



## **DRILLING PROGRESS**

On 17<sup>th</sup> March 2017, Emu NL (ASX: EMU) reported it was mobilising camp, earth moving and drilling equipment to the Vidalita site in northern Chile.

The first drill hole, 17DV1 located at 6,935,900N 492,600E, was commenced on Wednesday 22<sup>nd</sup> March. The hole was collared in colluvial material of thickness approximately 2m. From 2m to 47m the hole encountered oxidised, clay altered, ferruginous quartz dacite variably veined with iron oxides. Consistent with the IP survey results, at 47m (down hole) the hole transitioned into the same rock type but fresh (unoxidised), intensely argillically (clay) altered, in sections brecciated and containing pyrite as fine disseminations and veins and gypsum. This style of alteration is a characteristic of high sulphidation mineral systems.

The hole, 17DV1, was stopped at 105.5m as the clays caused rotation issues for the drilling contractor and it was decided that, rather continue and risk losing the drill string, to allow some time for the contractor to establish how best to handle these drilling conditions.

The core was submitted to the laboratory for analysis with assays expected in the second half of April.

The second hole, 17DV2, was collared at 6,936,850N 492,800E (approximately 1km north of 17DV1) to test an area returning surface gold values up to 14.5g/t in chalcedonic breccias (rock samples) in a different part of the project. This hole was stopped at 193.35m, again due to the drilling contractor having difficulty handling the intensely altered material encountered. After passing through a 2m layer of colluvium, the hole intersected ~52m (down hole) of oxidised, iron stained and veined material then into fresh rock. The whole hole intersected matrix supported breccia (with variable amounts of dacite host fragments and exotic clasts), intensely clay altered (can be cut with a knife) and containing fine sulphides (probably a variety of pyrite) in the unoxidised zone. The breccia intersected in this hole is unequivocal evidence of a diatreme, again a feature of high sulphidation mineral systems.

The core from hole 17DV2 should be delivered to the laboratory by 6<sup>th</sup> April.

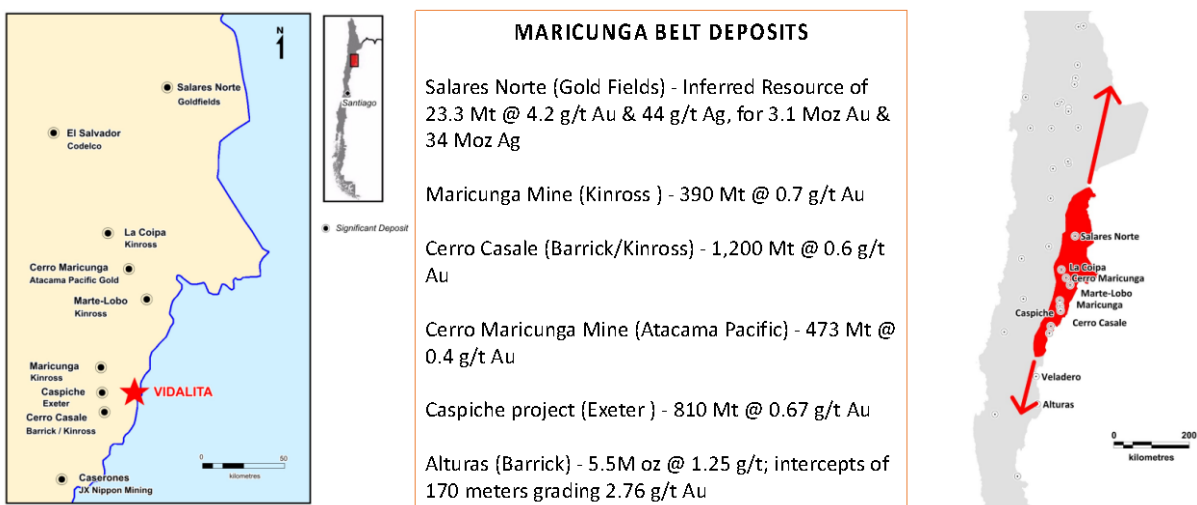
The drilling rig is moving back to the area where hole 17DV1 was drilled.

While the results from the first two holes are encouraging, the Company's objective in this program, in addition to testing the possible sources of the surface geochemistry, is to probe much deeper to test for mineralisation associated with this geochemistry but concealed.

For more information on the Company see the website [www.emunl.com.au](http://www.emunl.com.au)

## 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 2,800 hectares of mineral exploration concessions and host alteration and mineralization that appear 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. **As far as can be ascertained, due enquiry having been made, no drilling has been undertaken at Vidalita.**



Emu has an option agreement with Prospex SpA and BLC SpA, Chilean subsidiaries of Altius Minerals Corporation of Canada, to acquire 8 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 15<sup>th</sup> 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.

<p><b>Emu NL</b> ABN 50 127 291 927</p> <p><b>ASX Code:</b> EMU</p> <p>10 Walker Ave West Perth, WA 6005</p> <p>T +61 8 9226 4266 E <a href="mailto:info@emunl.com.au">info@emunl.com.au</a></p> <p>PO Box 1112 West Perth, WA 6872</p> <p><b>Issued Capital:</b> <b>Quoted:</b> <b>Shares</b> 65,687,006 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><b>Contributing Shares</b> 36,580,667 paid to \$0.03; \$0.03 to pay, no call before 31/12/2018</p> <p><b>Unlisted Options</b> 3,750,000 options, exercise price \$0.10, date 20/12/18 300,000 options, exercise price \$0.25, date 20/12/18</p> <p><b>Directors:</b> <b>Peter Thomas</b> Chairman <b>Greg Steemson</b> Managing Director <b>Gavin Rutherford</b> 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, 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 drilling 17DV1 & 2

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>The holes were sampled on 1m intervals.</p> <p>The samples are to be analysed for gold using 50g fire assay (ALS method Au-ICP22) and for multi-elements by 50g aqua regia digest ICP multi element analysis for 44 elements (ALS method Au-ME-ST44 ICP-MS).</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 what method, etc).</i></p>	<p>17DV1 was drilled with HQ diamond drilling. The hole was cased at 48m. Total depth 105.05m.</p> <p>17DV2 was drilled with HQ diamond drilling. The hole was cased at 21m. Total depth 193.35m.</p> <p>The core was not oriented.</p>
<i>Drill sample recovery</i>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p>	<p>Core was placed in core trays. Core recovery and RQD measurements were made as soon</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>	<p>as possible after drilling due to the altered nature of the core rendering the core unstable once out of the hole.</p> <p>Core recovery in the fresh zone was generally &gt; 90%. However, the core has very low strength and breaks readily.</p>
Logging	<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>	<p>All of the core was geologically logged.</p>
Sub-sampling techniques and sample preparation	<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>Where possible, the core was sawn in half and one half dispatched for assay. However, due to the altered nature of the core, much of the core was broken by hand and/or with a chisel.</p> <p>Sample size is appropriate for the material being sampled.</p>
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered</i></p>	<p>The fire assay will report total gold content. The aqua regia digest in this instance is considered appropriate given the stage of the</p>

	<p><i>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>	<p>program and the altered nature of the rocks.</p> <p>Laboratory standards and checks only.</p>
<p><i>Verification of sampling and assaying</i></p>	<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>	<p>No results at this time.</p> <p>No twinned holes.</p>
<p><i>Location of data points</i></p>	<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.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>17DV1 &amp; 2 were located using hand held GPS accurate to &lt; 5m.</p> <p>UTM grid system</p>
<p><i>Data spacing and distribution</i></p>	<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>	<p>17DV1 &amp; 2 are the first holes to be drilled on this property. They are approximately 1km apart.</p>

<i>Orientation of data in relation to geological structure</i>	<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>  <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>	The controls on mineralisation are unknown at this time.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	Management was present during the drilling. Core was stored in a secure location in Copiapo.
<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>	<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>  <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>	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 <sup>th</sup> 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.
<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 holes, down hole length and interception depths 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>	<p>17DV1 was located at 6,935,900N, 492,600E. The hole was drilled on an azimuth of 270 degrees UTM and inclination 65 degrees. The RL was 4,886m.</p> <p>17DV2 is located at 6,936,850N, 492,800E, azimuth 270 degrees UTM, inclination 60 degrees. RL 4,866m.</p> <p>There were no downhole surveys as the drillers were unable to stabilise the holes.</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</i></p>	No assays at this time.



	<p><i>aggregations should be shown in detail.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	
<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<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>	<p>Project is at an early stage of exploration and any conclusions at this stage would be speculation.</p>
<p><i>Diagrams</i></p>	<p><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></p>	<p>Not yet applicable – assays yet to be received and drilling is continuing</p>
<p><i>Balanced reporting</i></p>	<p><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></p>	<p>Not yet applicable – assays yet to be received and drilling is continuing</p>
<p><i>Other substantive exploration data</i></p>	<p><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>	<p>None undertaken.</p>
<p><i>Further work</i></p>	<p><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of</i></p>	<p>Drilling is continuing.</p>

	<i>possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	
--	---	--