existence of capital expenditure; and • The capital nature of expenditure particularly the determination of when the Okvau Gold Project was considered capable of operating at commercial production and in a manner intended by the Group. 	<p data-bbox="826 452 1430 515">Our audit procedures included but were not limited to the following:</p> <ul data-bbox="826 524 1430 1088" style="list-style-type: none"> • We evaluated the Group’s processes and controls in place with respect to purchasing. • Assessment of the allocation of costs between operating expenditure and capital expenditure by inspecting documentation on a sample basis and assessing the nature of the underlying activity. • Challenging the Group’s determination of the date of commercial production by evaluating the criteria by which the declaration was made against the underlying documentation and industry practice. • Assessing the disclosures in the financial report against the requirements of the accounting standards. • Consideration of any impairment indicators.
<p data-bbox="245 1200 903 1236">Acquisition accounting for Bullseye Mining Limited</p> <p data-bbox="245 1236 443 1267">Refer to Note 16</p> <p data-bbox="245 1294 788 1442">During the year the Group acquired 59.32% of the issued ordinary share capital of Bullseye Mining Limited for consideration of \$93,506,000 through the issue of shares in Emerald Resources NL.</p> <p data-bbox="245 1460 788 1554">This acquisition was accounted for as an asset acquisition as the activities of the company did not constitute a business.</p> <p data-bbox="245 1572 788 1688">We considered this to be a key audit matter due to the size of the impact on the financial statements and its importance to users of the financial report.</p>	<p data-bbox="826 1294 1430 1357">Our audit procedures included but were not limited to the following:</p> <ul data-bbox="826 1366 1430 2085" style="list-style-type: none"> • Considering the possible application of the transaction under the requirements of AASB 3 <i>Business Combinations</i>. • Reviewing the sale and purchase agreement to understand key terms and conditions. • Agreeing the fair value of the consideration paid to supporting information. • Obtaining audit evidence that the acquisition date assets and liabilities of the acquiree were fairly stated. • Considering the allocation of the excess of the value of the consideration over the net assets acquired to exploration and evaluation expenditure. • Ensuring appropriateness to recognise the resultant exploration and evaluation asset at balance date. • Assessing the adequacy of the Group’s disclosures in the financial report with respect to this asset acquisition.

Revenue recognition

Notes 3 to the financial report

The Group generates revenue predominantly from the sale of gold. The Group recognised sales revenue of \$206,451,000 for the year.

Revenue recognition is considered to be a key audit matter given the significance of revenue to the Group's results as well as the fraud risk around cut-off including:

- An overstatement of revenues through premature revenue recognition or recording of fictitious revenues.
- Revenue not being recognised when control is transferred to the customer, resulting in revenue not being recognised in the correct accounting period.

Revenue is recognised when control is transferred to the customer and the amount of revenue can be reliably determined. This occurs for the Group when the refining process is completed and ownership is transferred.

Our audit procedures included but were not limited to the following:

- Understanding the Group's process for recording revenue and controls in place around gold sales.
- Testing all gold sales transactions during the year to invoices and receipt of cash.
- Assessing the Group's policies for recognition of revenue against the requirements of the accounting standards and checked these were adequately disclosed in the financial report.
- Sales cut-off procedures focussing on sales in June 2022 and July 2022, testing a sample of transactions to underlying documentation and assessing the period in which they were recognised.

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 Group's annual report for the year ended 30 June 2022, 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.

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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related 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 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 judgement 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, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period 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 Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Emerald Resources NL for the year ended 30 June 2022 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.

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

**Perth, Western Australia
30 September 2022**



**L Di Giallonardo
Partner**

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ADDITIONAL SHAREHOLDER INFORMATION

Shareholding

The distribution of members and their holdings of equity securities in the holding company as at 23 September 2022 were as follows:

Class of Equity Securities	
Number Held	Fully Paid Ordinary Shares
1 - 1,000	526
1,001 - 5,000	1,036
5,001 - 10,000	602
10,001 - 100,000	1,285
100,001 and above	336
	3,785

Holders of less than a marketable parcel: 226.

Escrowed Shares

The following shares are in escrow with ASX as at 23 September 2022:

Shares	Number
12 months until 21 March 2023	337,250
12 months until 7 June 2023	250,000
12 months until 24 August 2023	150,000

Substantial Shareholders

The names of those shareholders that have lodged substantial shareholders with ASX as at 23 September 2022:

Shareholder	Number
Morgan Cain Hart & Simore Pty Ltd	39,383,333
Tazga Two Pty Ltd	36,599,696
BlackRock Group	37,280,514
Realee Pty Ltd (Group)	27,575,861

Voting Rights - Ordinary Shares

In accordance with the holding company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

On-Market Buy Back

There was no on-market buy back.

ADDITIONAL SHAREHOLDER INFORMATION

Options

The number of options on issue as at 23 September 2022:

	Exercise price	Expiry date	Number of options	Number of holders
Unlisted options	\$0.434	5 June 2023	1,500,000	3
Unlisted options	\$0.390	30 January 2024	600,000	4
Unlisted options	\$0.470	21 June 2024	300,000	1
Unlisted options	\$0.510	12 March 2025	600,000	2
Unlisted options	\$0.530	19 May 2025	675,000	3
Unlisted options	\$0.670	30 July 2025	5,125,000	15
Unlisted options	\$0.770	8 October 2025	650,000	3
Unlisted options	\$0.820	4 January 2026	600,000	2
Unlisted options	\$0.950	23 February 2026	550,000	3
Unlisted options	\$0.940	22 March 2026	350,000	1
Unlisted options	\$1.020	3 May 2026	150,000	1
Unlisted options	\$1.090	29 July 2026	3,375,000	20
Unlisted options	\$1.320	14 March 2027	350,000	1
Unlisted options	\$1.400	14 June 2027	250,000	1

Twenty Largest Shareholders

The names of the twenty largest ordinary fully paid shareholders as at 23 September 2022 are as follows:

Shareholder	Number	% Held of Issued Ordinary Capital
HSBC Custody Nominees (Australia) Limited	113,322,342	19.12%
Citicorp Nominees Pty Limited	59,717,757	10.07%
JP Morgan Nominees Australia Pty Ltd	50,167,301	8.46%
Mr Morgan Cain Hart	37,398,549	6.31%
Tazga Group	36,599,696	6.17%
SHL Pty Ltd < S H Lee Family A/C >	24,733,334	4.17%
HSBC Custody Nominees (Australia) Limited - GSCO ECA	18,750,000	3.16%
BNP Paribas Nominees Pty Ltd <DRP>	13,466,606	2.27%
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	12,940,352	2.18%
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	10,490,995	1.77%
Mrs Beryl Jean Dingle-McLennan & Mr Ian Jeffrey McLennan	5,086,095	0.86%
Curious Capital Group Pty Ltd <Curious Capital A/C>	5,000,000	0.84%
BNP Paribas Nominees Pty Ltd ACF Clearstream	4,506,326	0.76%
El-Raghy Kriewaldt Pty Ltd	4,100,000	0.69%
AEGP Super Pty Ltd <AEGP Superannuation Fund A/C>	3,968,705	0.67%
Mr Kee Khoo Seah	3,801,793	0.64%
BNP Paribas Noms Pty Ltd <Global Markets DRP>	3,796,876	0.64%
Wild Horse Super Pty Ltd <The Wild Horse S/F A/C>	3,603,841	0.61%
Mr Christopher Andrew Cygulis & Mrs Jessica Ann Cygulis <S Cygulis Family A/C>	3,394,371	0.57%
Realee Pty Ltd <RealeeA/C>	3,076,812	0.52%
	417,921,751	70.50%

ANNUAL MINERAL RESOURCE & ORE RESERVE STATEMENT

Okvau Mineral Resource Estimate

Okvau March 2022 Mineral Resource Estimate											
Measured Resources ⁽ⁱ⁾			Indicated Resources ⁽ⁱⁱ⁾			Inferred Resources ⁽ⁱⁱ⁾			Total Resources		
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)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
1.67	0.94	51	12.93	2.10	872	2.55	1.62	133	17.15	1.91	1,056

(i) Oxide stockpiles are reported at > 0.4g/t Au, Fresh stockpiles are reported at >0.5g/t Au

(ii) Mineral Resource is reported at >0.7g/t Au

Okvau March 2021 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)	
0.50	19.58	1.74	1,093	3.47	1.35	151	23.05	1.68	1,244	
0.70	15.11	2.08	1,008	2.57	1.61	133	17.68	2.01	1,141	
1.00	11.01	2.54	898	1.67	2.04	109	12.68	2.47	1,007	

Review of Material Changes

The table reflects mining depletion during the period with a review of total Resources and Reserves at Okvau currently being undertaken.

Okvau Ore Reserve Estimate

Okvau March 2022 Ore Reserve Estimate			
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
Proven Ore Reserve	1.67Mt	0.94g/t Au	51koz
Probable Ore Reserve	11.80Mt	2.02g/t Au	765koz
Total Ore Reserve	13.48Mt	1.88g/t Au	816koz

Okvau March 2021 Ore Reserve Estimate			
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
Probable Ore Reserve	14.26Mt	1.98g/t Au	907koz

Review of Material Changes

The table reflects mining depletion during the period with a review of total Resources and Reserves at Okvau currently being undertaken.

Governance and Internal Controls

Emerald ensures that the Mineral Resource estimates are subject to appropriate levels of governance and internal controls. The Company periodically reviews the governance framework in line with the expansion and development of the business.

The Mineral Resource estimates are prepared by independent external consultants who are highly competent and qualified professionals. The Competent Person named by the Company is a Member of the Australian Institute of Mining & Metallurgy (AIG) and has sufficient experience to qualify as Competent Person as defined in the JORC Code. Internal and external reviews are carried out on the quality of the database and geological models prior to estimation.

The Ore Reserve estimates are prepared by an independent external consultant who is highly competent and qualified professionals. The Competent Person named by the Company is a Fellow of the Australasian Institute of Mining & Metallurgy and has sufficient experience to qualify as Competent Person as defined in the JORC Code.

ANNUAL MINERAL RESOURCE & ORE RESERVE STATEMENT

Forward Looking Statements and Footnotes

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 Statement

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 of 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 work including Exploration and Drill Results completed before on or before 21 February 2022 is based on information compiled by Mr Rob Cooke, a Competent Person who is an employee of Bullseye Mining Limited and a Member of the Australian Institute of Geoscientists (Membership No. 3054840). Mr Cooke has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. The Company confirms that the form and context in which the Competent Person's findings presented have not been materially modified. Mr Cooke 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.

Work including drilling completed after 21 February 2022 was completed under the supervision of Mr Rob Cooke, who is an employee of Bullseye Mining Limited and is a Member of The Australasian Institute of Mining & Metallurgy. Mr Cooke 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 Cooke 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.

Drill assay results received after 21 February 2022 have been reviewed for QAQC and data integrity by Mr Keith King, who is an employee of the Company and is a Member of The Australasian Institute of Mining & Metallurgy. Mr 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 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.

ANNUAL MINERAL RESOURCE & ORE RESERVE STATEMENT

Competent Persons Statement (continued)

The information in this report that relates to 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 (AIMM), 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.

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SCHEDULE OF MINERAL TENEMENTS

As at the date of this report

Project	Location	Tenement	Licence type	Interest
Okvau Project	Cambodia	Okvau	Exploration Licence	100.00%
Okvau Project	Cambodia	Okvau	Industrial Mining Licence	100.00%
Ochhung Project	Cambodia	Ochhung	Exploration Licence	100.00%
Memot Project	Cambodia	Memot	Exploration Licence	100.00%
Preak Klong Project	Cambodia	Preak Klong	Exploration Licence	100.00%
Oktung Project	Cambodia	Oktung	Exploration Licence	100.00%
Phnom Ktung Project	Cambodia	Phnom Ktung	Exploration Licence	0.00% ^A
Snuol Project	Cambodia	Snuol	Exploration Licence	0.00% ^A
North Laverton Gold Project	Leonora	E37/0801	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/0983	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1007	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1017	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1018	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1051	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1052	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1067	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1121	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1130	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1198	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1208	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1229	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1243	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1249	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1262	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1263	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1264	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1265	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1290	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1291	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E37/1301	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E53/1377	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E53/1380	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E53/1407	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E53/1482	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E53/1611	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E53/1880	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E53/1918	Exploration Licence	59.32%
North Laverton Gold Project	Leonora	E53/2125	Exploration Licence	59.32%
Southern Cross	Southern Cross	E77/2087	Exploration Licence	59.32%
Southern Cross	Southern Cross	E77/2118	Exploration Licence	59.32%
Southern Cross	Southern Cross	E77/2119	Exploration Licence	59.32%
Southern Cross	Southern Cross	E77/2120	Exploration Licence	59.32%
Southern Cross	Southern Cross	E77/2149	Exploration Licence	59.32%
Southern Cross	Southern Cross	E77/2178	Exploration Licence	59.32%
Southern Cross	Southern Cross	E77/2254	Exploration Licence	59.32%
Southern Cross	Southern Cross	E77/2258	Exploration Licence	59.32%
Southern Cross	Southern Cross	E77/2340	Exploration Licence	59.32%
Southern Cross	Southern Cross	E77/2341	Exploration Licence	59.32%
Southern Cross	Southern Cross	E77/2342	Exploration Licence	59.32%
Southern Cross	Southern Cross	E77/2343	Exploration Licence	59.32%
Southern Cross	Southern Cross	E77/2351	Exploration Licence	59.32%
Southern Cross	Southern Cross	E77/2362	Exploration Licence	59.32%

SCHEDULE OF MINERAL TENEMENTS

Project	Location	Tenement	Licence type	Interest
North Laverton Gold Project	Leonora	L37/0144	Miscellaneous Licence	59.32%
North Laverton Gold Project	Leonora	L37/0145	Miscellaneous Licence	59.32%
North Laverton Gold Project	Leonora	L37/0234	Miscellaneous Licence	59.32%
North Laverton Gold Project	Leonora	M37/0108	Mining Licence	59.32%
North Laverton Gold Project	Leonora	M37/0349	Mining Licence	59.32%
North Laverton Gold Project	Leonora	M37/0519	Mining Licence	59.32%
North Laverton Gold Project	Leonora	M37/1167	Mining Licence	59.32%
North Laverton Gold Project	Leonora	M37/1309	Mining Licence	59.32%
Southern Cross	Southern Cross	M77/0551	Mining Licence	59.32%
Southern Cross	Southern Cross	M77/0734	Mining Licence	59.32%
Southern Cross	Southern Cross	M77/0834	Mining Licence	59.32%
Southern Cross	Southern Cross	P77/4349	Prospecting Licence	59.32%

Notes

- A: Emerald Resources NL is earning up to a 70% interest from Santana Minerals Limited.
- B: Bullseye Mining Limited holds a 70% interest in a Joint Venture with Blue Cap Mining Pty Ltd (30% interest) relating to mining rights on tenement M37/1167
- C: The Company has a 5% overriding royalty interest in all gas production from various oil and gas interests located in Magoffin County, Kentucky. There was no product recovered and sold from the Leases and the royalty received for the financial year was nil.