

QUARTERLY REPORT FOR DECEMBER 2015**SPEEDWAY GOLD PROJECT**

As announced on 11th January 2016, American Emu Inc., Emu NL's USA subsidiary, has received notification that its application to drill two drill holes at Speedway has been approved subject to lodging the required rehabilitation bond which has been completed.

It is anticipated that drilling should be able to commence in February 2016 and further market releases will be made when drilling commences.

The two drill holes are targeting an Audio Magneto-Telluric (AMT) feature within prospective stratigraphy adjacent to rocks showing evidence of a mineralised system including gold and associated geochemistry, jasperoids and barite veins.

American Emu has entered into a drilling contract to drill the two holes of length ~1,700 feet and ~2,500 feet respectively. The decision to drill the second hole (2,500 feet) will depend on the results from the first hole.

While the source of the AMT feature cannot be determined from the existing data, by analogy with other large gold systems in the south-west USA, the favoured interpretation is that the AMT feature represents a large alteration system that is usually associated with these gold deposits.

RIGHTS ISSUE

The rights issue dated 14th December 2015 for the issue of 15,069,342 options was completed. The issue was well supported by shareholders with \$301,386 being raised. The shortfall was 3,312,293 (22%). The options have an exercise price of \$0.10 and may be exercised on or before 30th March 2017.

29th January 2016

For more information on the company visit www.emunl.com.au

ABOUT SPEEDWAY

The Speedway Project was generated by Don Merrick and John Zimmerman of Genesis Gold Corporation, a private Utah company specializing in gold exploration in the Western United States.

QUARTERLY REPORT FOR DECEMBER 2015



<p>Emu NL ABN 50 127 291 927</p> <p>ASX Code: EMU</p> <p>10 Walker Ave West Perth, WA 6005</p> <p>T +61 8 9226 4266 E info@emunl.com.au</p> <p>PO Box 1112 West Perth, WA 6872</p> <p>Issued Capital: Quoted: Shares 40,022,371 fully paid shares</p>	<p>COMPETENT PERSON'S STATEMENT</p> <p>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.</p>
<p>Contributing Shares 35,324,341; paid to \$0.03; \$0.03 to pay, no call before 31/12/2017</p> <p>Unlisted Options 15,269,342 options, exercise price \$0.10, date 30/3/17</p> <p>Directors: Peter Thomas Chairman Greg Steemson Managing Director Gavin Rutherford Non- Executive Director</p>  <p>ASSOCIATION OF MINING AND EXPLORATION COMPANIES</p> <p>2015 MEMBER</p>	<p>FORWARD LOOKING STATEMENT</p> <p>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.</p>