

SUMMARY

- **EMU identified the presence of two high-grade plunging gold shoots at Gnows Nest Gold Project, near Yalgoo WA**
- **Newly discovered high grade gold zones encountered at Monte Cristo prospect, along strike and on the same structure as the Gnows Nest historic gold mine**
- **EMU announced significant copper anomalism from its maiden auger drilling geochemistry programme at its Viper Project near Jerramungup WA.**
- **Acquisition of the Gnows Nest Project was completed during the quarter**
- **Desktop reviews of the Sunfire Project near Bridgetown WA highlighted highly prospective copper and nickel target zones**

Gnows Nest Project – Yalgoo WA, Gold

Following completion of its maiden RC drilling programme at the Gnows Nest Project in the previous period, EMU NL's ("EMU" or "The Company") review of results confirmed the presence of two steeply plunging high grade gold shoots at the Gnows Nest historic gold mine. The RC drilling programme was intentionally focused on testing the strike extensions of the known gold mineralisation. The main shaft area was drilled and the northern plunging high grade gold shoot was confirmed. A separate new high grade gold shoot was identified plunging to the south. This deeper zone was previously unknown and has never been subjected to any drilling at depth. Both mineralised shoots are structurally controlled by shear zones and hosted within quartz veins

At its Monte Cristo prospect, EMU identified new zones of mineralisation which has opened up the possibility of further mineralisation along strike and down dip and prompted planning for a follow RC drilling programme. The structural setting hosting the mineralisation runs for approximately 6km and presents possibilities for further focused exploration particularly within the identified shear zones. The interpreted mineralised zones are further confirmed by historic diggings and workings. An additional offset structure approximately 4 kms long was identified for follow up and a geochemistry soil sampling survey was planned to commence in July to provide vectors for follow up drilling. Preparation, planning and resourcing of an extension drilling programme at Gnows Nest Project was initiated and programmed to commence in August 2021. The proposed 6500m programme will test the depth extensions of the Gnows Nest gold mine and probe for further high-grade gold mineralisation within extended quartz veining at both the north and south shoots. At Monte Cristo, the RC drill programme has been planned to test strike and depth extensions.

During the quarter EMU confirmed the completion of the purchase of all shares in Coruscant Minerals Pty Ltd, the owner of the tenements which contain the Gnows Nest Gold Mine. The

acquisition of the “Alluvials” (Prospector Licence P59/2068) during the quarter completed EMU’s consolidation of all tenements within the Gnows Nest Project area.

Viper Project – Jerramungup WA, Nickel, Copper

EMU announced significant copper anomalism at its Viper Project hosted in two parallel east-west dykes. The northern dyke, with a strike length of 4km is situated 500m to the north of the smaller southern dyke which has a strike length of approximately 2 kms. The northern dyke hosts the historic Netty Copper Mine which has reportedly produced a small volume of high-grade copper between 1910 and 1960.

The multi element geochemistry results from EMU’s maiden auger drilling programme reported significant anomalism in both dykes. The results support EMU’s report of visual copper from rock samples taken within the mine environs in the previous period. The anomalism has provided EMU with defined target areas for an electromagnetic (EM) survey and follow up infill geochemistry. The EM survey will seek to determine the presence of a “conductor” which may indicate the presence of sulphides and lead to a drilling programme to test any extended copper mineralisation.

EMU also reported an anomalous zone of gold located at the eastern margin of the northern dyke. Further auger infill drilling has been planned to extent of this anomalism.

Sunfire Project - Bridgetown WA, Nickel, Copper

EMU reported that it had identified 6 nickel-copper prospective targets from its desktop studies interpreting ultra-mafic intrusions within the Sunfire Project area. EMU was able to determine a 1.5km nickel-copper anomalous zone within an ultra-mafic sequence. The zone of interest at Yornup Mill, was determined from previous exploration geochemistry and from nickel and copper sulphides reportedly logged from historic drill holes. The trend at Yornup Mill is open north and south and provides EMU with walk up targets for further exploration.

A further two trends were identified by EMU for follow up. The Seaton Ross Trend and the Mersea Trend along with the Yornup Mill trend have been interpreted as ultra-mafic intrusive zones and prospective for nickel and copper. The areas of nickel-copper and pathfinder multi element geochemistry remain open along strike in each case and have provided EMU with an early exploration focus.

The Sunfire Project abuts and is contiguous to the Chalice Gold Mines/Venture Minerals JV tenements which host the massive sulphide Thor discovery. The Sunfire Project is considered prospective for magmatic sulphide mineralisation, with geological attributes similar to the high-profile Nova-Bollinger, Mason and Julimar discoveries.

CORPORATE ACTIVITIES

Capital Raising

As approved at the General Meeting of Shareholders held on 6 April 2021, the Company issued 22,857,142 fully paid ASX:EMU shares and 48,571,429 Gnows Nest Performance Rights in respect of the acquisition of the Gnows Nest Project.

ASX Waiver- Approval to issue securities

On 6 April 2021, the Company received shareholder approval for the issue of 10,000,000 shares (**Sunfire Shares**) in respect of the acquisition of the Sunfire Project tenement E 70/5507.

The following information is provided in accordance with waiver conditions granted by ASX on 20 November 2020 permitting the Company to issue the Sunfire Shares more than 3 months after the date of the shareholder approval being granted:

- (a) No Sunfire Shares were issued during the reporting period;
- (b) 10,000,000 Sunfire Shares remain, conditionally, to be issued; and
- (c) the Sunfire Shares will be issued at completion of the acquisition of the Sunfire Project tenement, further described in item 1.2(c) of the explanatory statement of the Company's notice of general meeting dated 5 March 2021.

The waiver is conditional on (amongst other matters) the Sunfire Shares being issued by 6 April 2022 (12 months after shareholder approval being received).

ASX Additional Information

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

- (a) ASX Listing Rule 5.3.1 - Exploration and Evaluation Expenditure during the quarter was \$900k. Full details of exploration activities during the June quarter are set out in this report;
- (b) ASX Listing Rule 5.3.2 - There was no substantive mining production or development activity during the quarter;
- (c) ASX Listing Rule 5.3.3 – Details of mining tenements acquired or disposed of during the quarter, and held at the end of the quarter are set out in this report; and
- (d) ASX Listing Rule 5.3.5 - Payment to related parties of the Company and their associates during the quarter: \$53k cash. The Company advises that this relates to remuneration for services as directors (including statutory superannuation), and for office rental paid to a director.

RELEASE AUTHORISED BY THE BOARD

Contact Details: Doug Grewar - Office: +61 8 9226 4266; Mobile: 0419 833 604

Table 1: Schedule of Tenements – Western Australia

Table 1 - Schedule of Tenements - Western Australia			
Tenement ID (DMIRS ID)	Emu Project	Type	Description/ Status
E29/1080 - Marmion	8 Mile Dam	Exploration	EMU 100% - Granted
E59/2315 - Gnows Nest	Gnows Nest	Exploration	EMU 100% - Granted
E59/2495 - Warrambo	Gnows Nest	Exploration	EMU 100% - Application
E59/1735 - Gnows Nest	Gnows Nest	Exploration	EMU 100% - Granted - in process of being transferred
M59/739 - Gnows Nest	Gnows Nest	Mining	EMU 100% - Granted - in process of being transferred
P59/2068 - Monte Cristo	Gnows Nest	Exploration	EMU 100% - Granted - in process of being transferred
P59/2071 - Gnows Nest	Gnows Nest	Exploration	EMU 100% - Granted - in process of being transferred
P59/2072 - Gnows Nest	Gnows Nest	Exploration	EMU 100% - Granted - in process of being transferred
P59/2073 - Gnows Nest	Gnows Nest	Exploration	EMU 100% - Granted – in process of being transferred
P59/2074 - Gnows Nest	Gnows Nest	Exploration	EMU 100% - Granted – in process of being transferred
E70/5146 - Graceland	Graceland	Exploration	EMU 100% - Granted – in process of being transferred
E70/5155 - Viper	Viper	Exploration	EMU 100% - Granted – in process of being transferred
E70/5507 - Sunfire	Sunfire	Exploration	EMU 100% - Granted – in process of being transferred
E70/5346 – Sunfire	Sunfire	Exploration	EMU 100% - Granted – in process of being transferred
E70/5602 - Kent	Viper	Exploration	EMU 100% - Granted
E70/5603 - Roe	Graceland	Exploration	EMU 100% - Granted

Emu NL

ABN 50 127 291 927

ASX Codes: EMU and EMUCA

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West Perth, WA 6005

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West Perth, WA 6872

Fully paid shares (listed)

456,514,484 (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 31/12/2023

Options (unlisted)

38,125,953 options to acquire fully paid shares, exercisable at \$0.15 each, on or before 23 August 2021

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

Performance Rights (Unlisted)

48,571,429 performance rights in relation to acquisition of Gnows Nest project

Directors:

Peter Thomas
Non-Executive Chairman

Terry Streeter
Non-Executive Director

Gavin Rutherford
Non-Executive Director

Tim Staermose
Non-Executive Director

Investor enquiries:

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COMPETENT PERSON'S STATEMENT

The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Francisco Montes, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Montes is an employee of Emu NL 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"*. 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.

NEW INFORMATION OR DATA

EMU confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, which all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.

- END -

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

EMU NL

ABN

50 127 291 927

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(900)	(1,337)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(105)	(468)
	(e) administration and corporate costs	14	(452)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	49
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(991)	(2,205)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(759)	(1,787)
	(c) property, plant and equipment	-	(44)
	(d) exploration & evaluation	-	-
	(e) investments	-	(10)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	45
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(759)	(1,796)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,445
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(265)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	4,180

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,505	1,661
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(991)	(2,205)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(759)	(1,796)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,180

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	(85)
4.6	Cash and cash equivalents at end of period	1,755	1,755

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	52	63
5.2 Call deposits	1,695	3,435
5.3 Bank overdrafts	-	-
5.4 Other (provide details) Cash deposit held in US\$	8	7
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,755	3,505

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	53
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(991)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(991)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,755
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,755
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.77
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: EMU expects that it will continue to have negative operating cash flows as is usual for mining exploration entities, but expenditures on discretionary exploration expenses will be curtailed as needed, dependent on available cash resources.		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Emu is currently in discussions and having regard to its record of raising funds as and when required, these negotiations are expected to result in additional capital being raised.		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: EMU expects to be able to continue its operations and meet its business objectives based on its responses to 8.8.1 and 8.8.2 above.		
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: **30 July 2021**

Authorised by: **Doug Grewar - CEO**
(Name of body or officer authorising release – see note 4)

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.