



ASX/MEDIA RELEASE

30 April 2010

ASX CODES (EMG, EMGO)

UPDATE ON PROGRESS UNDER SUBSCRIPTION AND OPTION AGREEMENT WITH CMIC

HIGHLIGHTS

- **Joint Venture Agreements for the Beyondie Iron Ore Project signed in Beijing.**
- **Approval of relevant Chinese government entities to the Subscription and Option Agreement has been satisfied.**
- **Funds under the Subscription and Option Agreement to be received by Emergent after FIRB approval and completion of Third Party Share Issue.**

BACKGROUND

The purpose of this announcement is to provide an update on the satisfaction of the conditions of the Subscription and Option Agreement.

On 28 October 2009, EMG announced that it had signed a Subscription and Option Agreement with Beijing China Metallurgical Investment Co Limited (**CMIC**) under which EMG would issue 8,553,971 shares at 45 cents per share and grant 4,276,986 options at 27 cents per option to CMIC. These options are exercisable on or before 30 September 2010 upon payment of an exercise price of 20 cents per option.

The Subscription and Option Agreement is subject to a number of conditions:

- CMIC and EMG signing Beyondie Joint Venture Agreements (now satisfied);
- Approval by relevant Chinese Government entities (now satisfied);
- Foreign Investment Review Board approval (not yet satisfied); and
- EMG completing a share issue to third parties (not yet satisfied).

1. Beyondie Joint Venture Agreements

EMG and CMIC have executed the joint venture agreements in Beijing relating to the proposed joint venture between them for the Beyondie Iron Ore Project. The joint venture agreements remain subject to completion under the Subscription and Option Agreement, FIRB approval and further relevant Chinese government approvals.

2. Chinese Government entities

No further Chinese Government approvals are required under the Subscription and Option Agreement.

3. FIRB Approval

EMG has been advised that the Foreign Investment Review Board is progressing CMIC's application for approval to the Subscription and Option Agreement and entry into the Beyondie Joint Venture.

4. Third Party Share Issue

Shareholders of EMG approved the issue of securities to third party investors in general meeting on 11 December 2009 (**Third Party Share Issue**). ASX approved a waiver application by EMG to allow EMG to issue securities approved in general meeting on 11 December 2009 beyond the 3 month timeframe required by the Listing Rules subject to the securities being issued no later than 30 April 2010.

This waiver was subject to the issue price not being set any lower than 80% of the lowest average market price of the EMG's shares during any 5 consecutive days on which sales of EMG's shares were recorded between 11 December 2009 and 11 March 2010. EMG has determined the lowest average market price of the company's shares to be 49 cents.

As FIRB approval has not yet been obtained, EMG is not in a position to issue securities the subject of the Third Party Issue prior to 30 April 2010 and has applied to the ASX for an extension to the requirement on EMG to issue the securities by this date.

The earliest EMG is likely to know the outcome of this application for extension is 7 May 2010.

5. Extension to satisfaction of conditions

CMIC and EMG have agreed to extend the time for these above conditions to be satisfied until 31 May 2010 or such later date as the parties may agree.

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