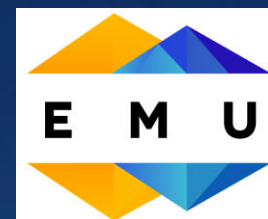


# ACTIVITY REPORT

For the period ending 30 September 2017



## EMU NL prepares for significant gold exploration program in Chile

- **Planning and permitting well advanced in preparation for the upcoming exploration program at the Vidalita gold property in the highly mineralised Maricunga Gold Belt of the Atacama Region of Chile. Field activities planned to commence in November 2017.**
- **Additional tenements applied for within the prospective Maricunga Belt.**
- **Perth based Wallis Drilling engaged to undertake the drilling program directed at addressing the slow metre rate of the first drill campaign. Wallis has particular expertise in the area of air core drilling technology and practices.**

### Gold Projects, Atacama Region, Chile

The Company holds over 2,800 hectares of mineral exploration concessions located in the highly mineralised Maricunga Gold Belt of the Atacama Region of Chile. The belt hosts several large-scale mineral discoveries and operating gold mines (figure 1).

The Vidalita and Jotahues prospects, situated in prospective geological settings, bear the hallmarks of other high sulphidation style epithermal gold deposits of the region. Despite these similarities, the Company's areas remains lightly explored, with Emu's maiden programme last season being the first to drill-test the Vidalita property.

Plans for the upcoming 2017/18 field season are now well advanced. Available geochemical, geophysical and structural interpretations of the geology of the Vidalita prospect have allowed initial drill locations to be set, with 36 air core holes now planned for the Vidalita concessions. Further information can be found in the ASX release dated 21 August 2017.

Following the success of the geochemical soil sampling programs in the last field season, further coverage is now planned, infilling and extending the data sets collected to date. Within the Vidalita concessions, the geochemical target currently extends over an area of ~ 4km X 2km however, work to date has not defined the outer boundary. The upcoming program will infill existing survey lines and extend the sampling coverage to the eastern margin of the project to cover other geological and geochemical targets.

Within the Jotahues (Ciclope Tuerto 7, 8, 9) concessions, the previous talus (from coarse material from the side of the valley) sampling program identified an area of anomalous geochemistry in the northern part of the prospect and mapping identified several areas of outcropping sulphide (as pyrite). The results to date are sufficiently encouraging to continue work in the area directed at establishing drill targets. The program will be managed in conjunction with the work at Vidalita.

The surface sampling programs are scheduled to be underway by November. A 12 man camp will be established in the same location as that used for the 2016/17 field season.

### Appointment of Wallis Drilling

The Company has engaged Wallis Drilling, of Perth, to undertake the drilling program, initially with air core and, subject to results, follow up diamond drilling. Wallis Drilling is a recognised leader in the field of mineral exploration drilling with particular expertise in the area of air core drilling, a technique pioneered and developed by that company.

Wallis Drilling has undertaken a review of the diamond core from the previous drilling at Vidalita, conducted a site inspection and is of the view that air core will be a suitable drilling technique for the Company's Chilean properties. The technique offers the potential to deliver a cost-effective exploration solution. More importantly, the engagement of Wallis is directed at significantly more metres being drilled than achieved last season, and is seen as a key risk mitigation strategy.

At the time of writing, the drilling equipment is in transit to Chile. The start date for this part of the program will depend on the winter season and logistics.

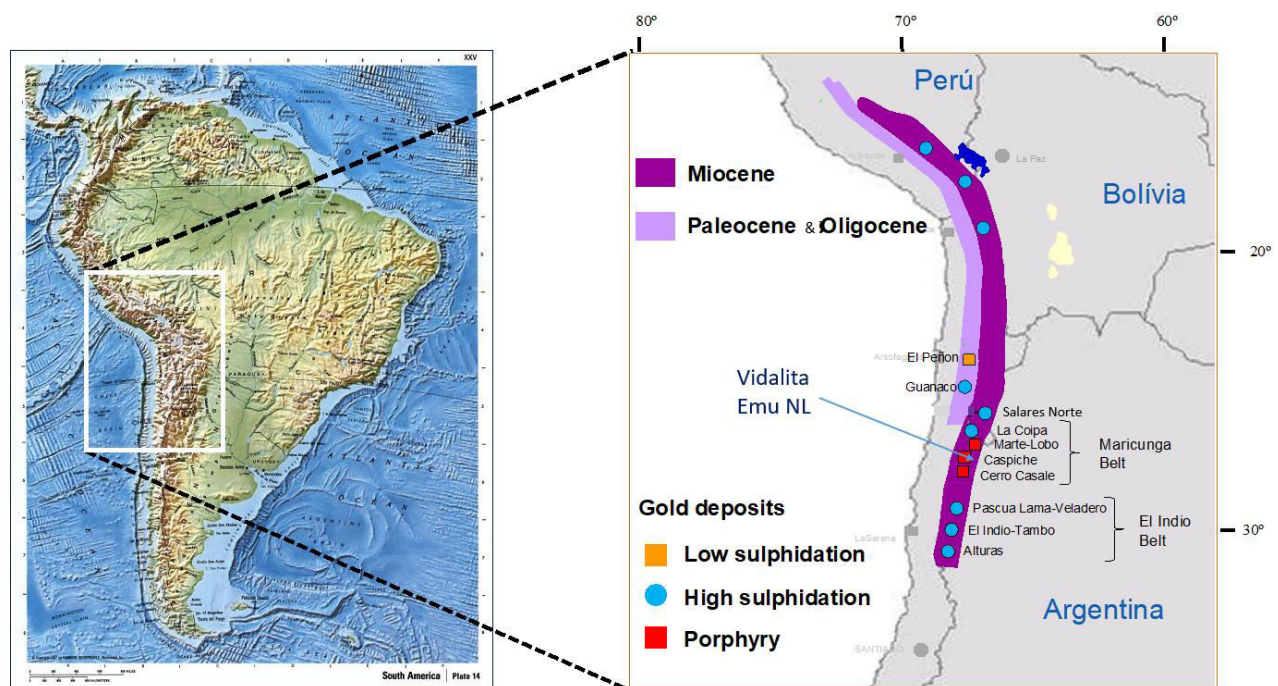


Figure 1: Geological Setting of the Maricunga Belt, Chile (source: Goldfields Vancouver Roundup 2017) reflecting the locations of the Company's properties

### Building on the Maricunga Gold Belt tenement position

Exploration results have been sufficiently encouraging to warrant the Company building on its tenement holdings in the Atacama Region of Chile, specifically in the Vidalita-Jotahues area.

Applications for additional mineral exploration titles have been made for an area located adjacent to the northern part of the Jotahues prospect (blocks Ciclope Tuerto 2,3,4,5 and 6). Option partner BLC SpA has also made application for additional concessions (Ciclope Tuerto 1, Peon 1 to 16). All these applications are subject to the Emu Option Agreement (refer below, Figure 2).

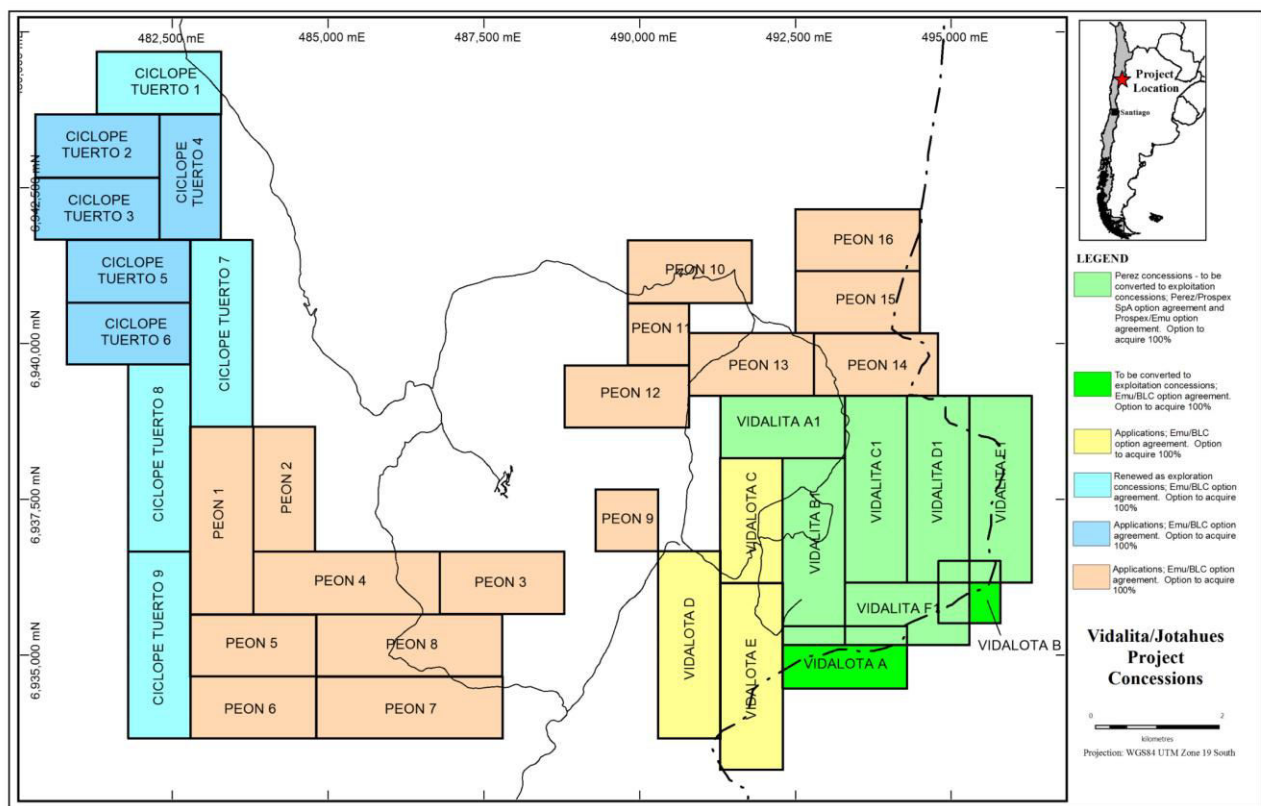


Figure 2 – Emu Option Agreement concessions

### Corporate

The 2017 Annual General Meeting of Shareholders is scheduled for 9 November at 5pm in the Company's office at 10 Walker Avenue, West Perth.

In the course of normal activities, the Company maintains a program of assessing exploration, development and mining opportunities within Australia and offshore.

### ASX Waiver- Approval to issue shares

On 8 February 2017, the Company received shareholder approvals for the issue of up to 15 million shares (**Consideration Shares**; 2,500,000 of which were issued shortly after the approvals) in respect of the Option Agreement (for the option to purchase the Vidalita and Jotahues projects – **Projects**) with Prospex SpA and BLC SpA.

The following information is provided in accordance with a waiver granted by ASX permitting the Company to issue the balance of the Consideration Shares (12,500,000) more than 3 months after the date of the approvals:

- a) No Consideration Shares were issued during the reporting period;
- b) 12,500,000 of the Consideration Shares remain, conditionally, to be issued; and
- c) the conditions to and instalments in which the remainder of the Consideration Shares may be issued are:
  - i) 2,500,000 (approved for issue no later than 31 March 2019) if the Company elects to continue exploring the Projects and subject to it meeting its expenditure commitment in relation to the Projects (minimum of US\$1 million by 10 December 2018) and;
  - ii) 5,000,000 (approved for issue no later than 31 December 2020) if the Company exercises the option and defines a 500,000 ounce measured resource of gold on the Projects; and
  - iii) 5,000,000 (approved for issue no later than 31 December 2020) if the Company exercises the option and defines a 1,000,000 ounce measured resource of gold on the Projects.

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

Table 1: Schedule of Tenements

Location	Tenement	Percentage held / earning*
<u>Vidalita Project</u>		
Atacama Region, Chile	Vidalita A1	Option to acquire 100% (Emu's Option Agreement and Prospex's Option Agreement)
Atacama Region, Chile	Vidalita B1	Option to acquire 100% (Emu's Option Agreement and Prospex's Option Agreement)
Atacama Region, Chile	Vidalita C1	Option to acquire 100% (Emu's Option Agreement and Prospex's Option Agreement)
Atacama Region, Chile	Vidalita D1	Option to acquire 100% (Emu's Option Agreement and Prospex's Option Agreement)
Atacama Region, Chile	Vidalita E1	Option to acquire 100% (Emu's Option Agreement and Prospex's Option Agreement)
Atacama Region, Chile	Vidalita F1	Option to acquire 100% (Emu's Option Agreement and Prospex's Option Agreement)
Atacama Region, Chile	Vidalota A	Option to acquire 100% (Emu's Option Agreement)
Atacama Region, Chile	Vidalota B	Option to acquire 100% (Emu's Option Agreement)
Atacama Region, Chile	Vidalota C	Under Application to acquire 100% (Emu's Option Agreement and BLC Option Agreement)
Atacama Region, Chile	Vidalota D	Under Application to acquire 100% (Emu's Option Agreement and BLC Option Agreement)
Atacama Region, Chile	Vidalota E	Under Application to acquire 100% (Emu's Option Agreement and BLC Option Agreement)
Atacama Region, Chile	Peon 1-16	Under Application to acquire 100% (Emu's Option Agreement and BLC Option Agreement)
<u>Jotahues Project</u>		
Atacama Region, Chile	Ciclope Tuerto 1	Option to acquire 100% (Emu's Option Agreement)
Atacama Region, Chile	Ciclope Tuerto 7	Option to acquire 100% (Emu's Option Agreement)
Atacama Region, Chile	Ciclope Tuerto 8	Option to acquire 100% (Emu's Option Agreement)
Atacama Region, Chile	Ciclope Tuerto 9	Option to acquire 100% (Emu's Option Agreement)
Atacama Region, Chile	Ciclope Tuerto 2-6	Under Application to acquire 100% (Emu's Option Agreement and BLC Option Agreement)



## About EMU NL

EMU is an ASX listed company seeking to deliver tangible outcomes for investors.

We:

- Focus on testing substantive mineralizing systems capable of forming commercially attractive ore deposits, and other mineral resources, that can be developed or exploited using existing technologies;
- Seek to reduce risk by selecting operating environments with established minerals law and mining industries;
- We remain alert to best practice exploration technologies, seeking to bring new insights to our work;
- Investors can benefit from the considerable depth of experience of the management team, with a track record exploration success leading to new mine developments;
- We are active, with meaningful programs of work.

## About the projects, Atacama Region, Chile

The Vidalita and Jotahues gold projects are located in the highly mineralised Oligocene/Miocene Maricunga gold belt in northern Chile, approximately 120 km east from the city of Copiapó in the Atacama Region of Chile. The two projects cover an area of over 2,800 hectares of mineral exploration concessions and host alteration and mineralization that appear geologically similar to other high sulphidation 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/Goldcorp) and the Caspiche project (Goldcorp). Refugio is located 30 km to the northwest of Vidalita.

Emu has an option (**Emu's 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. The option under Emu's Option Agreement may be exercised any time up until 11<sup>th</sup> November 2019 by granting Prospex and BLC a 1% NSR on production and, subject to Emu expending US\$1 million in pursuing its rights under the Emu Option Agreement by 10<sup>th</sup> December 2018 and electing to continue with the project, allotting them 2.5 million Emu ordinary shares. In addition, if the option is exercised and subject to certain measured mineral resource hurdles, further shares will be issued. Should a measured resource of 0.5 Moz gold be defined, 5 million Emu ordinary shares would be issued. Should a measured resource of 1Moz gold be defined, a further 5 million Emu ordinary shares would be issued. Refer ASX release 15 November 2016. Prospex SpA in turn has an option under an agreement (the **Prospex's Option Agreement**) to acquire 6 of the 8 Vidalita concessions from local Chilean parties. Under the terms of that agreement, Prospex has the right to exercise that option by 11<sup>th</sup> November 2019 by paying US\$2 million and granting the Chilean parties a 1% NSR over those 6 concessions. Under Emu's Option Agreement, Emu has assumed the rights and obligations of Prospex under Prospex's Option Agreement.

## Directors of EMU

**Peter Thomas** Chairman

**Greg Steemson** Managing Director

**Gavin Rutherford** Non-Executive Director

Full profiles can be found on the company website.

## Capital Structure

### Issued Shares

65,910,387 fully paid shares

### Contributing Shares

36,580,667 paid to \$0.03; \$0.03 to pay, no call before 31/12/2018

### Unlisted Options

5,050,000 options, exercise price \$0.10, expiring 20/12/18

2,000,000 options exercisable, subject to share price milestones being met in the case of 1,500,000 of these options, at \$0.11, expiring 20/12/18

300,000 options, exercise price \$0.25, expiring 20/12/18

## Investor enquiries

Tony Wiggins

General Manager

Emu NL

ABN 50 127 291 927

ASX Code: EMU

10 Walker Ave

West Perth, WA 6005

T +61 8 9226 4266

E [info@emunl.com.au](mailto:info@emunl.com.au)



Subscribe to our news feed @emuasx

## Forward Looking Statement

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.

## Competent Persons Statement

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.