ASX ANNOUNCEMENT
17 March 2017

EMU NL

DRILLING RIG AND OTHER EQUIPMENT MOBILISES TO VIDALITA GOLD PROJECT IN CHILE

Australian explorer, Emu NL (ASX: EMU), has mobilised camp, earth moving and drilling equipment to the Vidalita site in northern Chile. The camp will be located ~25km from the drill site at an altitude of ~ 4,300m and cater for up to 20 personnel. Earth moving equipment has been engaged to repair the tracks into the site and to assist with setting up the camp and drill sites.

Drilling is scheduled to commence next week and, subject to weather, a program of 1,500m of core drilling is planned. Should results and weather allow, the program may be extended.

This being the maiden drilling program at this site, Emu has selected core drilling. In this periglacial environment, outcrop is rare so the objective of the program is, in addition to testing some of the targets generated in December 2016 and January 2017, to obtain a better understanding of the geology which will be provided by cores.

Core from site will be transported to Copiapo for logging, cutting and sampling for assay. While it is possible there may be unequivocal indications of mineralisation, it is likely that any final judgement of the economic potential of what is encountered will await assay results which at this time are expected to start being out-turned in the second half of April.

In respect of the applications for the additional concessions mentioned in the Company's announcement of 1 February, the Company advises that a prior competing application has since come to light which, if valid, will prevail. The additional concesions are not part of the existing Chile gold projects over which Emu has an option and on which the proposed drilling program will take place.

For more information on the Company see the website www.emun;.com.au

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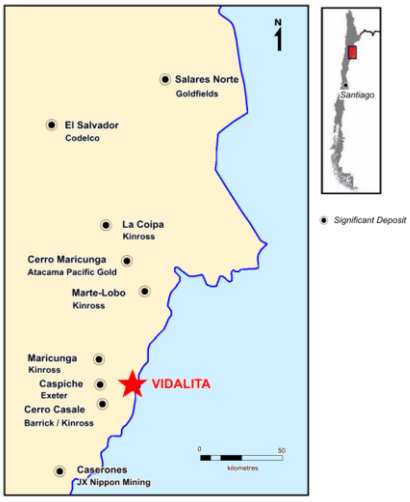
ABN 50 127 291 927

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 oxide 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 (Exeter). Refugio is located 30 km to the northwest of Vidalita. **As far as can be ascertained, due enquiry having been made, no drilling has been undertaken at Vidalita.**



MARICUNGA BELT DEPOSITS

Salares Norte (Gold Fields) - Inferred Resource of 23.3 Mt @ 4.2 g/t Au & 44 g/t Ag, for 3.1 Moz Au & 34 Moz Ag

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

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

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

Caspiche project (Exeter) - 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 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. This option maybe exercised any time up until November 2019 by granting Prospex and BLC a 1% NSR on production and allotting them up to 15 million Emu ordinary shares subject to certain vesting conditions (see ASX release 15th November 2016). Prospex SpA in turn has an option to acquire 6 of the 11 Vidalita concessions from local Chilean parties. Under the terms of that agreement, Prospex has the right to exercise that option by November 2019 by paying US$2 million and granting the Chilean parties a 1% NSR over those 6 concessions. Under the Emu option agreement, Emu has assumed the rights and obligations of Prospex in relation to those 6 concessions.

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ASX Code: EMU

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PO Box 1112
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Issued Capital:
Quoted:
Shares
49,061,580 fully paid shares

Contributing Shares
33,455,667 paid to $0.03; $0.03 to pay, no call before 31/12/2018

Listed Options
10,375,228 options, exercise price $0.10, date 30/3/17

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.