

VIDALITA GOLD PROJECT UPDATE



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

The agreement was subject to the following conditions:

1. Emu completing its due diligence on the properties by 23rd December 2016, which was done;
2. Emu calling a meeting of shareholders to approve the transaction;
3. The parties executing a Deed of Assignment with parties that own some of the properties.

The meeting of shareholders has been convened to be held on Wednesday 8th February 2017 in the Company's offices, 10 Walker Avenue, West Perth, and the notice for the meeting has been despatched to shareholders.

Since the ASX release dated 28th December 2016, the Company:

1. has undertaken part of the initial soil geochemical sampling and results are expected by mid-January. The first results will be for the orientation phase of this program. This program will be completed in the coming weeks;
2. has contracted Quantec to undertake an induced polarisation survey; and
3. will follow that survey with a ground magnetometer survey.

The objective of the work program is to define one or more specific drill targets within the larger area identified by the initial prospecting and rock sampling program.

9th January 2017

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



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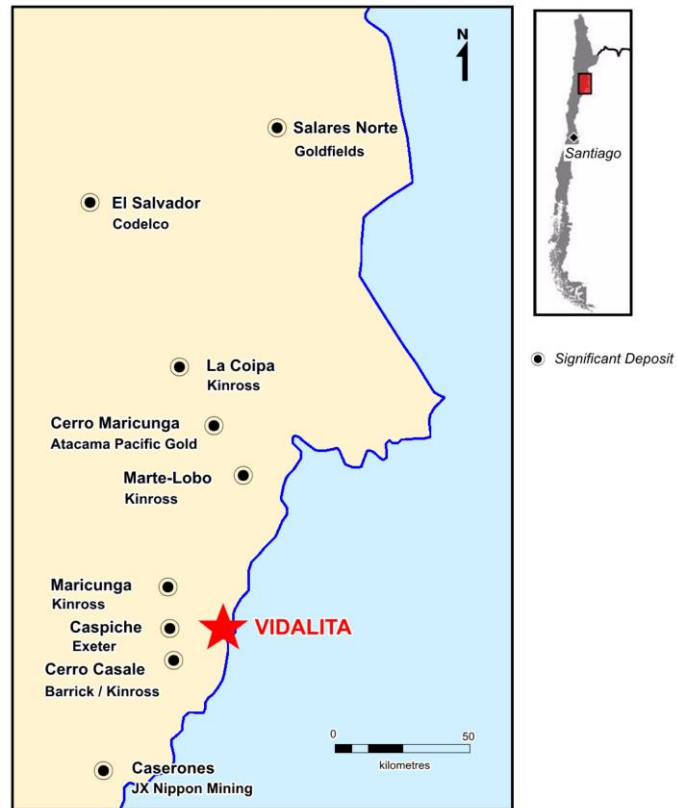


Figure 1 – project location

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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 15,058,220 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>