EMU NL

ELEVADO PROJECT CHILE

2019 DRILLING AND EXPLORATION UPDATE

16 July 2019

2019 DRILL SUMMARY HIGHLIGHTS

- **Emu NL completed 6,314 metres of aircore drilling in the 2019 season (Table 1).**
- **Assay results for all drill holes have been received. Significant gold-silver intercepts of this programme are provided in Table 2.**
- **Detailed review and interpretation of results is underway.**
- **Planning for the Spring 2019 – Summer 2020 season at Elevado is underway, activities to commence in August.**

EMU NL (**ASX: EMU and EMUCA**) has finalised its Summer 2019 drilling and exploration campaign at its Elevado project in the Maricunga Belt, Chile and is: (i) reviewing the drilling results, including the assay results, to develop a fuller understanding of the distribution of and controls to mineralisation; and (ii) designing work plans for the coming Spring 2019 – Summer 2020 campaign.

The recently renamed Elevado project is comprised of the Vidalita, Vidalota, Arroyo Ancho and Jotahues concession areas which contain a number of prospects including the Vidalita, Alunita, Northeast Plains, North Plains, Peon, Jotahues and Arroyo Ancho. (Figure 2)

The multi-element assays confirmed the presence and continuation of a High Sulphidation Epithermal (HSE) gold-silver mineralisation system over the Vidalita prospect. The style of mineralisation intersected bears all the hallmarks of the Salares Norte (Goldfields) and Alturas (Barrick) occurrences located to the north and south respectively along extensions of the Maricunga - El Indio Belt. Mineralisation at Vidalita, hosted in a sequence of volcani-clastics and intrusive stocks, demonstrates local breccia development plus quartz-alunite (advanced argillic) alteration consistent with HSE mineralisation models.

Geochemical results highlight the importance of locating the structural controls and feeder systems to the near-surface mineralisation. Ongoing work will zero-in on these deep targets within the Vidalita prospect.

EMU's geologists are evaluating the latest assay results in conjunction with the overall geological, geochemical and geophysical project database and will be working with a team of renowned experts to verify the controls on this system. This work is expected to generate new targets and refine existing drill targets.

Favourable drilling conditions during the summer 2019 drilling season provided a partial offset to, yet again, a significant downtime component on the part of the Wallis Drilling's equipment which, disappointingly, caused a number of holes, including those planned for targets outside the Vidalita prospect, to remain undrilled. Nevertheless, EMU regards the season as having been effective in terms of many outcomes including the discovery hole (see ASX announcement 8 March 2019).

In the face of the abridged drilling programme, EMU took the measured and prudent decision to extend, rather than exercise, the option over the Vidalita prospect (see ASX announcement 24 June 2019).

Plans for the Spring 2019 - Summer 2020 season

EMU plans to resume work in Chile next month, with an extensive core relogging (geology) plus Terraspec Halo NIR spectrometry (alteration geochemistry) programme. This activity, utilising the latest technology and equipment, will assist in the overall work of 3D vectoring towards the source of mineralisation. Information from this activity is expected to further delineate and define the deep diamond drill hole targets in the upcoming campaign directed at discovering a major, high-grade gold-silver ore body.

A project-wide exploration programme is planned to run in parallel with the 2019-2020 drilling campaign. This work will be directed at delineating, prioritising and advancing, to drill-ready status, the numerous targets identified within EMU's 136km^2 tenement holding at the Elevado project. Geological mapping, soil and rock chip sampling is planned to commence in mid-September and progress into the new year.

Diamond drilling at the Vidalita prospect is planned to commence in October with the programme expected to be completed in December. Following this, EMU plans to complete an aircore drilling programme over the priority regional targets defined from the project-wide exploration programme.

All field activities will be supported by an on-site exploration camp with logistical support to come from EMU's new Copiapo base. This new, entirely fit-for-purpose, base features accommodation, offices, and core-yard premises that will facilitate ongoing warehousing and technical work by the EMU exploration teams. The investment in a new base is testament to EMU's commitment to the Elevado project and exploration more broadly in the Maricunga Belt.

Table 1: Aircore Drilling Programme Summary

Hole No	Hole Collar Easting	Hole Collar Northing	Hole Collar R.L. (masl)	Azimuth (deg)	Dip (deg)	Final Depth (m)	Drill Start Date	Drill Finish Date
5100-6	492650	6935102	4924	270	-60	109.00	13/01/2019	16/01/2019
5100-7	492700	6935100	4924	270	-60	96.00	17/01/2019	19/01/2019
5300-6	492650	6935299	4897	270	-60	158.00	19/01/2019	23/01/2019
5300-7	492600	6935300	4897	270	-60	150.00	21/01/2019	23/01/2019
5300-8	492498	6935304	4896	270	-60	143.00	24/01/2019	1/02/2019
5300-9	492675	6935300	4903	270	-60	142.00	2/02/2019	2/02/2019
5500-4	492500	6935500	4900	270	-60	171.00	3/02/2019	5/02/2019
5100-8	492700	6935100	4900	90	-60	123.00	6/02/2019	6/02/2019
5100-9	492550	6935100	4900	270	-60	147.00	7/02/2019	8/02/2019
5200-1	492574	6935200	4905	270	-60	168.00	9/02/2019	9/02/2019
5200-2	492634	6935200	4905	270	-60	135.00	10/02/2019	10/02/2019
6500-3	492800	6936500	4905	270	-60	153.00	11/02/2019	12/02/2019
6500-4	492900	6936500	4905	270	-60	158.00	13/02/2019	13/02/2019
6800-1	492989	6936818	4872	240	-60	192.00	14/02/2019	15/02/2019
7300-1	493623	6937305	4801	270	-60	200.00	16/02/2019	17/02/2019
5300-10	492300	6935303	4903	90	-70	204.00	18/02/2019	19/02/2019
5500-5	492311	6935503	4897	90	-60	201.00	20/02/2019	20/02/2019
5500-6	492351	6935498	4895	270	-70	160.00	22/02/2019	23/02/2019
5500-7	492600	6935500	4870	270	-60	189.00	24/02/2019	25/02/2019
5100-10	492626	6935104	4924	270	-60	86.00	26/02/2019	26/02/2019
4900-4	492500	6934900	4920	90	-60	220.00	27/02/2019	28/02/2019
5200-3	492525	6935200	4905	270	-60	220.00	1/03/2019	2/03/2019
5400-1	492324	6935403	4855	90	-70	105.00	3/03/2019	4/03/2019
5400-2	492500	6935400	4900	270	-60	171.00	4/03/2019	5/03/2019
5400-3	492600	6935400	4895	270	-60	180.00	6/03/2019	6/03/2019
5100-11	492500	6935100	4924	90	-60	104.00	7/03/2019	9/03/2019
4900-5	492599	6934918	4937	90	-60	150.00	9/03/2019	12/03/2019
5300-11	492478	6935300	4896	270	-60	176.00	13/03/2019	15/03/2019
5300-12	492522	6935300	4896	270	-60	220.00	15/03/2019	16/03/2019
5400-4	492400	6935400	4900	270	-70	110.00	17/03/2019	17/03/2019
5400-5	492450	6935400	4900	270	-60	146.00	18/03/2019	19/03/2019
5350-1	492499	6935351	4721	90	-65	200.00	19/03/2019	30/03/2019
5350-2	492405	6935350	4901	90	-65	160.00	31/03/2019	31/03/2019
5300-13	492504	6935301	4906	295	-57	138.00	1/04/2019	2/04/2019
5300-14	492450	6935301	4905	205	-57	176.00	2/04/2019	3/04/2019
5300-15	492596	6935298	4907	175	-57	140.00	4/04/2019	4/04/2019
5300-16	492597	6935301	4908	310	-57	120.00	5/04/2019	6/04/2019
5100-12	492615	6935110	4925	175	-57	49.00	7/04/2019	7/04/2019
5350-3	492405	6935353	4902	315	-60	149.00	8/04/2019	9/04/2019
5400-6	492400	6935400	4900	315	-60	108.00	9/04/2019	10/04/2019
6600-3	492872	6936600	4852	270	-60	133.00	10/04/2019	12/04/2019
6600-2	492772	6936600	4839	90	-60	54.00	12/04/2019	26/04/2019
			Total Metres Drilled =			6,314 .00		

Table 2: Significant Gold-Silver Intercepts (> 0.2ppm Au, >5ppm Ag)

Hole ID	Including	From	To	Interval	Au (g/t)	Ag (g/t)	Cutoff
5100-5		20	24	4	0.01	5.57	5g/t Ag
5100-6		0	8	8	0.09	26.29	5g/t Ag
	inc	1	5	4	0.06	40.55	5g/t Ag
		15	23	8	0.01	5.84	5g/t Ag
		27	28	1	0.01	11.87	5g/t Ag
		108	109	1	0.02	8.32	5g/t Ag
5100-7		12	20	8	0.06	6.26	5g/t Ag
5300-6		128	132	4	<0.00	5.58	5g/t Ag
		140	144	4	<0.01	6.36	5g/t Ag
5300-7		0	44	44	0.40	11.65	5g/t Ag
	Inc	12	16	4	1.54	33.40	1 g/t Au
	and Inc	32	36	4	1.35	38.50	1 g/t Au
		92	96	4	0.28	7.33	0.2g/t Au + 5g/t Ag
5300-8		16	64	48	2.84	19.20	0.2g/t Au + 5g/t Ag
	Inc	20	44	24	5.04	28.33	
		120	143	23	0.29	3.14	
6500-3		8	12	4	<0.01	5.04	5g/t Ag
		28	32	4	<0.01	13.20	5g/t Ag
		68	76	8	0.22	77.65	0.2g/t Au + 5g/t Ag
		84	88	4	0.06	37.90	5g/t Ag
6800-1		180	184	4	0.38	0.38	0.2g/t Au
5500-5		84	88	4	<0.01	5.48	5g/t Ag
5100-10		44	48	4	0.20	13.20	0.2g/t Au + 5g/t Ag
		68	88	20	0.12	5.92	5g/t Ag
5200-3		76	80	4	0.52	15.60	0.2g/t Au + 5g/t Ag
		120	124	4	0.75	15.20	0.2g/t Au + 5g/t Ag
		216	220	4	0.24	0.08	0.2g/t Au
5400-3		108	112	4	0.32	3.04	0.2g/t Au
5100-11		92	100	8	0.26	4.19	0.2g/t Au
4900-5		16	20	4	<0.01	6.02	5g/t Ag
		28	48	20	<0.01	9.43	5g/t Ag

Table 2: Significant Gold-Silver Intercepts (continued)

Hole ID	Including	From	To	Interval	Au (g/t)	Ag (g/t)	Cutoff
5300-11		104	108	4	0.35	4.27	0.2g/t Au
		120	128	8	0.46	2.18	0.2g/t Au
		140	144	4	0.29	2.18	0.2g/t Au
		164	176	12	0.33	2.44	0.2g/t Au
5300-12		48	68	20	0.75	6.20	5g/t Ag
	Inc	52	56	4	2.30	9.44	1 g/t Au
	and Inc	64	68	4	1.15	7.06	1 g/t Au
		92	104	12	1.98	11.95	0.2g/t Au + 5g/t Ag
	Inc	96	100	4	4.06	19.20	1 g/t Au
5400-4		56	64	8	0.04	8.31	5g/t Ag
		96	110	14	0.53	4.14	0.2g/t Au
5400-5		120	124	4	0.03	5.51	5.0 g/t Ag
		132	146	14	0.22	1.27	0.2g/t Au
5350-2		76	80	4	0.08	6.93	5g/t Ag
5300-13		36	60	24	0.47	3.58	0.2g/t Au
		132	138	6	0.70	2.76	0.2g/t Au
	Inc	136	138	2	1.18	3.59	1 g/t Au
5300-15		0	48	48	1.03	12.25	0.2g/t Au
	Inc	20	24	4	1.10	49.10	0.2g/t Au + 5g/t Ag
	and Inc	32	44	12	3.27	7.04	1 g/t Au
5300-16		0	76	76	0.56	9.67	
	Inc	12	16	4	3.14	60.55	1 g/t Au
	and Inc	68	76	8	1.82	6.63	1 g/t Au
5350-3		8	20	12	0.03	7.31	5g/t Ag
		36	56	20	0.46	1.25	0.2g/t Au
		132	147	15	0.50	3.89	0.2g/t Au
5400-6		56	60	4	0.02	8.25	5g/t Ag
		84	100	16	0.08	7.36	5g/t Ag
6600-3		104	108	4	0.11	5.59	5g/t Ag
6600-2		48	54	6	<0.01	18.30	5g/t Ag

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

About the Elevado Project

The Elevado Project is located within the Maricunga gold belt in the Atacama Region, northern Chile. This belt hosts numerous world-class gold and silver projects (see Figure 1).

EMU's tenure interests cover an area of approximately 136km^2 including applications for and granted concessions held in its own right and concessions held under option that host High Sulphidation Epithermal (HSE) alteration and mineralisation similar to other precious metal Au-Ag deposits in the Maricunga and El Indio gold belts (see Figure 2).

The project is accessed using established infrastructure of roads linking Copiapo (regional capital and service town for the major mining projects) with the Maricunga mine (Kinross), Marte-Lobo project (Kinross) Cerro Casale project (Newmont/ Barrick) and Caspiche project (Newmont). The Maricunga gold mine owned by Kinross, is located approximately 10km to the northwest of Emu's Elevado project concessions.

Wallis Drilling has served a writ on Emu seeking recovery of US$148,000 which EMU will defend, setoff and counterclaim its unliquidated damages thought, on a preliminarily basis, to amount to well in excess of A$1,000,000.

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

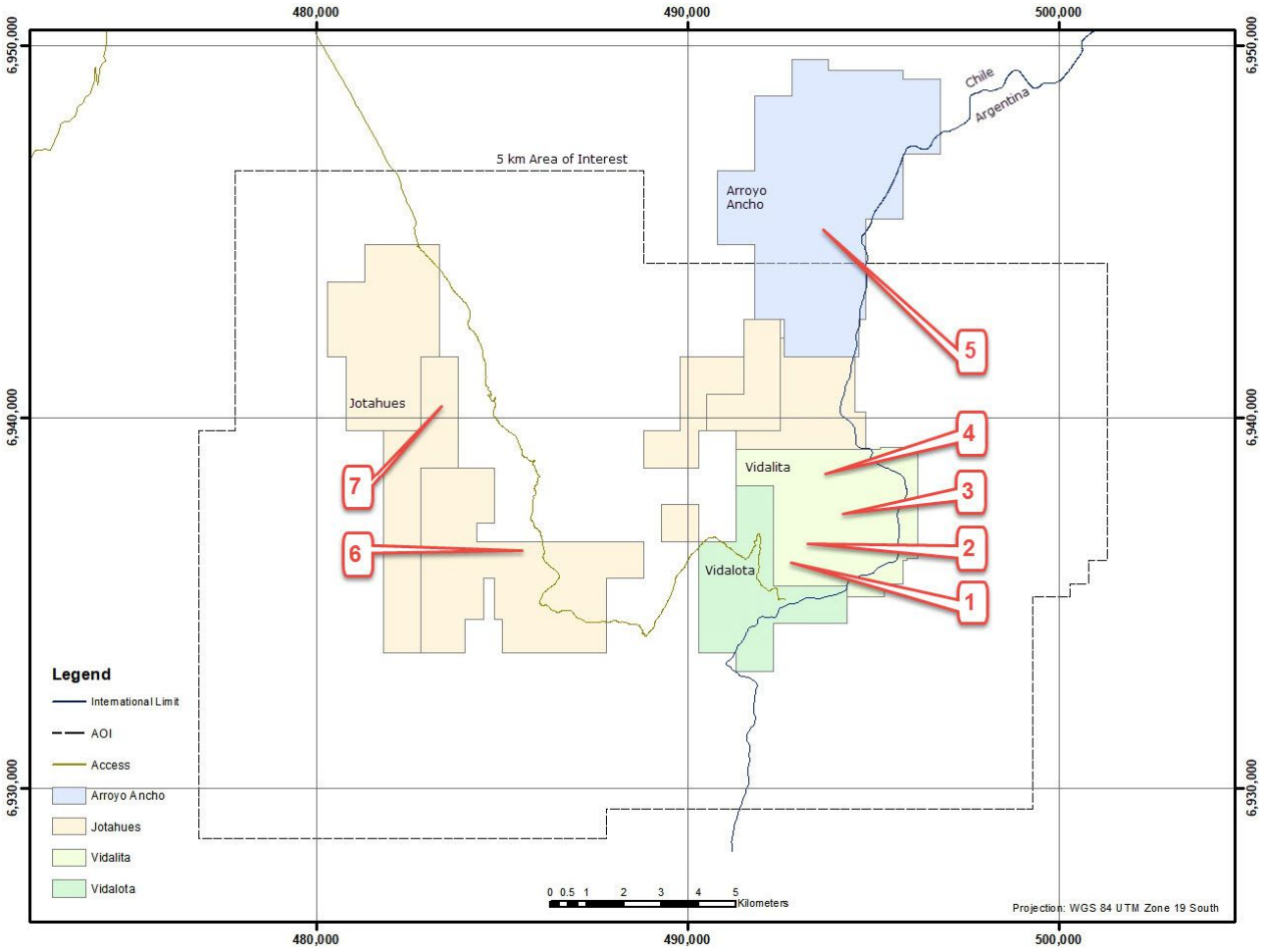

Figure 2: The Elevado Project tenure map showing Area of Interest (AOI) and prospect locations:

1. Vidalita Prospect
2. Alunita Prospect
3. Northeast Plains Prospect
4. North Plains Prospect
5. Arroyo Ancho Prospect
6. Peon Prospect
7. Jotahues Prospect

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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)
84,355,000 exercisable at $0.20 each, expire 15 January 2021

Options to acquire partly paid shares (unlisted)
6,000,000 options to acquire partly paid shares, exercisable at $0.03 each, on or before 28 February 2020

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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, a Senior Geologist 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.

Appendix 1

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

Elevado Drilling

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	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. The remaining fine material in the bucket is transferred to a sample bag in total. This sample is usually around 1.0 – 1.5kg representing ~ 15 to 20% of the mass of the 1m interval. Overall, 40 sample despatches in this campaign were prepared at Actlabs in Copiapo where they were crushed to 2mm, split to an 800g sample then pulverised and split again to 25g. The final split was sent to Actlabs, Coquimbo for analysis. These pertain to the period 01 Jan – 30 Mar 2019. The final 9 sample despatches were prepared and assayed by ALS Copiapo and Lima using techniques directly comparable to those utilised at Actlabs. These pertain to the period 01 April – 26 April 2019.
Drilling techniques	Air core (AC) drilling using NQ-size aircore bits (approximately 75mm diameter).
Drill sample recovery	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. Sampling is considered to be unbiased.
Logging	Alteration, mineralisation, rock type, and structure, where evident, are logged and recorded from the core drill samples. Pieces of core recovered by the AC system are stored in core trays for logging and geological reference. Total hole length is logged.
Sub-sampling techniques and sample preparation	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 PVC spear. The 1m samples are prepared for analysis by standard laboratory procedures. Sub-sampling at the sample processing facility is done using splitters. The samples collected are representative of the insitu material. Sample sizes are appropriate to the grain size of the material being sampled.

Quality of assay data and laboratory tests	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. All samples are digested using 30g aqua regia and analysed using ICP-MS at Actlab's laboratory in Coquimbo using method UT-1EMU. Select samples are re-analysed using fire assay techniques (RX-1) in both 4m composites and individual 1m intervals. All but the final 9 holes were prepared and assayed by Actlabs. In order to assist and improve sample turn-around times, the final 9 holes were diverted to ALS Copiapo for sample preparation and ALS Lima for analytical work. Sample preparation at ALS was by method PREP-41, compositing by HOM-01 and analytical work by 50g aqua regia and ICP-MS analysis using method AuME-ST44, which is directly comparable to Actlab's method UT1-EMU. All drill samples results are reported. The aqua regia digest in this instance is considered appropriate given the stage of the program and the altered nature of the rocks. Following the completion of the ongoing data review, 10% of drilling samples will be sent for check analysis to another laboratory. Laboratory geochemical standards and blanks are used for QA/QC purposes.
Verification of sampling and assaying	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. Check-assaying will be completed at an alternative laboratory. No twinned holes have been drilled. Assay data are not adjusted.
Location of data points	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. WGS 84 UTM zone 19J (south) grid system. Topographic control is deemed adequate at this stage of the exploration program.
Data spacing and distribution	The drill holes are irregularly spaced (but generally >100m) as they are testing geological, geophysical or geochemical targets. No mineral resources are being reported at this time. The AC samples are composited into four metre composites in the laboratory.
Orientation of data in relation to geological structure	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. The controls on mineralisation are unknown at this time.
Sample security	Emu management supervises sample collection on-site and delivery to the laboratory.
Audits or reviews	None undertaken.

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

Criteria	Commentary
Mineral tenement and land tenure status	Emu has an interest in 51 concessions comprising the Elevado project. Of these: (i) 15 are granted exploration concessions that were applied for by Emu in its own right (Tierra 1-15 concessions). (ii) 30 are concessions the subject of an option to purchase agreement with Chilean company BLC SpA (Peon 1-16 + Ciclope Tuerto 1-9 + Vidalota A-E). (iii) 6 are concessions the subject of an option to purchase agreement with Chilean company Prospex SpA (Vidalita A-E concessions). Of these, the 6 Prospex concessions (Vidalita A-E) and 2 BLC concessions (Vidalota A, B) are in the process of conversion to mining concessions; and The original 5 concessions in the BLC agreement (Ciclope Tuerto 7,8,9 and Vidalota A,B), plus 6 concessions in the Prospex agreement (Vidalita A-F), are subject to a 5km Area of Interest (AOI) from their respective boundaries. To the extent concessions fall within the AOI, they are subject to a 1% NSR whilst concessions Vidalita A-F are subject to a further 1% NSR. The option may be exercised at any time before November 2022 on payment of US$2.5M. Emu is also required to pay US$100k for each year it extends the option from November 2019 to November 2022. If, on the concessions the subject of the BLC and Prospex options, Emu defines a: (i) 0.5Moz of gold in measured resources, 5M ordinary shares will be issued; and (ii) 1Moz of gold in measured resources, a further 5M ordinary shares will be issued.
Exploration done by other parties	Previous work was limited to rock sampling. There had been no drilling in the area prior to Emu's activities.
Geology	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.
Drill hole Information	Refer Table 1.
Data aggregation methods	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.
Relationship between mineralisation widths and intercept lengths	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.
Diagrams	No interpretive cross sections have been included in this announcement (although preliminary sections have been included in previous announcements).
Balanced reporting	Emu considers all pertinent information pertaining to this prospect is supplied in either this or previous announcements.
Other substantive exploration data	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.
Further work	Follow-up drilling at the Vidalita prospect, by infill and to extend into areas that are considered “open” to mineralisation, is being planned. Drill targets at other prospects will be planned for testing in the Spring 2019 - Summer 2020 campaign.