

SUMMARY

- **EMU announces strategic acquisition of Monte Cristo Gold Prospect at Gnows Nest Gold Project, near Yalgoo, WA**
- **EMU announces completion of the acquisition of Graceland and Viper Projects from Avenger Projects Pty Ltd**
- **EMU prepares RC Drilling Programme to commence at Gnows Nest Gold Project in January 2021**

MONTE CRISTO GOLD PROSPECT ACQUISITION

Following contractually securing the acquisition of Gnows Nest Gold Project in the previous quarter, EMU announced on 25 November 2020 that it had acquired the Monte Cristo Gold Project located in the Yalgoo Mineral Field of WA. This strategic acquisition extends the tenement holdings along strike of the historic high grade Gnows Nest gold mine.

The 100% acquisition (for \$150k cash) included four prospecting licenses one of which covers the historic Monte Cristo gold mine. The prospect adjoins and is interpreted to cover the northwest strike extent of the host structure to the Gnows Nest gold mine. The Monte Cristo Prospect has been traced over a total strike length of 3 km where a number of historic gold workings are evident.

In conjunction with this acquisition, EMU also lodged an exploration licence application covering the western margins of both the Gnows Nest Project and Monte Cristo Prospect tenements.

GRACELAND AND VIPER PROJECTS

EMU advised the market on 29 October 2020 that it had completed the acquisition of the Graceland and Viper Projects. This now allows EMU to progress exploration at these projects focussing on geochemical and geophysical testing of priority targets. EMU immediately commenced discussions with several auger drilling contractors and engaged with landowners for site access, with the intent of initiating a programme following the completion of harvesting programmes in South West WA.

PREPARATION OF REVERSE CIRCULATION DRILLING PROGRAMME AT GNOWS NEST AND MONTE CRISTO

EMU initiated discussions with a drilling contractor to commence a resource definition and expansion drilling programme at Gnows Nest Gold Project. The reverse circulation drilling programme is designed to test the high-grade zones below the shallow resource at the Gnows nest lode. The programme will also test strike extensions of the lode which remain open to the north and south.

In addition, the drilling programme was planned to verify results from historic drilling previously undertaken at Monte Cristo after EMU's comprehensive research and analysis identified exploration data which was not in a form qualifying it for disclosure under the JORC 2012 reporting standards.

8 MILE DAM, MENZIES – GOLDFIELDS REGION

Following EMU's reconnaissance field trip during August 2020 which successfully located historical drill hole collar locations where previous diamond explorers targeted (interpreted) lamprophyre pipes, EMU, during the period, commenced the preparation of a follow up geochemical sampling programme. The programme was developed to test extensions to the prospective ultramafic units and to zero-in on surface geochemical anomalies related to conceptual Ni-PGE targets.

CORPORATE ACTIVITIES

Issues of Securities

During the quarter, the Company made the following issues of securities for cash:

1. 35,500,000 quoted shares (**ASX:EMU**) at an issue price of \$0.03 each, raising \$1,065,000; and
2. 6,759,573 partly paid ordinary shares upon the exercise of unquoted options at \$0.02 each, raising \$135,191.

In addition to the above issues for cash consideration, the Company issued 20,000,000 fully paid shares as part consideration for the acquisition of tenements from Avenger Projects Ltd.

ASX Additional Information

EMU provides the following information pursuant to ASX Listing Rule requirements:

1. ASX Listing Rule 5.3.1 - Exploration and Evaluation Expenditure during the quarter was \$298k. Full details of exploration activities during the December quarter are set out in this report;
2. ASX Listing Rule 5.3.2 - There was no substantive mining production or development activity during the quarter; and
3. ASX Listing Rule 5.3.5 - Payment to related parties of the Company and their associates during the quarter: \$62k cash. The Company advises that this relates to remuneration for services as directors (including statutory superannuation), and for office rental paid to a director.

Shareholder approval of contracts and Notice of Meeting

Emu continues to seek ASX approval to issue a notice to convene a general meeting of shareholders to approve the issue of securities pursuant to the terms of the Avenger Projects' and Gnows Nest agreements (announced ASX on 28 September 2020).

Discussions between EMU and ASX in relation to Guidance Note 19 and "Performance Securities" continue. Extensions to the contract terms have been secured and further extensions may be sought if required. Variations in other respects have been required and others are being sought to accommodate the delay arising from the apparent lack of clarity and interpretation of the listing rules in relation to this matter.

RELEASE AUTHORISED BY DOUG GREWAR, CEO

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Emu NL

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Issued Securities as at 31.12.2020:

Fully paid shares (listed)

356,405,436 (including 18.6m which EMU can buy back for nil consideration)

Contributing Shares (listed)

40,485,069 paid to \$0.03, \$0.03 to pay, no call before 31 December 2023

Options (unlisted)

84,355,000 options to acquire fully paid shares, exercisable at \$0.20 on or before 15 January 2021

8,454,468 options to acquire fully paid shares, exercisable at \$0.20 each on or before 16 January 2021

22,000,000 options to acquire partly paid shares, exercisable at \$0.03 each on or before 21 December 2021

Directors:

Peter Thomas
Non-Executive Chairman

Terry Streeter
Non-Executive Director

Gavin Rutherford
Non-Executive Director

Tim Staermose
Non-Executive Director

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COMPETENT PERSON'S STATEMENT

Any details contained herein that pertain to exploration results, mineral resources or mineral reserves are based upon information compiled by Mr Francisco Montes, Senior Geologist and Exploration Manager, of Emu NL. Mr Montes is a Member of the Australasian Institute of Geoscientists 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 Montes consents to the inclusion herein of the matters based upon his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

As a result of a variety of risks, uncertainties and other factors, actual events and results may differ materially from any forward looking and other statements herein not purporting to be of historical fact. Any statements concerning mining reserves, resources and exploration results are forward looking in that they involve estimates based on assumptions. Forward looking statements are based on management's beliefs, opinions and estimates as of the respective dates they are made. The Company does not assume any obligation to update forward looking statements even where beliefs, opinions and estimates change or should do so given changed circumstances and developments.

Table 1: Schedule of Tenements – Western Australia

Concession ID	Type	Description/Status
E29/1080 – Marmion	Exploration	EMU 100% - Granted
E70/5602 – Kent	Exploration	EMU 100% - Application
E70/5603 – Roe	Exploration	EMU 100% - Application
E59/2495 – Warrambo	Exploration	EMU 100% - Application
E59/1735 – Gnows Nest	Exploration	EMU 100% - Granted - in process of being transferred
P59/2071 – Gnows Nest	Exploration	EMU 100% - Granted - in process of being transferred
P59/2072 – Gnows Nest	Exploration	EMU 100% - Granted - in process of being transferred
P59/2073 – Gnows Nest	Exploration	EMU 100% - Granted – in process of being transferred
P59/2074 – Gnows Nest	Exploration	EMU 100% - Granted – in process of being transferred