

QUARTERLY REPORT FOR DECEMBER 2016



CHILE GOLD PROJECT

As announced on 14th November 2016, the Company has entered into Heads of Agreement (**HoA**) to acquire 11 mineral concessions in Chile with Prospex SpA and BLC SpA, Chilean registered companies which are owned 49% by Altius Minerals Corporation of Canada (collectively **Altius**).

The HoA was subject to the following conditions precedent:

1. Satisfaction by Emu of its due diligence which was completed and in accordance with the HoA, the Continuance Notice was delivered on 11th December 2016.
2. Application for a waiver from ASX to issue 12.5 million Emu shares outside the 3 month period after shareholder approval. As announced on 20th January 2017, the waiver was granted.
3. The parties executing a deed acknowledging Emu's rights with the third parties holding of 6 of the concessions.
4. Emu holding a shareholders' meeting to approve the transaction and the Consideration Shares. The General Meeting is scheduled for 5pm on 8th February 2017 at 10 Walker Avenue, West Perth.

Since signing the HoA, the Company has commenced exploration to maximise the use of the field season in this part of Chile which extends from November to May. Activities in progress include mapping, surface geochemistry and induced polarisation.

NEW PROJECTS

Consistent with previous statements by the Company, Emu continues to look for new mineral exploration, development and mining opportunities within Australia and at various overseas jurisdictions.

31st January 2017

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

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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 and exploration results 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>