



SUMMARY

- **Low cost three-year extension to Vidalita option agreement**
- **6,314 metre aircore drilling programme completed**
- **Planning commenced for further 2019 exploration covering:**
 - **Diamond drilling to investigate structural positions and deeper systems feeding the High Sulphidation Epithermal (HSE) near-surface mineralisation at the Vidalita prospect;**
 - **Advancing surface exploration and drill-testing three further zones of surface anomalies in the Vidalita concessions and at least three anomalies within the Jotahues, Peon and Arroyo Ancho concessions**
- **Placement completed to raise \$960,000.**

ELEVADO PROJECT, CHILE

During the quarter, Emu completed the 2018-19 summer/autumn drilling campaign in Chile.

By the end of the quarter, all sample assays were received for the total 6,314 metres drilled in the period from January to April. Sample preparation and analysis was completed by Actlabs Chile for a total of 40 despatches, and by ALS Chile for the final 9 despatches of the campaign. The analytical techniques used by both labs are directly comparable and comprise aqua regia digest plus ICP-MS finish for gold + multi-elements and fire assay gold for check assays.

Emu commenced evaluating the results and instigated in-depth reviews with expert consultants (specialising in geology, geochemistry and geophysics) to assist with the current interpretation and planning of ongoing exploration and drilling.

Emu secured a three-year extension to its option (**Option**) to purchase the Vidalita concessions. These comprise 6 of Emu's 51 concessions (granted and applications) and cover 1,580 hectares or approximately 12% total area of 136 square kilometres held by Emu at its (recently named) Elevado Project.

The Vidalita concessions cover the discovery hole (see ASX announcement 8 March 2019) and the area that has been the main focus of Emu's prospecting and exploration effort.

By paying US\$100k, Emu now has three (new) elections to extend the latest date for exercise of the Option to purchase the Vidalita Concessions, being from:

- 11 November 2019 to 11 November 2020;
- 11 November 2020 to 11 November 2021; and
- 11 November 2021 to 11 November 2022.

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Each extension election is exercisable by paying US\$100k prior to the Option lapsing, namely, by 11 November in each of 2019, 2020, and 2021. During its currency, the Option can be exercised at any time for US\$2.5m.

Importantly, the extension affords Emu much needed time to:

- follow up the significant gold intercepts from its drilling at the Vidalita prospect including the discovery hole;
- further explore Emu's remaining concessions surrounding the Vidalita prospect including the Alunita, North-East and Northern Plains prospects, along with various drill-ready targets within the Jotahues prospects and zones of geochemical anomalism delineated at Arroyo Ancho; and
- pursue other opportunities under review in the vicinity;

without first exercising the Option over the Vidalita concessions, thus allowing Emu to earmark the US\$2m exercise price formerly payable by 11 November 2019 for in-ground exploration activities before determining to buy the Vidalita concessions or relinquish control of them.

CORPORATE

Issue of Options

Following approval given at the EGM held on 25 March, the Company issued a balance of 3,850,000 options to acquire fully paid shares exercisable at \$0.20, expiring 15 January 2021. These options were offered (under the issued pursuant to a Transaction Specific Prospectus) to participants under the Share Purchase Plan (of 15 November 2018) which/who did not qualify as sophisticated and professional investors. Application has been made for the quotation of these options.

Placement

In May, Emu announced it had raised \$960,000 via a placement of 20,000,000 fully paid ordinary shares (New Shares) to sophisticated and wholesale investors, mostly existing shareholders.

The placement was made at \$0.048 per share under approval granted at the shareholders' meeting held on 25 March 2019.

Subscribers under the placement were issued two (2) free attaching options for every one (1) New Share issued. These options are exercisable at 20 cents each on or before 15 January 2021. The placement was completed 15 May 2019. The Company has applied to have the options quoted.

Share Based Payments

The Company issued 4,317,885 fully paid ordinary shares to Wallis Drilling Pty Ltd as part payment for contractual drilling services provided to the Company in Chile. Shareholders approved the issue of up to 6,000,000 shares at the EGM held 25 March 2019.

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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 and a further 2,500,000 were issued in April 2019 consequential to Emu advising that it had met its expenditure commitment of \$1,000,000 in relation to the Projects) pursuant to the agreement with Prospex SpA and BLC SpA (under which, inter alia, Emu took an assignment of the original optionee's option to purchase the Vidalita Concessions (the Perez Agreement)).

The following information is provided in accordance with a waiver granted by ASX permitting the Company to issue the balance of the Consideration Shares (10,000,000) more than 3 months after the date of the approvals:

- 5,000,000 (approved for issue no later than 31 December 2020) if Emu defines a 500,000-ounce measured resource of gold on the original 5 concessions in the BLC Agreement (Ciclope Tuerto 7, 8, 9 and Vidalota A, B) and the 6 concessions in the Prospex Agreement (Vidalita A-F)(**Original Concessions**); and
- an additional 5,000,000 (approved for issue no later than 31 December 2020) if Emu defines a 1,000,000-ounce measured resource of gold on the Original Concessions.

EVENTS SUBSEQUENT TO END OF QUARTER

A General Meeting of Members (**EGM**) was held on 10 July 2019. All resolutions were passed unanimously.

Wallis Drilling served a writ claiming US\$138,346.31 for drilling services. EMU will file a defence, setoff and counterclaim. Emu says it has an unliquidated claim for damages against Wallis being at least 10 fold the claim made by Wallis.

Investor enquiries

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



Table 1: Schedule of Tenements – Elevado Project, Atacama Region, Chile

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	Mining	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita B1 1/60	Mining	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita C1 1/60	Mining	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita D1 1/60	Mining	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita E1 1/36	Mining	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita F1 1/40	Mining	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalota A	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Vidalota A1 AL 18	Mining	Option to acquire 100% (BLC/Emu Option Agreement)
Vidalota B	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Vidalota B1 AL 20	Mining	Option to acquire 100% (BLC/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 – 16	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Ciclope Tuerto 1 - 9	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Tierra 1 – 15	Exploration	Emu 100%



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 136km² 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 that link 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.

Emu has an interest in 51 exploration 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 exploration concessions that are the subject of an option agreement with Chilean company, BLC SpA (Peon 1-16, Ciclope Tuerto 1-9, Vidalota A-E);
- (iii) 6 are exploration concessions that are the subject of an option agreement with Chilean company, Prospex SpA (Vidalita A-F concessions).

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Of these, the 6 Prospex exploration concessions (Vidalita A-F) and the 2 BLC exploration concessions (Vidalota A, B) are in the process of conversion to mining concessions, which are also subject to the corresponding option agreements.

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 that concessions fall within the AOI, they are subject to a 1% Net Smelter Return (NSR) royalty. The Prospex concessions, Vidalita A-F, are subject to a further 1% NSR royalty.

The Option may be exercised at any time before it lapses on payment of US\$2.5m. By paying US\$100k before 11 November 2019, Emu can extend the option to 11 November 2020 and if it pays a further US\$100k before 11 November 2020, Emu can further extend the Option to 11 November 2021, and if it pays a further US\$100k before 11 November 2021, Emu can further extend the Option to 11 November 2022.

If, on the original concessions the subject of the BLC and Prospex agreements, Emu defines a: (i) 500,000 oz of gold in measured resources, 5,000,000 ordinary shares will be issued; and (ii) 1,000,000 oz of gold in measured resources, a further 5,000,000 ordinary shares will be issued. The original (5) concessions in the BLC agreement are Ciclope Tuerto 7, 8, 9 and Vidalota A, B. The original 6 concessions in the Prospex agreement are Vidalita A-F.

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

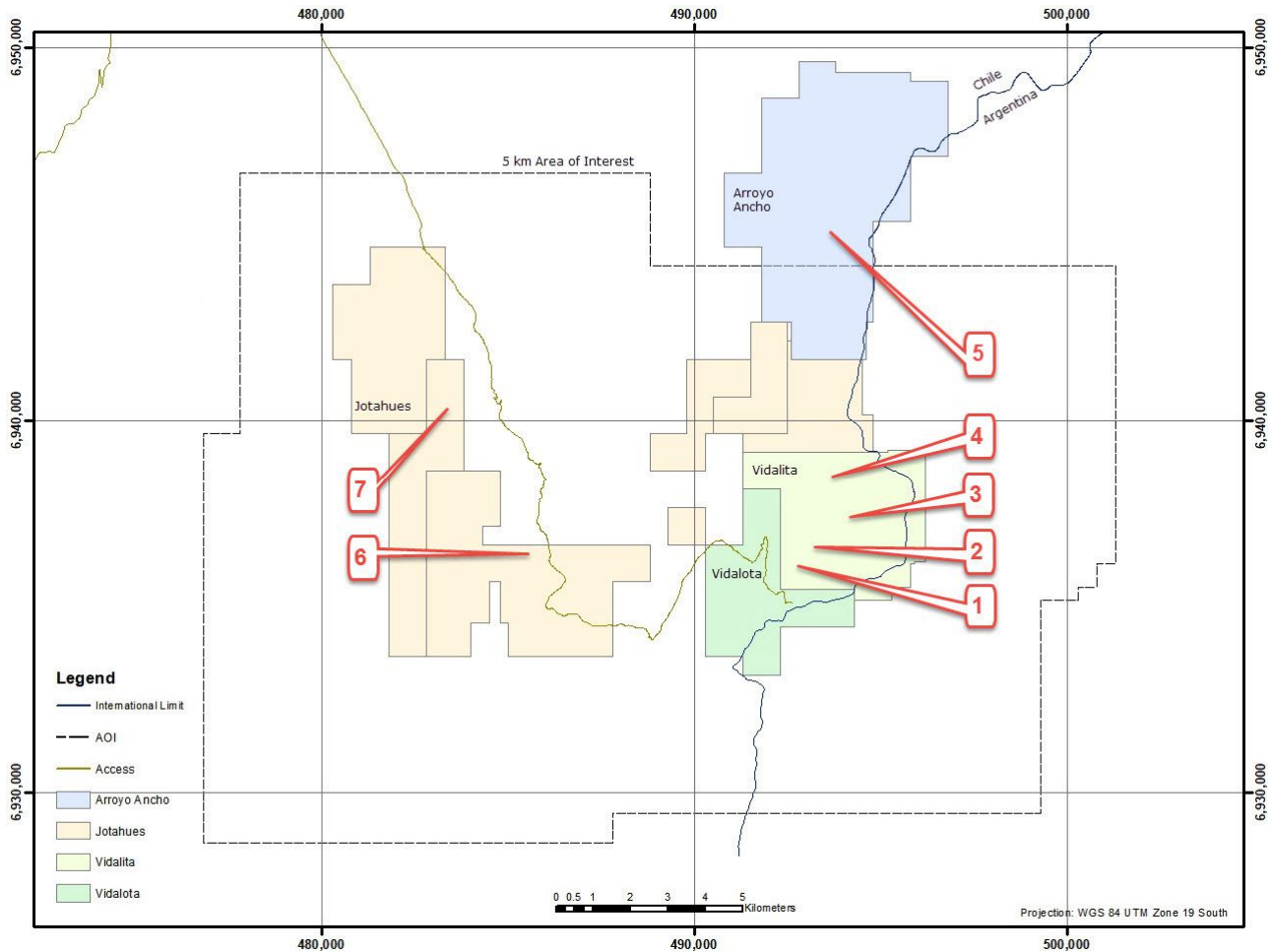


Figure 2: The Elevado Project tenure map showing Area of Interest (AOI) and prospect locations:

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



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)

84,355,000 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.