

Emu NL (**EMU** or the **Company**) completed significant field activities during the period at Badja Project (gold, tungsten), Gracelands Project (nickel, copper, PGEs) and Viper Project (nickel, copper). EMU also provided an update to market on the Sunfire Project (nickel, copper) following a review of historic drilling data.

### **BADJA PROJECT near Yalgoo, WA**

EMU announced the presence of high-grade tungsten coincident with gold following a review of a limited number of multi-element assay results at the Monte Cristo Prospect. Further testing was implemented with results pending. The comprehensive soil sampling programme conducted at Badja in the previous quarter, highlighted gold and tungsten anomalism over several new regional areas and confirmed possible extensions to mineralisation at existing discovery zones. EMU has since prepared an extensive drilling programme contracting an aircore rig and a reverse circulation drill rig. The drilling programme commenced after the end of the quarter, in April/May 2022. Highlights reported to the market at Badja during the quarter include:

- **Significant tungsten values associated with gold mineralisation at the Monte Cristo prospect highlighted from multi-element assay results, with individual readings of up to 0.64% WO<sub>3</sub>. Significant intersections include<sup>1</sup>:**
  - **12m at 0.12% WO<sub>3</sub>** from 58m (21MC001) including;
    - **1m at 0.64% WO<sub>3</sub>** from 59m
  - **6m at 0.18% WO<sub>3</sub>** from 58m (21MC002) including;
    - **1m at 0.44% WO<sub>3</sub>** from 59m
  - **4m at 0.14% WO<sub>3</sub>** from 28m (21MC003): composite sample
- **The multi-element testing completed by EMU is known to significantly under report tungsten grades therefore tungsten-specific element analysis is underway to determine the actual grades**
- **The tungsten values confirm Monte Cristo area as both a prospective gold and tungsten target**
- **Multi-element assay results from a further 24 drill holes at Monte Cristo expected in early Q2 2022**

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<sup>1</sup> See ASX Announcement “Significant Tungsten Values at Monte Cristo Gold Prospect”

## **GRACELAND PROJECT near Hyden, WA**

EMU engaged geophysical consultants, Resource Potentials, to undertake reprocessing of EMU's magnetic data to obtain clearer resolution of the anomalous magnetic feature which lies "blind" and under cover. A potential mafic-ultramafic unit was identified which was also found to be coincident with a regional gravity high.

EMU completed 5 loops of fixed loop electromagnetic (FLEM) survey during February, targeting magmatic nickel sulphide mineralisation. The data delineated a series of significant EM conductors located along on the margin of the interpreted ultramafic (magnetic) unit which significantly, are further coincident with auger soil nickel, copper and chrome geochemical anomalism. The multi-element geochemical distribution was first identified by EMU in 2021 following a systematic auger drilling programme<sup>2</sup>.

EMU has planned a ~2500m RC drilling programme designed to test for nickel sulphide mineralisation targeting the relatively shallow EM conductors. This programme will commence depending on drill availability and final land access permits are imminent.

EMU applied for an additional exploration licence totalling 10 blocks, contiguous to the Graceland Project. This new application area was noted to have the characteristic regional gravity and aeromagnetic properties considered prospective for nickel mineralisation. Highlights of the Graceland activities included:

- **EMU to drill test significant conductors identified from its Fixed Loop Electromagnetic (FLEM) survey**
- **The EM conductors and drill target area are coincident with a regional gravity high and anomalous geochemical nickel-copper-chromium trend**
- **RC drill programme to test relatively shallow nickel sulphide targets**
- **Reprocessed magnetic data improves interpretation of mafic-ultramafic flows and assists drill target vectors**
- **Multiple electromagnetic (EM) conductors align with eastern margin of interpreted ultra-mafic unit pointing to the heightened prospectivity of this ~3km of strike**
- **EMU has made further application for exploration licences adjoining Graceland to cover prospective aeromagnetic and gravity extensions**

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<sup>2</sup> See ASX Announcement, "Letter to Shareholders", 20 July 2021

## **VIPER PROJECT near Jerramungup, WA**

A single loop FLEM geophysical survey was completed at the Viper Project covering the historic Netty Copper Mine and surrounding areas including the parallel mafic dyke system and multi-element geochemical anomalism delineated in EMU's successful auger drilling programme in 2021.<sup>3</sup> Three EM conductors were delineated, two of which are coincident with elevated copper and nickel occurrences identified in the auger soil geochemistry.

EMU has planned an initial ~500m RC drilling programme targeting the three shallow EM conductors for nickel sulphide mineralisation. EMU will also drill to test extensions of the mineralised zones beneath the historic high-grade Netty Copper Mine seeking zones of broad disseminated copper and a greater understanding of the setting and mineralisation style. Highlights reported to market include:

- **EMU to drill test significant conductors identified from its FLEM survey**
- **EM conductors coincident with geochemical nickel and copper anomalism**
- **RC drill programme to target interpreted nickel sulphide EM conductors**

## **SUNFIRE PROJECT near Bridgetown, WA**

An assessment of petrology studies outlined in 2 WAMEX reports<sup>4</sup>, prepared by Planet Mining Company Pty Ltd in 1970, highlighted the identification of fine grained disseminated *pentlandite* and *millerite* nickel sulphides in diamond drill holes Y001 and Y003. The information from the reports, provides evidence of the prospectivity at depth and along the structures of the layered ultramafic sequence of the Seaton-Ross trend. Further, it gives EMU confidence to explore at depth for primary magmatic and structurally remobilised nickel sulphide targets, as well as for shallower laterite nickel, cobalt, chrome deposits.

Until now, exploration at Sunfire has focused on a 1,500m zone of the Seaton-Ross magnetic trend within State Forest. A further 5.5 km strike extension of this trend remains untested. Similarly, a 7.5km length of strike in 2 parallel belts, one to the north (Yornup Trend), and the other to the south (Mersea Trend), requires systematic exploration.

Recent exploration focus has been directed towards the presence of nickel and chromite within laterites and near-surface positions. The results from historic surface geochemistry and shallow drilling at Sunfire have identified significant zones of nickel and copper anomalism<sup>5</sup>. Emu intends to extend its exploration effort to look for deeper primary nickel and copper sulphides located under widespread, shallow Tertiary laterite cover which masks layered mafic-ultramafic intrusions.

EMU has planned a detailed soil geochemical survey to extend the footprint of known surface geochemical anomalism. It has also scheduled a programme of fixed loop electromagnetic (FLEM) surveys over the anomalous zones to identify any bedrock conductors for follow-up drill testing. The FLEM survey is scheduled in mid-2022 following finalisation of the formal

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<sup>3</sup> See ASX Announcement, "Significant Copper Anomalism Defined at Viper Project", 8 June 2021

<sup>4</sup> WAMEX reports A6413 and A6414

<sup>5</sup> ASX News Release "Emu Secures Highly Prospective Portfolio in WA" 20 September 2020

administrative processes pursuant to the acquisition of the project tenements. Highlights of the reviews reported to market included:

- **Petrology reports indicate the presence of primary magmatic disseminated nickel sulphide mineralisation at Emu's Sunfire project**
- **Disseminated nickel sulphide mineralisation indicated from 2 diamond holes completed more than 50 years ago reported in historic WAMEX reports**
- **Disseminated nickel sulphides from relatively shallow depths of 65 – 140m within ultramafic host rocks**
- **New knowledge to drive aggressive exploration programme during second half 2022**
- **EMU to employ soil sampling and modern geophysical exploration techniques in the first instance to generate new vectors for drilling programme**

### **CORPORATE ACTIVITIES**

During the quarter 35,000,000 options were issued to directors and employee/contractors pursuant to approvals passed at the Company's AGM. These options are to subscribe for partly paid shares at an exercise price of \$0.0001 each on or before 15 November 2022. If exercised, the resultant partly paid shares will be paid to \$0.0001 with a further \$0.04 payable on call (no calls being made before 31 December 2025).

### **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 \$260k. Full details of exploration activities during the March 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
<b>M59/739 – Gnows Nest</b>	Gnows Nest	Mining	EMU 100% - Granted
<b>E59/2315 – Gnows Nest</b>	Gnows Nest	Exploration	EMU 100% - Granted -
<b>P59/2068 – Monte Cristo</b>	Gnows Nest	Prospect	EMU 100% - Granted
<b>P59/2071 – Monte Cristo</b>	Gnows Nest	Prospect	EMU 100% - Granted
<b>P59/2072 – Monte Cristo</b>	Gnows Nest	Prospect	EMU 100% - Granted
<b>P59/2073 – Monte Cristo</b>	Gnows Nest	Prospect	EMU 100% - Granted
<b>P59/2074 – Monte Cristo</b>	Gnows Nest	Prospect	EMU 100% - Granted
<b>E59/2495 – Warrambo</b>	Gnows Nest	Exploration	EMU 100% - Granted
<b>E70/5507 – Sunfire</b>	Sunfire	Exploration	EMU 100% - Granted
<b>E70/5346 - Sunfire</b>	Sunfire	Exploration	EMU 100% - Granted
<b>E70/5146 - Graceland</b>	Graceland	Exploration	EMU 100% - Granted
<b>E70/5603 – Roe</b>	Graceland	Exploration	EMU 100% - Granted
<b>E70/6066 - Roe</b>	Graceland	Exploration	EMU 100% - Under Application
<b>E70/5155 - Viper</b>	Viper	Exploration	EMU 100% - Granted
<b>E70/5602 – Kent</b>	Viper	Exploration	EMU 100% - Granted
<b>E29/1080 – Marmion</b>	8 Mile Dam	Exploration	EMU 100% - Granted

**Emu NL**

ABN 50 127 291 927

**ASX Codes: EMU and EMUCA**

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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)**

35,000,000 options to acquire partly paid shares, exercisable at \$0.0001 each, on or before 15 November 2023 with a further \$0.04 payable on each, once exercised, to convert into fully paid shares

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:**

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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.

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## Appendix 5B

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

Name of entity

<b>EMU NL</b>
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ABN

<b>50 127 291 927</b>
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Quarter ended ("current quarter")

<b>31 March 2022</b>
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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(260)	(1,072)
(b) development	-	-
(c) production	-	-
(d) staff costs	(183)	(539)
(e) administration and corporate costs	(127)	(395)
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(570)</b>	<b>(2,006)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(47)	(101)
(c) property, plant and equipment	-	(7)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(47)</b>	<b>(78)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>1,955</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,243	1,755
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(570)	(2,006)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(47)	(78)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,955



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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	1	1
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,627</b>	<b>1,627</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	88	32
5.2	Call deposits	1,533	2,203
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Cash deposit held in US\$	6	8
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,627</b>	<b>2,243</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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	-

*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.*

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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.		

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

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(570)
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)	(570)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,627
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,627
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>2.85</b>
<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**

- 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: **29 April 2022**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 entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 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.
- 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.

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

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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.