



Drilling update at Vidalita

Emu is pleased to provide this update on exploration activities at its Vidalita project in Chile.

In view of Wallis Drilling's performance issues and with a view to achieving Emu's drilling metreage objective planned for this season, **Emu has engaged an additional contractor to undertake drilling using reverse circulation/diamond drilling (RC/DD); the first holes are in progress.**

Emu intends, subject to satisfactory performance, **to drill as many RC holes as possible this season**, again, with a view to mitigating the loss of Wallis production to date.

The camp at Vidalita is in the process of being substantially expanded to accommodate the additional personnel required to operate the RC diamond equipment.

Weather conditions on site remain seasonally mild. Emu's team has continued its onsite activities uninterrupted by weather events since starting work in November 2017.

On 18th February 2018, Wallis Drilling stood down its activities, ostensibly on grounds of adverse weather conditions, but **recommenced aircore drilling** late last week after undertaking certain work on its equipment and with a crew change. Since recommencement, Wallis has **achieved some acceptable penetration and recovery rates** without major stoppages. Wallis Drilling remains contracted to complete a minimum of 6,000 metres this season. Emu remains committed to securing, at the very least, that minimum aircore result.

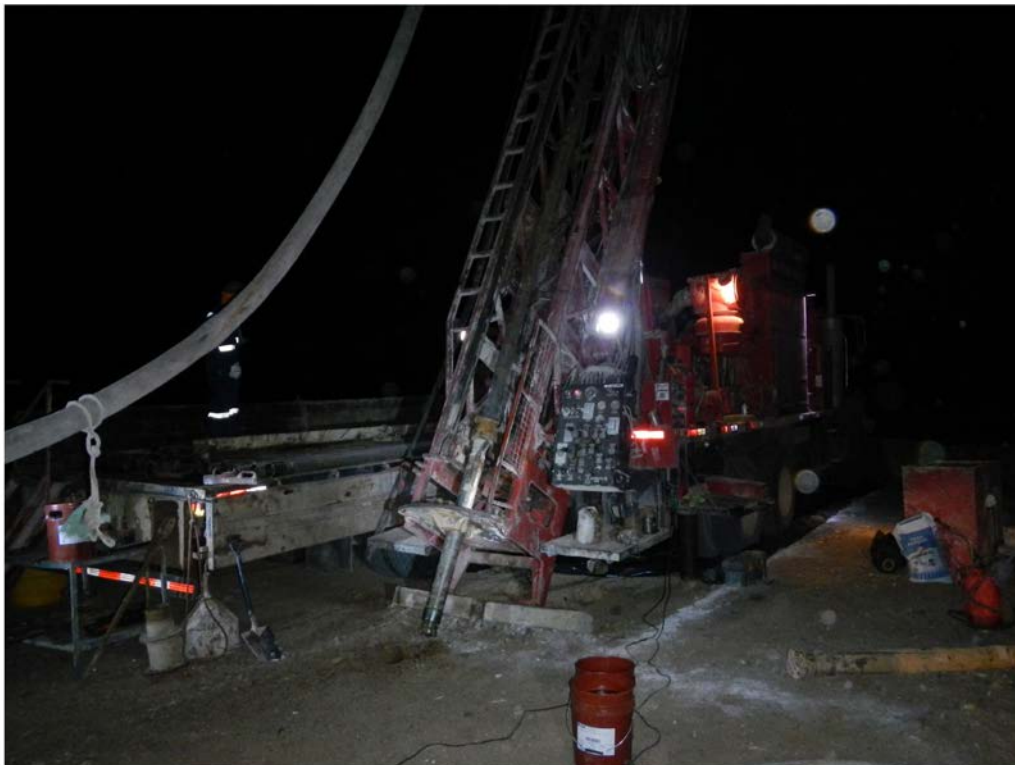
For enquiries, call Peter Thomas 0412 759 409.



Camp expansion



RC Pre-collar



RC night shift



Samples from RC Pre-collar



Aircore drilling



Three drill rigs currently working at Vidalita