



Drilling of new targets and testing of shallow mineralisation

HIGHLIGHTS:

- Preparation for the 2018-19 drilling and field programme well advanced
- 10,000m of aircore (AC) and 3,000m of diamond drilling (DDH) proposed
- Plan to drill test three new targets
- Shallow silver and gold mineralisation at Vidalita targeted with in-fill AC drilling to test for a potential resource
- High grade gold, silver, copper, lead, and zinc mineralisation at Vidalita to be further defined and extended, possibly by DDH
- Exciting new soil geochemistry discovery at Peon 4 to be drill tested
- Vidalota D soil geochemistry anomaly to be drill tested
- Jotahues rock chip anomalies to be drilled
- Reconnaissance geology and geochemistry of Emu's 100% owned Arroyo Ancho to test large epithermal alteration zone

2018-19 Field Season

Planning for the 2018-19 field season at Emu's Vidalita Project in the Maricunga Belt, Chile, is now well advanced.

The services of an AC driller have been secured. This drilling method, not well known in Chile, ultimately delivered a good drilling production rate at very low costs compared to other options available in Chile. Importantly, it also delivered excellent samples for both geological and assaying needs.

For deeper drilling requirements, Emu is looking to engage a locally based, family owned, well credentialed diamond driller with base costs below that experienced by Emu during the last season.

Vidalita

The last drilling season at Vidalita highlighted two mineralisation styles (Figure 1).

The first is a shallow vuggy silica mantle style that is silver dominated with gold credits. It is expected that this style will be spatially extensive and represents an Exploration Target of 5 to 15 million tonnes (Mt) at 0.1 to 3g/t gold and 5 to 120g/t silver. This Exploration Target estimate is based on previous drilling, with AC holes completed on 200m spaced sections, spaced 100m apart, and drilled to depths of less than 200m. Four metre sample composites from this drilling were assayed for a suite of elements, including gold and silver (see ASX announcement 18 July 2018 which also contains the JORC Table 1 information). The potential quantity and grade of this Exploration Target is conceptual

in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The second style is a deeper, higher grade gold and silver style associated with base metals (copper, lead, and zinc). This style is more representative of the high gold and silver grade rockchip samples seen at surface. While the shallow mineralisation conceptually supports the presence of the surface geochemistry, drilling has yet to intersect the gold and silver grades returned from surface sampling. This observation leads to the conclusion that such mineralisation (if it has not been eroded) still exists and lies between the sections drilled to date, possibly coming to surface. Emu is of the view that the high grade source of the gold and silver grades returned from surface sampling has not been eroded. Diamond drilling will be used to follow up this style of mineralisation.

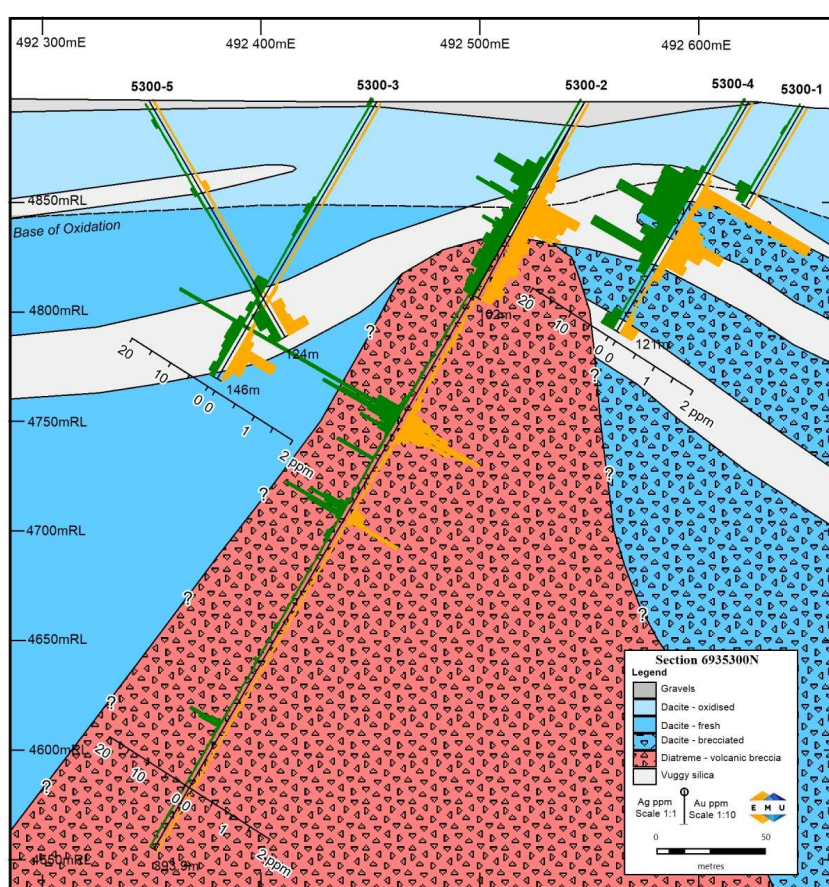


Figure 1 Section 5300N, Vidalita. Gold grade histogram in gold, silver in green. This is a preliminary, simplified geological interpretation based on sparse data and subject to change as more data comes to hand. Note the two styles of mineralisation represented: a vuggy silica hosted silver-gold style, and a volcanic breccia hosted gold-silver-base metals style. Co-ordinate system is WGS84/UTM19S.

Peon 4

Anomalous results from the soil geochemistry survey previously reported (ASX release on 14 May 2018) are associated with a major north-north-east trend along which Anglo American's Cacique discovery occurs. The geochemistry reflects High Sulphidation Epithermal pathfinders and has an identified epithermal-style alteration signature in the satellite data.

Figure 2 Vidalita drill hole collars. Black dots are 2017-18 drill collars labelled with hole ID, red diamonds are the proposed follow-up drill collars for the 2018-19 season. The yellow zone represents the possible extent of the shallow silver-gold mineralisation target. Co-ordinate system is WGS84/UTM19S.

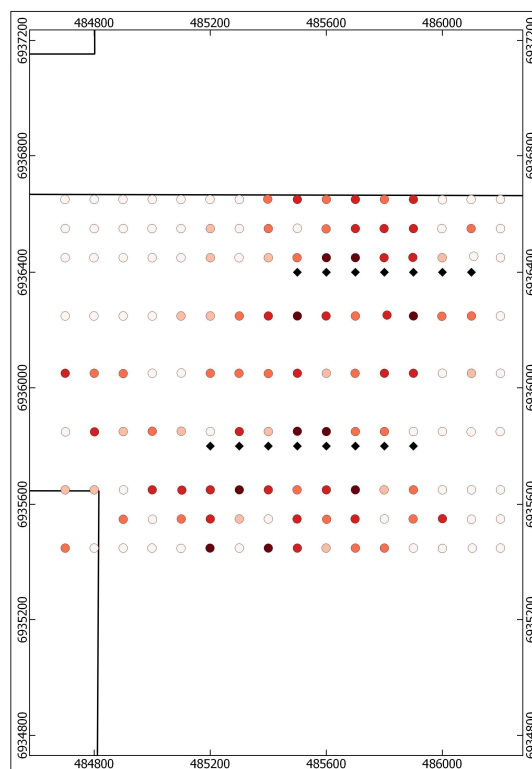


Figure 3 Peon 4. Soil geochemistry showing gold (yellow low, red high). Black diamonds are the proposed drill collars for the 2018-19 season. Co-ordinate system is WGS84/UTM19S.



Jotahues

Rockchip geochemistry has identified a number of anomalous areas that will be tested with wildcat drilling. The holes are designed to provide both deeper geochemical sampling and provide geologic information in this area.

Vidalota D

An anomalous gold geochemistry target identified through soil geochemistry will be preliminarily tested with two lines of inclined, overlapping AC drilling.

Arroyo Ancho

Geological and geochemical sampling reconnaissance work is planned to be undertaken on this 100% owned ground. The area has been highlighted through alteration mapping from remote sensing data.

Schedule

Emu's geological crews are expected to be on site by the beginning of November for geological reconnaissance and preparatory work (full camp establishment, track and drill pad preparation.) It is anticipated that the area may be accessible for drilling by the beginning of December. The drilling season typically extends to the end of April. Sufficient drilling metres will be held in reserve to enable follow-up of significant results with further drilling as required.

Investor enquiries:

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



• Significant Deposit

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 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, the subject of the Option, comprise two packages: the six Prospec SpA concessions are subject to a 2% NSR on any production, and the three BLC SpA Jotahues concessions and two Vidalita (Vidalota A&B) concessions 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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Fully paid shares (listed)

90,999,728 (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 December 2018

2,000,000 unlisted options exercisable at \$0.11 expiring 20 December 2018

300,000 options, exercisable at \$0.25, expiring 20 December 2018

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.