

SUMMARY

- EMU commenced a ~6,500m Stage 2 reverse circulation (RC) drilling programme at its Gnows Nest Gold Project, near Yalgoo WA to follow up on its highly successful maiden Stage 1 drilling programme
- Approximately 4,000m of drilling completed by the end of the quarter
- Drilling confirmed depth extensions of the high-grade plunging shoots at Gnows Nest with significant intersections reported from assay results of the first 10 holes
 - 2m at 12.62g/t gold from 121m including;
 - 1m at 18.57g/t gold from 121m; and
 - 2m at 11.43g/t gold from 208m including;
 - 1m at 17.53g/t gold from 208m; and
 - 1m at 6.83/t gold from 144m; and
 - 1m at 5.11/t gold from 53m
- Zones of prospective quartz veining within shears intercepted at Dantes Camp prospect
- A soil sampling geochemistry programme was completed over the newly interpreted Water Tank Hill prospect and Monte Cristo prospect

Gnows Nest Deeps

Two high-grade gold plunging ore shoots were identified from EMU NL's ("EMU" or "The Company") maiden RC (Reverse Circulation) drilling programme at the Gnows Nest Prospect and area of historical mining earlier in the year (Q1 2021). Assay results from an area 50m below the historic mine's deepest mining level (the Northern Plunge area) and a zone in the southern strike extension of gold mineralisation (the Southern Plunge area) indicated the high-grade lode gold mineralisation system was continuous along strike and at depth. In the Stage 2 programme, EMU drilled 10 deep holes to test for depth continuation of the ore shoots. Initial results from the drilling programme indicates that the high-grade gold trend is continuous at both the northern and southern ore shoot extensions with the drilling intercepting the requisite quartz veining within the north-south trending Gnows Nest shear zone in all drill holes.

The drilling programme also targeted a possible splay from the main shear that was previously interpreted as barren from limited historical drilling. This area is located between the two plunging ore shoots. Results from the drilling in this zone have now confirmed that the

prospective mineralised structure is continuous and remains open to depth. The programme has confirmed the prospectivity of Gnows Nest Deeps targets as promising for further gold mineralisation at depth.

Monte Cristo Prospect

Drilling commenced and was in progress at the end of the reporting quarter. Follow-up drilling of the high-grade gold intercepts recorded from the Stage 1 drilling programme at Monte Cristo produced highly encouraging visual confirmation of the host shear and quartz vein lodes along the projected strike and depth extensions. Visible sulphides were recorded in the predicted ore zones which provided encouragement for further development of Monte Cristo. Assays were pending at the end of the quarter.

Regional Targets

More than 4,000m of RC drilling had been completed by the end of the quarter which included the drill-testing of a number of regional targets including the historical workings at Dantes Camp and Brilliant. These targets were identified from EMU's induced polarization (IP) geophysics survey conducted earlier in the year. Both targets lie on a parallel structure located to the east of the Gnows Nest historic mine and share similar geological characteristics.

EMU completed 4 holes at Dantes Camp intersecting a 4m wide fractured and brecciated quartz veining at a depth of 40m. The intercepts also exhibited the presence of finely disseminated sulphides within sheared mafic rocks confirming key similarities to the Gnows Nest historic mine.

Three holes drilled at the Brilliant Prospect were designed to test for mineralisation below the known workings area and along strike, either side of the shaft.

Soil Geochemistry and Mapping

EMU conducted exploration field work during the period completing a geological mapping and soil sampling geochemistry programme. The work was targeted over an area located between the Monte Cristo and Gnows Nest prospects over a new gold mineralisation zone called Watertank Hill. The soil sampling comprised 429 samples and was conducted at 100 x 50m centres and infilled areas of historical sampling over a prominent structural flexure zone as evident in the aeromagnetism data. EMU conducted preliminary pXRF analysis of the samples prior to dispatch to ALS Laboratories for quantitative multi-element analyses. Results were expected to provide pathfinder element distributions which could be used to vector future drilling.

Viper, Graceland, Sunfire Projects

EMU continued to review and develop plans for field activities programmed for December 2021 and January 2022. Working with geophysical consultants Resource Potentials (ResPot), EMU has progressed the initial design plans for electromagnetic (EM) geophysical surveys for each of these projects. The surveys were provisionally scheduled with contractors and designed to provide discrete vectors for future drilling.

CORPORATE ACTIVITIES

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 tenements.

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) As at 30 September 2021, 10,000,000 Sunfire Shares remained, conditionally, to be issued; and
- (c) the Sunfire Shares were in fact issued after the end of the quarter pursuant to completion of the acquisition of the Sunfire Project tenements, 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 was 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 \$153k. Full details of exploration activities during the September 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: Emu Tenement Schedule:

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

466,514,484 (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 December 2023

Options (unlisted)

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 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(153)	(153)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(176)	(176)
	(e) administration and corporate costs	(151)	(151)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(480)	(480)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(4)	(4)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(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	(4)	(4)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,755	1,755
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(480)	(480)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(4)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,271	1,271

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	63	52
5.2 Call deposits	1,200	1,695
5.3 Bank overdrafts	-	-
5.4 Other (provide details) Cash deposit held in US\$	8	8
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,271	1,755

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)	(480)
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)	(480)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,271
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,271
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.65
<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: N/A	
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: N/A	
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: N/A	
<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

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

Date: **29 October 2021**

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

Notes

1. 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 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.

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

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.