ASX ANNOUNCEMENT
31 JULY 2017

EMU NL

QUARTERLY REPORT JUNE 2017

HIGHLIGHTS:

- **The first drilling program at Vidalita successful in establishing that the geological environment is typical of high sulphidation epithermal systems and that the geochemistry has a local source;**
- **The talus and rock sampling at Jotahues has defined an extensive geochemical target in the northern concession;**
- **The planning of the exploration program for this field season is well advanced.**

Australian explorer, Emu NL (ASX: EMU), provides the following update in relation to its activities during the June quarter of 2017, including at the Company's Vidalita and Jotahues gold projects in northern Chile.

As detailed in the ASX release dated 16th May 2017, the results of the three diamond drill holes were received. Since that release the Company has collated all the information on the Vidalita and Jotahues projects. Conclusions drawn from this first exporation program are:

For Vidalita:

1. The alteration is indicative of a large mineralised system;
2. The age of the hydrothermal alteration (based on alunite 21My +/-) is in the right time window for gold mineralisation in the Maricunga belt;
3. Surface rocks provide direct evidence of mineralisation;
4. The surface and diamond core geochemistry is characteristic of high sulphidation epithermal (**HSE**) systems;
5. The rocks intersected in the drilling program are typical of those found in HSE systems;
6. The cause of the geophysics (resistivity low) target coincident with surface indications of mineralisation may be a large alteration system lying beneath a cap (another characteristic of HSE systems);
7. The drilling established that the source of the surface geochemsitry is local;
8. The distribution of the gold and silver in the drill holes shows direct correlations with known deposits in the Maricunga belt (eg. Salares Norte);
9. Based on existing ore deposit models, the geology intersected by the drilling is interpreted to be within the upper or peripheral parts of the style of deposit being sought (namely, HSE system);
10. Significant additional drilling to explore the property is warranted with Emu's primary target being high grade feeders zones typically found within very large tonnage lower overall grade deposits in HSE systems.

For Jotahues:

1. The talus sampling is defining a large area of anomalous geochemistry along the valley in the northern concession (figures 1 (a) & (b); refer March 2017 Quarterly Report for the relevant JORC Table);
2. Mapping has located several areas of outcropping sulphide (pyrite) mineralisation;
3. Further surface work is warranted to define a drill target.

The Company has initiated plans for this field season consisting of:

1. Completion of the first round of surface sampling at Vidalita;
2. Further drilling at Vidalita using a different method considered to be better suited to the conditions and expected to deliver significantly more metres at a much lower cost;
3. Continuation of the sampling at Jotahues and, if a drilling target can be tied down, limited drilling.

NEW PROJECTS

Consistent with previous statements by the Company, Emu did and continues to look for new mineral exploration, development and mining opportunities within Australia and at various overseas jurisdictions.

CONTROLLED PLACEMENT AGREEMENT

The Company has entered into a Controlled Placement Agreement (**CPA**) with Acuity Capital under which EMU might (if, when and at a price or prices in one or more tranches) at its sole discretion raise up to $2 million prior to 31 December 2019.

There is no requirements for EMU to utilise the CPA which it may terminate at any time, without cost or penalty. The CPA does not contractually restrict EMU's ability to otherwise raise capital. Each time EMU elects (if at all) to utilise the CPA, it will (in its sole discretion) set a floor price. The final issue price will be the greater of the floor price and a discount of 10% to the volume weighted average on market sale price realised by Acuity over a period nominated by EMU.

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

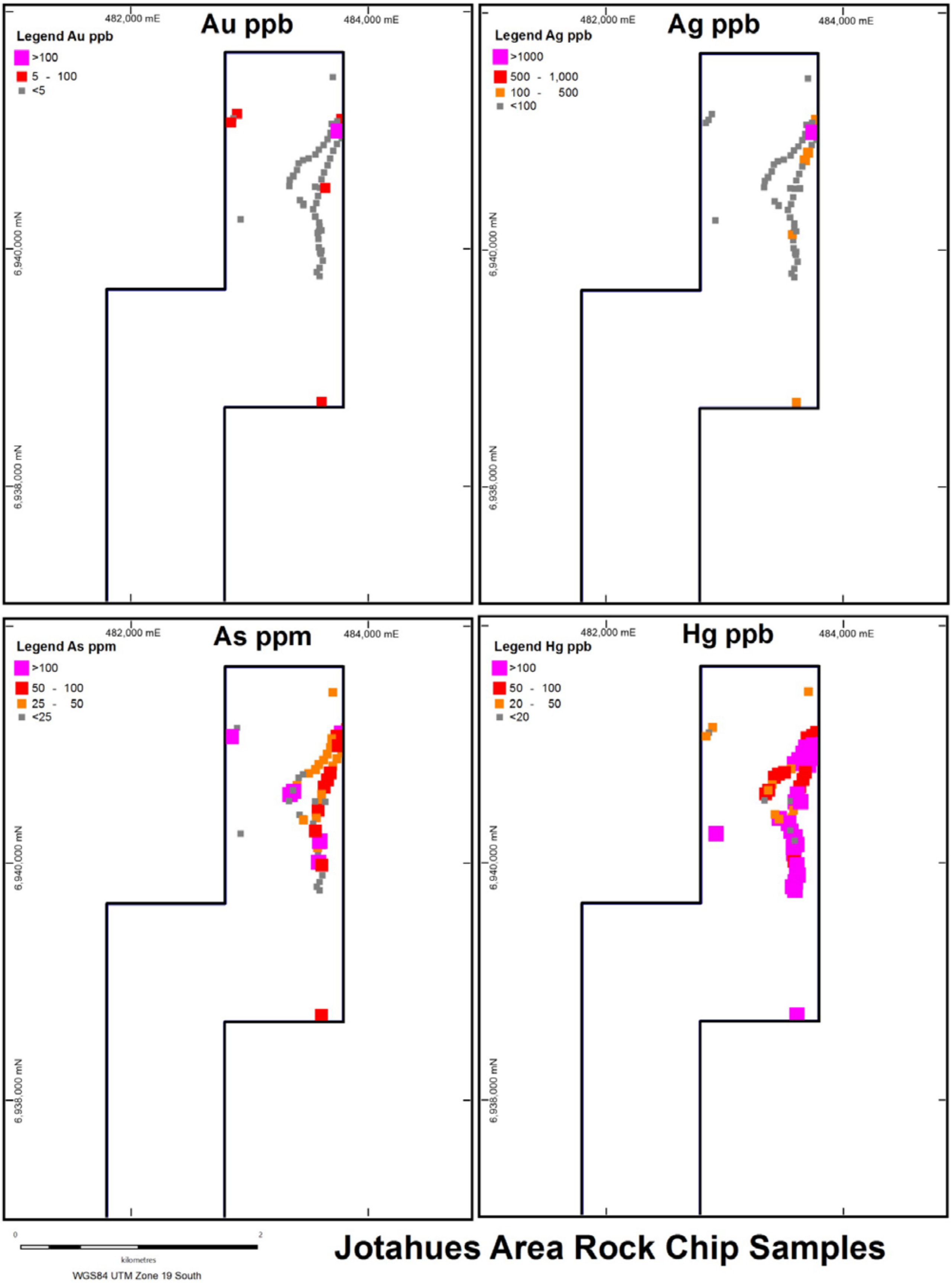
c) the conditions to and instalments in which the remainder of the Consideration Shares may be issued are:

    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.

For more information on the Company see the website www.emunl.com.au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484,000 mE
6,940,000 mN
6,938,000 mN
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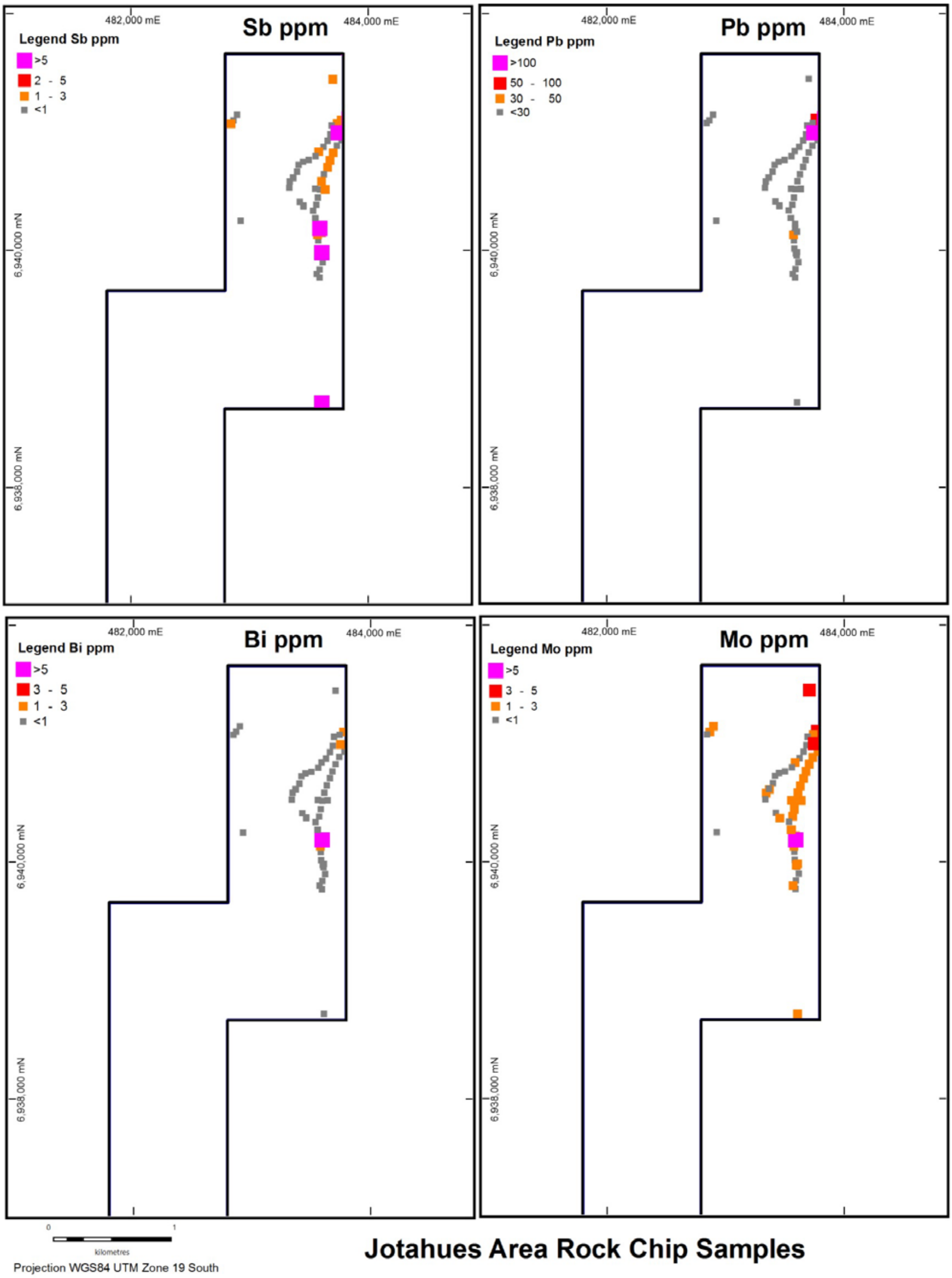
kilometres
WGS84 UTM Zone 19 South
Jotahues Area Rock Chip Samples

Figure 1(a)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Mo ppm
Legend Mo ppm
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3 - 5
1 - 3
<1
482,000 mE
484,000 mE
6,940,000 mN
6,938,000 mN
0
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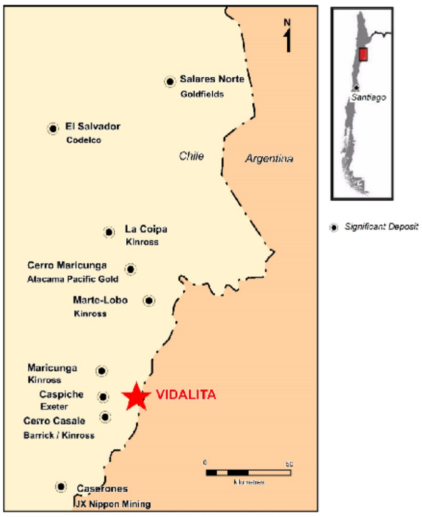
kilometres
Projection WGS84 UTM Zone 19 South
Jotahues Area Rock Chip Samples

Figure 1(b)

ABOUT THE CHILE GOLD PROJECTS

The Vidalita and Jotahues gold projects are located in the highly mineralised Oligocene/Miocene Maricunga gold belt in northern Chile, approximately 200 km east from the city of Copiapó in the Atacama Region of Chile. The two projects cover an area of approximately 2,800 hectares of mineral exploration concessions and host alteration and mineralization 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/Kinross) and the Caspiche project (Goldcorp). Refugio is located 30 km to the northwest of Vidalita. **Apart from the recent very limited drilling by Emu, due enquiry having been made, the Company is unaware of the project having been drilled.**



MARICUNGA BELT DEPOSITS

Salares Norte (Gold Fields) – Indicated & Inferred Resource of 26.8 Mt @ 3.9 g/t Au & 48.9 g/t Ag, for 3.3 Moz Au & 42.1 Moz Ag

Maricunga Mine (Kinross) - 390 Mt @ 0.7 g/t Au

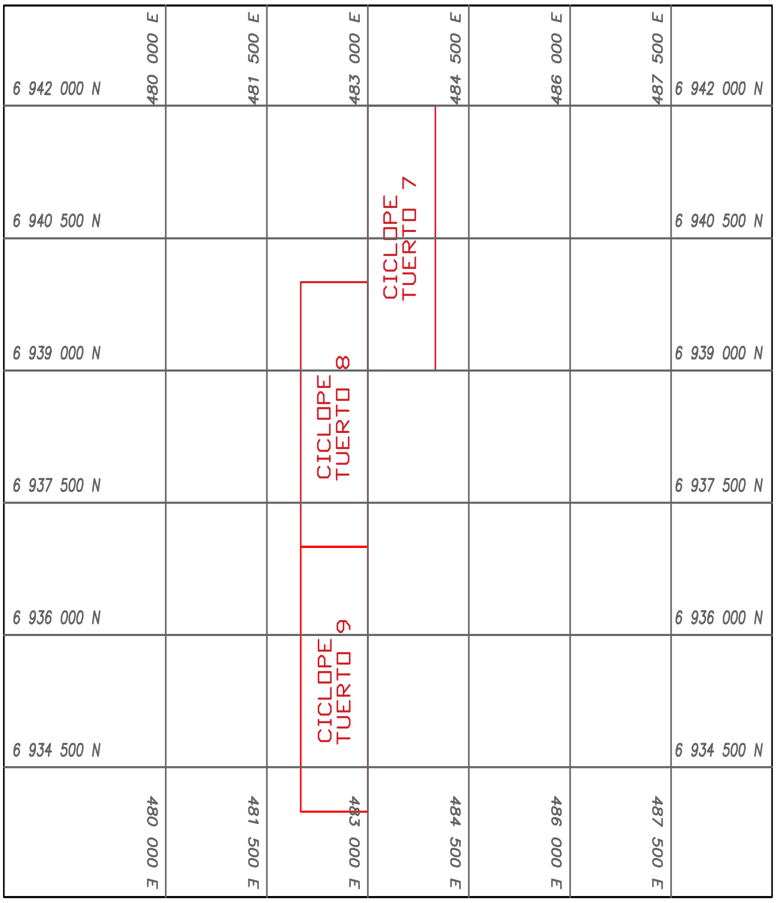
Cerro Casale (Barrick/Goldcorp) - 1,200 Mt @ 0.6 g/t Au

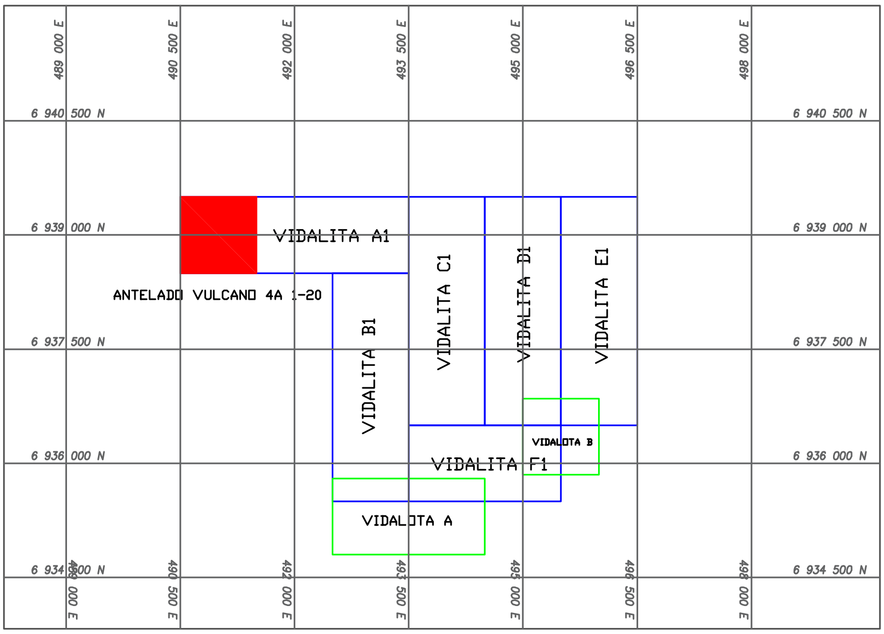
Cerro Maricunga Mine (Atacama Pacific) - 473 Mt @ 0.4 g/t Au

Caspiche project (Goldcorp) - 810 Mt @ 0.67 g/t Au

Alturas (Barrick) - 5.5M oz @ 1.25 g/t; intercepts of 170 meters grading 2.76 g/t Au

Emu has an option (**Emu's Option Agreement**) with Prospex SpA and BLC SpA, Chilean subsidiaries of Altius Minerals Corporation of Canada, to acquire 8 concessions at Vidalita and 3 concessions at Jotahues. The option under Emu's Option Agreement may be exercised any time up until 11th November 2019 by granting Prospex and BLC a 1% NSR on production and, subject to Emu expending US$1 million in pursuing its rights under the Emu Option Agreement by 10th December 2018 and electing to continue with the project, allotting them 2.5 million Emu ordinary shares. In addition, if the option is exercised and subject to certain measured mineral resource hurdles being met (see ASX release 15th November 2016), up to a further 10 million shares will be issued. Prospex SpA in turn has an option under an agreement (the **Prospex's Option Agreement**) to acquire 6 of the 8 Vidalita concessions from local Chilean parties. Under the terms of that agreement, Prospex has the right to exercise that option by 11th November 2019 by paying US$2 million and granting the Chilean parties a 1% NSR over those 6 concessions. Under Emu's Option Agreement, Emu has assumed the rights and obligations of Prospex under Prospex's Option Agreement.





DATUM: PSAD56

CONCESSIONS

Concession holder	Name & Number	Interest
SOCIEDAD LEGAL MINERA VIDALITA A DEL RÍO VIDAL GORMAZ	Vidalita A1	Option to acquire 100%
SOCIEDAD LEGAL MINERA VIDALITA B DEL RÍO VIDAL GORMAZ	Vidalita B1	Option to acquire 100%
SOCIEDAD LEGAL MINERA VIDALITA C DEL RÍO VIDAL GORMAZ	Vidalita C1	Option to acquire 100%
SOCIEDAD LEGAL MINERA VIDALITA D DEL RÍO VIDAL GORMAZ	Vidalita D1	Option to acquire 100%
SOCIEDAD LEGAL MINERA VIDALITA E DEL RÍO VIDAL GORMAZ	Vidalita E1	Option to acquire 100%
SOCIEDAD LEGAL MINERA VIDALITA F DEL RÍO VIDAL GORMAZ	Vidalita F1	Option to acquire 100%
BLC SpA	Vidalota A	Option to acquire 100%
BLC SpA	Vidalota B	Option to acquire 100%
BLC SpA(Jotahues)	Ciclope Tuerto 7	Option to acquire 100%
BLC SpA (Jotahues)	Ciclope Tuerto 8	Option to acquire 100%
BLC SpA (Jotahues)	Ciclope Tuerto 9	Option to acquire 100%

Emu NL
ABN 50 127 291 927

ASX Code: EMU

10 Walker Ave
West Perth, WA 6005

T +61 8 9226 4266
E info@emunl.com.au

PO Box 1112
West Perth, WA 6872

Issued Capital:
Quoted:
Shares
65,910,387 fully paid shares

Contributing Shares
36,580,667 paid to $0.03; $0.03 to pay, no call before 31/12/2018

Unlisted Options
3,750,000 options, exercise price $0.10, date 20/12/18
300,000 options, exercise price $0.25, date 20/12/18

Directors:

Peter Thomas
Chairman

Greg Steemson
Managing Director

Gavin Rutherford Non-Executive Director

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.

FORWARD LOOKING STATEMENT

This report contains forward looking statements concerning the projects owned by Emu NL. Statements concerning mining reserves, resources and exploration results 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.