



Vidalita silver assays

HIGHLIGHTS:

- Silver grades from recent drilling highlight silver-dominated zones in the Vidalita epithermal system
- Substantial widths of silver mineralisation encourages Emu to explore for commercial silver resources, though gold remains a priority
- Significant silver intercepts include (down hole widths, true width unknown):

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

- Large zones of low grade base metal mineralisation, particularly in zinc, outlined
- Targeting underway for follow-up drilling campaign

SUMMARY

A substantial mineralised epithermal system, with similar attributes to those being mined elsewhere in the Maricunga Belt, has been discovered at Vidalita.

Zones have been identified within this epithermal system that are silver and/or base metal dominated and are being assessed as targets in their own right.

Silver grades and relevance to gold deposits in the Maricunga Belt

A feature of the Maricunga Belt gold deposits is that they tend to be high tonnage, low grade gold often interspersed with supergene or bonanza grade pockets. Their economics generally rests on the very large gold resources they represent, with the typical deposit holding in excess of 5 million ounces of gold. Another feature of these deposits is the importance of silver credits in the operating mines where, in many cases, the silver dominates in volume terms (**Table 1**).

Silver grades Vidalita

Assays reported previously (ASX announcement on 18 July, 2018) are reproduced here as **Tables 2** (gold) and **3** (silver). Refer to announcement on 18 July, 2018 for data aggregation method and the JORC table describing this data. These data suggest Vidalita has gold and silver in similar proportions to that seen generally in deposits of the Maricunga Belt.

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Table 1 Gold and silver grades and Resources of Maricunga belt deposits close to Vidalita.

Deposit	Owner	Resource (Mt)	Gold (g/t)	Gold (Moz)	Silver (g/t)	Silver (Moz)
Salares Norte ¹	Gold Fields	23.3	4.89	3.66	66.0	49.5
Cerro Casales ³	Barrick/Goldcorp	747.1	0.55	13.3	1.52	37.6
Cerro Maricunga ²	Atacama Pacific	491.7	0.37	5.85	0.25	4
Caspiche ³	Goldcorp	701.8	0.51	11.62	1.4	31
Maricunga (Refugio) ⁴	Kinross	298	0.7	5.4	-	-
La Coipa ⁵	Kinross	19.4	1.4	1	37.6	23.5
Nueva Esperanza ⁶	Kingsgate	39	0.39	0.5	66	112.7
Veladero ³	Barrick	184	.69	4.1	13.2	89.5
Alturas ³	Barrick	211	1.00	6.79	-	-

Interpretation of the Vidalita Gold-Silver mineralisation

Vidalita exhibits all the hallmarks of a large epithermal system: a diatreme intruding a sequence of dacitic volcanics and domes, causing large scale brecciation, veining, pervasive alteration, and capped by vuggy silica. **Figure 2** shows these features in the interpretation of Emu's drilled section 5300N. While insufficient drilling has been completed at Vidalita to confidently place the prospect within the classic epithermal model, the system displays features that suggest it is a classic high sulphidation epithermal Gold-Silver (Au-Ag) system. A high silver to gold ratio, intense argillic alteration, and a magnetic low associated with the mineralised zone are all characteristics of HSE systems. These are noted features of the Vidalita prospect.

Anomalous silver geochemistry, as mapped out by soil sampling surveys, have larger footprints than the gold geochemistry from the same surveys, though the two are broadly coincident (**Figure 3**). Of particular interest are the silver anomalies in soils around holes 6500-1 and 6500-2. Hole 6500-2 intersected **4m at 148g/t Ag** from 52m in a broader intercept of **16m at 88g/t Ag** from 44m, but negligible gold.

Emu intends to follow up both gold and silver-gold targets at Vidalita, and surrounding prospects, to ensure so not only maximising exploration success, but aid in mapping out this highly mineralised system.

¹ <https://www.goldfields.com/reports/annual-report-2017/minerals/salares-norte-mineral-resources.php>, indicated and Inferred

² <http://atacamapacific.com/projects/cerro/reserves.aspx>, Measured, Indicated and Inferred

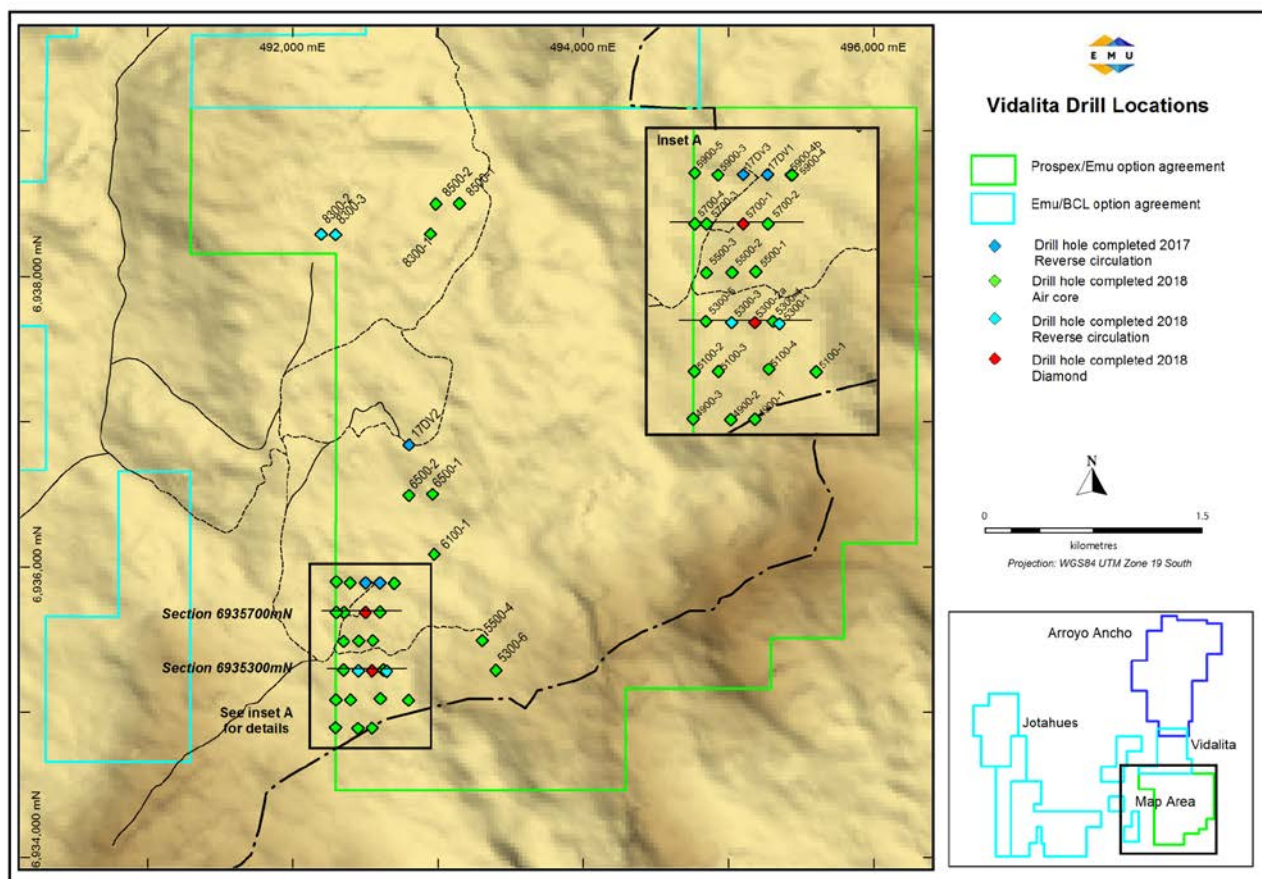
³ <https://barrick.q4cdn.com/788666289/files/quarterly-report/2018/Barrick-2017-Reserves-Resources.pdf>, Proven and Probable

⁴ <https://miningdataonline.com/property/135/Maricunga-Mine.aspx>, Measured and Indicated

⁵ <http://fb.kinross.com/operations/operation-la-coipa-chile.aspx>, Measured and Indicated

⁶ http://www.kingsgate.com.au/reserves_resources/, Resources inclusive of Reserves

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.



Base metals at Vidalita

Another area of interest in following up the recent drilling results is the anomalous base metals intercepted. Examples are:

Hole	Interval m	From m	To m	Copper %	Lead %	Zinc %
5100-3	8	184	192			0.36
	16	228	244			0.54
5300-2az	21	211	232			0.22
5700-1b incl	66	171	237			0.27
	37	181	218	0.24		
	4	215	218	2.18	0.99	1.61
	1	216	217	5.37	2.24	3.65
	7	251	257		0.18	1.34
6500-2	32	32	64		0.13	0.57

Zinc is, in particular, widespread with copper being restricted to the area of Hole 5700-1b suggesting distinct mineral zonation. While base metal intercepts tend to be low grade, they are essential pointers

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to epithermal architecture. High copper grades tend to suggest a high sulphidation epithermal system, while lead-zinc mineralisation points to a more intermediate sulphidation system. These preliminary observations support the interpretation that there were multiple mineralising events on the Vidalita Prospect.

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.

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

Next Step

Emu is assessing all drilling and assay data generated by the recently completed drilling campaign. Included in this assessment is:

- Analysis of mineralogy by Scanning Electron Microscopy
- Assistance from world renown epithermal consultants to model where in the epithermal architecture Vidalita sits, and
- Identification of drillable targets off the gold, silver, and base metal results received.

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Emu continues to plan the next drilling campaign including negotiating for drilling, camp services, and logistics.

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. Note corrected intervals from previous announcement.

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

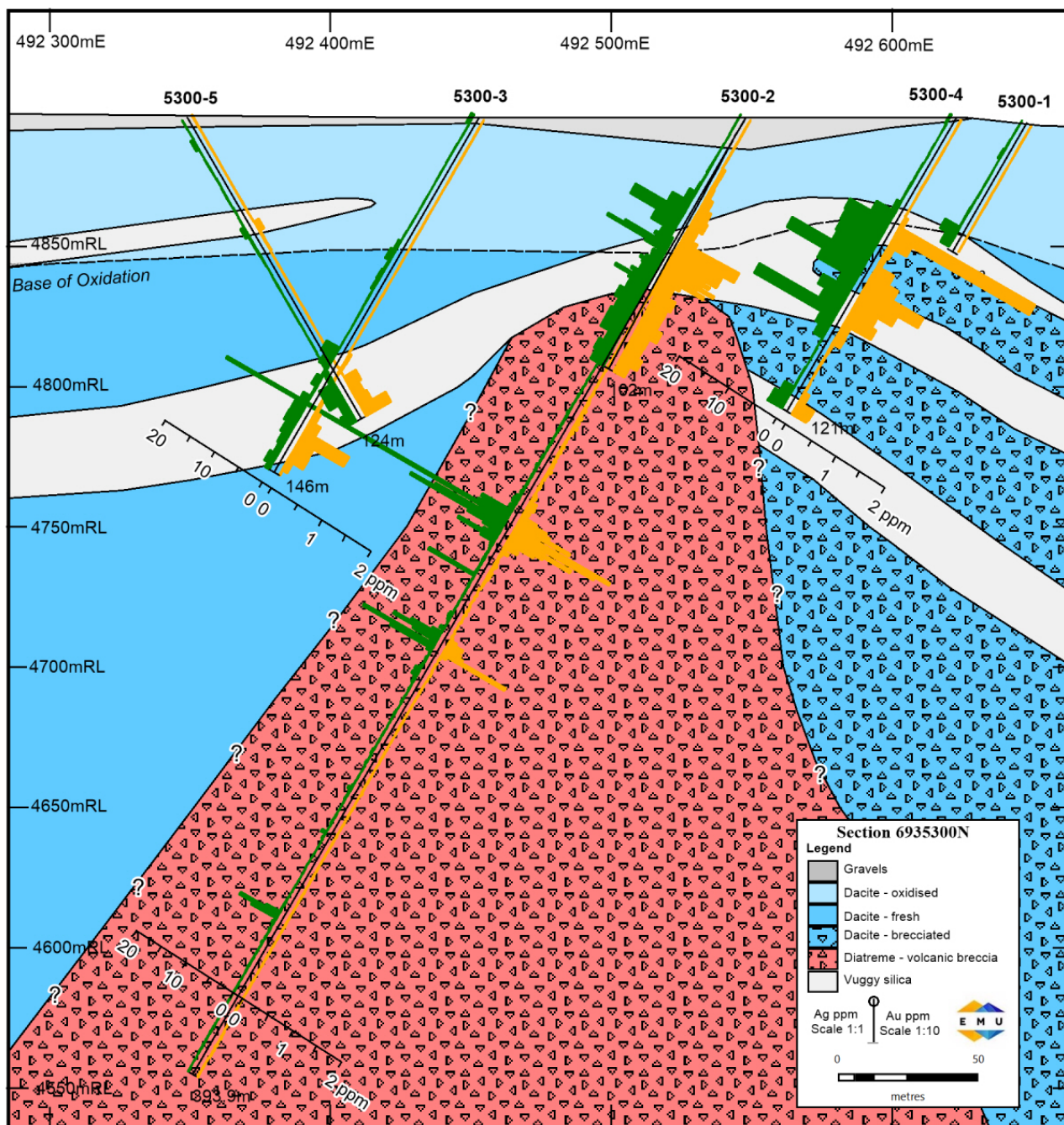


Figure 2 Section 5300N. Gold grade histogram in gold (ppm = g/t, scaled 1:10) and silver in green (ppm = g/t, scaled 1:1). Note grade scales at bottom of some holes (same scale is applicable to all holes). This is a preliminary, simplified geological interpretation. Co-ordinate system is WGS84/UTM19S.

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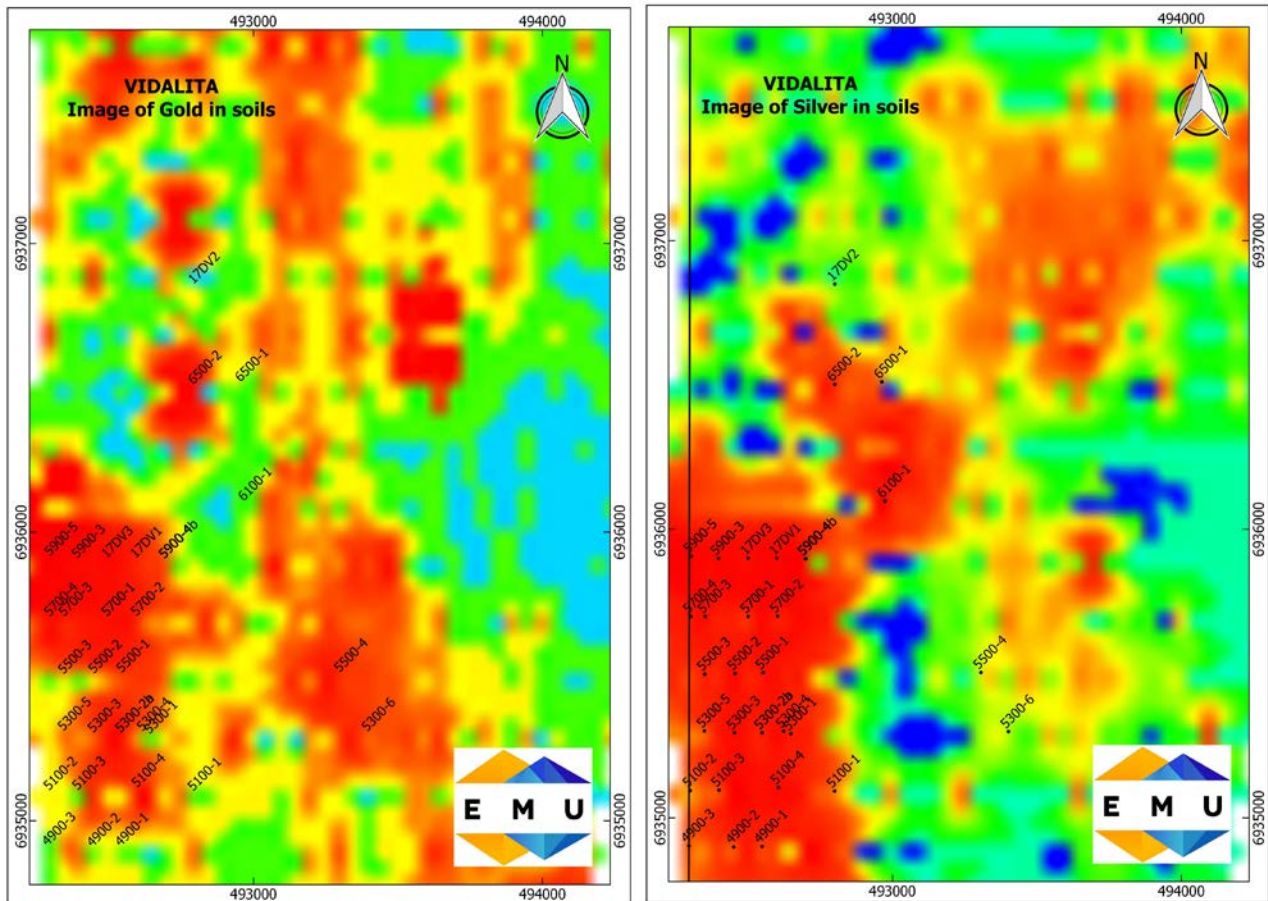


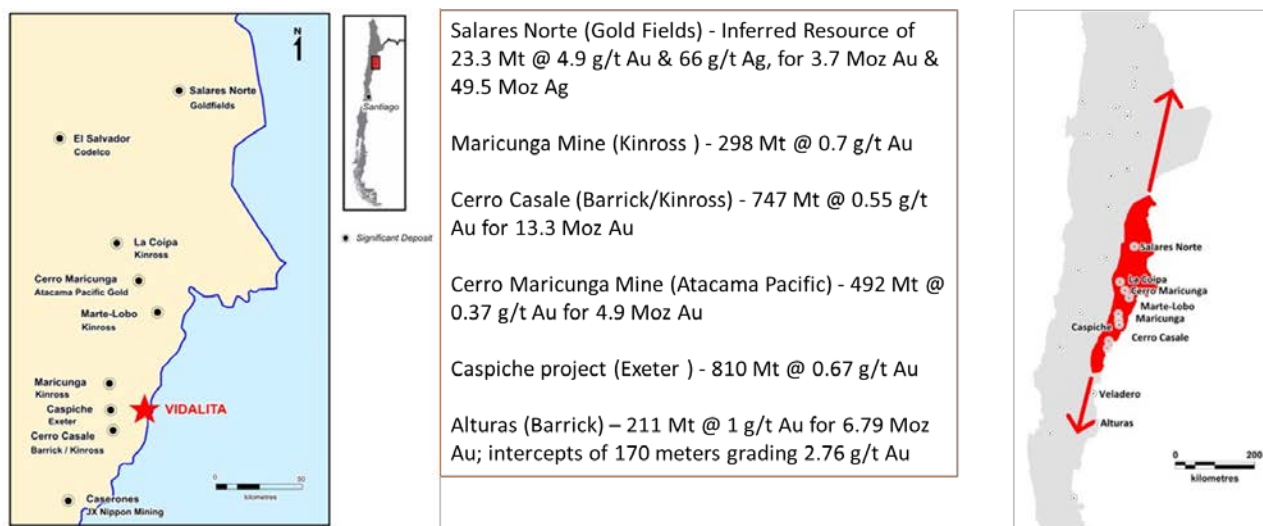
Figure 3 Image of gold in soils (left) with values above 5ppb shown in red to a maximum of 1ppm (=1g/t) gold. Image of silver in soils (right) with values above 100ppb shown in red to a maximum of 4.5ppm silver. Hole collars shown. Co-ordinate system is WGS84/UTM19S.

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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 hosting numerous world class gold and silver projects. Emu's projects cover an area of approximately 135.7 km² 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.

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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.