EMU NL

Speedway Gold Project

Exploration Data courtesy
Don Merrick & John Zimmerman - Genesis Gold Corp
William R. Petrick - Industrial Imaging Company
John Stodt - Numeric Resources
Salt Lake City, Utah

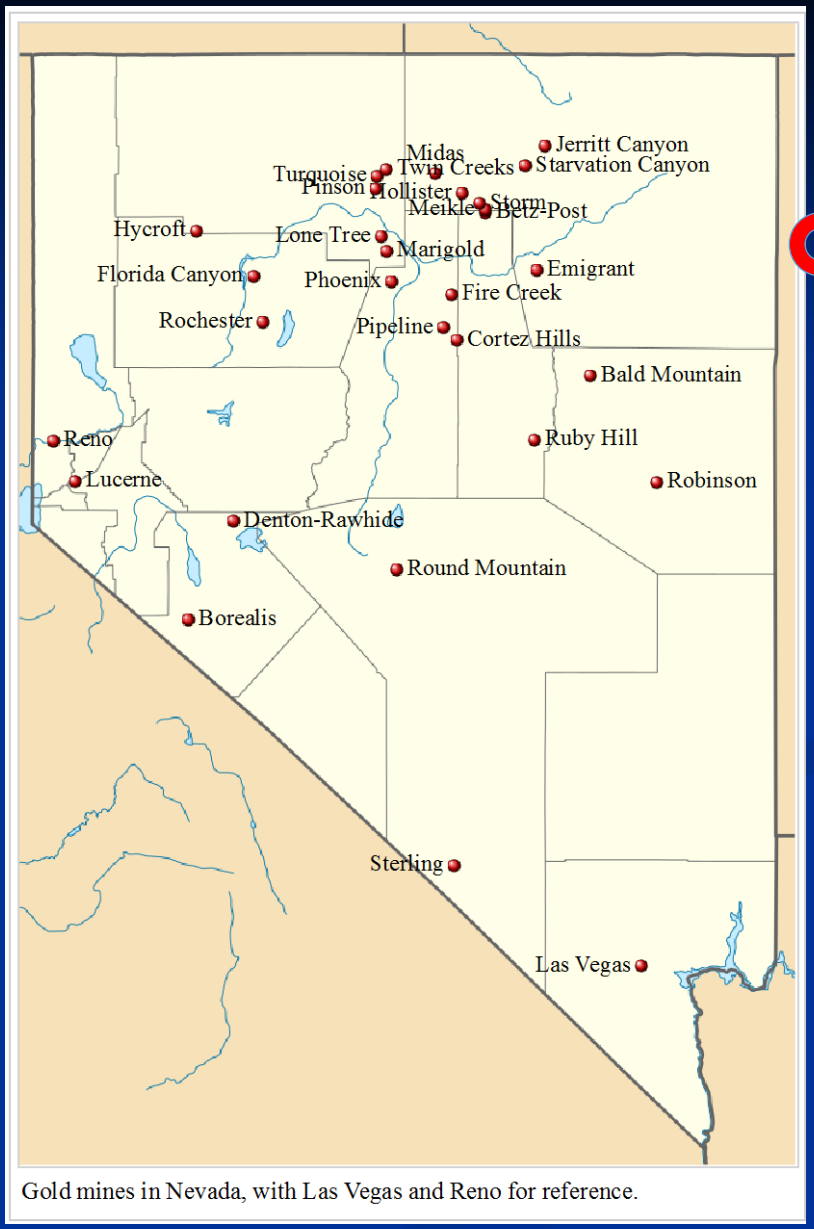
Industrial Imaging

FORWARD LOOKING STATEMENT

This report contains forward looking statements concerning the projects owned by Emu NL. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

COMPETENT PERSON'S STATEMENT

The details contained in this report that pertain to exploration results, mineral resources and mineral reserves are based upon information compiled by Mr. Greg Steemson, Managing Director of Emu NL. Mr. Steemson 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. Steemson consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.



Gold mines in Nevada, with Las Vegas and Reno for reference.

Speedway

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From wikipedia

Nevada major gold mines 2013 production

Bald Mountain	K	95,497
Betz-Post	BG	521,489
Cortez	BG	1,371,148
Eastern Nevada	N	1,020,791
Hycroft	Allied Nevada	181,791
Jerritt Canyon	Veris	139,556
Marigold	Silver Standard	161,062
Meike	BG	360,578
Phoenix	N	202,055
Round Mountain	K	314,886
Ruby Hills	Waterton	91,074
Turquoise Ridge	BG & N	223,189
Twin Ck	N	406,847
	6.1% world production	5.4Moz

Speedway Location

Speedway


233
Long Canyon
232
Speedway
New Discoveries
80
Great Salt Lake Desert
Utah
Nevada
93
Kinsley

SO, WHY ARE WE HERE?

The southwest US is known for its large gold and base metal ore deposits

The drill target at Speedway has dimensions typical of these large systems

The spatial relationship between the AMT drill target and the surface evidence of a typical Carlin style mineralised system is a compelling drill target

The leading edge technology employed by Petrick (www.industrialimaging.com) and Stodt underpinned the confidence in the AMT target

The terms of the option agreement provide both Emu and its US counterparties significant upside if the model is proved

HOW DID WE GET HERE?

1990s	Merrick & Zimmerman identified prospectivity of Speedway based on outcropping stratigraphy, jasperoids, barite veining, gold and associated geochemistry but defining a drill target proved difficult
2000s	Petrick (Steemson's colleague from Uni of Utah days) develops 3D AMT modelling software and demonstrates its utility in identifying Carlin style deposits in the younger pediment 'basin structures'
2015	Merrick, Zimmerman, Petrick & Stodt acquire the initial Speedway claims and undertake the first AMT survey which defines a large resistivity feature below the pediment adjacent to the jasperoids
Sept 2015	Steemson & Petrick in communication regarding unrelated matters during which Petrick introduces Steemson to Merrick and Zimmerman
Oct 2015	Steemson undertakes a field trip and the parties agree on the merits of accelerating the drill testing of Speedway
Oct 2015	HOA signed
Jan 2016	Drilling approval
Feb 2016	Drilling first of two holes at Speedway, program budget ~US$400,000

TERMS OF THE OPTION AGREEMENT

15 year term with annual payments commencing at US$15,000 and escalating in year 5 to US$125,000

Option exercise price US$3 million

NSR of 2% escalating to 3% in increments of 0.25% for every $100 increase if the gold price exceeds US$1,600/oz

AUDIO MAGNETO TELLURICS

Audio magneto tellurics uses the natural electromagnetic fields in the frequency range 10 to 1,000 Hz in the earth-ionosphere waveguide to determine the resistivity structure of the earth

In the field, measurements are made of the electric and magnetics fields at points (stations) spaced ~200m apart and these data are then processed to produce parameters that reflect the resistivity of the earth

With Petrick's software, the parameters are used to produce a 3D view of the earth's resistivity down to depths of ~1,000m

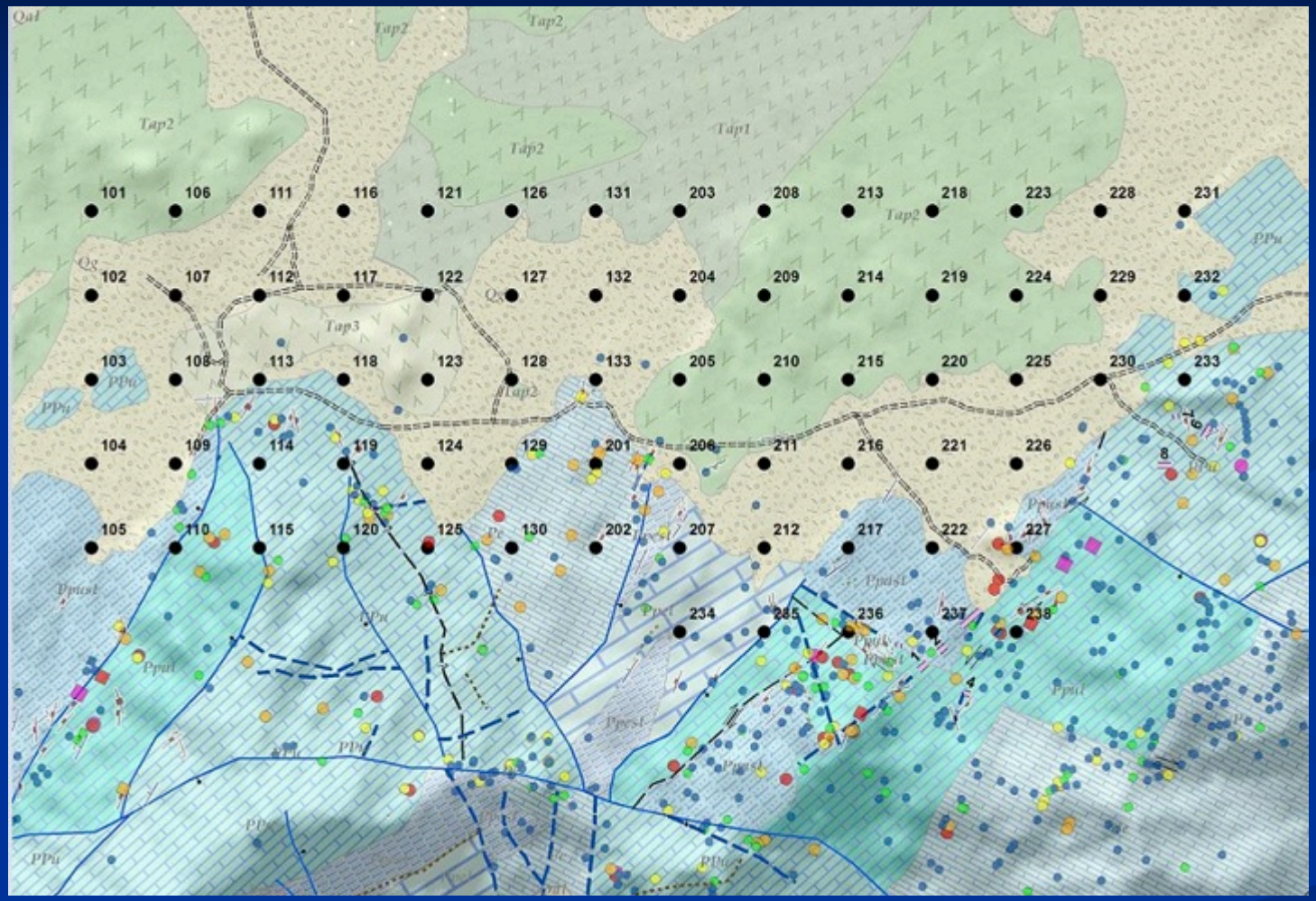
Benefits of AMT – it is a most effective method in defining zones with low resistivity contrasts unlike other electrical techniques which usually respond better to high resistivity contrasts

Speedway drill site 1

Speedway jasperoid outcrops

Speedway looking across to Pilot Mtn

Speedway AMT Stations



Station Spacing 200m

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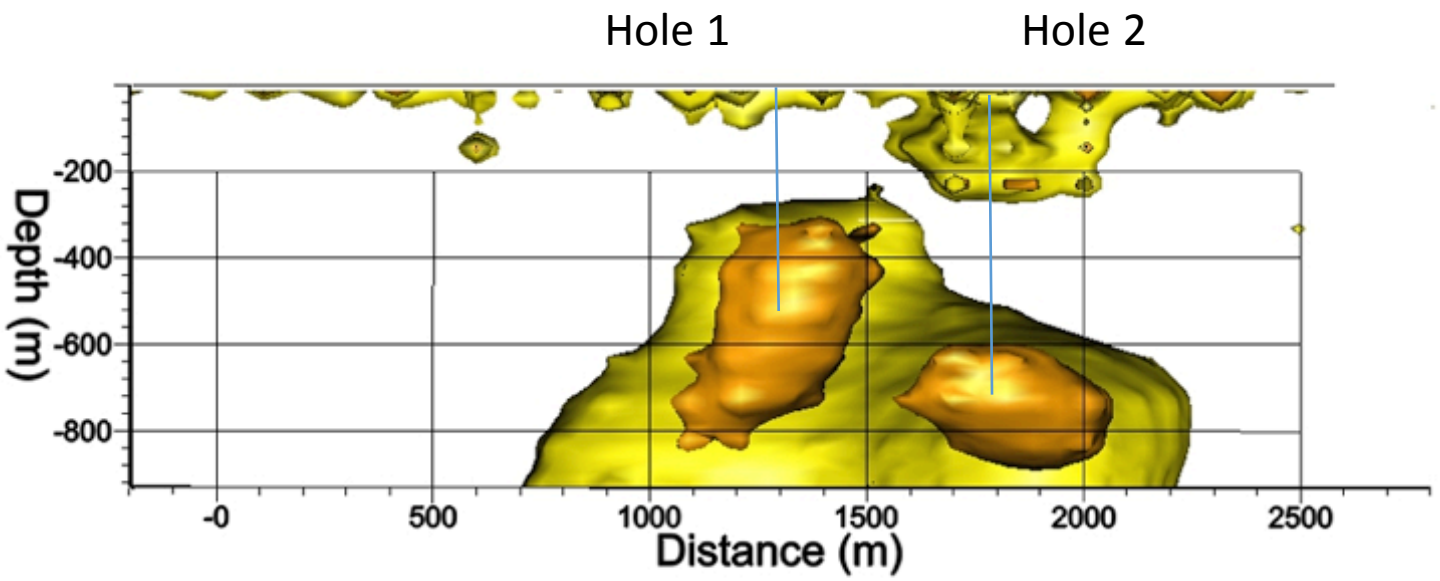
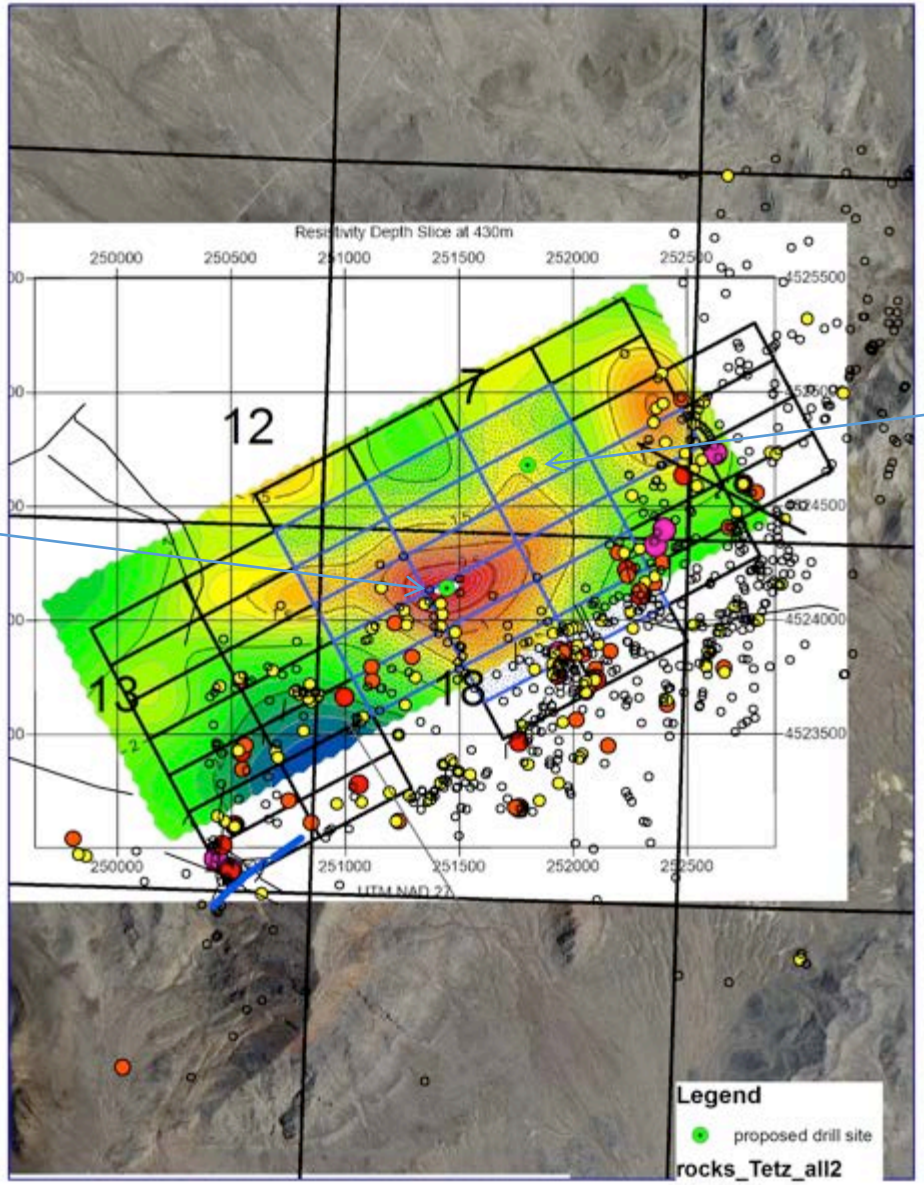
Speedway 3D-AMT Inversion Results



Drill hole 1

Drill hole 2



Proposed Claims over
430 m AMT Depth Slice

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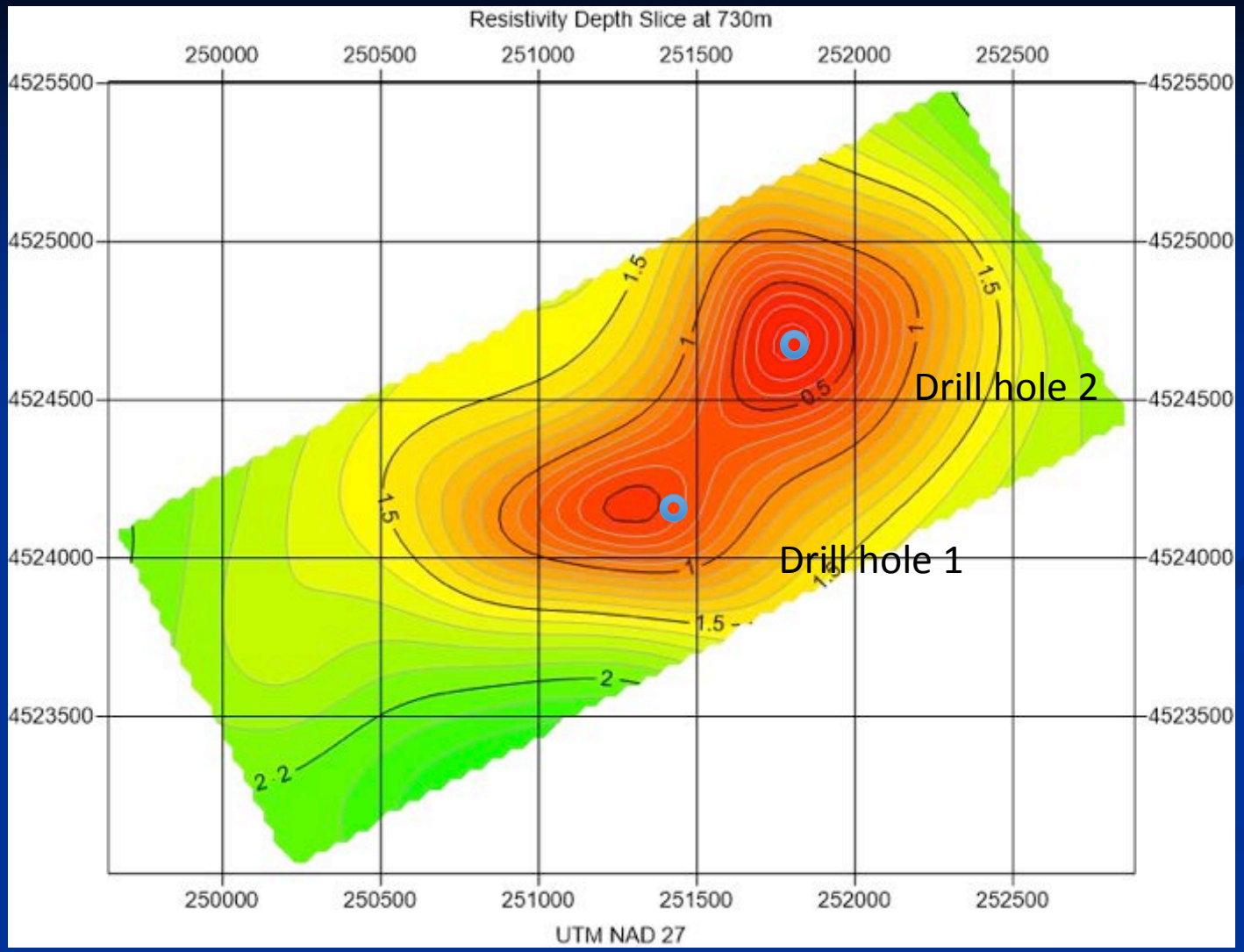

The contours are logrithmic so the red coloured area is < 3ohm.m – this is a large resistivity feature

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SO, WHAT COULD THE SOURCE OF THIS TARGET BE?

Geological formation	While possible, no source identified in the local carbonate stratigraphy
Geothermal	No known geothermal activity in the region
Alteration system surrounding a Carlin style gold deposit	By analogy with other systems and with all of the other evidence, this is the best guess
Conclusion	**The preferred interpretation for the source of the Speedway AMT target is a large alteration system surrounding a Carlin style gold deposit**

EMU NL CAPITAL STRUCTURE

Ordinary fully paid shares		40,022,371
Contributing shares, $0.03 paid, $0.03 unpaid, no call before 31/12/17		35,324,341
Options, exercise price $0.10, expiry 30/3/17		15,269,342
Total securities		90,616,054

Schedule of events:

Long form agreement – January 2016

Drilling approval +/- – January 2016

Drilling – February/March 2016

Assay results – March/April 2016