



SUMMARY

- Phase 1 geochemical sampling completed at Vidalita; anomalous zones mapped
- Reconnaissance geochemical assay completed at Jotahues; further work planned
- Drilling camp set up and drill pads constructed
- Drilling underway at Vidalita gold project, Chile
- 2,947.5 metres of drilling completed during the Quarter

Gold exploration prospects, Chile

During the Quarter Emu undertook surface soil and rock geochemical sampling over geological areas of interest on its Chile gold properties. To the end of the Quarter 1,072 samples were collected and submitted for analysis (ASX release 10 January, 2018.)

Significant, aerially extensive anomalous gold and silver zones were defined on the Vidalita Prospect (ASX release 26 February, 2018). These are targeted for follow-up by drilling.

Reconnaissance soil and talus geochemical sampling on the Jotahues Prospect also indicated areas of geochemical anomalism (ASX release 26 February, 2018). These have been earmarked for future work to delineate possible drilling targets.

Vidalita drilling

Drilling of high priority areas began 9 January, 2018 with Air Core (AC), Reverse Circulation (RC), and Diamond rigs. To the end of the Quarter, 2,947.5 m of drilling were completed (Table 1). The locations of these holes are shown in Figure 1.

Drill sample preparation is underway in Chile. Assaying will be undertaken in Australia. In excess of 2,000 samples are now in that process.

Drilling continues, with testing of a number of targets expected to continue to the end of April, weather permitting.



Table 1: Drilling completed during the Quarter ending 31 March, 2018. Co-ordinate system is WGS84, UTM S19.

AIR CORE DRILLING											
Hole No	Hole ID	Collar E	Collar N	Collar R.L.	Azimuth	Dip		Final Depth		Drill Start Date	Drill Finish Date
6500-1	Hole 1	492963	6936511	4873	Vertical	-90		140		9/01/2018	21/01/2018
8500-1	X	493149	6938509	4840	270	-60		168		2/02/2018	4/02/2018
8500-2	AL	492986	6938506	4775	90	-60		176		5/02/2018	6/02/2018
8300-1	AM	492949	6938301	4826	90	-60		158		7/02/2018	9/02/2018
5900-3	A	492397	6935899	4905	270	-60		148		13/02/2018	15/02/2018
5900-4	B	492698	6935898	4901	270	-60		71		14/02/2018	17/02/2018
5900-4b	B2	492700	6935898	4901	270	-60		199		14/03/2018	16/03/2018
5500-1	F	492552	6935503	4893	270	-60		180		16/03/2018	17/03/2018
5500-2	E	492455	6935500	4900	270	-60		183		18/03/2018	20/03/2018
4900-1	J	492548	6934901	4939	90	-60		168		21/03/2018	23/03/2018
5100-1	AI	492799	6935093	4909	270	-60		183		24/03/2018	26/03/2018
5100-2	AN	492300	6935095	4950	90	-60		186		27/03/2018	28/03/2018
5700-2	D	492602	6935699	4878	90	-60		156		29/03/2018	31/03/2018
					Total AC drilled			2116			
REVERSE CIRCULATION DRILLING											
Hole No	Hole ID	Collar E	Collar N	Collar R.L.	Azimuth	Dip		Final Depth		Drill Start Date	Drill Finish Date
5700-1	C2	492500	6935698	4876	270	-60		101.6		16/03/2018	18/03/2018
5300-1	I	492648	6935291	4796	270	-60		53		19/03/2018	20/03/2018
8300-2	T2	492197	6938298	4865	270	-60		231		21/03/2018	27/03/2018
8300-3	U2	492296	6938295	4868	270	-60		180		27/03/2018	30/03/2018
5300-2	H1	492548	6935295	4904	270	-60		102		31/03/2018	1/04/2018
					Total RC drilled			667.6			
DIAMOND DRILLING											
Hole No	Hole ID	Collar E	Collar N	Collar R.L.	Azimuth	Dip	Start Depth	Final Depth	Metres Drilled	Drill Start Date	Drill Finish Date
5700-1	C2	492500	6935698	4876	270	-60	101.6	265.5	163.9	18/03/2018	30/03/2018
						Total DD drilled			163.9		
TOTAL METRES DRILLED, QUARTER ENDING 31 MARCH, 2018						2947.5					

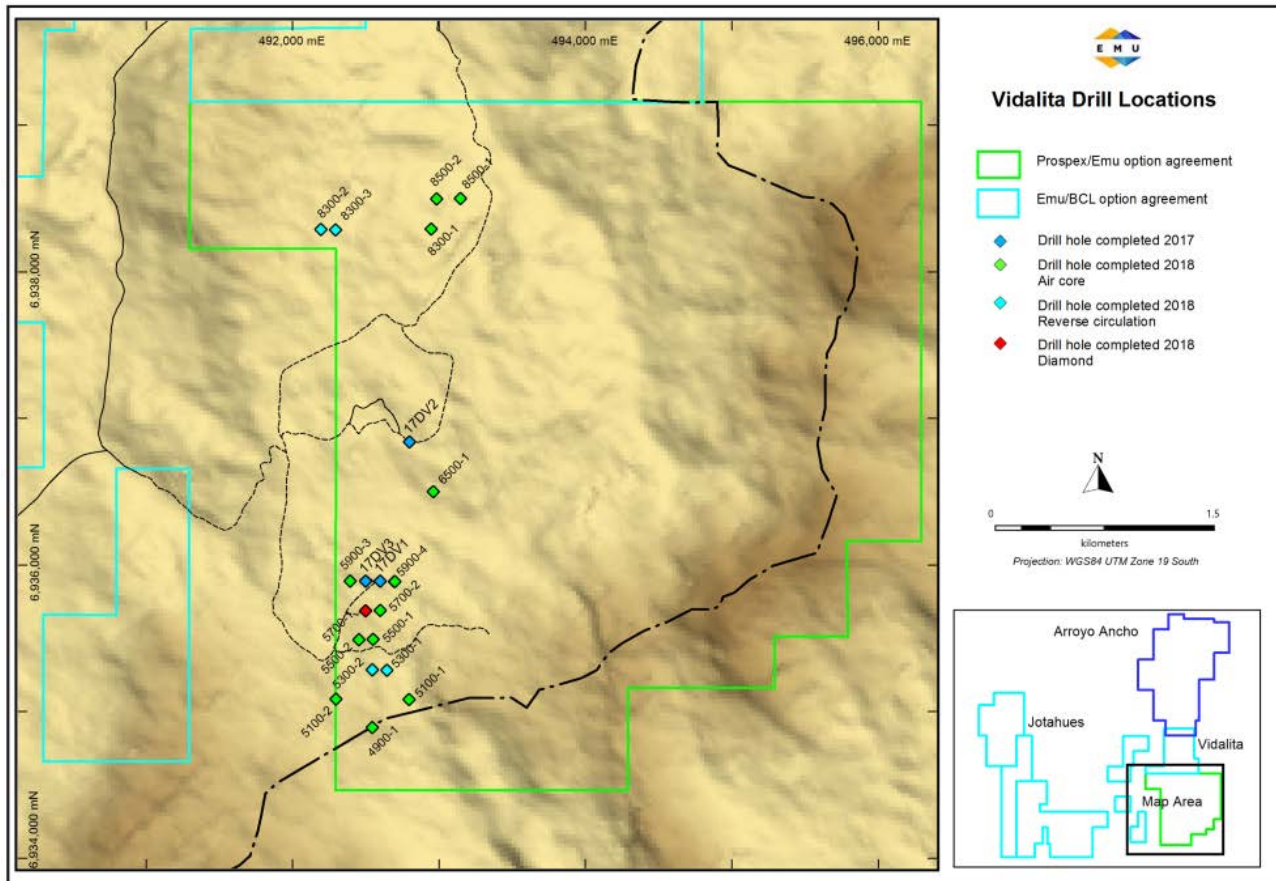
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Figure 1: Drill hole locations, Quarter ending 31 March, 2018



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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.



Table 1: Schedule of Tenements – Atacama Region, Chile

Concession	Type of concession	Percentage held / earning*
Vidalita A2	Exploration	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita B2	Exploration	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita C2	Exploration	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita D2	Exploration	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita E2	Exploration	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita F2	Exploration	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita A1 1/60	Exploitation	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita B1 1/60	Exploitation	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita C1 1/60	Exploitation	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita D1 1/60	Exploitation	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita E1 1/36	Exploitation	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalita F1 1/40	Exploitation	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalota A	Exploration	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalota A1 AL18	Exploitation	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalota B	Exploration	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalota B1 AL20	Exploitation	Option to acquire 100% (Prospex/Emu Option Agreement)
Vidalota C	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Vidalota D	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Vidalota E	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Peon 1-3	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Peon 6-7+10	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Peon 12-15	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Ciclope Tuerto 7-9	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Ciclope Tuerto A2-A6	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Ciclope Tuerto 1	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Tierra 6	Exploration	Option to acquire 100% (BLC/Emu Option Agreement)
Tierra 1-5, 7-13	Exploration	Emu 100%

Investor enquiries

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About EMU:-

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 are 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 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.

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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)

37,304,001 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

1,276,670, 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 Marcus Flis, General Manager of Emu NL. Mr Flis 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 Flis 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.