Significant Epithermal Gold-Silver System Discovery 7 May 2018



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CURRENT VIDALITA EXPLORATION PROGRAM HIGHLIGHTS:

- Emu's interpretation based on core from the 2018 drilling program vindicates Emu's view that the "discovery area" hosts a substantial high sulphidation epithermal (HSE) system.
- Drilling intersected zones showing the same characteristics as the rocks at surface which carry significant levels of precious metal.
- Recent surface samples from the discovery area returned assays of up to 15.6 ppm (note ppm = g/t) gold and 594 ppm silver consistent with prior results.
- Planning for next season's program underway

SUMMARY

The 2018 drilling campaign on the Vidalita Project in the Maricunga Belt, Chile, has tested the discovery area defined from last year's exploration activities, albeit to a limited extent. The drill hole spacing was approximately 100m x 200m.

This drilling has established the presence of rocks characteristic of high sulphidation epithermal systems below the surface of the discovery area. All drilling and field activities have concluded for the 2017/18 season.

Drilling targeted compelling surface mineralisation and geology

Drilling targeted highly prospective geology, backed up by anomalous soil and rock geochemistry. As announced on 27 August 2017, rock and soil geochemistry sampling was expanded to better define surface gold, silver, and other HSE pathfinder element anomalies mapped by previous surveys.





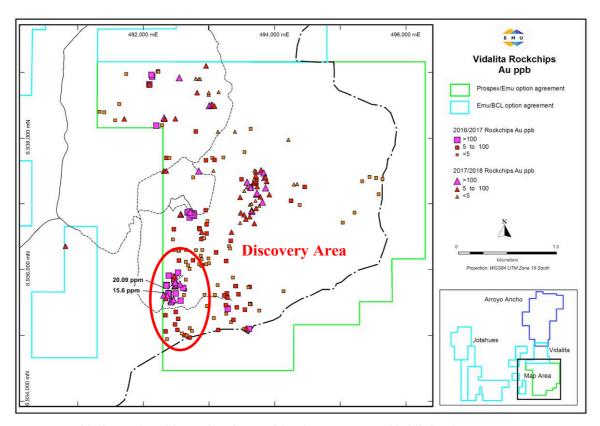


Figure 1 Vidalita rock gold geochemistry with Discovery Area highlighted.

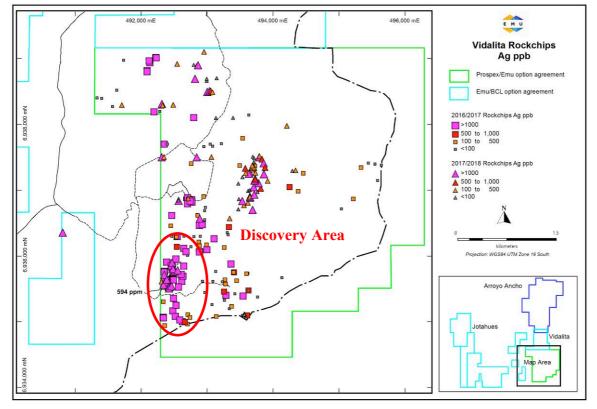


Figure 2 Vidalita rock silver geochemistry with Discovery area highlighted.

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Figures 1 and **2** show summaries of the surface rock geochemistry of gold and silver results at Vidalita. Recent samples from the discovery area returned assays of up to 15.6ppm gold and 594ppm silver, consistent with previous results. These results (precious metal and other pathfinder elements) together with the observations from the drilling data, support the interpreted existence of a HSE system in the discovery area. Brecciation, veining, and intense alteration, including common alunite occurrences, are features seen in surface exposures and in the cores and are typical of HSE systems.

Drilling campaign confirms surface observations

Three areas at Vidalita were drill tested. The drilling campaign completed at Vidalita consisted of:

- 27 Air Core (AC) holes for a total of 4,080 metres;
- 7 Reverse Circulation (RC) holes for a total of 863.2 metres; and
- 2 Diamond Drill (DD) holes for a total of 507.8 metres.

A summary of the drill hole collar locations is shown in **Table 1** and **Figure 3**. The current drilling program is insufficient to define the extent of the mineralised system discovered. However, present indications are that the discovery area, as potentially mineralised, covers an area of > 600 m x 1,000 m. This area is located within a much larger, prospective area as defined by the surface geochemistry as can be seen from **Figures 1** and **2**.

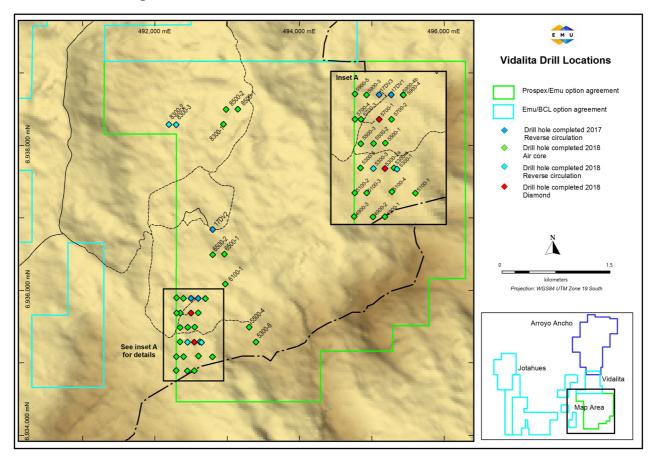


Figure 3 Drill hole locations.



Table 1 Summary of drill hole details for drilling undertaken at the Vidalita Project, Chile. Coordinate system is WGS84/UTM19S.

Hole No	Drilling type	Collar E	Collar N	Collar R.L.	Azimuth	Dip	Start Depth	Final Depth
6500-1	Air Core	492963	6936511	4873	Vertical	-90	0	140
8500-1	Air Core	493149	6938509	4840	270	-60	0	168
8500-2	Air Core	492986	6938506	4775	90	-60	0	176
8300-1	Air Core	492949	6938301	4826	90	-60	0	158
5900-3	Air Core	492397	6935899	4905	270	-60	0	148
5900-4	Air Core	492698	6935898	4901	270	-60	0	71
5900-4b	Air Core	492700	6935898	4901	270	-60	0	199
5500-1	Air Core	492552	6935503	4893	270	-60	0	180
5500-2	Air Core	492455	6935500	4900	270	-60	0	183
4900-1	Air Core	492548	6934901	4939	90	-60	0	168
5100-1	Air Core	492799	6935093	4909	270	-60	0	183
5100-2	Air Core	492300	6935095	4920	90	-60	0	186
5700-2	Air Core	492602	6935699	4878	90	-60	0	156
5700-3	Air Core	492352	6935698	4887	90	-60	0	174
5700-4	Air Core	492302	6935698	4895	90	-80	0	189
5100-3	Air Core	492399	6935096	4917	90	-60	0	255
4900-2	Air Core	492450	6934899	4928	90	-60	0	108
4900-3	Air Core	492295	6934903	4918	90	-60	0	105
6100-1	Air Core	492974	6936098	4869	90	-60	0	132
5300-4	Air Core	492623	6935300	4746	270	-60	0	121
5100-4	Air Core	492605	6935105	4918	270	-60	0	96
5500-3	Air Core	492350	6935498	4892	90	-60	0	150
5900-5	Air Core	492303	6935907	4846	90	-60	0	91
5300-5	Air Core	492349	6935301	4913	90	-60	0	124
6500-2	Air Core	492800	6936502	4793	90	-60	0	150
5500-4	Air Core	493306	6935504	4919	90	-60	0	142
5300-6	Air Core	493401	6935299	4956	Vertical	-90	0	127
5700-1	Rev Circulation	492500	6935698	4876	270	-60	0	101.6
5300-1	Rev Circulation	492648	6935291	4796	270	-60	0	53.0
8300-2	Rev Circulation	492197	6938298	4865	270	-60	0	231.0
8300-3	Rev Circulation	492296	6938295	4868	270	-60	0	180.0
5300-2a	Rev Circulation	492548	6935295	4904	270	-60	0	50.0
5300-2b	Rev Circulation	492548	6935295	4904	270	-60	50	101.6
5300-3	Rev Circulation	492453	6935295	4904	270	-60		146.0
5700-1	Diamond	492500	6935698	4876	270	-60	101.6	265.5
5300-2a	Diamond	492548	6935295	4904	270	-60	50	393.9
TOTAL ME	TOTAL METRES DRILLED IN 2018 CAMPAIGN AT VIDALITA 5451							

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Geological logging identified large intercepts of rock types, textures and alteration that are interpreted to represent a classic HSE system and confirm the presence of prospective surface geology below the discovery area. Figures 4 to 6 shows features of this system. Shown in Figure 7 are photographs from Barrick Gold's Alturas HSE deposit in Chile.



Figure 4 Core sample from diamond drill hole 5300-2. Alunite-rich vuggy silica intercept from 46 to 50 metres down hole.

While assays from this drilling program are yet to be received, it is clear from the samples that the drilling in the discovery area intersected zones showing the same characteristics as the rocks at surface which are known to carry significant levels of precious metal.







Figure 5 AC hole 5100-1 showing silica alteration at 30m down hole (top left), silica-alunite at 36-37m (top right), and brecciated silicified rock with alunite matrix-mosaic-jigsaw breccia at 39m (bottom).

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Figure 6 AC hole 5100-1 showing chalcedony with sulphides at 92m down hole

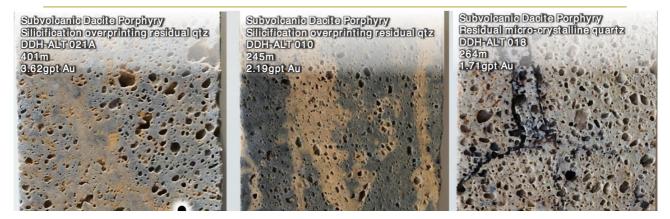


Figure 7 – Core photographs from the Barrick Gold's Alturas HSE deposit

Next steps

A total of 4,990 drill samples from Vidalita are being prepared with assay results awaited. Once received, assay results will be built into the geological model that is being constructed from both geological logging and surface mapping. The wide range of elements assayed will assist Emu to identify where within the epithermal system we are and provide a vector to focusing further drill testing.

Planning is underway for the 2018/2019 exploration season.

Investor enquiries

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MARICUNGA BELT DEPOSITS

Salares Norte (Gold Fields) – Indicated & Inferred Resource of 26.8 Mt @ 3.9 g/t Au & 48.9 g/t Ag, for 3.3 Moz Au & 42.1 Moz Ag

Maricunga Mine (Kinross) - 390 Mt @ 0.7 g/t Au

Cerro Casale (Barrick/Goldcorp) - 1,200 Mt @ 0.6 g/t Au

Cerro Maricunga Mine (Atacama Pacific) - 473 Mt @ 0.4 g/t Au

Caspiche project (Goldcorp) - 810 Mt @ 0.67 g/t Au

Alturas (Barrick) - 5.5M oz @ 1.25 g/t; intercepts of 170 meters grading 2.76 g/t Au



About the Vidalita and Jotahues 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. The region hosts numerous large gold, silver and copper projects. Emu's projects cover an area of approximately 10,000 hectares secured by mineral exploration concessions. 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.

The Company holds an option (**Option**) to acquire a 100% interest in 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; the second package (the BLC SpA concessions), is comprised of three concessions at Jotahues and two concessions at Vidalita (Vidalota A&B), is subject to a 1% NSR. The Option agreement also includes an area of influence of 5km from outer perimeter of the concessions. Since entering into the Option, additional concessions have been applied for which has expanded the total holding substantially.

The Option will lapse if Emu fails to pay US\$100,000 in November 2018. The Option may be exercised on or before November 2019 on payment of US\$2M following an 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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ASX Code: EMU

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PO Box 1112 West Perth, WA 6872

Fully paid shares (listed)

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

Contributing Shares (listed)

37,720,667 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

200,000, exercise price \$0.10, expiring 30/6/18

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.

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JORC Code, 2012 Edition – Table 1 report, EMU NL Vidalita air core, reverse circulation and diamond drilling

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Explanation	Commentary
Sampling techniques	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement	Rock samples – are either large rock pieces or a collection of small chips
	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. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Air core (AC) samples – are samples from each 1m of drill hole taken by PVC spear. The sample is usually around 1kg representing ~ 15 to 20% of the mass of the 1m interval. Pieces of core recovered by the AC system are stored in core trays for logging and geological reference.
	measurement tools or systems used. 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	Reverse circulation (RC) samples - are samples from each 1m of drill hole taken by PVC spear. The sample is usually around 1kg representing ~ 10% of the mass of the 1m interval.
	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	Diamond drill (DD) samples – the core is marked up on notionally 1m intervals (geology dependent) and cut in half lengthwise.
	nodules) may warrant disclosure of detailed information.	Up to sample submission number EMU180407-175 were prepared at Intertek Copiapo. From sample submission number EMU180418-176, samples were prepared at Actlabs in Copiapo.
		Rock samples have been crushed to 2mm, 800g split,



		pulverised and 150g shipped to Intertek, Perth, for analysis. All sample submissions for drilling samples are crushed to 2mm, 800g split, pulverised and 150g, later 250g, shipped to Intertek, Perth, for analysis.
Drilling techniques	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).	AC drilling using 75mm diameter bit. RC drilling using a 5 3/8" tricone. DD drilling using HQ (63mm) and NQ (47mm) bit sizes.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. 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.	Geological team makes a qualitative estimate (as good, moderate or poor) of sample recovery for each 1 meter down hole sample interval. Supervising geologist ensures that representative chip and AC samples are collected during drilling. Sampling is considered to be unbiased.
Logging	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. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.	Alteration and rock types are logged and recorded from the drill samples. Pieces of core recovered by the AC system are stored in core trays for logging and geological reference. Chips from the RC drilling are stored in chip trays for future reference. The half core is stored for future reference.



		Total hole length is logged.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 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. Whether sample sizes are appropriate to the grain size of the material being sampled.	Diamond core is cut in half lengthwise and one half sent for analysis. AC samples (fines) from each 1m of drill hole taken by by PVC spear. The sample is usually around 1kg. RC samples from each 1m of drill hole taken by by PVC spear. The sample is usually around 1kg. The 1m samples are prepared for analysis by standard laboratory procedures. Sub-sampling is done using splitters. The samples collected are representative of the in situ material. Sample sizes are appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 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. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of	A 25g split from each 1m AC pulp and 1m RC pulp is taken from 4 consecutive metre samples, combined, re-pulverised to homogenise and a 25g split is taken for analysis. Each 1m pulp from the DD core is analysed All samples are digested using 25g aqua regia and analysed using ICP-MS at Intertek's laboratory in Perth.



	bias) and precision have been established.	All drill samples - 9 elements are reported including gold (10ppb DL).
		Rock samples – 52 elements are reported including gold (10ppb DL).
		The aqua regia digest in this instance is considered appropriate given the stage of the program and the altered nature of the rocks.
		10% of drilling samples will be sent for check analysis to another laboratory.
		Laboratory standards, blanks and checks are also reported.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	No drilling assay results at this time.
	The use of twinned holes.	No twinned holes.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.	All geochemical and geological data is loaded into databases managed by independent third party entities for verification, storage and plotting. Assay data are not adjusted.
Location of data points	locate drill holes (collar and down-hole	All samples are located using hand held GPS accurate to < 5m.
	surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	WGS 84 UTM zone 19 south grid system
	Specification of the grid system used. Quality and adequacy of topographic	Topographic control is deemed adequate at this stage of the exploration program.
	control.	
Data spacing and	Data spacing for reporting of Exploration Results.	The drillholes are irregularly spaced (but generally >100m) as they are testing geological,

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distribution	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	geophysical or geochemical targets. Rock samples are irregularly spaced. No mineral resources are being
	classifications applied. Whether sample compositing has been applied.	reported. The AC and RC samples are composited into 4m composites in the laboratory.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	The controls on mineralisation are unknown at this time.
	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.	The controls on mineralisation are unknown at this time.
Sample security	The measures taken to ensure sample security.	Management was present during the drilling and, generally, deliver the samples to the laboratory.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	None undertaken.

Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Criteria	Explanation	Commentary
Mineral tenement and land tenure status		dated 14 November 2016 with two Chilean companies, Prospex SpA and BLC SpA, to acquire 8 concessions at Vidalita and 3



	of reporting along with any known impediments to obtaining a licence to operate in the area.	NSR on production and allotting them up to 15 million Emu ordinary shares subject to certain vesting conditions (see ASX release 15 th November 2016). Prospex SpA in turn has an option 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 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. The option agreements are subject to a 5km AOI from the boundaries of the 11 concessions. Since entering into the option agreement with Prospex and BLC, additional concessions have been applied for and were reported in subsequent ASX releases.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Prior to the March 2017 drilling program, no drilling is known on these concessions. Previous work was limited to rock sampling.
Geology	Deposit type, geological setting and style of mineralisation.	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 high sulphidation epithermal style ore deposits in the same geological setting.
Drill hole	A summary of all information material to the understanding of the exploration	Table included in the text



Information	results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the holes, down hole length and interception depths hole length. 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.	
Data aggregation methods	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. 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 aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	No drill assays at this time.
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its	Project is at an early stage of exploration and any conclusions at this stage would be speculation.



	nature should be reported.	
	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').	
Diagrams	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.	Not yet applicable – assays yet to be received.
Balanced reporting	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.	Not yet applicable – assays yet to be received.
Other substantive exploration data	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.	Surface rock sampling was undertaken at opportune locations where outcrop allowed. Summary maps are included. Assay methodology is described above.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Depending on drilling results from the current program, further work maybe undertaken.