



## SUMMARY

- Emu announced the discovery of a significant, new, highly mineralised epithermal system at Vidalita
- Drilling at Vidalita Project completed and the field camp closed and decommissioned
- 5,451metres of drilling completed, 2,503.5 metres during the Quarter
- Approximately 50% of assays from the drilling were received during the Quarter, the remainder subsequent to the Quarter
- Vidalita interpretation identified a classic, High Sulphidation Epithermal system
- Thick intercepts of gold and silver show the Vidalita system is well mineralised:

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

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

- Base metal intercepts up to 1m @ **5.4%** copper, **2.2%** lead and **3.7%** zinc intercepted
- 600 x 1,200m zone of highly anomalous gold, silver, copper, mercury, and lead geochemistry consistent with an epithermal system mapped at Peon 4 (Jotahues)
- Emu raised circa \$600,000 via a placement of shares to sophisticated investors



## Gold exploration prospects, Chile

Drilling of the Vidalita Project continued through, and was completed during, the Quarter. Final assay data from surface soil geochemical sampling over geological areas of interest on its Chile gold properties were received.

### Vidalita drilling

Drilling of high priority areas at the Vidalita Project concluded on the 24 April due to the onset of seasonal inclement weather. In total, 27 Air Core (AC) holes for 4,080 metres, 7 Reverse Circulation (RC) holes or precollars for 863.2 metres, and two Diamond Drill Holes (DDH) for 507.8 metres were completed (ASX announcement on 18 July, 2018). The locations of these holes are shown in **Figure 1**.

All drill samples were prepared in Chile before being shipped to Australia for assaying. In excess of 4,000 samples have been sent for assaying, approximately half of which had been reported by the end of the Quarter (ASX release 13 June, 2018.)

Preliminary results confirmed that a highly mineralised, large epithermal system has been discovered. DDH 5700-1 intersected very thick zones of gold, exceptional silver grades, and base metal mineralisation:

Interval m	Grade	Element	From m	Within broader interval m	Grade	Element	From m
2	0.68 g/t	Gold	216	<b>70</b>	0.23 g/t	Gold	174
1	<b>1,049 g/t</b>	Silver	216	6	<b>210.6 g/t</b>	Silver	215
2	<b>176.5 g/t</b>	Silver	253	6	<b>93.0 g/t</b>	Silver	251
1	<b>5.37%</b>	Copper	216	6	<b>0.62%</b>	Copper	214
1	<b>0.416%</b>	Copper	185	6	<b>0.295%</b>	Copper	181
1	<b>3.65%</b>	Zinc	216	17	<b>0.686%</b>	Zinc	208

Hole 5700-1 averaged **0.13gt gold for 158m** from 103m, an extraordinarily continuous gold mineralised intercept.

### Activities subsequent to the Quarter

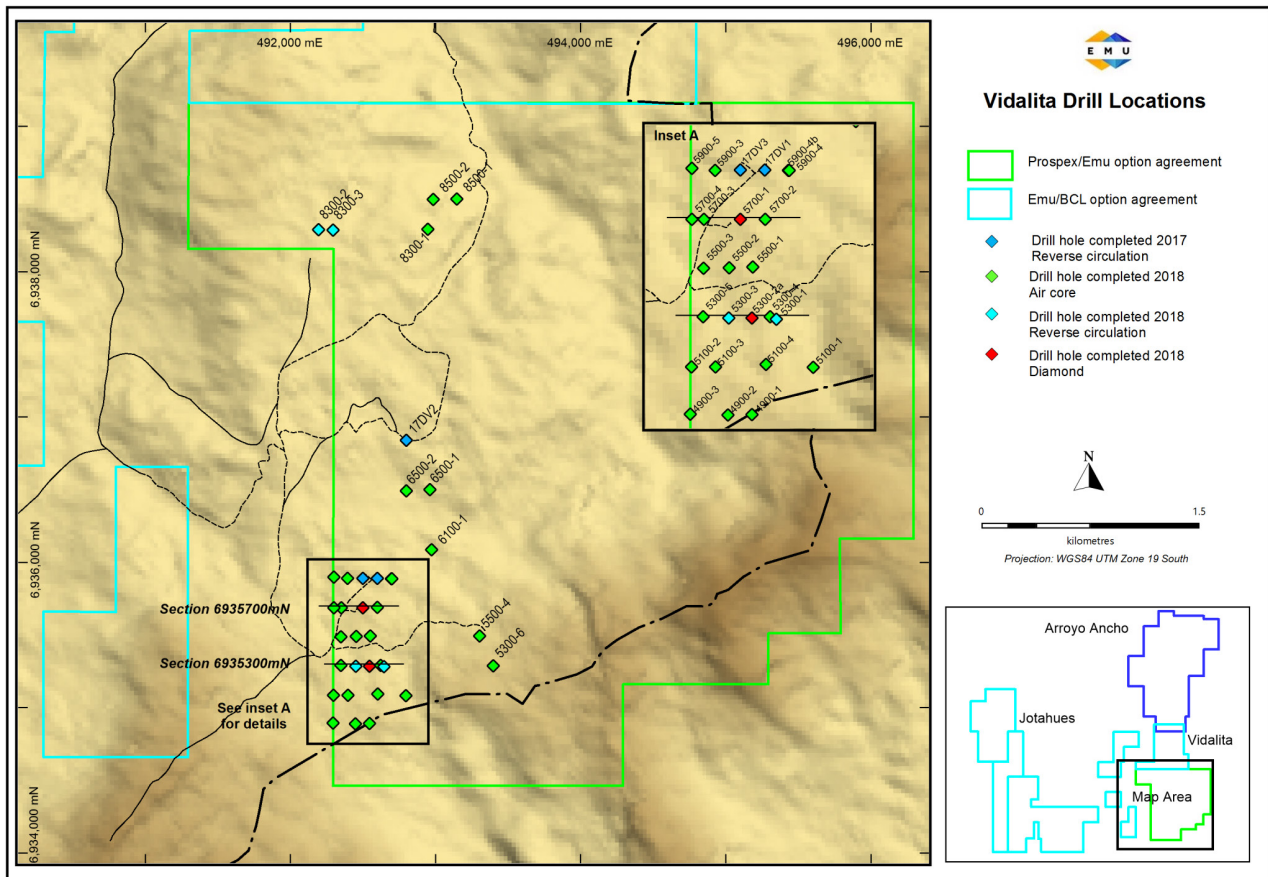
Subsequent to the close of the Quarter, all assays of samples from the recently completed drilling campaign at Vidalita were received (ASX announcement on 6 July, 2018.)

This data, along with the geology obtained from drill hole logging, confirmed that a very large, mineralised epithermal system has been discovered by Emu (ASX announcement on 18 July, 2018.) The geological interpretations for two lines of drill holes are shown in **Figures 2 and 3** and give an indication of the scope of the volume of potential mineralisation.

Of particular note are the very thick intercepts of continuous gold and/or silver mineralisation.

These interpretations will be worked up to drive the next drilling campaign.

**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



### Peon 4 soil geochemistry

As announced on 16 May, 2018, soil geochemistry assays were received. The data defines a 600 m x 1,200m zone of elevated gold, silver, copper, mercury, and lead geochemistry consistent with an epithermal system. The zone will be targeted with follow-up deep drilling.

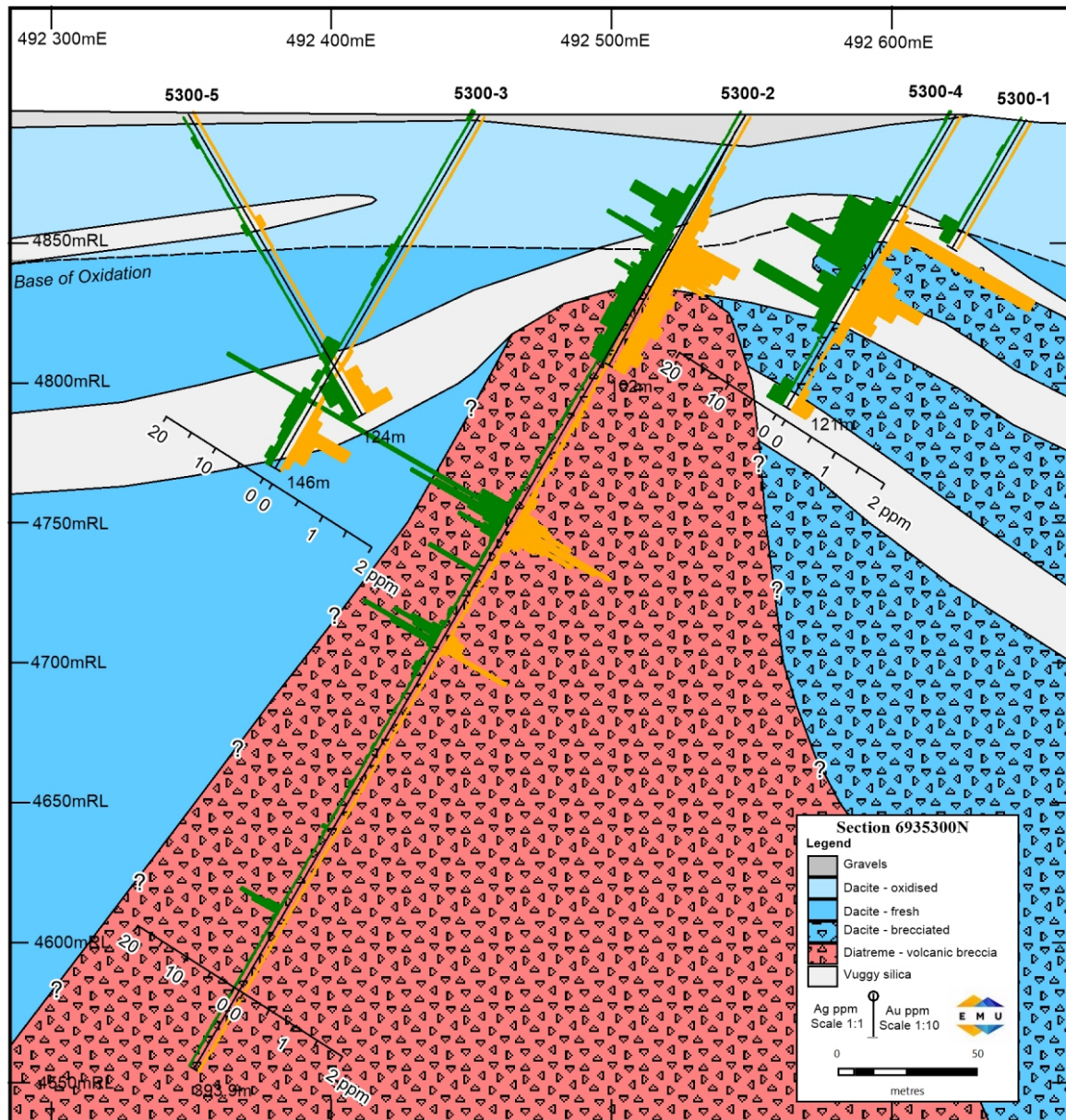
### Project generation

Emu continues to assess projects which may fulfil its criteria of near-term production with worthwhile potential and financial upside.

# Emu NL

## Activity Report

### for the Quarter ending 30 June 2018



**Figure 2** Section 5300N. Gold grade histogram in gold (ppm = g/t, scaled 1:10) and silver in green (ppm = g/t, scaled 1:1). Note grade scales at bottom of some holes (same scale is applicable to all holes). 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.

## Corporate

Emu has raised ~\$600,000 from sophisticated investors at a price of \$0.048 per share (ASX announcement 25 June, 2018). 4,894,330 shares have since been issued, with an additional 8,143,168 to be issued subject to shareholder approval or earlier if otherwise permitted under ASX listing rules.

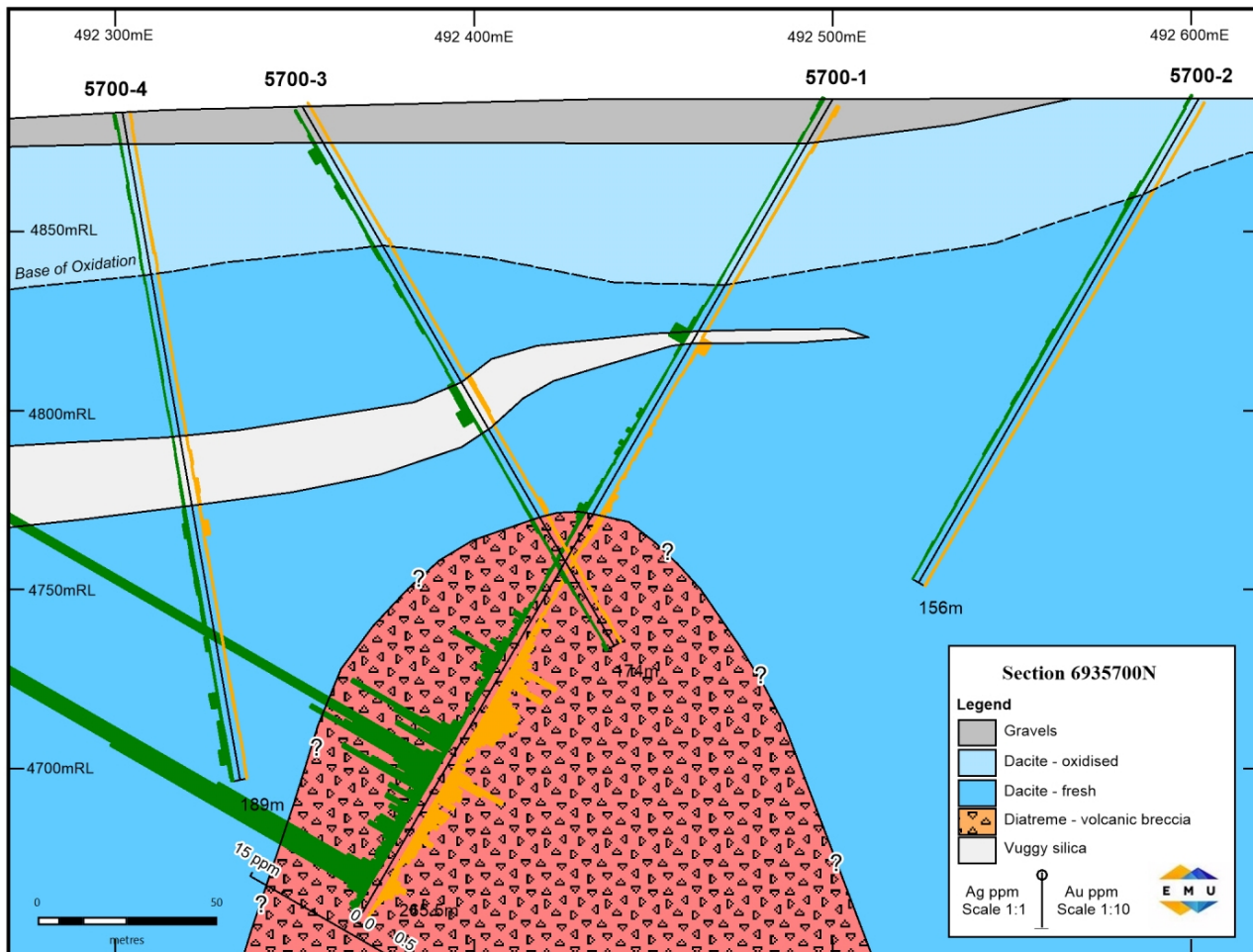
4.051M partly paid ordinary (contributing) shares, \$0.03 outstanding per share, were converted to fully paid ordinary shares during the Quarter, mostly by the Directors of the Company.



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### for the Quarter ending 30 June 2018



**Figure 3** Section 5700N. Gold grade histogram in gold (ppm = g/t, scaled 1:10) and silver in green (ppm = g/t, scaled 1:1). Note grade scales at bottom of some holes (same scale is applicable to all holes). 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.

### 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:

- No Consideration Shares were issued during the reporting period;
- 12,500,000 of the Consideration Shares remain, conditionally, to be issued; and
- 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

<b>Concession</b>	<b>Type of concession</b>	<b>Percentage held / earning*</b>
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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# Emu NL

## Activity Report

### for the Quarter ending 30 June 2018



#### 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 13,570 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.

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.

**Emu NL**  
**Activity Report**  
**for the Quarter ending 30 June 2018**



**Emu NL**

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**Fully paid shares (listed)**

82,856,560 (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, exercise price \$0.10, expiring 20/12/18

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

**Directors:**

**Peter Thomas**  
Non-executive Chairman

**Greg Steemson**  
Non-Executive

**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.