

VIDALITA GOLD PROJECT ACQUISITION



VIDALITA GOLD PROJECT ACQUISITION - CHILE

On 14 November 2016, Emu signed a Heads of Agreement (**HoA**) with Prospex SpA and BLC SpA, Chilean registered companies which are owned 49% by Altius Minerals Corporation of Canada (collectively **Altius**), whereby Emu can acquire certain mineral properties in Chile.

The Vidalita project area covers ~ 2,800 ha in two blocks adjacent to the Argentine border (figure 1).

Surface sampling (not done by Emu) of rocks typical of epithermal gold systems in the eastern most block has defined an area of approximately 2 km² with high levels of gold (to 5.5ppm), silver (to 101ppm), lead (to 3,250ppm), antimony (to 491ppm) and mercury (to 18,000ppb) all typical type geochemical responses to epithermal gold deposits.

During the site visit as part of Emu's due diligence, rock types typical of these mineral systems were observed and in a qualitative sense were consistent with the results on which Emu based its decision to acquire the project. The tenor of the geochemical results and the evidence of mineralisation in the rocks is cause for some optimism as to the possibility of there being mineralisation in the area.

The HoA is subject to the following conditions:

1. completion of due diligence by Emu by 23 December 2016 (done);
2. execution of a Deed of Assignment with the Perez parties; and
3. Emu's shareholders approving the transaction.

On 12 December, Emu advised Altius that it had completed (and was satisfied with) its due diligence investigations and that it would proceed with plans to call a shareholders' meeting.

The field season in the high Andes extends from November to May. To maximise use of the current field season, the Company has determined to forthwith undertake a low level programme of geological mapping and geochemical sampling.

Greg Steemson
Managing Director

12 December 2016

For more information on the company visit www.emunl.com.au

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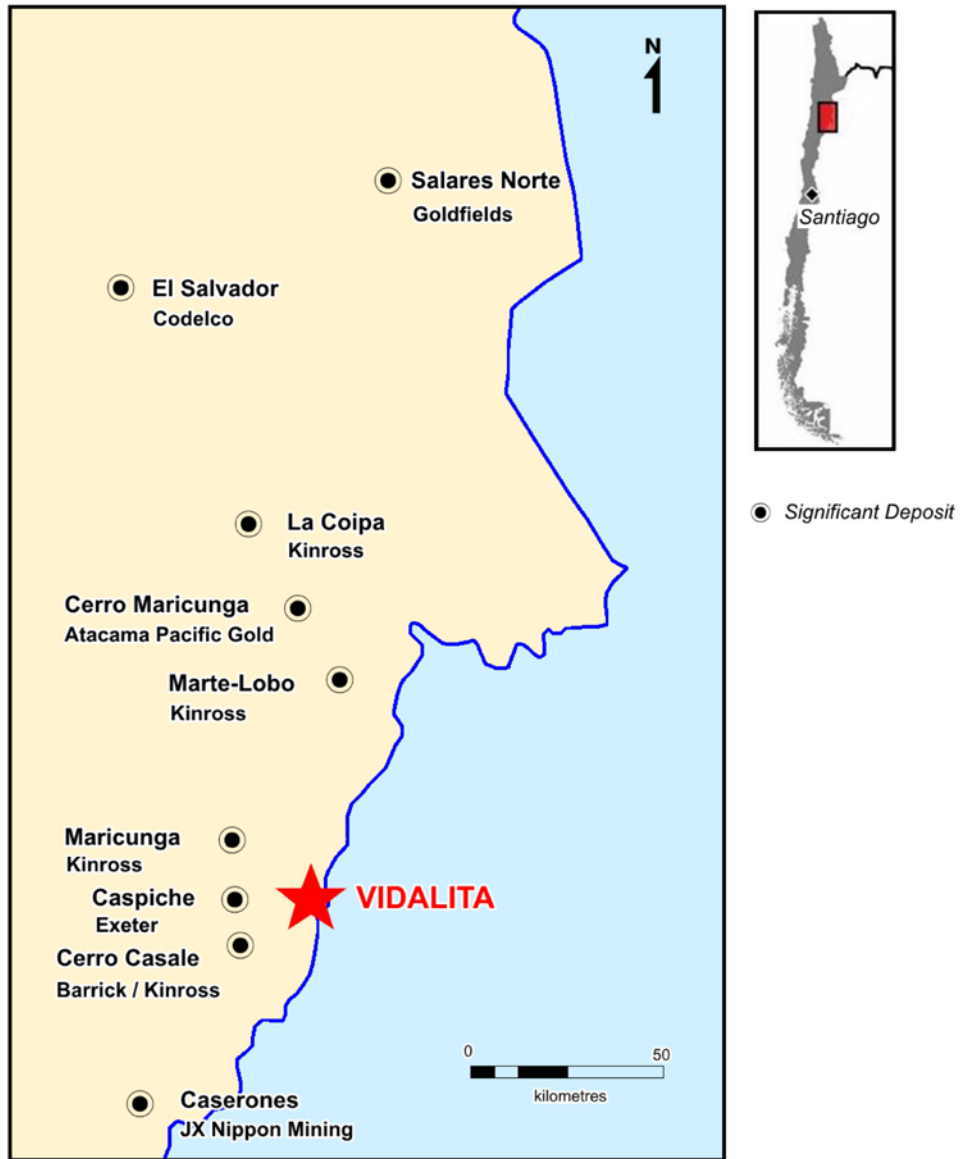


Figure 1 – project location

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<p>Emu NL ABN 50 127 291 927</p> <p>ASX Code: EMU</p> <p>10 Walker Ave West Perth, WA 6005</p> <p>T +61 8 9226 4266 E info@emunl.com.au</p> <p>PO Box 1112 West Perth, WA 6872</p> <p>Issued Capital: Quoted: Shares 40,279,457 fully paid shares</p>	<p>COMPETENT PERSON'S STATEMENT</p> <p>The details contained in this report that pertain to exploration results, mineral resources and mineral reserves are based upon information compiled by Mr. Greg Steemson, Managing Director of Emu NL. Mr. Steemson is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) 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. Steemson consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.</p>
<p>Contributing Shares 35,278,377; paid to \$0.03; \$0.03 to pay, no call before 31/12/2017</p> <p>Unlisted Options 15,028,220 options, exercise price \$0.10, date 30/3/17</p> <p>Directors: Peter Thomas Chairman Greg Steemson Managing Director Gavin Rutherford Non- Executive Director</p>	<p>FORWARD LOOKING STATEMENT</p> <p>This report contains forward looking statements concerning the projects owned by Emu NL. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.</p>