

EMU NL
ABN 50 127 291 927

6 May 2019

Mr Chris Hesford
ASX Listings Compliance (Perth)
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

Transmitted by email to:

Chris.hesford@asx.com.au

tradinghaltspert@asx.com.au

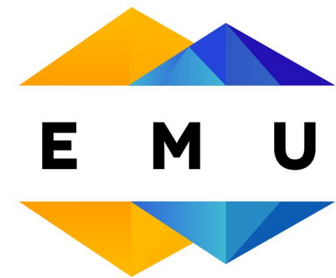
Dear Chris,

RESPONSE TO ASX QUERY – APPENDIX 5B

In reference to your letter to Emu NL (**EMU** or the **Company**) dated 2 May 2019, we set out below our response to each of the questions using the same numbering as used in your letter.

1. Yes, EMU expects that it will continue to have negative operating cash flows for the time being, as is usual for mining exploration entities.
2. Yes, refer to ASX announcement released 3 May 2019. The Board believes that the Company has the ability to successfully raise additional capital, based on its previous ability to raise funds when required. The Company has been advised that firm commitments in respect of the entire \$960,000 placement amount have already been received.
3. Yes, EMU expects to be able to continue its operations and meet its business objectives based on its response to items 1 and 2 above.
4. Except as set out in this response, no further information is considered relevant. EMU considers that it is compliance with Listing Rule 12.2 for the reasons stated above and notes that:

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- a. EMU successfully sought and raised a total of \$1.7million in July 2018 and December 2018 through placements to sophisticated and wholesale investors plus \$374k from a share purchase plan in November 2018; and
 - b. as a mining exploration entity, it assesses its funding requirements on an ongoing basis based on its activities and has a reasonable expectation that it will be able to continue funding its operations on a similar basis.
5. EMU confirms that it is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
 6. EMU confirms that the responses above have been authorised and approved by the EMU Board.

Yours faithfully

[Sent electronically with approval but without signature]

Damien Kelly

Company Secretary

02 May 2019

Mr Damien Kelly

Company Secretary
Emu NL
Level 2, 35 Outram Street
West Perth WA 6005

By email: damienk@westerntiger.com.au

Dear Mr Kelly

Emu NL ("EMU"): Appendix 5B Query

I refer to EMU's Appendix 5B quarterly report for the period ended 31 March 2019 lodged with ASX Market Announcements Platform on 30 April 2019 (the "Appendix 5B").

ASX notes that EMU has reported:

- negative net operating cash flows for the quarter of \$748,000;
- cash at the end of the quarter of \$410,000; and,
- estimated cash outflows for the next quarter of \$880,000.

It is possible to conclude, based on the information in the Appendix 5B that if EMU were to continue to expend cash at the rate indicated by the Appendix 5B, EMU may not have sufficient cash to continue funding its operations. In view of that, ASX asks EMU to respond separately to each of the following questions and requests for information:

1. Does EMU expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has EMU taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does EMU expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that EMU considers may be relevant to ASX forming an opinion on whether EMU is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that EMU is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that EMU's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of EMU with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **5:00 pm AWST on Monday 6 May 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in EMU's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, EMU's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at chris.hesford@asx.com.au and to tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to EMU's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that EMU's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in EMU's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

[Sent electronically without signature]

Chris Hesford
Adviser Listings Compliance (Perth)
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