



Vidalita: potential for high-grade gold

- **Parallels between Vidalita rocks and bonanza grade gold bearing rocks at a neighbouring Tier 1 gold-silver resource**
- **Significance supports Emu's aim to target a high grade precious metals zone in Emu's epithermal discovery**
- **Permits for this season's drilling approved**
- **Following summer thaw, field crews on site assessing access for drilling**

Continuing assessment of drilling results has increased the potential for Emu NL (ASX:EMU) to discover a bonanza gold grade deposit on the Vidalita Project, Chile. The comparative geology with other Maricunga Belt gold deposits supports the possibility of bonanza grade gold, occurring within the discovered epithermal system.

Emu has received all drilling permits for proposed drilling this season at the Vidalita, Jotahues, Peon and Vidalota prospects in the Vidalita gold-silver-copper project.

Preparations for the start of the 2019 drilling season are now well advanced.

Significance of drilling results from the 2018 drilling campaign

As announced on 30 November 2018 a possible vector to increasing gold grades has been recognised and will be assessed with drilling and geochemical surveying.

Further to that announcement, the parallels between Goldfield's **Salares Norte** gold-silver deposit and Vidalita are recognised. Salares Norte is a classic epithermal Tier 1 gold deposit (www.goldfields.com). It occurs in the Maricunga Belt north of Vidalita.

The bonanza grade gold zones in the Salares Norte deposit occur within highly altered (oxidised) polymictic breccias (Figure 1).

Drilling at the Vidalita Prospect has returned near identical rock types, also carrying gold-silver mineralisation (Figure 2). Importantly, the oxidised polymictic breccias from Emu's drilling occur *below* the fresh breccias, indicating oxidation occurred from hyperthermal activity, i.e., hot fluids from below altering the rocks, not oxidised from fluids from above. (eg, rain water). It is these hyperthermal fluids that bring in and precipitate the gold, silver, and base metals.

Oxidised polymictic breccias make up the bulk of the diatreme breccia intersected by Emu. Figure 3 shows a typical cross section from that drilling. There is considerable gold in this system. Drill hole 5300-4 intersected **48m @ 0.64g/t gold** from 44m (announced on 18 July 2018), drill hole 5300-5 intersected **24m @ 0.33g/t gold** from 120m, and drill hole 5300-2 intercepted **21m @ 0.53g/t gold** from 157m.

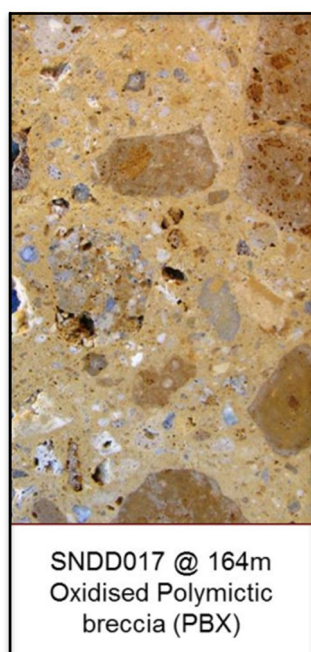


Figure 1 Core from Gold Field's Salares Norte deposit showing breccia textures associated with high-grade gold mineralisation. (Brewer, N, et al., 2017. The Discovery and Geology of the Salares Norte Epithermal Gold-Silver Deposit, Northern Chile, AME ROUNDUP, January 2017).

This drilling confirmed Vidalita has the right rocks and that those rocks are pervasively mineralised with gold, as is the case at Salares Norte. The drilling campaign that Emu proposes is designed to find the high-grade gold that this style of mineralisation is known for.

As announced on 27 September 2018, a follow-up drilling campaign to last season's drilling is now being prepared. In excess of 10,000m of Emu's low cost deep aircore drilling is planned to test both the depth extent and strike length of the mineralisation defined in last season's campaign.



Figure 2 Core from Emu's Vidalita Prospect: Top: unoxidised polymictic breccia from hole 17DV2 (114m). Bottom: altered (oxidised) polymictic breccia from hole 17DV2 (190m). Note similarity between the core shown in the bottom image with that in Figure 1.

Update on field activities

Geological crews have established a temporary camp ahead of the camp to be emplaced for the drilling crews. Orientation surveys have begun to determine the efficacy of using the faster, more economic portable XRF analysing in lieu of conventional sample collection and laboratory assaying.

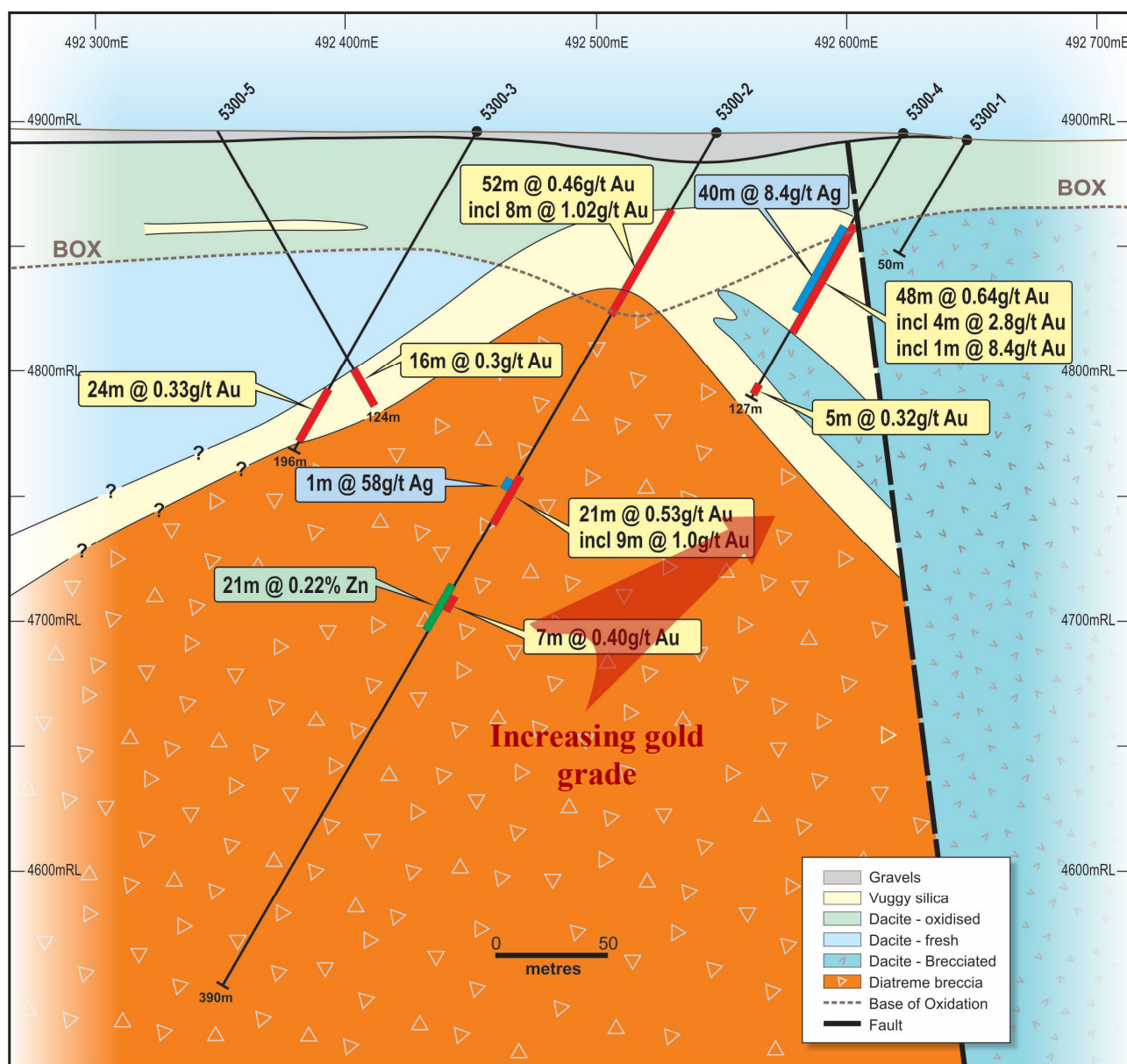


Figure 3 Interpretive cross section 5300N. Note general increase in both gold grade and intercept thickness to the east (right).

Investor enquiries:

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



Maricunga Belt: Host to Very Large Gold Deposits

Salares Norte (Gold Fields)	3.7 Moz Au & 50 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
Vidalita (Emu)	?? 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 136 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** to acquire a 100% interest in certain of the Vidalita and Jotahues concession packages from two Chilean companies. Prospex SpA and BLC SpA.

The Prospex area covers six concessions at Vidalita and is subject to a 2% NSR on any production. 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. 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 (Jotahues and Vidalota A&B) and is subject to a 1% NSR. There is no Option payment to be made.

In addition, Emu has pegged a concession in its own right, Arroyo Ancho. Portions of this are subject to an area of influence inclusion into the Prospex Option.

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)

127,854,728 (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

Terry Streeter

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.