

SUMMARY

- **Planning for the Spring 2019 – Summer 2020 season at Elevado provides for:**
 - **Regional prospecting to commence in mid-October 2019**
 - **Diamond drilling to commence November 2019**
 - **Aircore drilling of untested targets to commence in January 2020**
- **Placement completed to raise \$676,000, with funds to progress EMU's Chile gold projects**
- **A\$6.2M Non-Renounceable Rights Issue announced, with ~A\$4M underwritten by Strategic Bank International Corp**

ELEVADO PROJECT, CHILE

During the quarter, EMU exploration activities for its Elevado Project in Chile included:

- Initiating a review of the Elevado Project, by world-class consults comprising variously a geologist, geophysicist and geochemist, directed at, inter alia, interrogation of EMU's internal interpretation of the mineralised system and controls with a view to gaining a better understanding of the geology, structural controls to mineralisation, mineral zonation and geochemical vectors for the planned diamond drilling programme following up the Vidalita discovery as well as to identify new target zones
- Relogging of core at EMU's new base in Copiapo, Chile to obtain a better understanding of geological and structural controls to mineralisation
- Completion of a comprehensive Terraspec Halo (spectral analyser) survey of all drilling and rock chip samples to assist in the identification of alteration and clay minerals and to provide vectors to mineral zones and heat sources in the High Sulphidisation Epithermal (HSE) mineral model
- Planning and preparing for a project-wide exploration programme, including stream sediment, rock chip and soil sampling - to commence in mid-October 2019
- Planning diamond drilling of drill-ready targets, including further drilling of the Vidalita prospect to target depth extensions, structural positions and target zones as defined in the project review process - to commence in November 2019
- Aircore drilling of regional (project-wide) untested geochemical targets, as well as other targets determined by our upcoming regional exploration programme was planned - to commence January 2020.



Access and site works commenced in preparation for drilling, with some drill pads completed. EMU's geological team returned to Chile to prepare logistics and mobilisation of the camp, drilling equipment and other resources for the programme.

EMU entered into early discussions with local and international suppliers of goods and services for the Elevado Project exploration and drilling programme.

EMU continued to assess prospective projects and concessions in Chile and was active in the quarter overviewing a number of gold prospects.

NEW PROJECT

EMU continued to assess new mineral exploration, development, and mining opportunities in Australia and elsewhere.

During the quarter EMU applied for a tenement in the Menzies district of Western Australia.

CORPORATE

Capital Raising activities

During the quarter, EMU completed a placement to sophisticated and professional investors to raise ~\$676,000 before costs through the issue of ~16.9 million fully paid ordinary shares (**New Shares**) together with

- One (1) free S1 Option (**S1 Option**) for every two (2) New Shares issued – these S1 Options confer the right, exercisable at any time before 16 January 2021, to subscribe for an ASX listed EMU ordinary fully paid share upon payment of \$0.20 each; and
- One (1) S2 Option (**S2 Option**). for every two (2) New Shares issued - these S2 Options were issued at \$0.01 each and confer the right, exercisable at any time before 21 December 2020, to subscribe for an ASX listed EMUCA partly paid ordinary share upon payment of \$0.02 each.

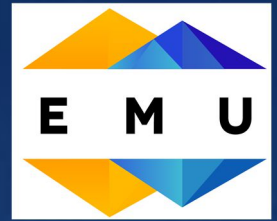
Placement shares were issued from EMU's capacity under both ASXLR 7.1A (**10% rule**) and ASXLR 7.1.

These funds assisted in progressing the Company's Chile gold projects.

EMU announced the offer of a pro-rata non-renounceable rights issue (**Rights Issue**) to raise up to approximately A\$6.2M before costs from the issue of up to 156,487,779 new fully paid shares and 78,243,890 new options.

As announced on 1 October, Strategic Bank International Corp (**SBIC**) underwrote the issue to the extent of ~AU\$4M (being the then current approximate value equivalent to EMU of US\$2.67M which is the currency and amount of the underwriting exposure).

A prospectus setting out details of the Offer was dispatched to eligible shareholders on the 3 October 2019, accompanied by a personalised Entitlement and Acceptance Form including provision allowing for application to be made for Additional New Securities in excess of the applicant's pro rata entitlement. The Closing date was 15 October 2019, with shares expected to be issued and holding statements dispatched on or around 22 October 2019.



OTHER

Social unrest in Chile

Subsequent to the quarter under review, civil unrest flared in Chile as a consequence of which EMU witnessed a short delay in one of its ordinary course banking transactions.

That aside, EMU has not experienced any impediment to its plans or operations albeit EMU has implemented policies and taken certain actions (including, for example, storing extra fuel at Elevado directed at ensuring continuity of supply sufficient to complete the diamond drilling programme prior to Christmas) to mitigate the potentiality of the unrest adversely impacting EMU. As the unrest is playing out in populous areas, EMU does not anticipate any direct on-ground impact to its operations

Notwithstanding the foregoing, EMU continues to assess, and will do so on a continuing basis, the potential for and possible broader political ramifications of the unrest upon its continuing presence in Chile.

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.



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%

Table 2: Schedule of Tenements – Western Australia

E29/1080	Exploration	Emu 100% - Application
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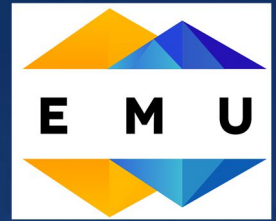
Figure 1: Location of the EMU NL project in relation to other advanced projects and mines in the Maricunga -El Indio Belt

About the Elevado Project, Maricunga Belt, Chile

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).

Of those 51 concessions, 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.

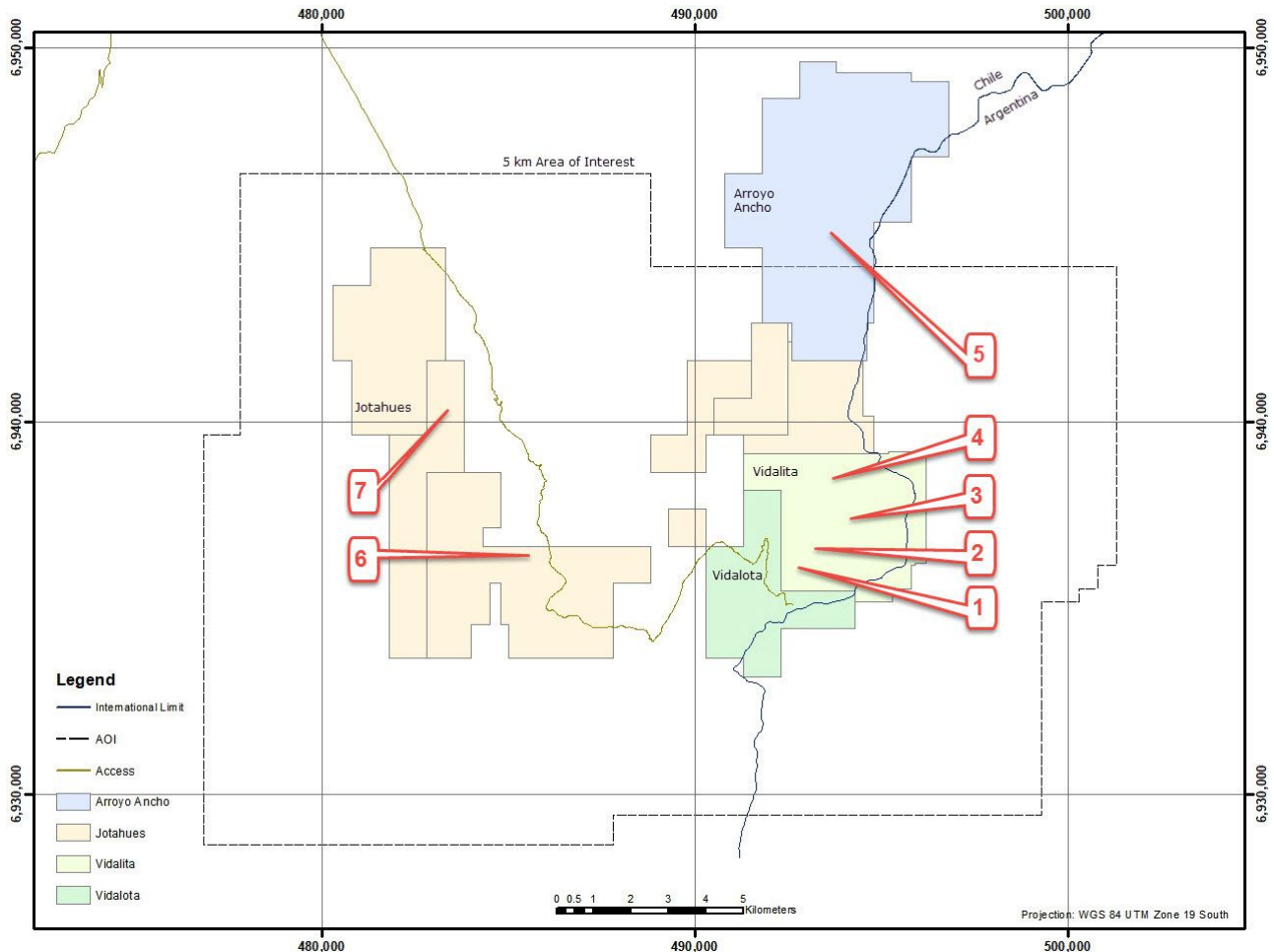
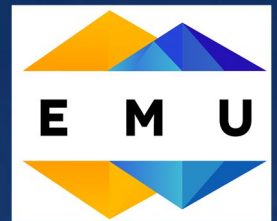


Figure 2: The Elevado Project tenure map showing Area of Interest (AOI) and prospect locations:

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

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Fully paid shares (listed)

195,849,986 (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 31/12/2023

Options (unlisted)

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

18,888,697 options to acquire partly paid shares, exercisable at \$0.02 each, on or before 21 December 2020

84,355,000 options to acquire fully paid shares, exercisable at \$0.20 each, on or before 15 January 2021

8,454,468 options to acquire fully paid shares, exercisable at \$0.20 each, on or before 16 January 2021

Directors:

Peter Thomas

Non-Executive Chairman

Terry Streeter

Non-Executive Director

Gavin Rutherford

Non-Executive Director

Tim Staermose

Non-Executive Director

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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, 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.