

SUMMARY

- **EMU completed a 6,582m Stage 2 reverse circulation (RC) drilling programme at its Badja Gold Project**
- **A gold discovery was confirmed at the Watertank Hill prospect located 800m to the southeast of Monte Cristo Prospect**
- **Watertank Hill gold mineralisation localised on a southeast-trending structural extension of the Monte Cristo gold lode**
- **Significant gold intercepts at Watertank Hill included:**
 - **2m at 9.94g/t gold from 51m including;**
 - **1m at 19.35g/t gold from 51m**
 - **2m at 3.77g/t gold from 51m including;**
 - **1m at 6.01g/t gold from 52m**
 - **6m at 1.12g/t gold from 29m including;**
 - **1m at 2.30g/t gold from 32m.**
- **Further high-grade gold mineralisation was also intersected at Monte Cristo Prospect. Significant gold intercepts included:**
 - **4m at 9.74g/t gold from 32m (composite sample);**
 - **4m at 3.02g/t gold from 100m (composite sample);**
 - **7m at 2.18g/t gold from 173m including;**
 - **1m at 4.09g/t gold from 173m, and**
 - **1m at 2.30g/t gold from 175m**
 - **3m at 2.73g/t gold from 124m including;**
 - **1m at 3.86g/t gold from 124m, and**
 - **1m at 4.09g/t gold from 125m;**
 - **3m at 2.51g/t gold from 126m including;**
 - **1m at 4.28g/t gold from 126m.**
- **A Stage 2 infill, extensions and regional soil sampling geochemistry programme was completed over the greater Badja Project**

The Stage 2, RC drilling programme at Badja Gold Project was completed during the quarter. That 6,582m RC programme tested targets at Gnows Nest Deeps, Monte Cristo Extensions, the newly identified tier one target at Watertank Hill and other regional targets.

Water Tank Hill Prospect

The drilling programme identified a high-grade gold discovery located approximately 800 southeast of the Monte Cristo Prospect. The prospect was rated as a tier one target due to the numerous old workings, the well-defined structural flexure of the greenstone belt and the elevated gold and multi-element geochemistry defined in the soil geochemistry. Watertank Hill comprises two distinct mineralised zones; a western zone and an eastern zone. Drilling at the western zone (5 holes for 440m) intersected significant shallow gold mineralisation in 4 holes associated with prominent shear zones trending parallel to the greenstone belt as defined by mafic (greenstone) and banded iron formation contacts. On the eastern zone (3 holes for 300m), drilling intersected broad low grade gold intersections associated with shearing along geological contacts. The discovery was interpreted to be a possible extension of the Monte Cristo gold lode. This will be tested by a follow up drilling programme planned in 2022.

Monte Cristo Prospect

Assay results from the drilling at the Monte Cristo confirmed the continuation of high-grade gold hosted within a series of structurally controlled en echelon quartz veins. The veins, which dip steeply to the east, were identified to pinch and swell along strike and down dip. Gold mineralisation was also identified in sulphidised banded iron formation adjacent to the contact with the sheared mafic schist units. The Stage 2 drilling programme at Monte Cristo (16 holes for 2,165m) extended the strike and depth extent of the gold lodes. The prospect remains open to depth and strike.

The drilling programme also confirmed the depth extensions to mineralisation trends at Gnows Nest gold mine. The identified north and south plunging shoots continue to depth. The drilling has opened the possibility of locating further shoots of high-grade gold located between the north and south shoot. Follow up drilling, planned for 2022 will test for broader mineralisation along the strike of the ore lode.

Geochemistry Soils Programme

Following the completion of the Stage 2 drilling programme, EMU commenced a comprehensive soil sampling geochemistry programme over the greater Badja project tenements in two separate phases. The programme which was finalised in mid-December, focussed on infill sampling of the Monte Cristo and Water tank Hill areas, the northern extensions of Monte Cristo, the western greenstone limb (south of Watertank Hill) and multiple areas to the east of the Gnow Nest gold mine. EMU awaits multi-element assay results from ALS, expected in Q1 2022.

Viper, Graceland & Sunfire Projects

Emu worked with geophysical consultants Resource Potentials Pty Ltd to design upcoming electromagnetic (EM) surveys at each of Viper, Graceland and Sunfire. Fixed Loop Electromagnetic (FLEM) surveys have been finalised for Viper and Graceland and are

programmed to be conducted during Q1 2022. The implementation of EM surveys at Sunfire will be carried out at Sunfire during 2022.

Environmental consultants, MBS Environmental, were contracted to assist with the Conservation Management Plan and Dieback Management Plan required by the Department of Conservation, Biodiversity and Attractions for working within the State Forest areas within the Sunfire project tenements. This work precedes the commencement of planned EM surveys during 2022.

CORPORATE ACTIVITIES

During the quarter:

- (a) 10,000,000 fully paid shares were issued as Sunfire Shares (see below);
- (b) A placement of 83,300,000 fully paid shares (ASX:EMU) was made at \$0.025 each to professional and sophisticated investors, together with 33,320,000 unquoted free options, on basis of 1 option for every 2.5 shares subscribed, exercisable at \$0.075 each, on or before 15 March 2023; and
- (c) 22,000,000 director and employee/contractor options expired as unexercised on 21 December 2021.

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) 10,000,000 fully paid shares were issued as Sunfire Shares during this reporting period;
- (b) As at 31 December 2021, no Sunfire Shares remained to be issued; and
- (c) 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 \$659k. Full details of exploration activities during the December 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: Tenement Schedule:

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

Emu NL

ABN 50 127 291 927

ASX Codes: EMU and EMUCA

10 Walker Ave
West Perth, WA 6005

T +61 8 9226 4266
E info@emunl.com.au

PO Box 1112
West Perth, WA 6872

Fully paid shares (listed)

549,814,484 (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)

33,320,000 options to acquire fully paid shares, exercisable at \$0.075 each, on or before 15 March 2023

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:

Doug Grewar CEO
T +61 8 9226 4266
M +61 419833604
E info@emunl.com.au

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")

31 December 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(659)	(812)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(180)	(356)
	(e) administration and corporate costs	(117)	(268)
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	(956)	(1,436)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(50)	(54)
	(c) property, plant and equipment	(7)	(7)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	30	30
	(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	(27)	(31)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,083	2,083
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	(128)	(128)
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	1,955	1,955

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,271	1,755
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(956)	(1,436)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(27)	(31)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,955	1,955

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,243	2,243

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	32	63
5.2 Call deposits	2,203	1,200
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)	2,243	1,271

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)	(956)
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)	(956)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,243
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,243
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.35
<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: **28 January 2022**

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.