

## ASX QUARTERLY REPORT for the Period Ending — 30 June 2009

### EMERGENT REOURCES LIMITED

*“An emerging Western Australian mineral resource company focused on iron (DR magnetite) and base metals”*

#### ASX Code: EMG

Total shares on issue ('EMG'): 46,639,501  
Listed Options ('EMGO'): 22,908,001  
Unlisted Options: 3,700,000

#### Directors

George J McMaster - Non-Exec Chairman  
Garry R Hemming - Managing Director  
Kevin E Judge - Non-Exec Director

#### Projects

*Beyondie Magnetite Project:*  
Drilling in progress to upgrade resource base and develop a world class high grade magnetite resource with low impurities.

*Glengarry Base Metal Project:*  
comprising 2500 square kilometers of highly prospective ground for Cu, Pb, Zn, precious metals and uranium.

*Mt Narryer Gold, Copper, Uranium Project:*  
exploring high order anomalies in important geological setting.

*Marble Bar Copper, Gold Project:*  
potential for VMS deposits.

*Paterson Uranium, Copper, Gold Project:*  
potential for Kintyre, Maroochydore and Nifty style deposits.

### HIGHLIGHTS

#### IRON – Beyondie Magnetite Iron Project

- Emergent is focused on developing the Beyondie Project into a world class magnetite project with potential for a long life iron ore operation.
- 2nd Phase drill program completed at Beyondie Magnetite Iron Project; delivers results that confirm the world class potential of the project.
- Acquires additional exploration tenement immediately adjacent to project area. Extends continuous strike length by 7km – to 52km in total.
- Drill program was for a total of 3441m across 25 Reverse Circulation (RC) holes over a 7km segment of the now known 52km total strike length.
- Maiden JORC Resource announced in July; 127 million tonnes Inferred Resource and 500- 600 million tonnes Target Mineralisation.
- Drilling target in excess of 1 billion tonnes for E52/1806 alone.
- Drilling results produced a significant improvement on 1st Phase results returning up to;
  - 86 metres averaging 33%Fe, equivalent to 47.15% contained magnetite.
  - 60 metres averaging 34.8%Fe, equivalent to 49.8% contained magnetite.
  - 64 metres averaging 29.8%Fe, equivalent to 42.6% contained magnetite.
- Discussion with potential Chinese partners successfully concluded; non-binding MOU signed with China Metallurgical Investment Co Ltd (CMI) for development of Beyondie Project, which includes a 50:50 Development JV, provision of A\$200m funding at project, and A\$4.9m EMG share placement to CMI.
- Company aims to produce a +68%Fe concentrate with very low silica, aluminium (Al), titanium (Ti), phosphorous (P), and sulphur (S) impurities.

#### CORPORATE

- A placement of up to 6,322,500 shares and 3,161,250 options was announced subsequent to the end of the Quarter to raise up to \$2,529,000 before costs.

#### BASE METALS -Glengarry Base Metal

- New targets established at Glengarry Base Metal Project at Glengarry near Wiluna in WA.
- Lithostructural study utilising the company's recently acquired detailed magnetic data and a mineral mapping and alteration study utilising the company's HyMap data was conducted.
- Compilation of legacy public-domain data was completed in support of the Lithostructural and mineral mapping studies; surface geochemistry data will be interrogated
- Targets for zinc, lead, gold, uranium and manganese are apparent in addition to the high priority targets at the North Pool and Mt Bartle Projects

## QUARTERLY REPORT for the Period Ending — 30 June 2009

### Overview

Emergent Resources core project and main focus is the Beyondie Magnetite Iron Project, which is located in Western Australia in the northern part of the Mid-West Iron Ore precinct.

The exploration licenses cover multiple magnetite-bearing banded iron formations (BIF) over the current known 52 kilometres strike length. The BIF's are being targeted by Emergent for large volumes of iron in the form of magnetite.

The Company plans to develop the Beyondie Iron Project into a long life magnetite concentrate mining operation. The operation targets the production of a magnetite concentrate of +68%Fe with very low impurities of aluminium (Al), titanium (Ti) phosphorous (P), and sulphur (S).

The Goldfields Gas Pipeline traverses the leases for potential access to cost effective power, and the Great Northern Highway is located just west of the Project providing excellent transport infrastructure to the developing Mid West iron mining centre.

Emergent is of the view that there will be strong demand for magnetite in the future due to the diminishing grade of hematite mines in the Pilbara region of Western Australia and in Brazil, further exacerbated by the corresponding increase in impurities at these operations.

During the June Quarter the Company completed its 2nd phase drilling program at the Beyondie Project. The drill program comprised 25 Reverse Circulation (RC) holes totaling 3441 metres and was completed in early May. This drill program brings Emergent's total drilling at the project to 5651 metres across 46 holes.

As a result of the drill programs and other exploration work Emergent confirmed its maiden JORC Resource at the project, in July, of 127Mt @ 28.15% Fe (21%Fe cut off). The resource is in the Inferred category. It also confirmed a "Target Mineralisation" of 500Mt-600Mt @ 25-30% Fe at the project and the next phase of drilling (due to commence in late July) will focus on upgrading the JORC Resource plus the Target Mineralisation to 1 billion tonnes of continuing comparable grade Iron to that already reported.

During the Quarter the Company also continued with its exploration programs at its Glengarry Base Metals Project near Wiluna in WA's north eastern goldfields to assess and define future targets for drill programs.

### Emergent's Philosophy in today's volatile market

Emergent is fast tracking the evaluation, drilling and development of the Beyondie Magnetite Project in keeping with developments in China and the current and predicted continuing infrastructure development activity in the Mid West Region of Western Australia.

Sourcing a Chinese partner at this time became a priority with EMG's belief that the end of the recent downturn in the commodity markets and the resultant increase in demand for commodities being likely to occur during the later this year which would conveniently coincide with EMG's design and start-up development planning phase for the Beyondie Magnetite Project.

Demand for quality magnetite resources of large long term scale will remain attractive to investors.

## Details;

### Beyondie Magnetite Project

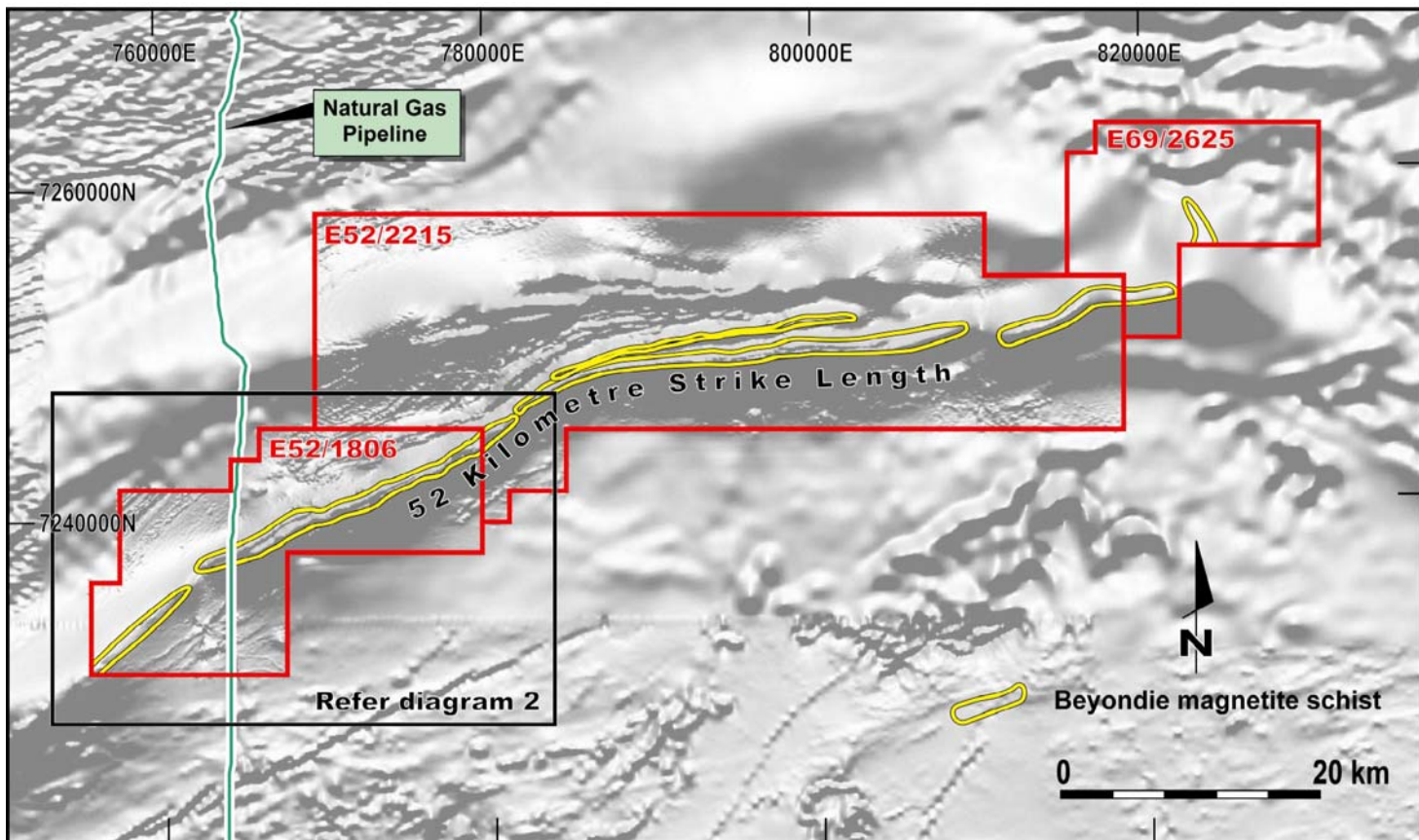
E52/1806, ELA52/2215 (60% equity earned increasing to 80%)

### Results of 2<sup>nd</sup> Phase Drill Program at Beyondie Iron Project

Emergent's Beyondie Magnetite Project is a joint venture with De Grey Mining Ltd, and is located between the Mid West Iron Province and the Pilbara Iron Mining Region of Western Australia. Covering an area of 839 square kilometers the project is being developed to produce a Direct Reduction (DR) magnetite export concentrate. The Dampier, Goldfields Gas Pipeline traverses the leases for access to cheap power, and the Great Northern Highway is located a few kilometers to the west of the leases allowing access into the developing Mid West transport system.

In June the Company reported the results from its 2nd phase drilling program at the Beyondie Iron Project in the northern part of Western Australia's mid-west iron ore region. The drill program comprised 25 Reverse Circulation (RC) holes totaling 3441 metres and was completed in early May. Additionally, three holes from the phase one drill program were re-entered and deepened by 145 metres.

Figure 1. Location of Emergent's 52 kilometre strike length of Beyondie Magnetite Schist on detailed processed magnetic.



The Company was delighted with the results, which returned wide intervals of Beyondie Magnetite Schist (BMS) mineralisation (below generally shallow transported covers and weathered bedrock). The grade compares favorably or exceeds those of other developing magnetite operations in WA.

Following the successful Phase 1 drilling, the Phase 2 drilling program was designed to improve the geological understanding of the grade distribution and geometry of the BMS bands. The drill program covered a 7km segment of the then known 45km total strike length at Beyondie since expanded to 52 kilometres). The remaining 40km of strike remains open and largely untested with drilling by the Company.

The second phase drilling was focused within the limits of the Phase 1 drill program and concentrated where the BMS bands 1 and 2 are spatially closest to each other. It also targeted the cores of several magnetic highs associated with semi-continuous horizons of northeast-striking magnetite schist.

Results achieved to date continue to confirm the world class development potential of the Beyondie Project. Preliminary geological and resource modeling of the magnetite horizons (supported by the geophysical models) was completed and were further tightened and remodeled to assist in determining the maiden JORC Resource statement.

As a result the company announced, on 14 July 2009, a Maiden JORC Inferred Resource of 127 million tonnes grading 28.15%Fe and an additional 500 – 600 million tonnes @ 25-30% Fe classified as Target Mineralisation in the western 11 kilometre segment of the BMS zones alone. In Figure 2, for clarity of the relationship of the categories, the Inferred Resource is displayed in red, the Target Mineralisation in blue and the extent of the BMS in yellow.

The Resource is in the Inferred category and was calculated using a cut-off grade of 21%Fe, and confirmed from the results of two drill programs at the project which totaled 5,651m across 46 holes. Details of the resource estimate can be found in the following table.

Fe% Grade Range	Tonnes	Fe %	Fe <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	TiO <sub>2</sub> %	P ppm	S %	LOI %
<b>Total INFERRED</b>	<b>127,000,000</b>	<b>28.15</b>	<b>40.25</b>	<b>49.42</b>	<b>3.96</b>	<b>0.16</b>	<b>1164</b>	<b>0.02</b>	<b>2.63</b>

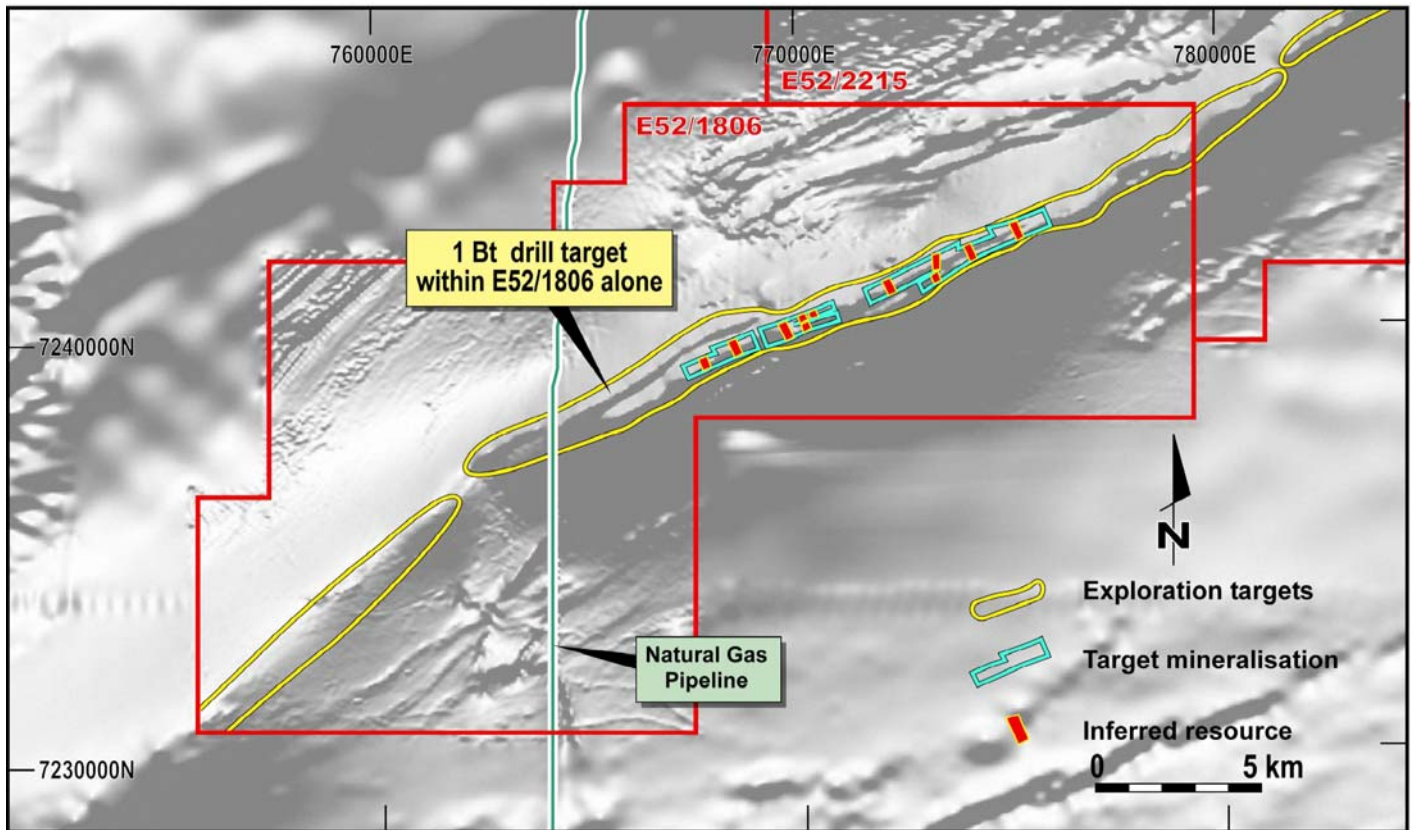
The Target Mineralisation was based on geological modelling from drilling completed at the Beyondie Project to date and was determined as part of the Independent Mineral Resource Estimate at Beyondie, and helps confirm the large scale potential of the project. The target mineralisation tonnage and grade is conceptual in nature in that there has been insufficient exploration at this stage to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a mineral resource.

The company also stated it will begin the next drilling program in the last week of July, aiming to upgrade the Target Mineralisation to in excess of 1 billion tonnes as well as increase the volume of Inferred Resources and establish Indicated Resources. Being only a small portion of the total 52 kilometres strike length under tenure Emergent expects a large volume of magnetite mineralisation within the leases.

	Tonnes	Fe %	Fe <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	TiO <sub>2</sub> %	P ppm	S %	LOI %	MagEst %
<b>TARGET without INFERRED</b>	<b>500 -600 million</b>	<b>25 - 30</b>	<b>35 - 45</b>	<b>45 - 55</b>	<b>3.5 - 5.0</b>	<b>0.1- 0.2</b>	<b>1000-3000</b>	<b>0.01-0.05</b>	<b>2 - 6</b>	<b>5 - 15</b>

The drilling results exceeded the Company's expectations, with the consistency of the magnetite schist zones being apparent over large distances and across the zones. The width of the zones was significant and the shallow dip provides a bonus of increased potential tonnes per vertical metre.

Figure 2; Showing 1 billion tonne drill target for Beyondie Magnetite Schist, 127 million tonne Inferred Resource, and 500-600 million tonne Target Mineralisation over 11 kilometres strike length.



## Geology and drilling

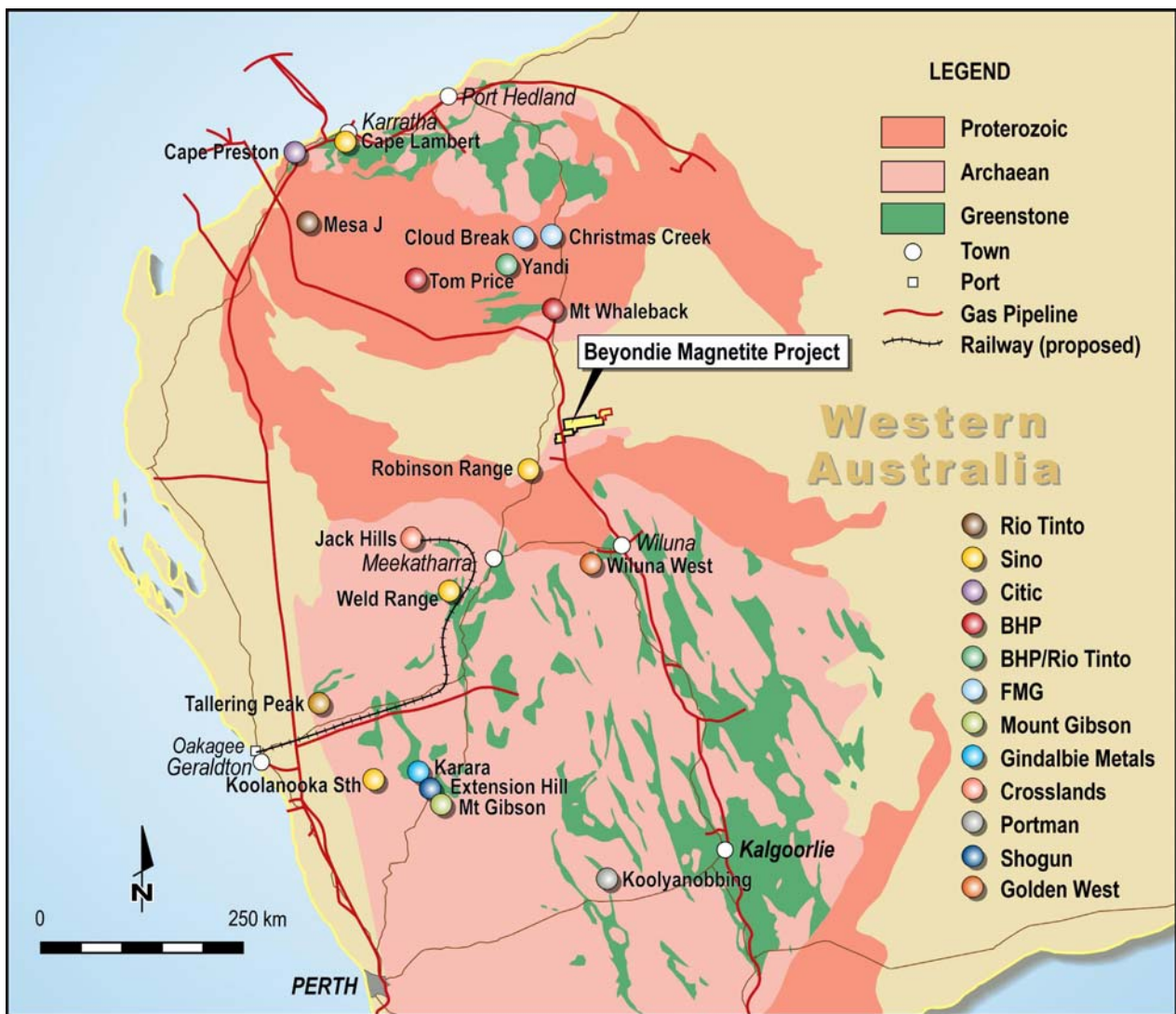
The informally named Beyondie Magnetite Schist (BMS) forms the main host rock at the project. It comprises three siliceous, magnetite-rich horizons (identified as BMS1, BMS2 and BMS3). The BMS possibly represents a highly deformed (folded and faulted) metasomatically enriched iron formation. It is essentially composed of two minerals (in decreasing order of abundance): silica and magnetite, with minor accessory feldspar and chlorite. The recrystallised unit lacks the classic alternating banding of silica and magnetite of true BIF's. Similar magnetite-bearing deposits are known for their high grade, and relative purity.

1500 two metre composite samples were submitted to Spectrolabs Laboratories in Geraldton for a suite including Fe, Al, Si, P, S, Mn, Ti, K, Mg, Na, and LOI. Magnetite measurements per composite sample were also recorded by a Magnasat instrument, which measures the abundance of magnetite in a sample, and generally serves to confirm the iron assay.

Geological confidence in the magnetite distribution within the deposit was demonstrated by the high correlation between the returned assay value, Magnasat value, and field measured magnetic susceptibility.

The resultant assays have confirmed Emergent's view on the potential of an economic iron ore deposit at Beyondie.

Figure 3; Location of the Beyondie Magnetite Project.



## Metallurgy

Equally encouraging, elements potentially deleterious in the iron and steel-making process have been found to be at low levels in the test work concentrates. Ore beneficiation is expected to improve the ore specifications with near-removal of the deleterious elements.

For example, the magnetite concentrates average only 0.01% Phosphorous and Sulphur, an exceptionally low value. The completed metallurgical test work has shown that silica can be floated off reducing to less than the maximum specification of 5%, while retaining greater than 90% of magnetite concentrate providing a suitable product for the market.

Work is continuing with engineers and metallurgists on studies covering; metallurgy, process and engineering aspects, transport options, and approvals on environment, government, and community issues. This is to be followed with a Pre-scoping study which will include further drilling (both RC and Diamond coring) based on the working geological modeling of the magnetite horizons (supported by the geophysical models).

## **Magnetite versus Hematite**

Magnetite occurs in lower grade deposits than hematite however is beneficiated to a high grade concentrate which is sought after for Direct Reduction (DR) feed in the smelting process.

It has very low impurities which can disrupt production and DR does not require coking coal, and as such it attracts a premium price.

## **Discussions with potential Chinese offtake partners**

In response to interest expressed by a number of Chinese groups, in April the Company commenced discussions with Chinese parties for participation in the Beyondie Iron Project.

Emergent's delegation made three visits to China during the Quarter to meet a number of steel smelting groups and end-user groups for initial discussions to develop mutually acceptable parameters for future off-take arrangements and investment partnerships for the development of the Beyondie Project.

As a result of its meetings and presentations in China, the Company short listed a select number of groups to pursue mutually acceptable parameters for off-take arrangements and investment partnerships for the development of the project with.

This culminated in the Company entering into a non-binding Memorandum of Understanding (MOU), in July, with Chinese State Owned Enterprise, China Metallurgical Investment Co Ltd (CMI), for the development of the Beyondie Project. The MOU includes a 50:50 Development joint venture, provision of A\$200m funding at project, and a A\$4.9m EMG share placement to CMI.

## **DETAILS OF THE BASE METAL PROJECTS**

### **Glengarry Base Metal, Gold, Uranium, Project**

On the Glengarry Base Metal Project, the data from extensive Emergent aerial surveys of magnetic, radiometrics and hyperspectral surveys has developed targets for zinc, lead, gold, uranium and manganese in addition to the high priority base metal targets at North Pool and Mt Bartle.

The computer assisted interpretations have been compared with results from Emergent's large scale program of surface MMI (Mobile Metal Ion) sampling, and geological work during the Quarter and set into the regional context with studies of the entire data sets for the important mineralised Capricorn Orogenic Belt located between the Yilgarn and Pilbara Cratons of Western Australia.

## Corporate

A placement issue of 6,322,500 shares at 40 cents each and 3,161,250 options, expiring 30 September 2010 and exercisable by payment of 20 cents each, was announced to the ASX on 3<sup>rd</sup> July 2009 to raise up to \$2,529,000 before costs.

The first tranche of the placement, which was made with in the Company's 15% Placement capacity was completed on 14 July 2009, with the issue of 4,215,000 shares and 2,107,500 listed options, raising \$1,686,000.

The second tranche of the placement, comprising 1,900,000 shares and 950,000 listed options to raise a further \$760,000, is subject to Shareholder approval at a General Meeting to be held on 27 August 2009.

### G R Hemming

*Managing Director*

*Technical information in this report has been prepared under the supervision of Mr Garry Hemming, a director of the company and a member of the Australasian Institute on Mining and Metallurgy (AusIMM). Mr Hemming has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Hemming consents to the inclusion in this report of the Information, in the form and context in which it appears.*

#### **Competent Persons Statement**

*The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Philip A. Jones, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscience and independent consultant to the Company. Mr Jones is an associate of AI Maynard & Associates and has over 30 years of exploration and mining experience in a variety of mineral deposit styles including iron mineralisation. Mr Jones 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 as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Jones consents to inclusion in the report of the matters based on his information in the form and context in which it appears.*

#### **For further information please contact:**

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