

EMU COMPLETES AIRCORE DRILLING PROGRAMME AT VIDALITA AND PLANS FOR FOLLOW-UP DIAMOND DRILLING

6 June 2019



EMU NL (ASX: EMU) is pleased to provide an update on its drilling campaign at the Vidalita and Alunita prospects in the Maricunga Belt, Chile.

DRILL SUMMARY UPDATE

- **Emu completed 6,323 metres of air core drilling between January and April 2019**
- **Results from further drill holes have just been received and will be announced when plotted and considered.**
- **Assays for the remaining drill holes are pending**
- **Emu is planning a diamond drilling campaign to test targets at depth**

Emu has completed the summer/autumn drilling component of its 2019 campaign in Chile. Of the 6,323 metres drilled in the period from January to April, assay results for 3,085m (896 composite samples) have been released to the market (see ASX announcements dated 8/3/2019, 10/4/2019).

Emu has just received assay results in respect of several drill holes from Actlabs in Chile, which prepared and assayed the drill samples using both fire assay and aqua regia methods. Compilation and interpretation is currently underway with Emu anticipating announcing the results next week.

Results from the remaining drill holes are pending. Emu is encouraged by visual observations of core recovered from several holes for which assays are awaited. The geological observations show similarities with the core derived from the Vidalita discovery hole 5300-8 (**24m at 5.0 g/t Au and 28 g/t Ag** from 20m).

The latest batch of sample assays will be updated and will include the multi-element results from hole 5300-12. This hole returned gold assay results of **16m at 2.0 g/t gold from 92m** including **4m at 4.1 g/t gold** within a larger interval of **52m at 0.8 g/t Au** from 52m.

Samples for the remaining drill holes are being progressively assayed with receipt of all results expected by the end of June 2019.

The Company has commenced planning a diamond drilling campaign at its Chilean prospects, and on the basis funding is assumed, drilling is anticipated to commence before November 2019. The program will target deeper areas of interest identified through both air core and diamond drilling campaigns.

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Figure 1: Location of the EMU NL project in relation to other advanced projects and mines in the Maricunga Belt

About the Vidalita Prospect, Maricunga Belt, Chile

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

Emu 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.

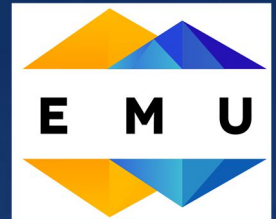
The Prospex area covers six concessions at Vidalita and is subject to a 2% NSR on any production. The Option may be exercised in November 2019 on payment of US\$2M. If Emu defines: (i) 0.5Moz of gold in measured resources, a further 5M ordinary shares will be issued; and (ii) 1Moz of gold in measured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

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

Emu NL

ABN 50 127 291 927

ASX Codes: EMU and EMUCA

10 Walker Ave
West Perth, WA 6005

T +61 8 9226 4266
E info@emunl.com.au

PO Box 1112
West Perth, WA 6872

Fully paid shares (listed)

158,072,613 (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 January 2021

Options to acquire partly paid shares (unlisted)

6,000,000 exercisable at \$0.03 each, expire 28 February 2020

Directors:

Peter Thomas
Non-Executive Chairman

Terry Streeter
Non-Executive Director

Gavin Rutherford
Non-Executive Director

Investor enquiries:

Karen Oswald
NWR Communications
T +61 8 9226 4266
E info@emunl.com.au

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, working for Emu NL. There are no material changes to previously reported results. Mr Montes is a Member of the Australian 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.

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Appendix 1

JORC Code, 2012 Edition – Table 1 report, EMU NL

Vidalita Drilling

Section 1 Sampling Techniques and Data

Criteria	Commentary
<i>Sampling techniques</i>	<p>Air core (AC) samples – samples are collected from the rig cyclone in a bucket over each metre drilled. The larger intact core segments are recovered and stored in core trays for logging and geological reference. This material is not oriented.</p> <p>The remaining fine material in the bucket is transferred to a sample bag in total. This sample is usually around 1kg representing ~ 15 to 20% of the mass of the 1m interval.</p> <p>All samples are prepared at Actlabs in Copiapo where they are crushed to 2mm, split to an 800g sample then pulverised and split again to 25g. The final split is sent to Actlabs, Coquimbo for analysis.</p>
<i>Drilling techniques</i>	Air core (AC) drilling using NQ-size air core bits (approximately 75mm diameter).
<i>Drill sample recovery</i>	<p>Geological team makes a qualitative estimate (as good, moderate or poor) of sample recovery for each one metre down hole sample interval. Supervising geologist ensures that representative chip and AC samples are collected during drilling.</p> <p>Sampling is considered to be unbiased.</p>
<i>Logging</i>	<p>Alteration, mineralisation, rock type, and structure, where evident, are logged and recorded from the core drill samples.</p> <p>Pieces of core recovered by the AC system are stored in core trays for logging and geological reference.</p> <p>Total hole length is logged.</p>
<i>Sub-sampling techniques and sample preparation</i>	<p>AC samples (fines) from each one metre of drill hole are collected in a bucket, with the sample (usually 1.0 – 1.5kg) collected using a spear.</p> <p>The 1m samples are prepared for analysis by standard laboratory procedures.</p> <p>Sub-sampling at the sample processing facility is done using splitters.</p> <p>The samples collected are representative of the insitu material.</p> <p>Sample sizes are appropriate to the grain size of the material being sampled.</p>

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<i>Quality of assay data and laboratory tests</i>	<p>A 50g split from each one metre AC pulp is taken from four consecutive one metre samples, combined, re-pulverised to homogenise and a composite sample of 200g is prepared for analysis.</p> <p>All samples are digested using 30g aqua regia and analysed using ICP-MS at Actlab's laboratory in Coquimbo. Select samples are re-analysed using Fire assay techniques in both 4m composites and individual 1m intervals.</p> <p>All drill samples results are reported.</p> <p>The aqua regia digest in this instance is considered appropriate given the stage of the program and the altered nature of the rocks.</p> <p>10% of drilling samples will be sent for check analysis to another laboratory.</p> <p>Laboratory standards and blanks are used for QA/QC purposes.</p>
<i>Verification of sampling and assaying</i>	<p>All significant (anomalous) four metre composites are identified and the one metre samples from which they were composited are re-assayed by 30g fire assay technique at Actlabs.</p> <p>Check-assaying will be completed at an alternative laboratory.</p> <p>No twinned holes have been drilled.</p> <p>Assay data are not adjusted.</p>
<i>Location of data points</i>	<p>Drill hole collars are located using handheld GPS accurate to < 5m in the first instance. Holes are subsequently surveyed in using DGPS accurate to <0.02m.</p> <p>WGS 84 UTM zone 19J (south) grid system</p> <p>Topographic control is deemed adequate at this stage of the exploration program.</p>
<i>Data spacing and distribution</i>	<p>The drill holes are irregularly spaced (but generally >100m) as they are testing geological, geophysical or geochemical targets.</p> <p>No mineral resources are being reported at this time.</p> <p>The AC samples are composited into four metre composites in the laboratory.</p>
<i>Orientation of data in relation to geological structure</i>	<p>Drill hole azimuth was planned on indications of outcrop and/or subcrop geology and lithological strike as indicated by a ground magnetic survey and geologic mapping.</p> <p>The controls on mineralisation are unknown at this time.</p>
<i>Sample security</i>	<p>Emu management supervises sample collection on-site and delivery to the laboratory.</p>
<i>Audits or reviews</i>	<p>None undertaken.</p>

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Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	Emu has an option agreement dated 14 November 2016 (Emu Option Agreement) with two Chilean companies, Prospex SpA and BLC SpA, to acquire 8 concessions at Vidalita and 3 concessions at Jotahues. This option may be exercised any time up until November 2019 by granting Prospex and BLC a 1% NSR on production and allotting them up to 15 million Emu ordinary shares subject to certain vesting conditions (see ASX release 15 November 2016). Prospex SpA in turn has an option (Perez Option) to acquire 6 of Emu's 8 Vidalita concessions from local Chilean parties. Under the terms of the agreement (Perez Option Agreement) recording the Perez Option, Prospex has the right to exercise that option by November 2019 by paying US\$2 million and granting the Chilean parties a 1% NSR over those 6 concessions. Under the Emu Option Agreement, Emu has taken an assignment of the rights and assumed the obligations of Prospex in relation to those 6 concessions under the Perez Option Agreement. The option agreements are subject to a 5km AOI from the boundaries of the 11 concessions. Since entering into the Emu Option Agreement with Prospex and BLC, additional concessions have been applied for and were reported in subsequent ASX releases.
<i>Exploration done by other parties</i>	Previous work was limited to rock sampling. There had been no drilling in the area prior to Emu's activities.
<i>Geology</i>	The prospect area is located within the early to late Miocene volcanics of the Maricunga Belt. The project is a green fields exploration project however the mineralisation style intersected in drilling is interpreted to be similar to known high sulphidation epithermal style ore deposits in the same geological setting. Rocks consist of volcanically derived lithologies, including tuffs, andesites, dacites, polymictic and monomictic breccias, and minor sedimentary facies. Major north-north-west trending faults may control the extent of mineralisation and provide the bounds to that mineralisation. Lesser cross-cutting faults, generally north-easterly, appear to affect mineralisation plunge and repetitions.
<i>Drill hole Information</i>	See ASX announcement on 10 April 2019.
<i>Data aggregation methods</i>	Simple averages are calculated from mineralised zones. Gold zones above 0.2ppm are aggregated within the mineralised zones to calculate average gold intersections. Barren zones less than one sample interval may be included in a composite aggregation if occurring within the overall mineralised zone.

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<i>Relationship between mineralisation widths and intercept lengths</i>	Project is at an early stage of exploration and any conclusions at this stage would be speculation. All widths quoted are down hole intersection widths.
<i>Diagrams</i>	No interpretive cross sections have been included in this announcement (although preliminary sections have been included in previous announcements).
<i>Balanced reporting</i>	Emu considers all pertinent information pertaining to this prospect is supplied in either this or previous announcements.
<i>Other substantive exploration data</i>	Surface rock and talus sampling was undertaken at opportune locations where outcrop allowed and appropriate. Summary maps were included in previous announcements. Satellite imagery is used to identify significant areas of alteration to guide exploration.
<i>Further work</i>	Follow-up drilling, by infill and to extend into areas that are considered “open” to mineralisation, is being considered but planning is not yet complete.