



SUMMARY

- Discovery at Vidalita, Chile: Drill intercept of **24m at 5.0 g/t gold and 28 g/t silver** from 20m
- Evidence supports the presence of a large-scale, shallow, precious metals system
- Within the tenement area of 136km², drilling north of Vidalita has defined a promising second mineralised trend at neighbouring Alunita with Peon, Jotahues and other targets remaining to be drilled
- Reinterpretation of an Induced Polarisation geophysical survey points to a shallow, north-plunging anomaly extending over a strike of 1km. The anomaly is open at depth and offers the potential for a deeper copper exploration target

Vidalita, Chile

Emu NL (ASX: EMU) has vigorously pursued the exploration of its discovery of precious metals at Vidalita, Chile, advancing a large program of air core drilling focussed on prospective trends defined by earlier programs of surface geochemical sampling, drilling, geophysical surveys and geological studies.

During the quarter, the Company completed 22 air core holes for 3,398m. The holes were drilled to an average depth of 154m, spaced on sections 200m apart, and drilling identified extensive shallow mineralisation with attendant alteration, consistent with a large-scale high sulphidation epithermal gold-silver deposit.

Emu is significantly encouraged with the results at hand and is planning to commence the deeper diamond drilling component in August 2019.



Figure 1: Core sample of fresh and oxidised vuggy silica from depth of 33 meters Hole 5300-8. Interval grades 3.5 g/t gold, within wider interval of 24m at 5.04 g/t gold 28.3 g/t silver from 20m. Note the presence of yellow native sulphur.



Exploration at Vidalita

The Vidalita property is located in the Maricunga region of northern Chile, a geological domain hosting large-scale precious metal deposits and operating mines. The Company secured an option over this property in early 2017 and has since completed two programs of exploration drilling, geophysical survey work, extensive geochemical surface sampling programs and associated geological studies.

In recognition of the potential of the region, Emu expanded its tenement position at Vidalita to cover 136 square kilometres of prospective geology with multiple exploration targets of varying geology identified within.

Discovery

On 8 March, Emu reported highly encouraging drill results from the Vidalita property.

Hole 5300-8 intersected two broad zones of shallow mineralised vuggy silica and breccia. An upper zone of primarily oxidised vuggy silica and breccia returned assay results of:

48m at 2.8 g/t gold and 19 g/t silver from 19m including 24m at 5.0 g/t gold and 28 g/t silver from 20m downhole.

The true width of the mineralised intercept is yet to be determined. The Company is encouraged by the attendant alteration which is consistent with the type of deposit sought, bearing similarities to other notable precious metals discoveries in the broader region. Other encouraging results are:

Hole 5300-7 intersected a wide zone of precious metal mineralisation in altered rocks from surface:

36m at 0.62 g/t gold and 12.1 g/t silver from surface including 4m at 2.07 g/t gold and 33.4 g/t silver from 12m downhole.

Hole 5200 -12 was drilled on the same section as Hole 5300-8. On April 10, the Company reported results of:

16m at 2.0 g/t gold (silver assays pending) from 92m downhole including 4m at 4.1 g/t gold from 96m downhole.

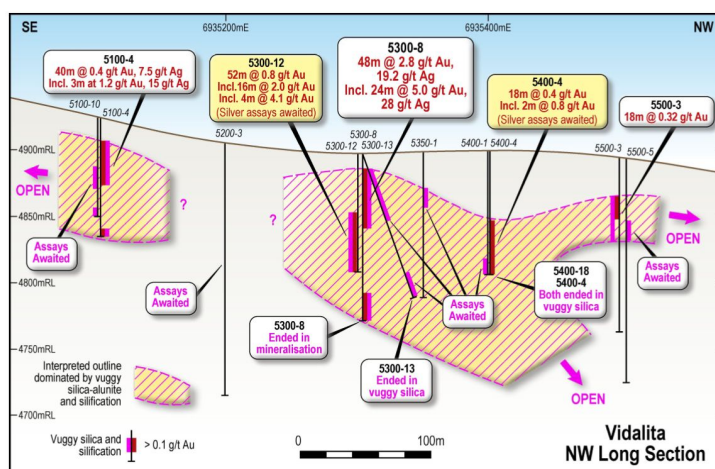


Figure 2: Conceptual northwest oriented long section at the Vidalita Prospect showing the extensive intersections of vuggy silica, alunite and silicification associated with gold-silver mineralisation. Refer to previous ASX announcement of 10 April 2019.

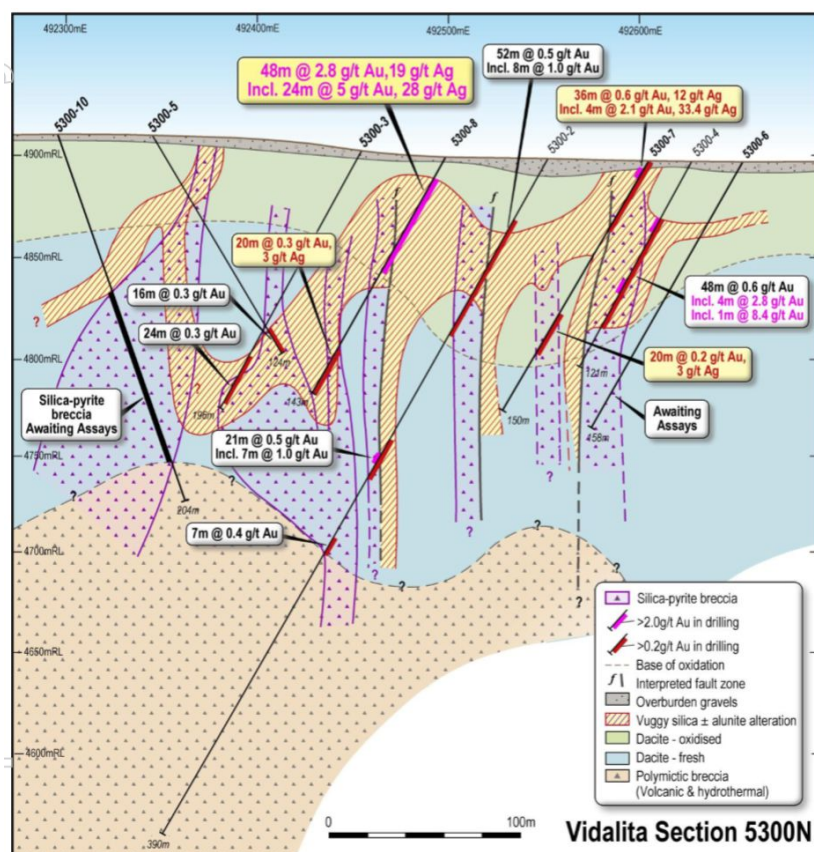


Figure 3: Interpreted geological cross section across the central portion of Vidalita at 6935300 N. Drill intersections in pink > 2 g/t gold occur associated with high grade silica-pyrite structures and vuggy silica alteration that are open along strike and down plunge. Refer to previous ASX announcement of 8 March 2019.

Reinterpretation of geophysical data – deeper target with copper potential

During the quarter, the Company undertook a reinterpretation of an earlier geophysical survey over the core Vidalita area. The Induced Polarisation technique is employed to identify domains of intense disseminated sulphides indicated by chargeability data, and massive sulphide and/or massive clay alteration indicated by resistivity data.

On 27 March, the Company released the reinterpretation, defining an extensive and shallow anomaly extending over a strike of 1km. The study found that the anomaly was largely untested, occurring beneath the air core drilling program.

One diamond hole drilled by the Company in 2018 intersected the top edge of the anomaly, reporting a wide interval with gold silver and copper values. The result from of Hole 5700 – 1 was:

82m at 0.2 g/t gold, 11 g/t silver & 0.12% copper from 174m downhole depth including 1m at 0.8 g/t gold, 1049 g/t silver and 5.4% copper from 216m downhole.

The integration of the deeper copper intersection with a broader geophysical target adds an important dimension to the Vidalita property, introducing the potential for a deeper, copper exploration target.

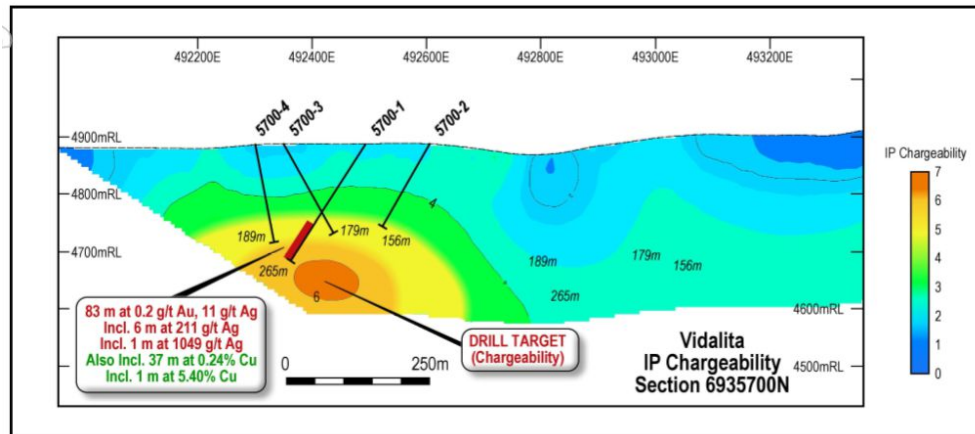


Figure 4: Interpreted geophysical cross section across the northern portion of Vidalita at 6935700 N. The section is an image of the chargeability data inversion with drill traces from the previous drilling campaign including Hole 5700-1. Refer to previous ASX announcements of 21 August 2018 & 27 March 2019.

Additional prospective mineralised trends

During the quarter, Emu identified a promising new mineralised domain 1km north-northeast of central Vidalita. Defined by rock “float” samples and drilling, the Alunita Trend has a strike length of more than 1km and trends sub-parallel to the Vidalita zone. Some rock “float” samples in the area have returned particularly high grades with encouraging chalcedonic alteration and brittle deformation textures.

On 10 April, the Company reported assay results from Hole 6500-3:

20m at 0.1 g/t gold and 39.3 g/t (1.3 ounces) silver from 68m downhole *including 4m at 0.25 g/t gold and 92 g/t (3 ounces) silver* from the top of the interval.

The hole is located 70m down dip to the west of Hole 6500-2, drilled in the previous air core drilling campaign. The assay results of the earlier were:

15m at 114 g/t (3.6 ounces) silver (no significant gold) from 44m downhole.

These results from Alunita are significant, indicating excellent potential for the discovery of a new gold-silver deposit (Figure 5).

Emu commenced follow-up drilling on the Alunita Trend.

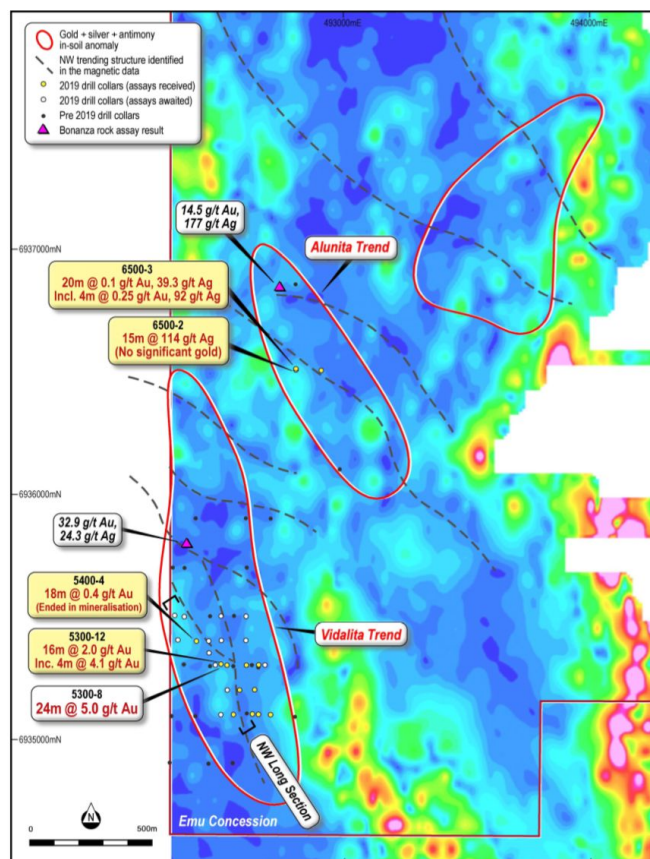


Figure 5: Regional ground magnetic image of the area surrounding the Vidalita and Alunita prospects. Widespread north-northwest trends are defined by the soil geochemistry data. Multiple northwest structural trends have been interpreted from the magnetic data caused by magnetite destruction associated with epithermal style alteration and mineralisation. Refer to previous ASX announcement of 10 April 2019

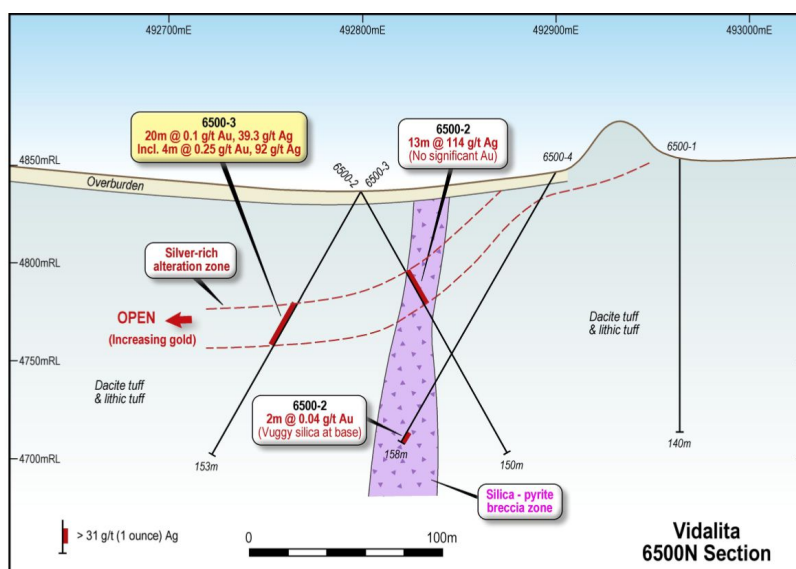


Figure 6: Interpreted geological cross section across the Alunita Trend at 6936500 N. Refer to previous ASX announcement of 10 April 2019



Activities subsequent to the Quarter

Drilling at Vidalita, including the Alunita Trend, continued in April.

Recent, encouraging results are driving planning of deeper, oriented diamond drilling commencing in August 2019.

Project generation

Emu continues to assess projects which may fulfil its criteria of near-term production with worthwhile potential and financial upside, and it evaluated several potential projects in Australia and overseas.

Corporate

On 22 February, the Company issued 3,400,000 fully paid ordinary shares to Acuity Capital pursuant to a Controlled Placement Agreement.

A General Meeting of Members (**EGM**) was held on 25 March 2019. All resolutions were passed unanimously by a show of hands.

On 9 April, following that EGM, the Company issued 40,505,000 options to acquire fully paid shares exercisable at \$0.20, expiring 15 January 2021. These options were issued to sophisticated and professional investors as part of a Share Purchase Plan offered on 15 November 2018 and a Placement announced on 18 December 2018. Quotation of these options is in the process of being requested.

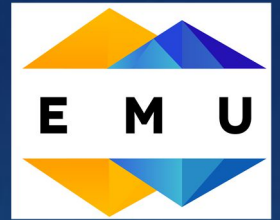
The Company also issued 6,000,000 options to Directors to acquire partly paid ordinary shares, as approved at the EGM. These options are exercisable at \$0.03 each, expire on 28 February 2020, require a further payment of \$0.03 each to convert to fully paid shares once exercised and will not be quoted on the ASX.

ASX Waiver - Approval to issue shares

On 8 February 2017, the Company received shareholder approvals for the issue of up to 15 million shares (**Consideration Shares**; 2,500,000 of which were issued shortly after the approvals) in respect of the Option Agreement (for the option to purchase the Vidalita and Jotahues projects – **Projects**) with Prospex SpA and BLC SpA.

The following information is provided in accordance with a waiver granted by ASX permitting the Company to issue the balance of the Consideration Shares (12,500,000) more than 3 months after the date of the approvals:

- a) No Consideration Shares were issued during the reporting period;
- b) 12,500,000 of the Consideration Shares remain, conditionally, to be issued; and
- c) the conditions to and instalments in which the remainder of the Consideration Shares may be issued are:
 - i) 2,500,000 (approved for issue no later than 31 March 2019 with an extension of time to be applied for) if the Company elects to continue exploring the Projects and subject to it meeting its expenditure commitment in relation to the Projects (minimum of US\$1 million by 10 December 2018); and



- ii) 5,000,000 (approved for issue no later than 31 December 2020) if the Company exercises the option and defines a 500,000-ounce measured resource of gold on the Projects; and
- iii) 5,000,000 (approved for issue no later than 31 December 2020) if the Company exercises the option and defines a 1,000,000-ounce measured resource of gold on the Projects.

Investor enquiries

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**Table 1:** Schedule of Tenements – Atacama Region, Chile

Concession	Type of concession	Percentage held / earning*
Vidalita A2	Exploration	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita B2	Exploration	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita C2	Exploration	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita D2	Exploration	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita E2	Exploration	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita F2	Exploration	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita A1 1/60	Exploitation	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita B1 1/60	Exploitation	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita C1 1/60	Exploitation	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita D1 1/60	Exploitation	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita E1 1/36	Exploitation	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita F1 1/40	Exploitation	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalota A	Exploration	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalota A1 AL18	Exploitation	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalota B	Exploration	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalota B1 AL20	Exploitation	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalota C	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Vidalota D	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Vidalota E	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Peon 1-5	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Peon 6-7+10	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Peon 12-16	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Ciclope Tuerto 7-9	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Ciclope Tuerto A2-A6	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Ciclope Tuerto 1	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Tierra 6	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Tierra 5, 7-13	Exploration	Emu 100%



About the Vidalita and Jotahues Gold Projects, Maricunga Belt, Chile



Maricunga Belt: Host to Very Large Gold Deposits

Salares Norte (Gold Fields)	3.9 Moz Au & 43.7 Moz Ag
La Coipa (Kinross, pre-mining)	1.3 Moz Au & 64 Moz Ag
Cerro Maricunga (Atacama Pacific)	5.9 Moz Au & 4 Moz Ag
Marte-Lobo (Kinross)	6.2 Moz Au
Maricunga Mine (Kinross)	6.3 Moz Au
Vidalita (Emu)	?? Au
Caspiche project (Exeter)	19.8 Moz Au & 40Moz Ag
Cerro Casale (Barrick/Kinross)	25.4 Moz Au & 43Moz Ag
Alturas (Barrick)	6.8 Moz Au

The Vidalita and Jotahues gold projects are located in the Maricunga gold belt in the Atacama Region in northern Chile hosting numerous world class gold and silver projects. Emu's projects cover an area of approximately 136km² secured by mineral exploration concessions and host alteration and mineralisation that appear geologically similar to other high sulphidation gold deposits of the Maricunga gold belt. The projects are accessed using a network of roads that link Copiapó with the Refugio project (Kinross), Cerro Casale project (Barrick/Goldcorp) and the Caspiche project (Goldcorp). Refugio is located 30km northwest of Vidalita.

The Company holds an **Option** to acquire a 100% interest in certain of the Vidalita and Jotahues concession packages from two Chilean companies. Prospex SpA and BLC SpA.

The Prospex area covers six concessions at Vidalita and is subject to a 2% NSR on any production. The Option may be exercised in November 2019 on payment of US\$2M following expenditure of US\$1M, the issue of 2.5M Emu shares. If Emu defines: (i) 0.5Moz of gold in measured resources, a further 5M ordinary shares will be issued; and (ii) 1Moz of gold in measured resources, a further 5M ordinary shares will be issued.

The BLC SpA area comprises of three concessions (Jotahues and Vidalota A&B) and is subject to a 1% NSR. There is no Option payment to be made.

In addition, Emu has pegged a concession in its own right, Arroyo Ancho. Portions of this are subject to an area of influence inclusion into the Prospex Option.

Emu continues to look for new mineral exploration, development, and mining opportunities within Australia and at various overseas jurisdictions.

**Emu NL**

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Fully paid shares (listed)

131,254,728 (inc. 7.4m which Emu
can buy back for nil consideration)

Contributing Shares (listed)

33,668,824 paid to \$0.03, \$0.03 to
pay, no call before 31/12/2020

**Options to acquire fully paid shares
(to be listed)**

40,505,000 exercisable at \$0.20 each,
expire 15/1/2021

**Options to acquire partly paid
shares (unlisted)**

6,000,000 paid to \$0.03, \$0.03 to pay,
expire 28/2/2020

Directors:**Peter Thomas**

Non-Executive Chairman

Terry Streeter

Non-Executive Director

Gavin Rutherford

Non-Executive Director

COMPETENT PERSON'S STATEMENT

Any details contained herein that pertain to exploration results, mineral resources or mineral reserves are based upon information compiled by Mr Francisco Montes, Senior Geologist and Exploration Manager - Chile, of Emu NL. Mr Montes is a Member of the Australasian Institute of Geoscientists and has sufficient experience in 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" (JORC Code). Mr Montes consents to the inclusion herein of the matters based upon his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

As a result of a variety of risks, uncertainties and other factors, actual events and results may differ materially from any forward looking and other statements herein not purporting to be of historical fact. Any statements concerning mining reserves, resources and exploration results are forward looking in that they involve estimates based on assumptions. Forward looking statements are based on management's beliefs, opinions and estimates as of the respective dates they are made. The Company does not assume any obligation to update forward looking statements even where beliefs, opinions and estimates change or should do so given changed circumstances and developments.