Assays and geology confirm discovery at Vidalita

HIGHLIGHTS:

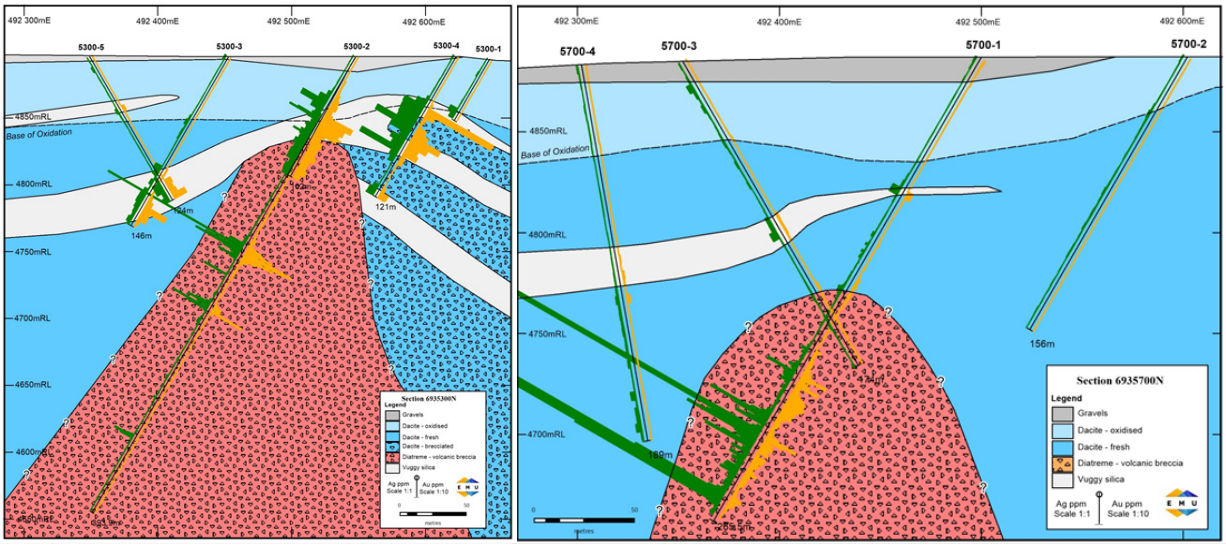
- **Very thick sequences of continuous mineralisation confirms the discovery of a substantial epithermal system as shown in the diagrams below (see body of text for detail)**
- **The discovery has the potential to represent the style of orebody currently being mined in the district: very large tonnage, moderate grade gold-silver with bonanza grade zones**
- **Significant gold intercepts include (down hole widths, true width unknown):**

Interval m	Gold grade g/t	From m	Hole	Within broader interval m	Gold Grade g/t	From m
7	**1.12**	166	5300-2	21	**0.54**	157
8	**1.02**	50	5300-2	**52**	0.46	50
8	**1.10**	68	5300-4	**48**	**0.64**	44
8	0.70	28	5100-4	**40**	0.39	12
4	**1.06**	92	5100-4	8	**0.59**	88
2	0.68	217	5700-1	**70**	0.23	174

- **Significant silver intercepts include (down hole widths, true width unknown):**

Interval m	Silver grade g/t	Gold equivalent g/t	From m	Hole	Within broader interval m	Silver grade g/t	From m
8	33	0.42	40	4900-1	**28**	23	36
1	**58**	0.73	166	5300-2	8	15	163
1	**1,049**	**13.29**	216	5700-1	6	**211**	215
2	**177**	**2.24**	253	5700-1	6	**93**	251
4	**148**	**1.87**	52	6500-2	**16**	**88**	44

- **All Assays from the 2017-2018 drilling campaign at Vidalita, Chile have now been received**



Assays and geology confirm discovery at Vidalita

18 July 2018

SUMMARY

All assays from Emu's drilling at the Vidalita Project in the Maricunga Belt, Chile have now been received.

Results indicate that **a substantial mineralised epithermal system, with similar attributes to those being mined in the district, has been discovered**.

As announced on 13 June, 2018, the drilling campaign completed during the 2017-2018 drilling season 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.

Drilling targeted surface rock chip and soil geochemistry that identified highly anomalous gold and silver values associated with intensely argillicly altered and brecciated dacite volcanics. Gold values up to **15.6g/t** and silver values up to **594g/t** were obtained from the surface geochemical sampling programme (see announcement made on 7 May 2018).

Preliminary drill results (see announcement from 13 June, 2018) confirmed the existence of a thick section of gold and silver mineralisation from the diamond tail of hole 5700-1. Gold values up to **0.83g**/t and silver values up to **1,049g/t** (over 33oz/t) were obtained. More significantly, an exceptional thickness of **162m** @ 0.13g/t gold was shown to be continuously auriferous. This hole demonstrated that Emu had discovered a new, large, mineralised epithermal system.

Drill hole Assays Extend Gold and Silver Mineralised Area

Drill hole locations from the 2017-2018 drilling season at Vidalita are shown in **Figure 1** and summarised in **Table 1**. The aircore (AC) and reverse circulation (RC) holes were sampled at one metre intervals and composited to four metre samples for assaying. Core from the diamond drillholes (DDH) was sampled and assayed at one metre intervals. All assays have now been received.

Emu has initiated a program of analysing a selection of the 1m samples to check the compositing and to better understand the distribution of mineralisation. A summary of notable gold assays is presented in **Table 2**. A feature of these results is the thick auriferous sections that were intersected. This is characteristic of large High Sulphide Epithermal (HSE) systems.

Emu's management is confident that Emu is in the right area to discover an economic precious metal deposit of significant scale.

Table 3 is a summary of notable silver intercepts from this drilling. Table 3 includes gold equivalents of the silver grades based on the currently prevailing gold and silver prices and is included only to allow the reader to assess the possible economic importance of those intercepts. Such equivalents do not take into account metal recovery and cost of processing.

Assays and geology confirm discovery at Vidalita

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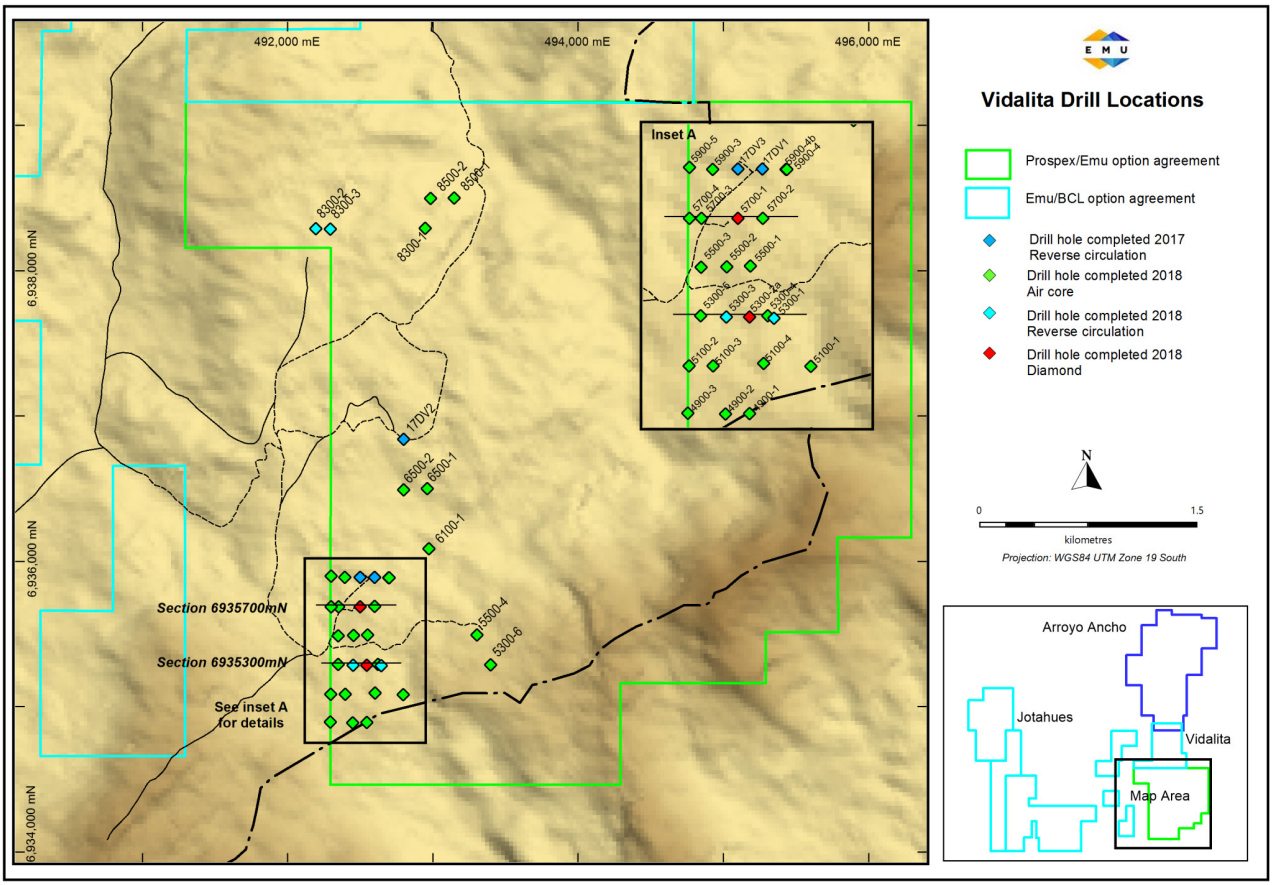
Figure 1: Drill hole locations, Vidalita Prospect, Maricunga Belt, Chile. Location of cross sections included in this announcement are indicated. Co-ordinate system is WGS84/UTM19S.



The interesected silver mineralisation is often uncorrelated to the gold intercepts in this drilling, though there is considerable overlap. High silver grades are frequently associated with the higher sulphide intercepts. For example, Hole 5700-1 returned (announced 13 June 2018, not true widths):

1m @ **0.68**g/t gold from 183m within **26m @ 0.32 g/t** gold from 181m
1m @ **0.416%** copper from 187m within 6m @ **0.295%** copper from 183m
1m @ **0.83 g/t** gold, from 217m within **10m @ 0.33 g/t** gold and
1m @ 1,049g/t (**33.6 troy ounces/t**) silver, **5.4%** copper, **2.2%** lead and **3.7%** zinc from 218m

Further north, in hole 6500-2, a silver rich zone with negligible gold grades was intersected:

16m @ **88g/t** silver, **0.22%** lead and **0.94%** zinc from 44m

This extends an intercept in hole 17DV2 from the 2017 drilling that got 6m @ **0.16%** lead and **0.11%** zinc, including up to **15g/t** silver, from 145m.

Significantly, Hole 6500-2 is at a considerable distance (over 600m) from the centre of the gold mineralisation drilled to date, indicating a possible second locus for the mineralised HSE. While it is early in the understanding of the geology and metallogenesis, the different styles of mineralisation suggest at least two phases of mineralisation: gold dominated and silver – base metal dominated mineralisation.

The juxtaposition of the two at Vidalita substantially increases the chances of Emu defining an economic deposit.

Table 1 Summary of drill hole details, Vidalita Project, Chile. Co-ordinate system is WGS84/UTM19S

Hole No	Method	Collar E	Collar N	Collar R.L.	Azimuth	Dip	Start Depth	Final Depth
4900-1	AC	492548	6934901	4939	90	-60	0	168.0
4900-2	AC	492450	6934899	4928	90	-60	0	108.0
4900-3	AC	492295	6934903	4918	90	-60	0	105.0
5100-1	AC	492799	6935093	4909	270	-60	0	183.0
5100-2	AC	492300	6935095	4920	90	-60	0	186.0
5100-3	AC	492399	6935096	4917	90	-60	0	255.0
5100-4	AC	492605	6935105	4918	270	-60	0	92.0
5300-1	RC	492648	6935291	4796	270	-60	0	53.0
5300-2a	RC	492548	6935295	4904	270	-60	0	50.0
5300-2a	DDH	492548	6935295	4904	270	-60	50	393.9
5300-2b	RC	492548	6935295	4904	270	-60	50	101.6
5300-3	RC	492453	6935295	4904	270	-60	0	146.0
5300-4	AC	492623	6935300	4746	270	-60	0	121.0
5300-5	AC	492349	6935301	4913	90	-60	0	124.0
5300-6	AC	493401	6935299	4956	Vertical	-90	0	127.0
5500-1	AC	492552	6935503	4893	270	-60	0	180.0
5500-2	AC	492455	6935500	4900	270	-60	0	183.0
5500-3	AC	492350	6935498	4892	90	-60	0	150.0
5500-4	AC	493306	6935504	4919	90	-60	0	141.0
5700-1	RC	492500	6935698	4876	270	-60	0	101.6
5700-1	DDH	492500	6935698	4876	270	-60	101.6	265.5
5700-2	AC	492602	6935699	4878	90	-60	0	156.0
5700-3	AC	492352	6935698	4887	90	-60	0	174.0
5700-4	AC	492302	6935698	4895	90	-80	0	189.0
5900-3	AC	492397	6935899	4905	270	-60	0	148.0
5900-4	AC	492698	6935898	4901	270	-60	0	71.0
5900-4b	AC	492700	6935898	4901	270	-60	0	199.0
5900-5	AC	492303	6935907	4846	90	-60	0	91.0
6100-1	AC	492974	6936098	4869	90	-60	0	132.0
6500-1	AC	492963	6936511	4873	Vertical	-90	0	140.0
6500-2	AC	492800	6936502	4793	90	-60	0	150.0
8300-1	AC	492949	6938301	4826	90	-60	0	158.0
8300-2	RC	492197	6938298	4865	270	-60	0	231.0
8300-3	RC	492296	6938295	4868	270	-60	0	180.0
8500-1	AC	493149	6938509	4840	270	-60	0	168.0
8500-2	AC	492986	6938506	4775	90	-60	0	176.0

Table 2 Summary of significant gold intercepts, Vidalita prospect. Assay intervals of more than 0.1g/t gold were averaged. Single assays within the interval falling below 0.1g/t were included in the average. Assay interval for AC was 4m, for DDH it was 1m. High grade zones used a bottom cutoff of 0.5g/t gold. Averages rounded to two decimal places.

Hole No	Drilling method		From m	To m	Interval m	Gold g/t
5100-3	AC		164	168	4	0.51
5100-4	AC		28	36	8	0.70
		in	12	52	**40**	0.39
		and	92	96	4	**1.06**
		in	88	96	8	0.59
5300-2	DDH		50	58	8	0.86
		in	32	70	**38**	0.44
		and	166	173	7	**1.12**
		in	157	178	21	0.54
		and	214	221	7	0.4
5300-2b	AC		50	58	8	**1.02**
		in	50	102	**52**	0.46
5300-3	AC		128	132	4	0.92
		in	120	144	**24**	0.33
5300-4	AC		68	76	8	**1.10**
		in	44	92	**48**	0.64
5300-5	AC		120	124	4	0.51
		in	108	124	16	0.30
5500-1	AC		108	112	4	0.52
		in	108	116	8	0.32
5500-3	AC		40	44	4	0.51
		in	32	52	20	0.29
5700-1b	DDH		192	204	12	0.38
		and	216	218	2	**0.68**
		in	174	244	**70**	0.23
5100-3	AC		164	168	4	0.51

Table 3 Summary of significant silver intercepts, Vidalita prospect. Assay intervals of more than 5g/t silver were averaged. Single assays within an interval falling below 5g/t were included in the average. High grade zones used a bottom cutoff of 25g/t. Assay interval for AC was 4m, for DDH it was 1m. Averages rounded to zero decimal places. * Gold equivalence based on a gold price of US$1,239.65/oz and a silver price of US$15.70/oz.

Hole No	Drilling method		From m	To m	Interval m	Silver g/t	Gold equivalent g/t*
4900-1	AC		40	48	8	33	0.42
		in	36	64	**28**	23	0.29
5100-4	AC		32	52	20	8	0.10
5300-2	AC		166	167	1	58	0.73
		in	163	171	8	15	0.19
5300-4	AC		44	84	**40**	8	0.10
5500-1	AC		108	116	8	17	0.22
		in	108	112	4	28	0.35
5700-1	DDH		215	221	6	**211**	**2.67**
		in	216	217	1	**1,049**	**13.29**
		and	251	257	6	93	1.18
		in	253	255	2	**177**	**2.24**
5900-5	AC		16	24	8	24	0.30
		in	20	24	4	35	0.44
6500-2	AC		44	60	16	88	1.11
			52	56	4	**148**	**1.87**

Interpretation

The area drilled consists predominantly of dacite, a felsic extrusive (volcanic) and intrusive rock type, forming flows and domes regionally. Evidence of subvolcanic and volcanic flows indicate a volcanic complex; a hallmark of HSE deposits.

A brecciation overprint, possibly of hydromagmatic origin, is seen at depth and is the host for later selective mineralisation by hydrothermal fluids.

Emu notes classic zonation indicative of HSE mineralisation. Locally, rocks have undergone argillic alteration that is zoned both laterally and vertically. Shallow steam heated silica zones are mapped and there is ubiquitous silicic overprinting.

Preliminary interpretation of the intersected geology has been undertaken to guide targeting for the next drilling campaign. Figures 2 and 3 show interpretive cross sections 5300N and 5700N, respectively. Features of these sections are:

- Multiple zones of gold intercepts,
- The typically thick nature of those intercepts, and
- Gold intercepts are open up dip and down dip and to the east and west along the section.

This drilling has shown gold and silver mineralisation is traceable over a north-south extent of 1,400m and an east-west extent of approximately 300m and remains open in all directions.

These HSE systems are generally low grade but very large and have often associated with them zones of bonanza gold and silver grades. Finding the bonanza zones at Vidalita may be a key to outlining an economic deposit.

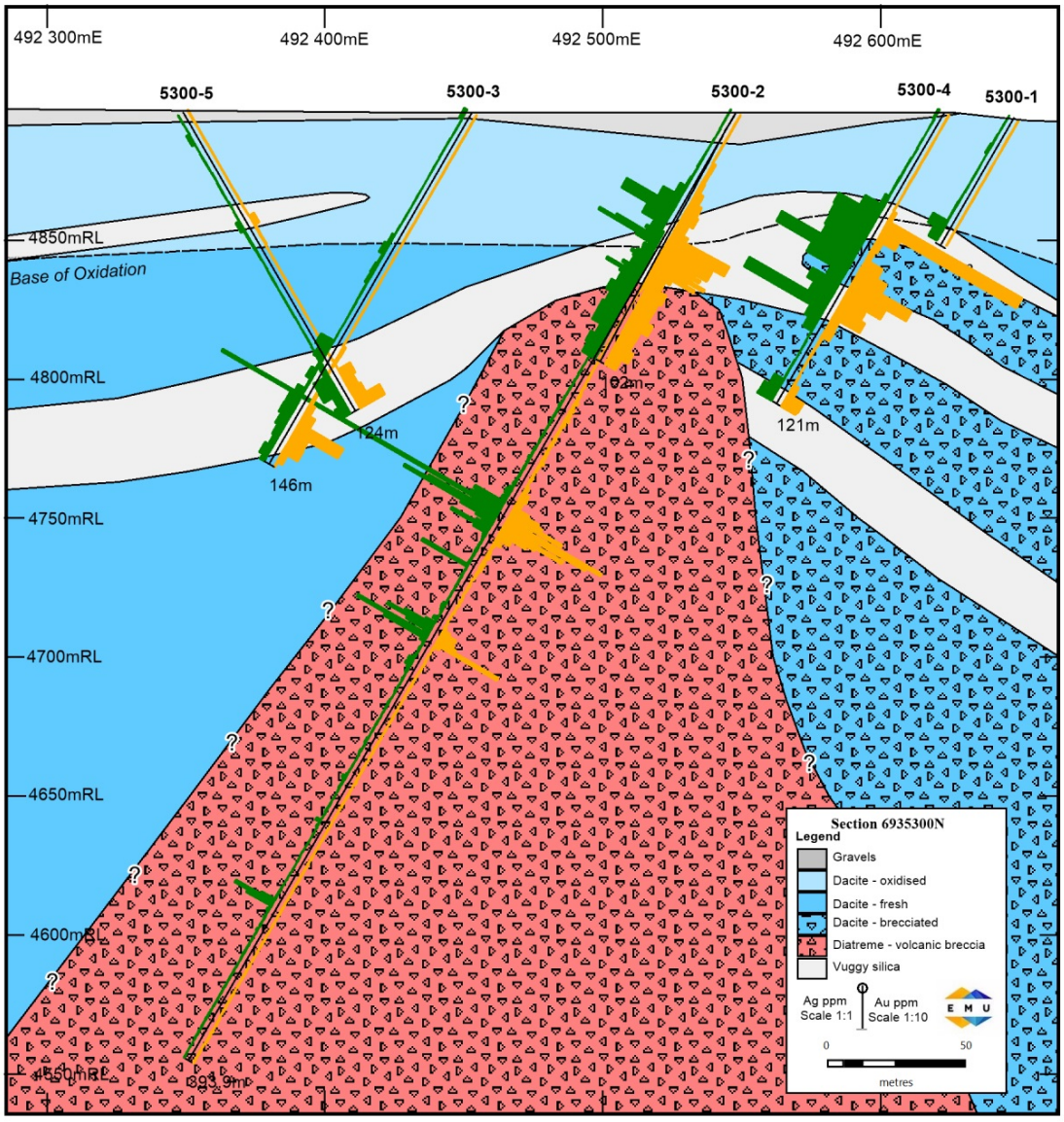


Figure 2 Section 5300N. Gold grade histogram in gold, silver in green. This is a preliminary, simplified geological interpretation based on sparse data and subject to change as more data comes to hand. Co-ordinate system is WGS84/UTM19S.

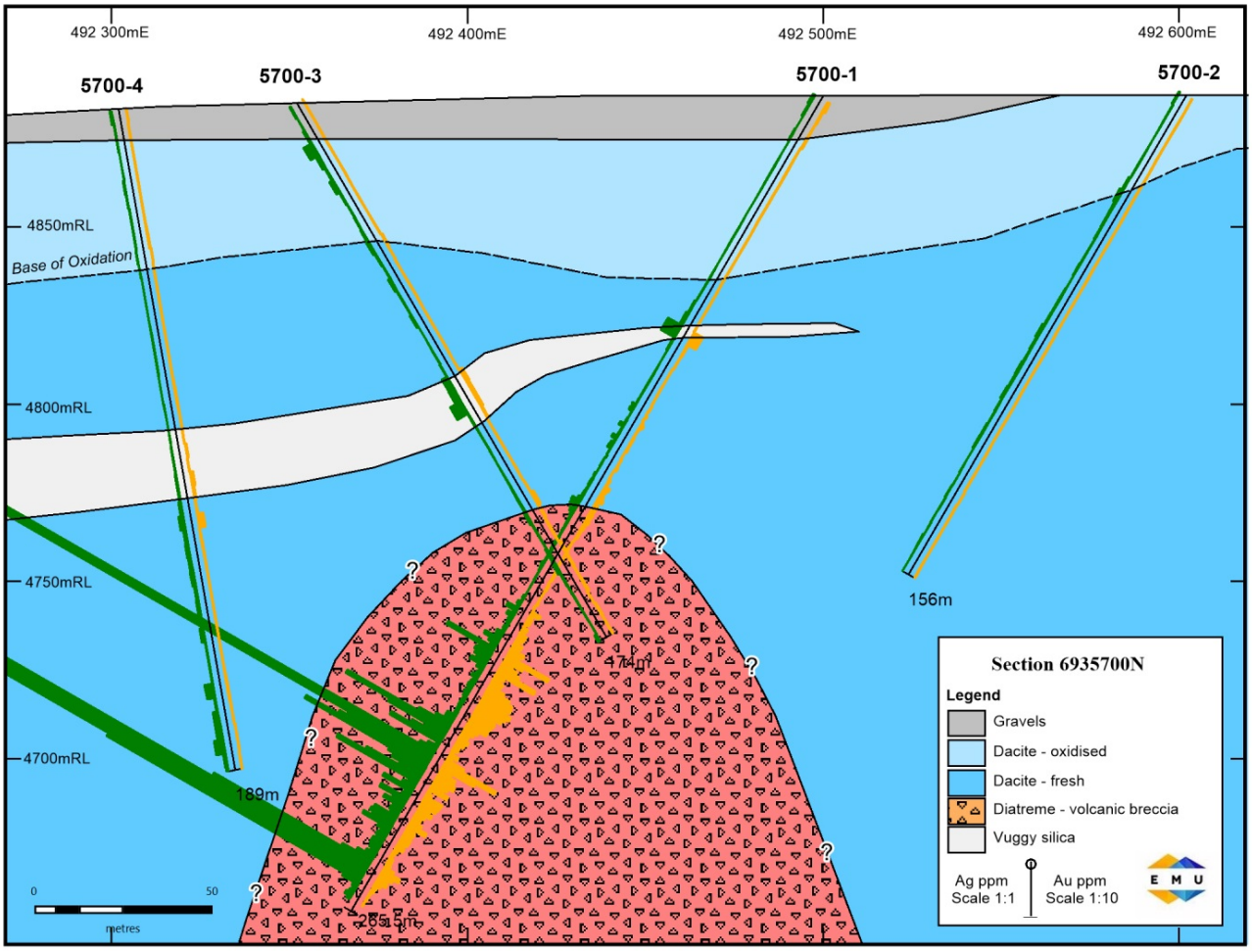


Figure 3 Section 5700N. Gold grade histogram in gold, silver in green. This is a preliminary, simplified geological interpretation based on sparse data and subject to change as more data comes to hand. Co-ordinate system is WGS84/UTM19S.

Next steps

Selected samples, bracketing the 4m composites reported in Table 1, have been resubmitted for check assays at the one metre sampling interval. A total of 292 samples have been submitted. These will be used as both checks to the original assays and to map out finer detail of the mineralisation, particularly with respect to faulting geologically logged from drill cuttings.

Follow-up drilling of the Vidalita prospect is being planned. That work will be focused on testing areas indicated from the vectors to mineralisation determined from the 2017-18 drilling results.

In addition, **surface mineralisation outlined by Emu at the nearby prospects (Jotahues, Peon, and Arroyo Ancho which are likely part of this epithermal complex) will also be targeted with drilling**.

Comment on results

There are many analogues for this style of mineralisation in the Maricunga Belt, an area with a total gold endowment of over 90Moz gold equivalent (**Figure 4**).

The Maricunga (Refugio) Mine, 30km north west of Vidalita, has a published resource (Inferred, Measured and Indicated) of 146.2Mt at 0.57g/t gold for a total of 2.65Moz (Technical Report for the Maricunga Gold Mine, Kinross Gold Corporation, Dec, 2007.) It is hosted by a highly silicified zone and is interpreted as being an intermediate sulphidation epithermal occurring at the "porphyry level".

The Salares Norte has a resource of 26.8Mt at 3.9g/t gold and 49g/t silver for a total of 3.3Moz of gold and 42Moz silver. This deposit is interpreted as a HSE. Significantly, it has lithological and alteration features that Emu observes in drilling at Vidalita and is a model for exploration.

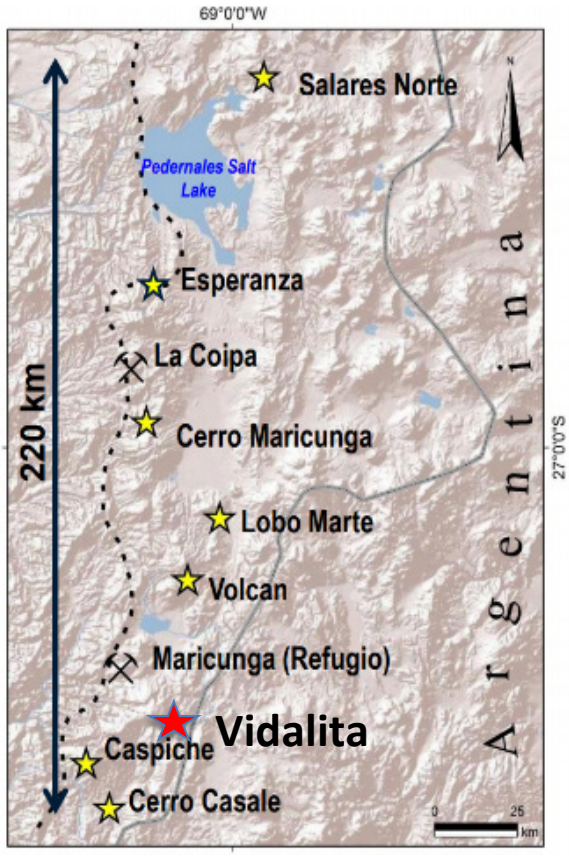


Figure 4 Major gold deposits of the Maricunga Belt, Chile.

These systems are very large and of variable grade but with local bonanza grade zones. Veining, typically comprising of sulphidic base metals, may occur throughout the epithermal system. **Emu is targeting an HSE, high grade gold system**.

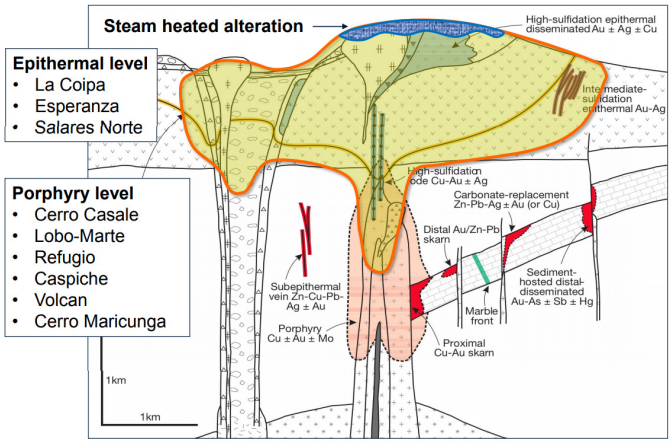


Figure 5 Idealised porphyry-epithermal model for the Maricunga Belt (presented in "The Discovery And Geology Of The Salares Norte Epithermal Gold-Silver Deposit, Northern Chile", Gold Fields presentation at AME Roundup 2017, Vancouver)

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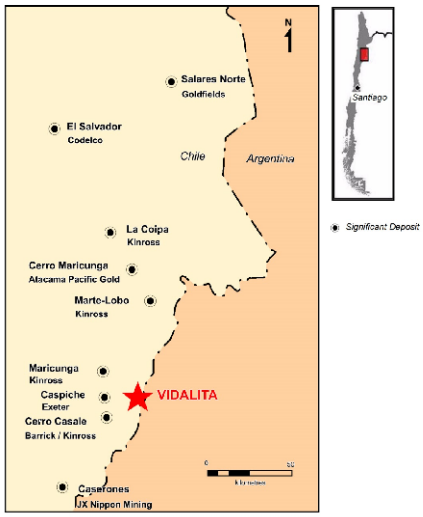
About the Vidalita and Jotahues Gold Projects, Maricunga Belt, Chile



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

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 135.7 km^2 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.

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. Since entering into the Option, additional concessions have been included in the second package in accordance with the area of influence.

An Option payment of US$100,000 is due in November 2018 if Emu elects to continue with the project. The Option may be exercised in November 2019 on payment of US$2M following expenditure of US$1M, 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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West Perth, WA 6872

Fully paid shares (listed)
77,962,230 (inc. 4m which Emu can buy back for nil consideration)

Contributing Shares (listed)
33,668,824 paid to $0.03, $0.03 to pay, no call before 31/12/2018

Options (unlisted)
4,750,000 unlisted options, exercisable at $0.10, expiring 20/12/18
200,000 unlisted options exercisable at $0.10 expiring 30 June 2018
300,000 options, exercisable at $0.25, expiring 20/12/18

Directors:
Peter Thomas
Non-executive Chairman
Greg Steemson
Non-Executive Director
Gavin Rutherford
Non-Executive Director

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.

JORC Code, 2012 Edition – Table 1 report, EMU NL

Vidalita 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 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.* *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 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 nodules) may warrant disclosure of detailed information.*	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. Reverse circulation (RC) are 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. Diamond drill (DD) samples – the core is marked up on notionally 1m intervals (geology dependent) and cut in half lengthwise. 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. 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*	AC drilling using 75mm diameter bit.

	diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	RC drilling using a 5 3/8" tricone. DD drilling using HQ (63mm) and NQ (47mm) bit sizes. An 101.6m precollar drilled by RC.
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.*	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.

	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.*	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 bias) and precision have been established.*	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. 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 andchecks are also reported.
Verification of sampling and	*The verification of significant intersections by either independent or alternative*	No independent verification has been undertaken at this time.

assaying	*company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	No twinned holes. 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	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Drill hole collars are located using hand held GPS accurate to < 5m. WGS 84 UTM zone 19 south grid system Topographic control is deemed adequate at this stage of the exploration program.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *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 classifications applied.* *Whether sample compositing has been applied.*	The drillholes are irregularly spaced (but generally >100m) as they are testing geological, geophysical or geochemical targets. Rock samples are irregularly spaced. No mineral resources are being 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.* *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.*	Drill hole azimuth was planned on indications of outcrop and/or subcrop geology and lithological strike as indicated by a ground magnetic survey. The controls on mineralisation are unknown at this time.

Sample security	*The measures taken to ensure sample security.*	Management supervised sample collection and delivery 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	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Emu has an option agreement dated 14 November 2016 with two Chilean companies, Prospex SpA and BLC SpA, to acquire 8 concessions at Vidalita and 3 concessions at Jotahues. This option maybe exercised any time up until November 2019 by granting Prospex and BLC a 1% NSR on production and allotting them up to 15 million Emu ordinary shares subject to certain vesting conditions (see ASX release 15th 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.*	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 mineralisation 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 Information	*A summary of all information material to the understanding of the exploration 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.*	See Table in body of announcement.
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*	Simple averages were calculated from mineralised zones.

	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.*	Gold zones above 0.2ppm were aggregated within the mineralised zones.
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 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').*	Project is at an early stage of exploration and any conclusions at this stage would be speculation.
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.*	Interpretive sections not yet done..
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.*	OK.
Other substantive	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations;*	Surface rock and talus sampling was undertaken at opportune locations where outcrop allowed

exploration data	*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.*	and appropriate. 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.*	Extension of the surface sampling and follow-up drilling is being considered but not yet planned.