



Drilling update

Drill hole 6500-1, the first hole to be drilled at Vidalita during the current campaign, is currently at 102m in argillically altered dacites.

While the Company mobilised people and equipment on 26 December 2017 with an expectation, based on advice from the drilling contractor, that all would be in readiness for a start around 29 December 2017, one issue after another with the equipment provided by the contractor initially delayed commencement of the programme and has since beset progress.

Notwithstanding these difficulties, the limited drilling achieved to date and now reported demonstrates that the air core technique will work well in this geological environment with good recoveries of fines and pieces of core being achieved. In terms of actual time spent drilling, the production rate is within acceptable limits.

The issues referenced include:

1. On 28 December 2018, the drilling contractor disclosed it did not have a compressor, an essential component for the drilling. Emu arranged the rental of a suitable compressor.
2. The support Morooka (vehicle) arrived on site and was found to be missing a tow hitch to pull the compressor. This piece of heavy equipment was subsequently fabricated.
3. The drilling rig arrived in poor condition and, in addition, having been poorly serviced after its previous job and not properly prepared for shipment. It has experienced various mechanical failures.
4. The Morooka has a cracked engine head, seriously limiting movement around the site.

Despite ongoing assurances from the contractor regarding the issues being resolved and that the rig operated well yesterday, overnight it became clear that not all problems have been resolved.

The drilling contractor, who is being pressed in this regard, has today expressed confidence that not only will all problems will be resolved within a few days, all equipment can be expected operate in the ordinary course thereafter.

Investor enquiries

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About:-

EMU is an ASX listed Company seeking to deliver tangible outcomes for investors by:

- focusing on testing substantive mineralised systems capable of forming commercially attractive development opportunities using existing technologies;
- seeking to reduce risk by selecting operating environments with established minerals law and mining industries;
- remaining alert to best practice exploration technologies, seeking to bring new insights to our work;
- drawing on our depth of relevant experience; and
- remaining active, with meaningful programs of work.

About the gold projects, Maricunga Belt, Chile

The Vidalita and Jotahues gold projects are located in the Maricunga gold belt in the Atacama Region in northern Chile hosting numerous world class gold and silver projects. Emu's projects cover an area of approximately 6,900 hectares secured by mineral exploration concessions and host alteration and mineralisation 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 is unaware of the project having been drilled other than for the 3 holes it drilled in 2017.**

The Company holds an option (**Option**) to acquire a 100% interest in certain of the Vidalita and Jotahues concession packages from two Chilean companies.

The concessions the subject of the Option comprise 2 packages: one package, (the Prospex SpA concessions) covers six concessions at Vidalita, is subject to a 2% NSR on any production, and the second package, (the BLC SpA concessions) comprised of three concessions at Jotahues and two concessions at Vidalita (Vidalota A&B), is subject to a 1% NSR.

The royalties apply to any concession acquired by Emu within 5km of the outer boundary of any of the interests listed in the Option agreement. Any concession interest within that area acquired by the other parties to that agreement shall be offered to Emu on the same terms as the other party acquired the same.

The Option will lapse if Emu fails to pay US\$100,000 in November 2018. The Option may be exercised in November 2019 on payment of US\$2M following expenditure of US\$1M, electing to continue on or before November 2018 (by paying US\$100,000 refer to above), the issue of 2.5M Emu shares and then if Emu defines: (i) 0.5Moz of gold in measured resources, a further 5M ordinary shares will be issued; and (ii) 1Moz of gold in measured resources, a further 5M ordinary shares will be issued.

Emu continues to look for new mineral exploration, development and mining opportunities within Australia and at various overseas jurisdictions.



Emu NL

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Fully paid shares (listed)

73,910,387 (inc. 4m which Emu can buy back for nil consideration)

Contributing Shares (listed)

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

Options (unlisted)

4,750,000, exercise price \$0.10, expiring 20/12/18

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

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

2,000,004, exercise price \$0.03 to acquire a contributing share EMUCA expiring 30/4/18

Directors:

Peter Thomas
Non-executive Chairman

Greg Steemson
Managing Director

Gavin Rutherford
Non-Executive

COMPETENT PERSON'S STATEMENT

Any details contained herein that pertain to exploration results, mineral resources or mineral reserves are based upon information compiled by Mr Greg Steemson, Managing Director of Emu NL. Mr Steemson is a Fellow of the Australian Institute of Geoscientists (FAIG) 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 herein of the matters based upon his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

As a result of a variety of risks, uncertainties and other factors, actual events and results may differ materially from any forward looking and other statements herein not purporting to be of historical fact. Any statements concerning mining reserves, resources and exploration results are forward looking in that they involve estimates based on assumptions. Forward looking statements are based on management's beliefs, opinions and estimates as of the respective dates they are made. The Company does not assume any obligation to update forward looking statements even where beliefs, opinions and estimates change or should do so given changed circumstances and developments.