

QUARTERLY REPORT FOR JUNE 2014



SALE OF SUPERKOLONG DIAMOND INTEREST

As announced on 2nd June 2014, the agreement for the disposal of Emu's interest in the Kimberley diamond operation was unconditional as at the date of the General Meeting held on 29th May 2014. The first instalment of A\$500,000 was received and the escrow account funded in the amount ZAR8.5 million in accordance with the agreement. The funds held in escrow are to be released to Emu upon default by El Nino and offset against amounts then owing to Emu.

The second instalment of A\$500,000 plus interest on the balance outstanding from 29th May 2014 is due on or before 31st July 2014. The remaining balance of the loan repayment (A\$2,000,000) is then due in quarterly amounts of A\$500,000 plus interest on the balance outstanding from the previous instalment.

The final instalment is due on or before 31st July 2015.

MT MARMION E30/462

As announced on 28th March, the Company has applied for an exploration tenement north of Southern Cross, WA. The tenement covers part of an Archaean greenstone belt considered prospective for base metal mineralisation. Previous exploration located three airborne electromagnetic conductors which remain untested.

The Regional Standard Heritage Agreement has been signed with the Wutha Group and the Company has been advised by the Department of Mines and Petroleum that the expedited procedure applies for the grant of the tenement which is expected by the end of 2014.

NEW PROJECTS

In keeping with previous statements by the Company, Emu continues to investigate new opportunities within Australia and at various overseas jurisdictions.

28th July 2014

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

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Changes in interests in Mining Tenements

Tenements	Mining tenements acquired during the quarter	Mining tenements disposed during the quarter	Mining tenements held at the end of the quarter	Tenements location
E30/462*	100%	-	100%	Western Australia


Farm –in or Farm-out Arrangements

Tenements	Interests in farm-in or farm-out acquired during the quarter	Interests in farm-in or farm-out disposed during the quarter	Interests held in farm-in or farm-out agreements at the end of the quarter	Tenements location
Nil	-	-	N/A	N/A

* Application, tenement not yet granted.

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<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: Shares - Quoted: 39,693,856 fully paid shares 35,652,856 contributing shares</p> <p>Options – Unquoted: 841,148 exercisable at \$0.5874 by 22.12.2014 82,736 exercisable at \$0.4266 by 21.12.2015</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>Directors: Peter Thomas Chairman Greg Steemson Managing Director Gavin Rutherford Non-Executive Director</p>  <p>ASSOCIATION OF MINING AND EXPLORATION COMPANIES 2014 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>	

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Emu NL

ABN

50 127 291 927

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(74)	(223)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(113)	(410)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	19
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(184)	(614)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	(8)	(8)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	16	27
	(c) other fixed assets	-	15
1.10	Loans to other entities	-	(808)
1.11	Loans repaid by other entities	500	500
1.12	Other (provide details if material)	-	-
Net investing cash flows		508	(274)
1.13	Total operating and investing cash flows (carried forward)	324	(888)

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	324	(888)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	505
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	(6)
	Net financing cash flows	-	499
	Net increase (decrease) in cash held	324	(389)
1.20	Cash at beginning of quarter/year to date	429	1,142
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	753	753

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	128
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees, superannuation and geological consulting services.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	453	429
5.2 Deposits at call	300	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	753	429

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements and petroleum tenements acquired or increased	E30/462	Application	0%	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	39,693,856 35,652,856	39,693,856 -	Fully paid 6 cents	Fully paid 3 cents
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities (description)				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	841,148 82,736	- -	Exercise price \$0.5874 \$0.4266	Expiry date 22 December 2014 21 December 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~/does not*~~ (delete one) give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 28 July 2014

Print name: **Dennis Wilkins**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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