

HIGHLIGHTS

VIDALITA GOLD PROJECT - NORTHERN CHILE

- **January surface sampling confirms indications of gold mineralisation from the December program with the soil results a major advance over the prospecting work**
- **Evidence of gold mineralisation and anomalous geochemistry defined over a large area of ~6km²**
- **IP survey completed and low resistivity target defined coincident with surface geochemistry**
- **Targets being readied for drilling as drilling application granted**

JOTAHUES GOLD PROJECT

- **Surface prospecting locates zone of pyritic alteration with gold geochemistry**

CORPORATE

- **Notices advising shareholders of the expiry of the 30th March 2017 options have been dispatched**
- **The shareholders' meeting held on 8th February 2017 passed all six resolutions**

VIDALITA GOLD PROJECT

The Vidalita and nearby Jotahues gold projects are greenfields exploration projects and, while the source of the surface evidence of mineralisation can only be speculation at this stage, it is likely to be similar to known epithermal style gold ore deposits in the same geological setting.

Surface Geochemical Results

During January, further surface samples were collected by Emu from Vidalita. Results confirmed and extended previous results (Figures 1, 2, 3).

While the relationship between the surface results and any mineralisation is as yet unknown, the geochemistry defines broadly two main domains – a western zone defined by gold, silver, base metals and mercury; an eastern zone mainly defined by gold but still highly anomalous in silver.

The high sulphidation systems of the Maricunga Belt in Chile are typically not uniformly mineralised and often show geochemical zonation in space (vertically as a result of different regimes of pressure and temperature) and time (different events as the system evolves). The geochemical 'assemblage' of the western zone exhibits elements typically seen in many epithermal systems. While the surface geochemistry suggests these elements may be absent in the eastern zone, this does not downgrade that zone – it may be associated with an earlier or later event and be gold/silver dominant.

Drilling

The work to date has not defined the limits to the geochemical and geological evidence of mineralisation. **While this phase of work is incomplete, Emu has elected to initiate a drilling program in the current field season** - which effectively ends at the end of May or in some years, earlier - to obtain some sub-surface information in the areas delineated by the work to date.

The task before the Company is to prioritise the drill targets as the evidence of mineralisation is widespread. There is the possibility of the mineralisation being offset from the surface geochemistry due to its original deposition and/or as a result of the redistribution caused by subsequent landform events. The current plan is to test the most promising of the current geochemical targets and to attempt to have at least one hole penetrate the resistivity target.

The Company has invited several drilling contractors to site to enable them to quote on the drilling program. As **this will be the first drilling program on Vidalita**, the conditions are unknown. For this reason, it is likely that this first program will be done using diamond drilling to avoid problems with ground water and to obtain core.

Several drill targets have been defined and up to four of which may be tested depending on drilling progress:

A (western zone) – this target is defined by high levels of gold, silver, base metals and mercury. The target is open to the west and additional work is planned to close off the target area. Rock samples returning grades up to **5.71 g/t gold and ~ 0.5oz/t silver** have been returned from this target.

B (eastern zone) – this is an extensive target area defined by gold (rock samples 1.23g/t) and silver. It has low levels of base metals and mercury and is possible evidence of zonation of the mineralising system.

C (central zone) – this target is defined by numerous rock chip results which returned up to **14.5 g/t gold and > 3oz/t silver** and anomalous base metals and mercury.

D (northern zone) – this is a new zone located during January 2017. Rock samples showing epithermal sinter textures returned gold values to **8.98g/t gold, > 3oz/t silver, 1040ppm bismuth and 2.19% mercury**. It is interpreted as a possible extension of the system in the direction of the main structural lineaments of the district.

The drilling application has been approved and subject to satisfactory contract arrangements being obtained, **drilling is likely to commence this month**.

Geology, Alteration and Geochronology

The Vidalita and Jotahues gold projects are located in the mineral rich, high sulphidation, epithermal and gold porphyry Maricunga Belt of Chile. Late Paleozoic granitoids and low-grade metamorphic units with epidote veins and weak chlorite alteration form the basement to a thick Cenozoic volcanic and volcanoclastic sequence.

The oldest tertiary rocks recognized within the project area are andesitic flows and breccias that can be correlated to the late Eocene to Oligocene Astaburuaga Formation. These andesites are in general, weakly altered. Near the contact with younger intrusive rocks, the andesite shows moderate to intense oxidation as well as argillic alteration features.

A series of discrete outcrops as well as sub-crops of dacitic rocks characterized by plagioclase, biotite and amphibole phenocrysts >2mm ± quartz, glassy ground-mass and flow-banding represent a second volcanic unit. Weak argillic to propylitic alteration assemblages overprint the original mineralogy. An Oligocene to early-Miocene age is tentatively assigned to these dacites.

Quartz-alunite alteration zones with vuggy silica and hydrothermal breccias, hosted by andesitic lava flows or an andesitic flow dome have been observed at several locations within the concessions. These quartz-alunite mineral assemblages are typical of high sulphidation epithermal systems.

CHILE GOLD PROJECT UPDATE AND DRILLING APPROVAL



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Potassium/argon dating of the alunite has given a date of 21.3 +/- 3.5my +/- which is consistent with other dates from mineral deposits in the belt.

Alunite morphology: at least 3 types of alunite alteration have been identified. Massive pink alunite is dominant in the southeastern zone (B), whereas tabular or bladed tan colored crystals are found in the southwestern zone (A). Finally, porcellaneous masses (fine pseudocubic crystals in amorphous silica groundmass) with replacement textures were identified in the central area (C) where rocks with variable sinter-like textures of low-temperature silica precipitation are observed.

The age dating is from material contained in the tabular or bladed tan colored crystals of alunite. These are interpreted as high-sulfidation related, most likely formed in the 200 to 300 degrees C range.

Induced Polarisation Survey

The IP survey, commenced around 9th January, has been completed. The survey was conducted using pole – dipole array and 100m dipoles (see Table 1 for other information). Lines being surveyed were spaced every 400m and coincide with the surface geochemical sampling lines.

The inversion results show a large, flat, low resistivity zone below and coincident with the surface geochemistry (figure 4). Mapping has not provided an explanation for the cause of this feature as the area is interpreted to be underlain by volcanics, intrusives and minor hornfelsed sediments. Possible, and, significantly, encouraging causes consistent with the extensive surface geochemistry and evidence of epithermal mineralisation is a large zone of increased porosity and/or alteration associated with the mineralising event.

JOTAHUES GOLD PROJECT

Limited surface prospecting in the northern most concession has located an area of pyritic mineralisation within altered volcanics. Samples of this material returned gold assays to 0.287 g/t.

NOTICE OF OPTION EXPIRY

Notices advising shareholders of the expiry of their 30th March 2017 options were dispatched on 21st February 2017.

SHAREHOLDERS' MEETING

The shareholders' meeting on 8th February 2017 passed all resolutions. The shareholder approvals received at this meeting satisfied the last condition precedent to the option agreement for project acquisition between Emu, Prospex SpA and BLC SpA. The first tranche of Emu shares (2.5 million) have been allotted to Prospex in accordance with the agreement.

WEBSITE

The Company's website has been subject to attack recently rendering it difficult to use. The Company has engaged a website designer to construct a new website and which should be operational this month.

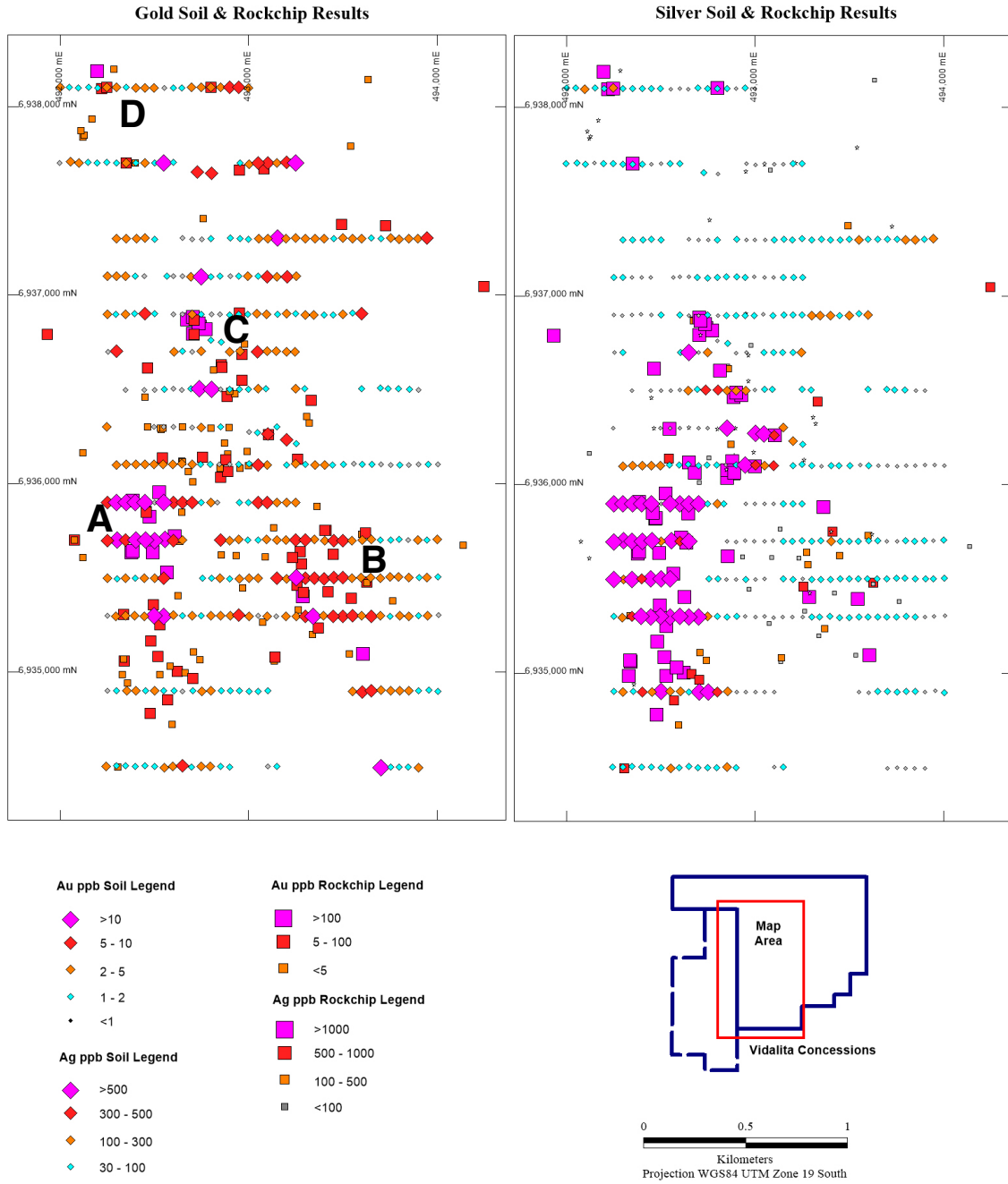
1st March 2017

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

CHILE GOLD PROJECT UPDATE AND DRILLING APPROVAL



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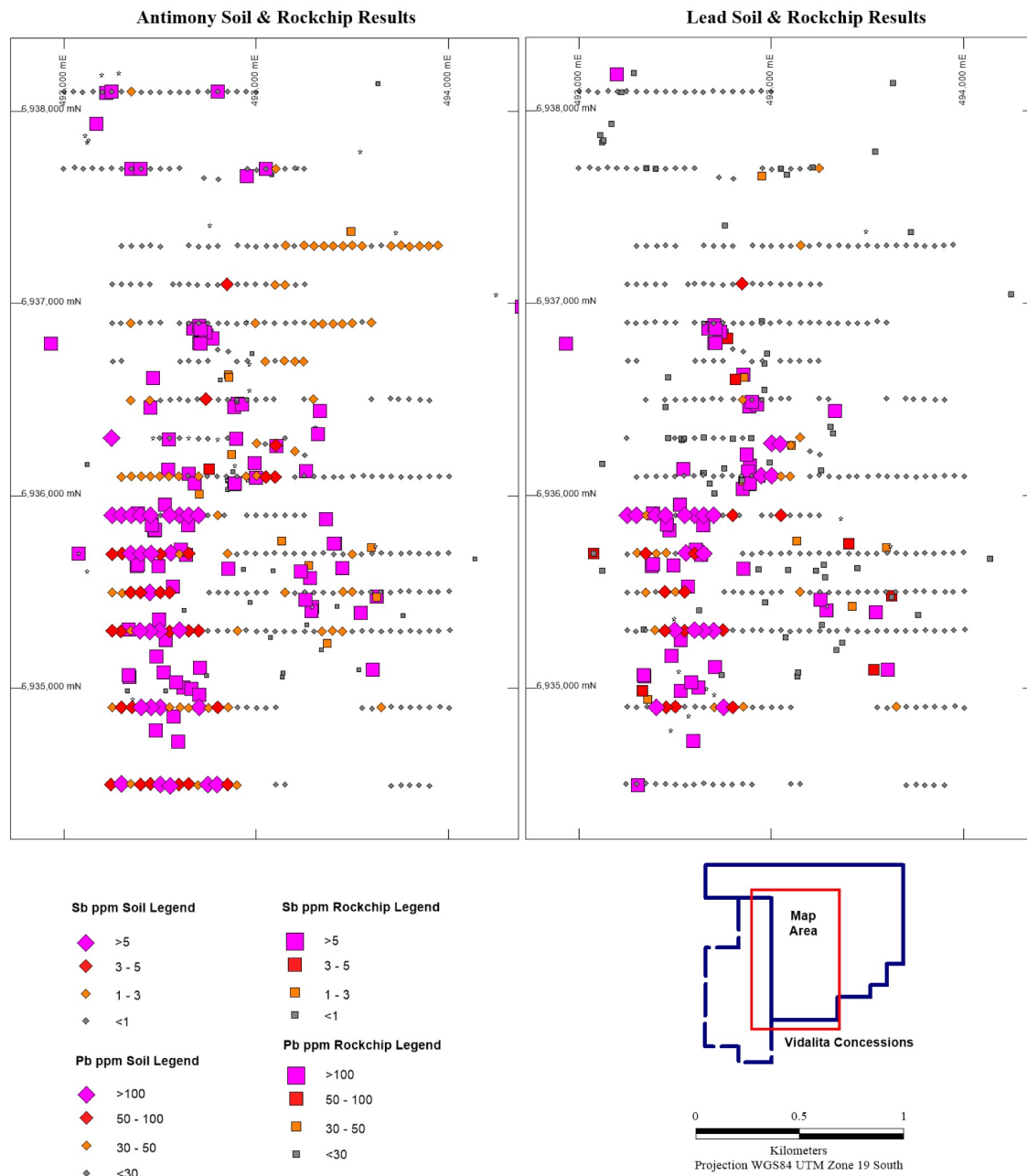
Vidalita Project - Soil & Rockchip Results

Figure 1

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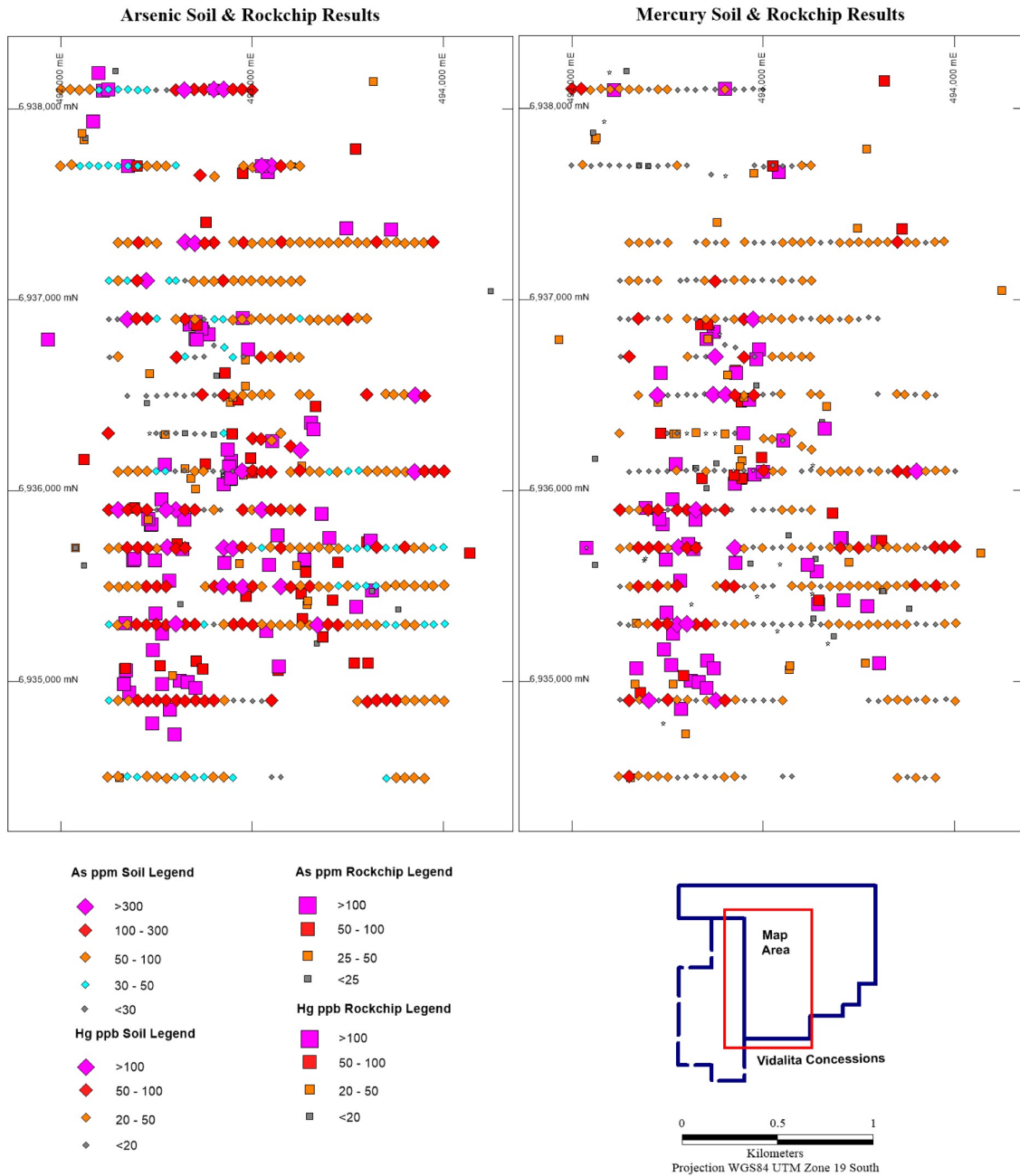
Vidalita Project - Soil & Rockchip Results

Figure 2

CHILE GOLD PROJECT UPDATE AND DRILLING APPROVAL



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Vidalita Project - Soil & Rockchip Results

Figure 3

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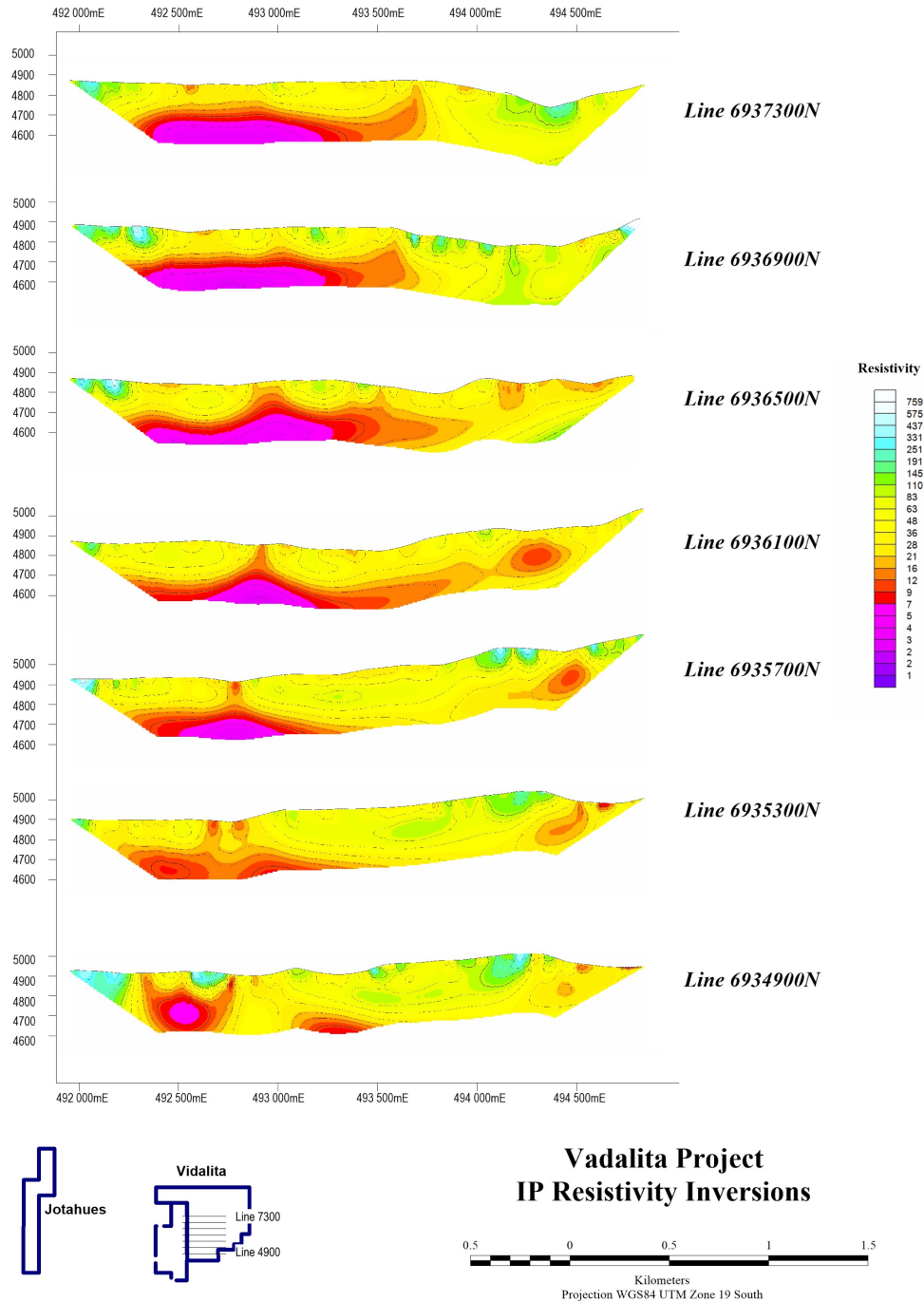


Figure 4 Induced Polarisation Results and Inversion

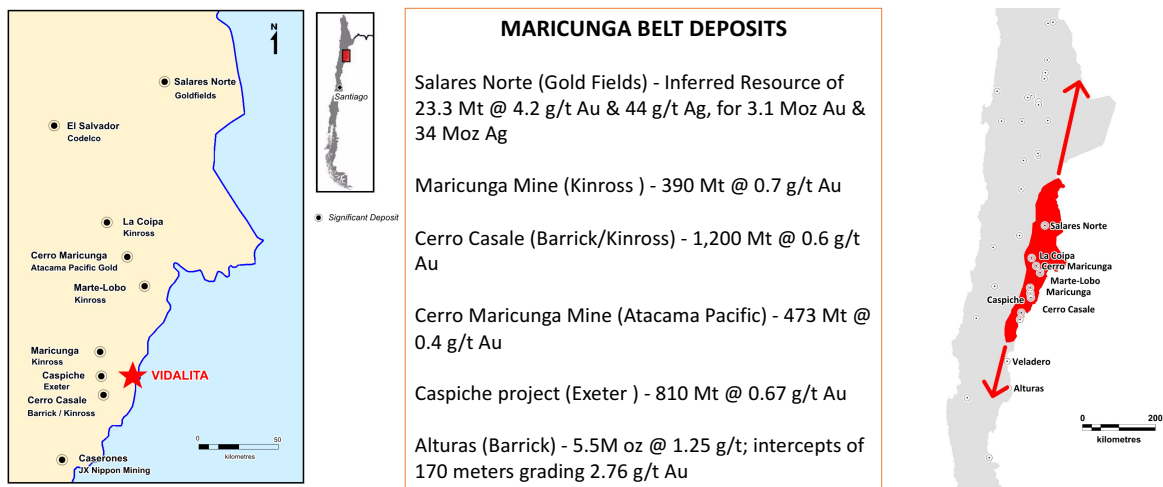
CHILE GOLD PROJECT UPDATE AND DRILLING APPROVAL



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ABOUT THE CHILE GOLD PROJECTS

The Vidalita and Jotahues gold projects are located in the highly mineralised Oligocene/Miocene Maricunga gold belt in northern Chile, approximately 200 km east from the city of Copiapó in the Atacama Region of Chile. The two projects cover an area of approximately 3,600 hectares of mineral exploration concessions and hosts alteration and mineralization that appears geologically similar to other high sulphidation oxide gold deposits of the Maricunga gold belt. The projects are accessed using a network of roads that link Copiapó with the Refugio project (Kinross), Cerro Casale project (Barrick/Kinross) and the Caspiche project (Exeter). Refugio is located 30 km to the northwest of Vidalita. **No known previous exploration has occurred on the project.**



Emu has an option agreement with Prospex SpA and BLC SpA, Chilean subsidiaries of Altius Minerals Corporation of Canada, to acquire 11 concessions at Vidalita and 3 concessions at Jotahues. This option may be exercised any time up until November 2019 by granting Prospex and BLC a 1% NSR on production and allotting them up to 15 million Emu ordinary shares subject to certain vesting conditions (see ASX release 15th November 2016). Prospex SpA in turn has an option to acquire 6 of the 11 Vidalita concessions from local Chilean parties. Under the terms of that agreement, Prospex has the right to exercise that option by November 2019 by paying US\$2 million and granting the Chilean parties a 1% NSR over those 6 concessions. Under the Emu option agreement, Emu has assumed the rights and obligations of Prospex in relation to those 6 concessions.

**CHILE GOLD PROJECT UPDATE
AND
DRILLING APPROVAL**



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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 44,886,525 fully paid shares</p>	<p style="text-align: center;">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 33,679,246 paid to \$0.03; \$0.03 to pay, no call before 31/12/2017</p> <p>Unlisted Options 14,550,283 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 style="text-align: center;">FORWARD LOOKING STATEMENT</p> <p>This report contains forward looking statements concerning the projects owned by Emu NL. Statements concerning mining reserves, 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>	

JORC Code, 2012 Edition – Table 1 report, EMU NL
Vidalita soil sampling & Induced Polarisation results

Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	Explanation	Commentary
<i>Sampling techniques</i>	<p><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Surface sampling technique taking ~ 2 kg of -6mm material every 50m along lines oriented east – west and spaced 400m or 200m apart. Three hundred and seventy six (367) samples were collected in the December and January programs.</p> <p>Each sample was dried and screened to +2mm split to produce ~250gm for pulverizing.</p> <p>Each fraction was pulverized separately 85% passing 75microns.</p> <p>50gm from each sample was digested using aqua regia and analysed for a range of elements using method Au-ME-ST44 (50 gm) using ICP-MS.</p> <p>Elements analysed for include gold, silver, arsenic, base metals and mercury.</p> <p>One hundred and sixty four rock samples have been collected from Vidalita area. Samples were sent to Copiapo for 30g fire assay and four acid digest ICP anlysis + mercury.</p>
<i>Drilling techniques</i>	<p><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by</i></p>	<p>No drilling done.</p>

	<i>what method, etc).</i>	
<i>Drill sample recovery</i>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	
<i>Logging</i>	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	
<i>Sub-sampling techniques and sample preparation</i>	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>The area sampled is typical of peri-glacial areas and as such outcrop can be sparse. The soils are best described as colluvial. Sampling was done to avoid obvious alluvial sediments.</p>
<i>Quality of assay data and</i>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used</i>	The laboratory assayed 1:10 duplicate samples, standard

<i>laboratory tests</i>	<p><i>and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></p>	<i>samples and blanks.</i>
<i>Verification of sampling and assaying</i>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	
<i>Location of data points</i>	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used. s</i> <i>Quality and adequacy of topographic control.</i></p>	<i>Sample points were located using hand held GPS accurate to < 5m.</i>
<i>Data spacing and distribution</i>	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	

<i>Orientation of data in relation to geological structure</i>	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	The sampling density would be sufficient to achieve an unbiased result.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	None undertaken.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></p>	Emu has an option agreement with Prospex SpA and BLC SpA, Chilean subsidiaries of Altius Minerals Corporation of Canada, to acquire 11 concessions at Vidalita and 3 concessions at Jotahues. This option maybe exercised any time up until November 2019 by granting Prospex and BLC a 1% NSR on production and allotting them up to 15 million Emu ordinary shares subject to certain vesting conditions (see ASX release 15 th November 2016). Prospex SpA in turn has an option to acquire 6 of the 11 Vidalita concessions from local Chilean parties. Under the terms of that agreement, Prospex has the right to exercise that option by November 2019 by paying US\$2 million and granting the Chilean parties a 1% NSR over those 6 concessions. Under the Emu option agreement, Emu has assumed the rights and obligations

		of Prospek in relation to those 6 concessions.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	The project is a green fields exploration project and while the source of the surface evidence of mineralization can only be speculation at this stage, it is likely to be similar to known epithermal style ore deposits in the same geological setting.
<i>Drill hole Information</i>	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <p><i>easting and northing of the drill hole collar</i></p> <p><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></p> <p><i>dip and azimuth of the hole s down hole length and interception depth s hole length.</i></p> <p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	
<i>Data aggregation methods</i>	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p> <p><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p>	No aggregation undertaken.

	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	
<i>Relationship between mineralisation widths and intercept lengths</i>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></p>	Project is at an early stage of exploration and any conclusions at this stage would be speculation.
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	
<i>Balanced reporting</i>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	<p>The IP survey was done by Quantec Geoscience Limited of Canada.</p> <p>Receiver – Iris Instruments Elrec Pro</p> <p>Transmitter – Iris Instruments VIP 10000</p> <p>Duty cycle – 2 sec on/off</p> <p>Potential electrodes – stainless steel rods</p> <p>Current electrodes – foil</p> <p>Array – pole-dipole</p> <p>Dipole length – 100m</p> <p>N spacing – to N=10 depending on signal strength</p>
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth</i>	

	<p><i>extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	
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