



EMU NL  
ABN 50 127 291 927

22 April 2020

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

Transmitted by email to: [listingscomplianceperth@asx.com.au](mailto:listingscomplianceperth@asx.com.au)

**RESPONSE TO ASX – JORC Compliance Query**

In reference to your letter to Emu NL (**EMU** or the **Company**) dated 20 April 2020, we set out below our response to each of the questions using the same numbering as used in your letter:

1. An Annexure is attached which includes details and results of the diamond and RC drilling programmes at the Elevado Project referred to in the Company's announcement lodged with ASX on 17 March 2020;
2. 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; and
3. 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**

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## ANNEXURE

### Results from Drilling Programme 2019/2020 Elevado Project

The following table, (Table 1) outlines the parameters of the holes drilled in the Elevado Project during the 2019/2020 season. As reported in the ASX Announcement (Shareholders Letter 17 March 2020), the assay results obtained from this season's drilling, indicate no significant gold intercepts for reporting purposes, with 0.2 parts per million (ppm) gold set as the threshold for significant gold assay return.

**Table 1 – Table of Drill Hole Information**

Summary of 2019-2020 Elevado Drill Campaign Collar Information									
Hole No	Prospect	Collar E WGS84 z19S	Collar N WGS84 z19S	Collar RL	Az	Dip	Start Depth	Final Depth	Metres Drilled
<b>Diamond Drilling Nov-Dec 2019 (Synergy Drilling)</b>									
5300-17	Vidalita	492700	6935300	4880	270	-55	0.00	167.70	167.70
5300-17A	Vidalita	492700	6935300	4880	270	-55	168.00	428.00	260.00
7300-2	Vidalita	494063	6937323	4816	270	-60	0.00	400.00	400.00
<b>Total DD Drilling =</b>									<b>827.70</b>
<b>Reverse Circulation Drilling Jan-Feb 2020 (R. Munoz Perforaciones)</b>									
PNRC001	Peon	485585	6936448	4773	270	-60	0.00	104.00	104.00
JHRC005	Jotahues	483668	6940599	4648	90	-60	0.00	208.00	208.00
JHRC001	Jotahues	483778	6941609	4654	0	-90	0.00	190.00	190.00
JNRC004	Jotahues Norte	483261	6943226	4527	0	-70	0.00	155.00	155.00
JNRC005	Jotahues Norte	483235	6943381	4512	180	-60	0.00	195.00	195.00
JNRC006	Jotahues Norte	483248	6943519	4498	180	-60	0.00	204.00	204.00
5700-5	Vidalita	492302	6935698	4886	240	-70	0.00	72.00	72.00
AARC001	Arroyo Ancho	493866	6946262	5000	0	-90	0.00	210.00	210.00
<b>Total RC Drilling =</b>									<b>1338.00</b>
<b>Total Drilling =</b>									<b>2165.70</b>

### 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.

**Appendix 1**  
**JORC Code, 2012 Edition – Table 1 report, EMU NL**  
**Elevado Drilling**

***Section 1 Sampling Techniques and Data***

Criteria	Commentary
<i>Sampling techniques</i>	<p>Diamond Drill (DD) samples: Samples are collected in core trays for logging and transport. Sample intervals are nominally 2m or 4m (geology dependent) and cut in half lengthwise on a diamond core saw. Samples placed in pre-numbered plastic bags and delivered to assay laboratory.</p> <p>Reverse Circulation (RC) samples: Samples are collected from each 1m of drill hole by the drill contractor and riffle split from the total sample. The sample is usually around 1.5kg representing ~10% of the mass of the 1m drilling interval. Samples are placed in calico bags and laid out in rows of 20 samples together with the remaining (coarse reject) sample. The 2m or 4m composite sample is prepared by Emu technicians, extracting 500g from each 1m drilling interval using electronic scales. Composite samples are bagged for lab dispatch and stored separately. The 1m samples are stored in Emu's Copiapo warehouse for future check-assaying purposes.</p> <p>All samples were dispatched to ALS Laboratories, with sample preparation completed in Copiapo Chile, and assays in Lima Peru.</p> <p>Preparation by modified method PREP-31, dried at 105°C, crushed to 70% &lt;2mm, 1kg riffle split and pulverised 85% &lt;75µm.</p> <p>Gold assays by conventional 30g fire assays ICP-AES finish utilising method Au-IPC21. Multi-element assays by four acid digest, ICP-MS finish for a 48-element suite utilising method ME-MS61m. Mercury is treated as an additional element under a separate procedure.</p>
<i>Drilling techniques</i>	<p>DD drilling using HQ (63.5mm) bit size, standard tube. Hole surveyed by Boart Longyear TruShot survey tool. Holes not orientated.</p> <p>RC drilling using conventional hammer and bit, plus 5 3/8" tricone through clay-rich intervals.</p>
<i>Drill sample recovery</i>	<p>Geological team makes a qualitative estimate (as good, moderate or poor) of sample recovery for each 1m of RC down hole sample interval. Core recoveries are calculated for each sample run in DD drilling.</p> <p>Supervising geologist ensures that representative chip samples are collected during RC drilling for future reference purposes.</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>Chips from the RC drilling are stored in plastic chip trays for reference purposes. Similarly, half core from the DD drilling is stored in trays for future reference.</p> <p>Total hole length is logged.</p>
<i>Sub-sampling techniques and sample preparation</i>	<p>RC samples (cuttings) from each 1m of drill hole are collected, with the sample (usually 1.0-1.5kg) collected via riffle splitter. The composite sample preparation is completed on-site using electronic scales with 500g taken from each 1m sample.</p> <p>DD drilling core is cut in half lengthwise and one half sent for analysis.</p> <p>Sample preparation including drying, crushing, splitting and pulverisation is handled 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 in-situ material.</p> <p>Sample sizes are appropriate to the grain size of the material being sampled.</p>

<i>Quality of assay data and laboratory tests</i>	<p>DD drilling samples in nominal 2m or 4m composites. Pulps prepared in ALS Copiapo for analysis in ALS Lima.</p> <p>A 30g split from each DD or RC sample is analysed for gold by conventional 30g fire assay/ ICP-AES finish (method Au-ICP21). Multielement assays by four acid digest/ICP-MS finish (method ME-MS61m) utilising a 0.75g sample split. Mercury is handled by a separate procedure.</p> <p>All samples assayed for gold (1 ppb detection limit) and a suite of 48 elements multi-element (trace level) plus mercury.</p> <p>The four-acid digest is considered appropriate given the programme type and the altered nature of the rocks.</p> <p>Laboratory geochemical standards and blanks are used for QA/QC purposes. OREAS-brand epithermal suite standards and quartz blanks inserted 1:20 samples.</p>
<i>Verification of sampling and assaying</i>	<p>No independent verification has been undertaken at this time.</p> <p>No twinned holes have been drilled.</p> <p>All geological and geochemical data is loaded into databases managed by Emu personnel for verification, plotting and archiving purposes.</p> <p>Assay data are not adjusted.</p>
<i>Location of data points</i>	<p>Drill hole collars for the 2019/2020 campaign were located using handheld GPS accurate to &lt; 5m. The usual follow-up DGPS surveys accurate to &lt;0.02m were not deemed necessary and not completed.</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 &gt;100m) as they are testing geological, geophysical or geochemical targets.</p> <p>No mineral resources are being reported at this time.</p> <p>The RC samples are composited into 2m or 4m composites on-site using electronic scales.</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>Drilling orientation along east-west sections is considered appropriate in view of the north-south trending controlling structure. No bias has been introduced.</p>
<i>Sample security</i>	Emu management supervises sample collection on-site and delivery to the laboratory.
<i>Audits or reviews</i>	None undertaken.

**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>	<p>During the field campaign period, Emu had an interest in 51 concessions comprising the Elevado project.</p> <p>Of these:</p> <ul style="list-style-type: none"> <li>(i) 15 are granted exploration concessions that were applied for by Emu in its own right (Tierra 1-15 concessions). These concessions will now be dropped.</li> <li>(ii) 30 are concessions acquired by Emu from Chilean company BLC SpA via the exercising of an option to purchase agreement. These include Peon 1-16 + Ciclope Tuerto 1-9 + Vidalota A-E. These concessions will now be dropped.</li> <li>(iii) 6 are concessions the subject of an option to purchase agreement with Chilean company Prospex SpA (Vidalita A-E concessions). These concessions will be returned to the title holders.</li> </ul> <p>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</p> <p>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.</p> <p>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.</p> <p>Notification for termination of this option has been given to the title holders.</p>
<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>	Refer Table 1.
<i>Data aggregation methods</i>	<p>Simple averages are calculated from mineralised zones.</p> <p>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.</p>
<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 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>	<p>No new substantive exploration data is considered meaningful and material.</p> <p>Detailed exploration data including satellite imagery, soil and rock chip geochemistry in regional exploration and drill hole data in prospect work has been provided in previous releases.</p>
<i>Further work</i>	No further work is planned at the Elevado project.



20 April 2020

Reference: 15904

Mr Damien Kelly  
Company Secretary  
Emu NL

By email

Dear Mr Kelly

**Emu NL ('EMU'): JORC compliance query**

ASX refers to the following:

- A. EMU's announcement entitled '*Fully Funded 2019/20 Elevado Programme Kicks Off*' lodged on the ASX Market Announcements Platform ('MAP') and released at 9:58 AM on 8 November 2019, disclosing, among other things, the commencement of a diamond drilling programme at the Elevado Project.
- B. EMU's announcement entitled '*Elevado Programme Update*' lodged on MAP and released at 9:47 AM on 19 November 2019, disclosing, among other things, that the drilling rig had arrived at the Elevado Project and that the rig was being mobilised to the first drill pad.
- C. EMU's announcement entitled '*Elevado Programme Update*' lodged on MAP and released at 9:02 AM on 27 November 2019, disclosing, among other things, that the drill programme at the Elevado Project was well underway.
- D. EMU's announcement entitled '*Elevado Project Update*' lodged on MAP and released at 9:40 AM on 13 January 2020, disclosing, among other things the completion of the diamond drilling stage of the Elevado Project drilling programme and foreshadowed the commencement of the reverse cycle drilling stage of the programme for January – February 2020.
- E. EMU's announcement entitled '*Letter to Shareholders*' lodged on MAP and released at 7:30 AM on 17 April 2020, disclosing, among other things, that assays from this season's diamond and RC drilling programmes at the Elevado Project have failed to produce results sufficiently significant to justify any further follow up (the 'Announcement').
- F. ASX Listing Rule 5.6 states:
  - 5.6 *Subject to rule 5.10, a public report prepared by an +entity must be prepared in accordance with rules 5.7 to 5.24 if applicable and Appendix 5A (JORC Code) if applicable if the report includes a statement relating to any of the following.*
    - *+Exploration targets.*
    - *+Exploration results.*
    - *+Mineral resources or +ore reserves.*
    - *+Production targets.*
- G. Clause 5 of the JORC Code states:
  5. *Table 1 provides a checklist or reference of criteria to be considered by the Competent Person in developing their documentation and in preparing the Public Report.*

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*In the context of complying with the principles of the Code, comments relating to the items in the relevant sections of Table 1 should be provided on an 'if not, why not' basis within the Competent Person's documentation. Additionally comments related to the relevant sections of Table 1 must be complied with on an 'if not, why not' basis within Public Reporting for significant projects (see Appendix 1 Generic Terms and Equivalents) when reporting Exploration Results, Mineral Resources or Ore Reserves for the first time. Table 1 also applies in instances where these items have materially changed from when they were last Publicly Reported. Reporting on an 'if not, why not' basis is to ensure that it is clear to an investor whether items have been considered and deemed of low consequence or are not yet addressed or resolved.*

ASX Listing Rule 5.7, which states:

5.7 An +entity publicly reporting in relation to a +material mining project, either:

(a) +exploration results for the first time; or

(b) any new +exploration results,

must include all of the following information in a market announcement and give it to ASX for release to the market.

5.7.1 As an appendix to the market announcement, a separate report providing all information that is material to understanding the +exploration results, in relation to each of the criteria in section 1 (sampling techniques and data) and section 2 (reporting of exploration results) of Table 1 in Appendix 5A (JORC Code). An +entity that determines that one or more of those criteria is not material for this purpose must identify each such criterion and explain why it has determined that it is not material to understanding the +exploration results.

5.7.2 As an appendix to the market announcement, a separate table setting out the following information for material drill-holes unless the +entity determines that the information is not material:

- easting and northing of the drill-hole collar;
- elevation or RL of the drill-hole collar;
- dip and azimuth of the hole;
- down hole width and depth; and
- end of hole.

*An +entity that determines that a drill-hole table setting out the information described above is not material, is not required to attach the table to the market announcement but must explain why it has determined that the table is not material to understanding the +exploration results.*

6 ASX confirms the JORC Code applies to the Announcement.

### **Request for Information**

Having regard to the above, ASX asks EMU to respond separately to each of the following questions and requests for information:

1. Please provide details in a form suitable for release to the market, details and results of the diamond and RC drilling programmes at the Elevado Project referred to in the Announcement. The response by EMU should comply with Listing Rule 5.7.

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2. Please confirm that EMU is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
  3. Please confirm that EMU's responses to the 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 Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **7:30 AM AWST Wednesday, 22 April 2020**. 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 and may require EMU to request a trading halt immediately.

### **Trading Halt**

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*.

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 [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@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 Rules 3.1 and 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.

### **Suspension**

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in EMU's securities under Listing Rule 17.3.



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**Enquiries**

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

Yours faithfully

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**Daniel Nicholson**  
Adviser, Listings Compliance (Perth)