



Share Purchase Plan to fund Vidalita drilling

HIGHLIGHTS:

- **Share Purchase Plan to give eligible shareholders the opportunity to subscribe for new Shares in Emu**
- **Issue price is 4 cents per Share, an 18.8% discount to the five-day VWAP immediately prior to and including the record date**
- **Proceeds will be used to advance Emu's Vidalita epithermal gold-silver-base metals project in the Maricunga Belt, Chile, as well as for working capital purposes**

The Directors of Emu NL (ASX:EMU) are pleased to announce that it is offering eligible shareholders the opportunity to apply for new fully paid ordinary shares in the Company under a Share Purchase Plan (SPP) to raise up to approximately \$600,000.

The new Shares are being offered at 4 cents, an 18.8% discount to the volume weighted average price of Shares during the five trading days on which sales of Shares were recorded up to and including the last trading day before this SPP was announced.

The funds will be applied to one or more of the following:

- Drill follow-up of the excellent results obtained at the Vidalita Prospect during initial drill testing
- Drill test up to four other prospects in the project area that have similar satellite image alteration indicators, surface geochemistry, and geology to Vidalita
- Identification and pursuit of new opportunities
- General working capital

Vidalita

Drilling at Vidalita has discovered a previously unknown high sulphidation epithermal system. Persistent gold, silver, lead and zinc mineralisation, along with high grade vein style copper mineralisation, has been identified in a highly altered brecciated diatreme (Figure 1). The diatreme is overlain by an interpreted mantle of vuggy silica, itself ubiquitously mineralised with gold and silver.



Significant gold intercepts from the last drilling campaign returned grades up to 8g/t gold and thicknesses up to 162m at 0.13g/t gold (as announced on 18 July 2018. 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
1	8.37	45	5300-4	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
			and	162	0.13	

Additionally, exceptional silver intercepts were obtained (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

Base metals are also present at highly anomalous levels, and include (down hole widths, true width unknown):

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

As announced to the market on 27 September 2018, Emu intends to follow up on these results with both deep and shallow drilling. It is anticipated that the shallow vuggy silica mantle 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. (see ASX announcement 18 July 2018 for 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.

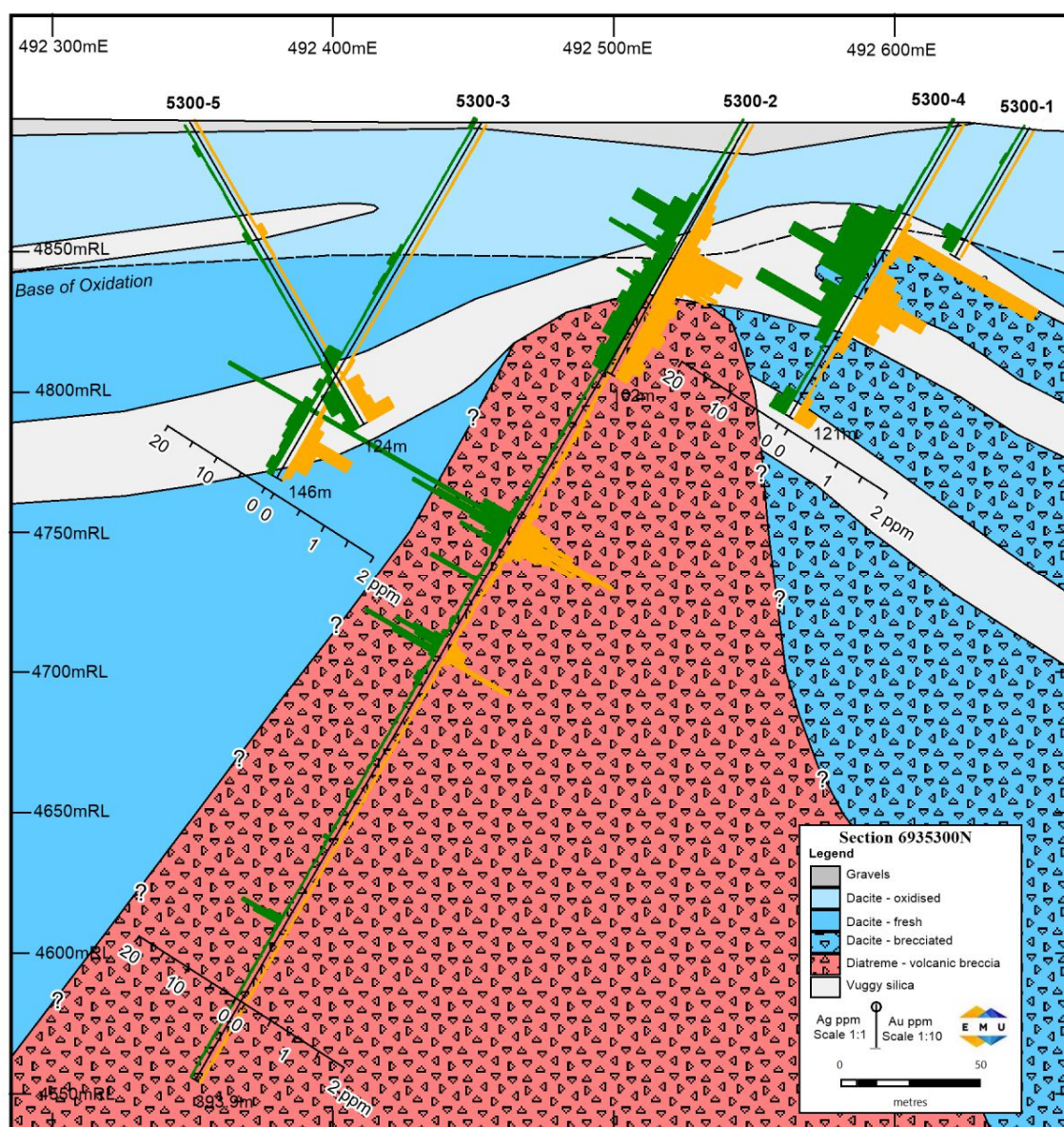


Figure 1 Section 5300N, Vidalita. Gold grade histogram in gold, silver in green. This is a preliminary, simplified geological interpretation based on sparse data and subject to change as more data comes to hand. Note the two styles of mineralisation represented: a vuggy silica hosted silver-gold style,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



Other targets

Emu has so far drilled only one of seven high-value targets it has identified within the broader Vidalita Project (announced 5 October 2018).

The first of these tested by drilling, the eponymous Vidalita Prospect, has proven successful. The other six prospects have similar alteration, surface geochemistry, and geology as that seen at the Vidalita Prospect. Emu is confident that additional discoveries will be made and that it is possible that Vidalita Project area represents a very large epithermal system.

Emu's competitive advantage in Chile

Early recognition that the aircore (AC) drilling technique should be successful in providing fast, economic, superior drilled metres in this environment led Emu to import an Australian aircore rig and crew into Chile. By the end of last season, that rig was delivering productivity five times higher than local drillers could deliver at about a one fifth the cost. At the same time, AC produced a superior sample for both geochemical assaying and geological assessment. The rig was left parked up in Emu's field office in Chile for the coming drilling campaign and is ready to start up where it left off.

About the SPP

The SPP provides the opportunity for eligible Emu shareholders to subscribe for up to \$15,000 worth of new fully paid ordinary shares (**New Shares**) at a price of 4 cents per share.

The SPP will not attract brokerage fees or other transaction costs and will be available to shareholders in one of the following amounts:

Value (\$A)	Number of shares
\$1,000 (minimum)	25,000
\$5,000	125,000
\$10,000	250,000
\$15,000 Maximum)	375,000

The Directors of Emu, who are eligible shareholders intend to support the SPP.

Each existing shareholder with a registered address in Australia or New Zealand as at 5:00 pm Perth time on 26 October 2018 (Eligible Shareholder) is entitled to participate in the SPP **on a first in best dressed basis (as determined by the board)**. Further, Permitted Foreign Shareholders may participate in the Offer, subject to the terms and conditions set out in the offer document. Shareholders outside Australia and New Zealand unable to participate in the SPP will be given an opportunity to participate in any shortfall, subject to compliance with the *Corporations Act 2001 (Cth)* and the laws of any relevant overseas jurisdiction, and should contact their stock broker or Emu directly with such interest.

The issue price of the New Share is \$0.04 each which represents a discount of 18.8% to the volume weighted average price of Shares during the five trading days on which sales of Shares were recorded up to and including the last trading day before this SPP was announced.



Eligible Shareholders should be aware that there is a risk that the market price of the Shares may change between the date of this Offer and the date when New Shares are issued under this SPP. This means that the price paid per New Share may be either higher or lower than the market price of Shares on the date the New Shares are issued under the SPP.

Schedule

Record Date (5:00pm WST):	26 October 2018
SPP Offer Opens:	5 November 2018
SPP Closing Date:	12 November 2018
Date of Issue of New Shares:	15 November 2018
Issue of SPP Shares Including Shortfall Shares under the SPP	15 November 2018
Despatch of SPP Shares holding statements	15 November 2018
Expected Commencement of Trading of New Shares on the ASX	18 November 2018

Subject to regulatory requirements, Emu reserves the right to cancel or close the SPP offer early, change the timetable, and determine how shortfalls and oversubscriptions are scaled back before the New Shares are issued.

Full Terms and Conditions of the SPP and an application form will shortly be sent to eligible shareholders and a copy lodged with the ASX. For further information about Emu and this SPP please visit www.emunl.com.au or contact:

General Manager

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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 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 Prospex 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.