



### SUMMARY

- Consultant confirms the presence of a major, new, preserved gold-silver-base metal epithermal system at Vidalita
- Parallels between Vidalita and neighbouring high grade gold deposits drawn
- Drilling campaign now underway
- Mr Terry Streeter appointed non-Executive Director of Emu
- Emu completed capital raisings of circa \$1.4M via an SPP and placement to Sophisticated Investors to start drilling

### Vidalita, Chile

Emu is vigorously pursuing exploration success at its new epithermal discovery at Vidalita, Chile.

During the quarter, the Company took on the services of an independent, South American based, epithermal consultant to review the data collected to date. The conclusions (ASX announcement 7 November 2018) of this review were:

- Geological features encountered in drilling are consistent with a dome-diatreme setting
- High-sulphidation epithermal (HSE) mineralisation is preserved in the project area
- Erosion is not deep – much of the system is likely to be intact
- Remote sensing confirms alteration zones of interest, extending Vidalita prospectivity to the north and east
- Precious metal – polymetallic style of HSE identified
- High surface geochemistry likely to be locally derived
- Interpreted silicified, possibly mineralised. sub-vertical faults not yet drill tested
- Conductor mapped by IP strengthens to the north in areas yet to be tested by drilling

The report triggered comparisons with neighbouring Tier 1 deposits in the Maricunga Belt with multi-million ounce gold and silver resources. In particular, parallels with Goldfields' Salares Norte deposit (<http://www.goldfields.com/salares-norte-chile.php>) are noted.

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

Drilling at the Vidalita Prospect has returned near identical rock types, also carrying gold-silver mineralisation. Importantly, the oxidised polymictic breccias at Vidalita occur below the fresh breccias, indicating oxidation occurred from hyperthermal activity, i.e., hot fluids coming up from



below altering the rocks, not oxidised from fluids from above. 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 1 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.

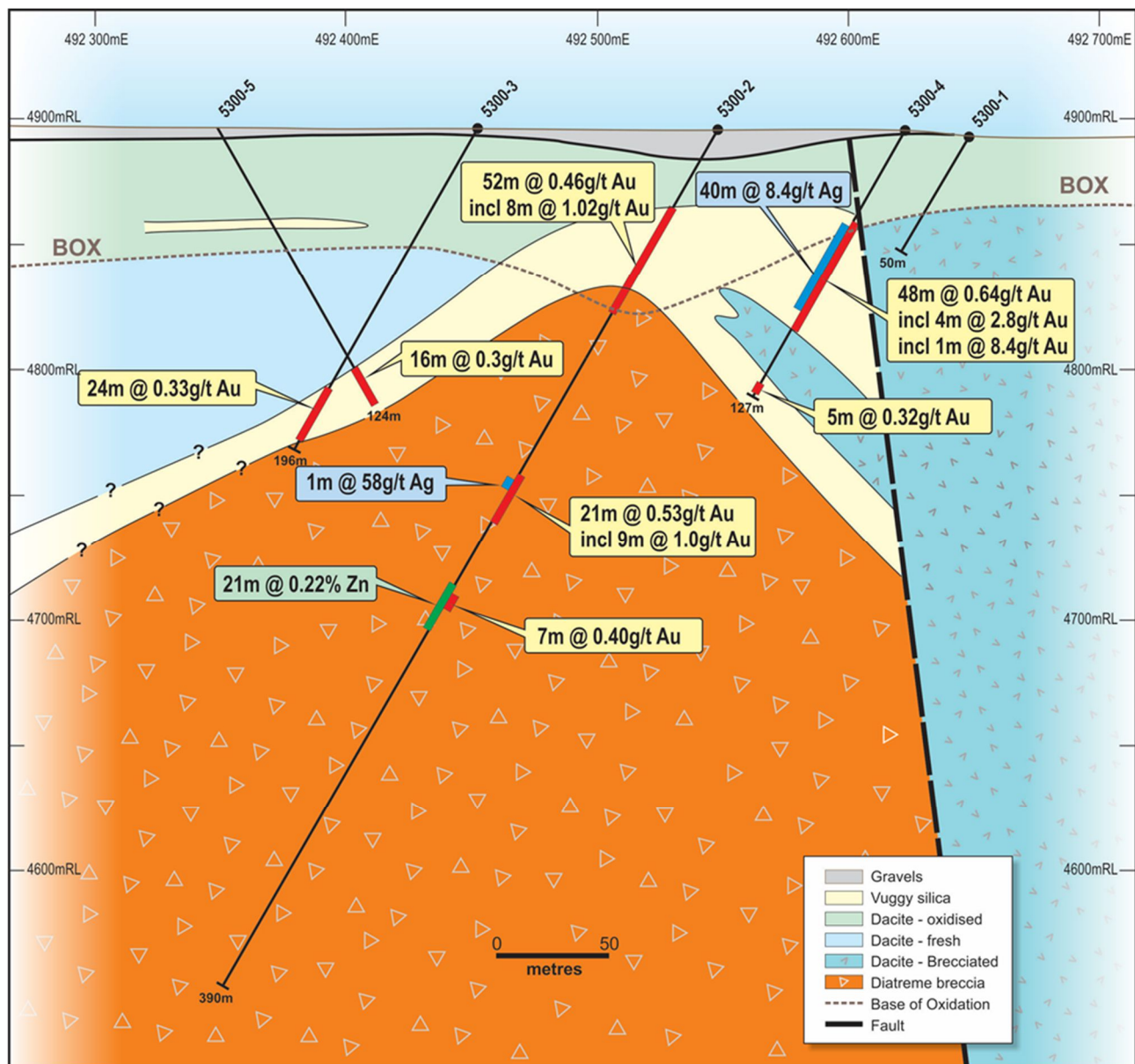


Figure 1 Interpretive cross section 5300N. Note general increase in both gold grade and intercept thickness to the east (right). Co-ordinate system is WGS84/UTM19S.



Significantly, assays of up to **8.4g/t gold, 1,049g/t silver, 5.4% copper, 2.2% lead, and 3.7% zinc** demonstrate that the system is capable of generating high grade mineralisation. It is this style that Emu is pursuing at Vidalita.

Field work on the Vidalita Project was initiated in November (announced 30 November 2018) with a substantial camp being put in place at around Christmas – New Year.

Permitting for the 2019 drilling campaign, on a wide range of targets (as announced 5 October 2018), has been received.

### Activities subsequent to the Quarter

Drilling at Vidalita commenced in early January (announced 21 January 2019) and is progressing. The drilling is being done with an aircore rig and Australian crew to ensure effectiveness, productivity, and economy. Portable XRF testing is being undertaken on site with drill samples dispatched to a local laboratory for assaying.

### 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.

### Corporate

On 26 October 2018, Emu announced a Share Purchase Plan for eligible shareholders to subscribe for up to \$15,000 in new shares in Emu at a discounted price of \$0.04 per share, an 18.8% discount on the five day VWAP prior to the record date. The offer raised was well supported with a 62% takeup of available capacity, raising \$374,200 and 9,355,000 fully paid ordinary shares were subsequently issued. This was followed by a placement to sophisticated investors of approximately 27.5 million shares, also at an issue price of \$0.04, to raise approximately \$1,000,000 (announced 11 December 2018.)

All employee options lapsed on 21 December 2018. No new options were issued during the Quarter.

On 6 November 2018, Emu announced the appointment of Mt Terry Streeter as a non-Executive Director. Mr Streeter replaces Mr Greg Steemson who resigned to pursue other interests.

### 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 1:** Schedule of Tenements – Atacama Region, Chile

<b>Concession</b>	<b>Type of concession</b>	<b>Percentage held / earning*</b>
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 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 km<sup>2</sup> 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 31/12/2020

**Options (unlisted)**

None

**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.