



SUMMARY

- Emu confirms the discovery of a major, new, extensive gold-silver-base metal mineralised epithermal system at Vidalita on receipt of all final assays
- Geological interpretation shows two major mineralised zones
- A shallow, aerially extensive, silver-gold mineralised vuggy silica zone blankets the area drilled at Vidalita
- A deeper brecciated diatreme, composed of a suite of volcanic-related lithologies with up to 8.4g/t gold, 1,049g/t silver, 5.4% copper, 2.2% lead, and 3.7% zinc
- Check one metre assays of four metre composite samples confirm results
- Emu completed a circa \$600,000 capital raising with the placement of ~12.29M shares at 4.8c to Sophisticated Investors

Vidalita, Chile

All assay data from the 2017–2018 drilling season at Vidalita were received during the Quarter (ASX announcement on 6 July 2018.)

Interpretation of geological and assay data indicates that Vidalita has potential for a shallow, aerially extensive, silver dominated mineralisation hosted by a blanketing vuggy silica zone. This material generally assays around 30g/t silver (Table 1) and will be followed up with infill drilling.

Table 1 Summary of significant shallow 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 cut-off of 25g/t. Assay interval for AC was 4m, for DDH it was 1m.

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
5300-4	AC	44	84	40	8
5900-5	AC	20	24	4	35
		in 16	24	8	24
6500-2	AC	52	56	4	148
		44	60	16	88



Deeper, the brecciated diatreme that has been intersected has increased gold levels and the potential for significant base metal (lead, zinc, and copper) mineralisation (Figure 1). Extensive zones of zinc mineralisation, generally in the 0.1 to 0.2% range, have been intersected (Table 2).

Table 2 Summary of significant base metal intercepts, Vidalita prospect. Assay interval for AC was 4m, for DDH it was 1m.

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

Identification of drilling targets for the 2018–2019 drilling season has been completed (ASX announcement 5 October 2018) with planning for the field work well underway.

Drilling will be conducted using an aircore drill rig, as was done for the last campaign. This rig provides Emu with an excellent commercial advantage over our peers. By the end of the last drilling campaign the aircore method delivered drilled metres at about one fifth the cost and five times the productivity of that achieved by Chilean drillers whilst providing an excellent sample for both assaying and geological logging. It is planned to use a locally sourced diamond drilling rig to undertake the deeper drilling required.

Activities subsequent to the Quarter

Emu announced a Share Purchase Plan (**SPP**) for existing, eligible shareholders. Up to \$15,000 worth of shares at 4 cents each are offered. The money raised is to be used to continue drill follow-up of the Vidalita Prospect drilling results and drill evaluation of promising targets as yet untested in the Vidalita Project. The SPP is proposed to be capped at 15,000,000 new shares but the Directors of Emu reserve the right to accept applications up to an overall maximum of 27,299,900 new shares and to close the offer early to ensure this cap is not breached.

Project generation

Emu continues to assess projects which may fulfil its criteria of near-term production with worthwhile potential and financial upside. A number of potential projects in Australia and overseas were evaluated. None met Emu's strict criteria for investment.

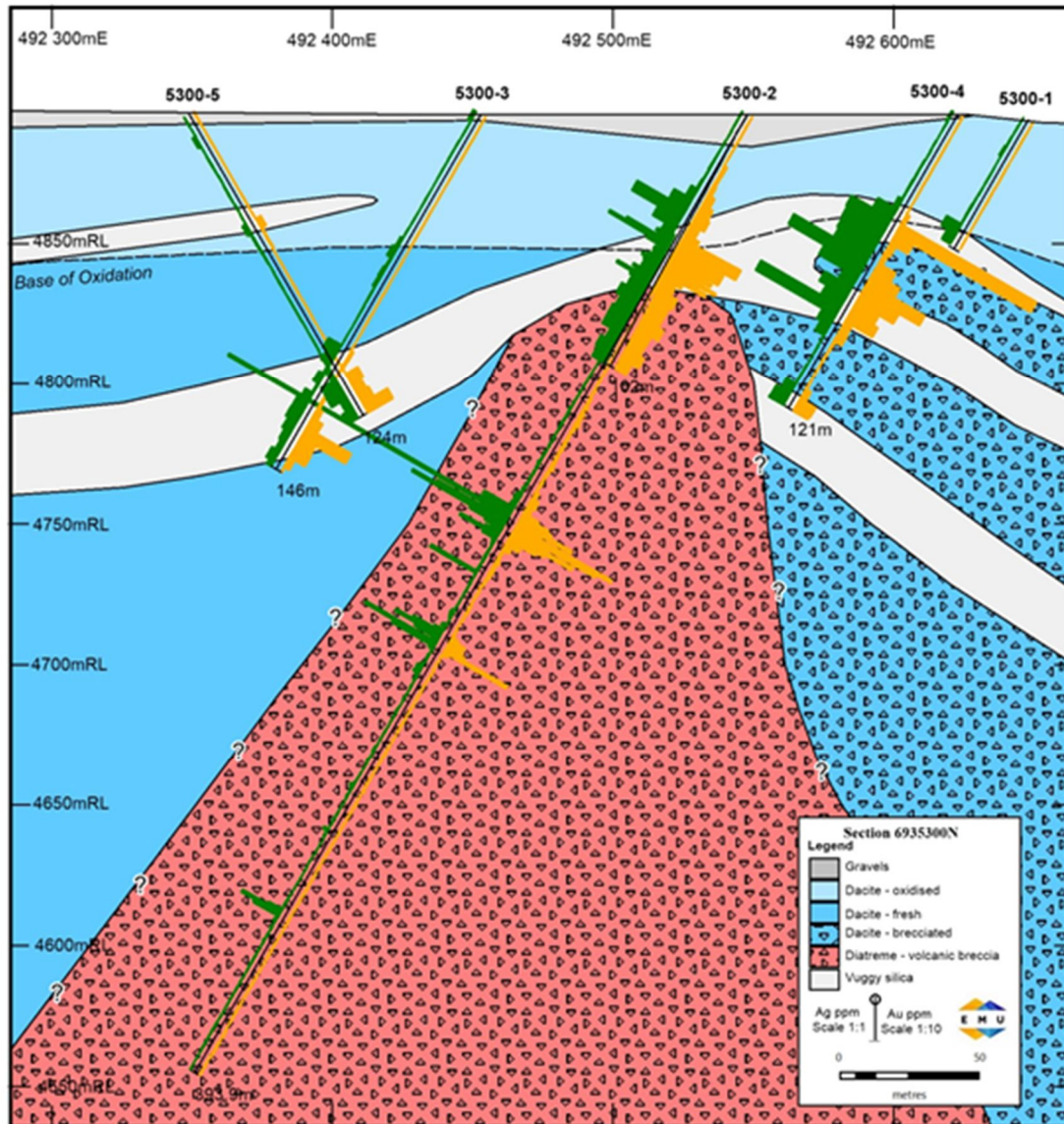


Figure 1 Section 5300N. Gold grade histogram in gold, silver in green. This is a preliminary, simplified geological interpretation based on sparse data and subject to change as more data comes to hand. Co-ordinate system is WGS84/UTM19S.

Corporate

Emu has raised ~\$600,000 from sophisticated investors at a price of \$0.048 per share (ASX announcement 25 June 2018). The first tranche of 4,894,330 shares was placed by 18 July 2018 (ASX announcement 18 July 2018) with the second tranche placed on 30 August 2018 (ASX announcement) following shareholder approval reported to the ASX on 29 August 2018.

Mr G Steemson stepped down from his role of Managing Director (ASX announcement 2 July 2018). He remains as a non-executive director with continuing responsibility for identifying and assessing new opportunities.

Company and project promotion, through roadshows and direct engagement with brokers, is ongoing.

**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:

- a) No Consideration Shares were issued during the reporting period;
- b) 12,500,000 of the Consideration Shares remain, conditionally, to be issued; and
- c) 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 3:** Schedule of Tenements – Atacama Region, Chile

Concession	Type of concession	Percentage held / earning*
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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About EMU

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



Maricunga Belt: Host to Very Large Gold Deposits

Salares Norte (Gold Fields)	3.1 Moz Au & 34 Moz Ag
La Coipa (Kinross, pre-mining)	1.3 Moz Au & 64 Moz Ag
Cerro Maricunga (Atacama Pacific)	5.9 Moz Au & 4 Moz Ag
Marte-Lobo (Kinross)	6.2 Moz Au
Maricunga Mine (Kinross)	6.3 Moz Au
Caspiche project (Exeter)	19.8 Moz Au & 40Moz Ag
Cerro Casale (Barrick/Kinross)	25.4 Moz Au & 43Moz Ag
Alturas (Barrick)	6.8 Moz 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 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 two packages: the Prospex SpA area covers six concessions at Vidalita and is subject to a 2% NSR on any production. 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 (which has been met), 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.

The BLC SpA area comprises of three concessions at Jotahues and two concessions at Vidalita (Vidalita A&B) is subject to a 1% NSR.

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.