

Scale Project added to Exploration Portfolio - 850km² of Highly Prospective Multi Mineral Tenements - Georgetown, Queensland

1 September 2022

Highlights

- EMU secures the right to earn up to an 80% interest in 3 exploration permits for minerals (EPM's), covering 850km² in the Georgetown mining district, Queensland, under a Heads of Agreement with Rugby Resources Ltd (TSXV:RUG).
- The district has a substantial mineral endowment with more than 1,000 mines, prospects and identified mineral occurrences.¹
- Significant historical gold production from the district.
- Dozens of highly significant mineral occurrences within the tenements are under explored and unexploited, there having been little systematic modern exploration.
- Lithium potential highlighted by the Queensland Department of Natural Resources and Mines.²
- Identified by Geoscience Australia³ as a prospective host region for critical minerals and specific minerals required for electric vehicles and electrification infrastructure.
- The EPM's are highly prospective for scale precious, battery and base metals occurrences including gold, lithium, silver, lead, zinc, copper, tin, tantalum, niobium, uranium, fluorine and molybdenite.
- Numerous silver-lead targets identified at Snake Creek and at the Munitions Creek prospects with historic zinc targets.
- Untested porphyry copper target at Fiery Creek defined by large circular magnetic anomaly with associated copper occurrences.

Director's Statement

"EMU has signed an agreement with Rugby Resources Ltd which gives EMU the opportunity to earn up to 80% of a richly endowed, but under-explored area of Far North Queensland with a history of significant mining activity and mineral discoveries. There are multiple occurrences of precious metals, battery metals, numerous base and strategic minerals in the Georgetown mining district. In terms of systematic modern exploration, the tenements are effectively *virga intacta*. Gold has been the main mineral mined in the district including from the prolific Kidston Mine, one of Australia's largest ever gold mines. The Georgetown tenement package provides significant scale and adds dimension to EMU's highly prospective WA project portfolio. It presents a remarkable opportunity for the discovery of gold and other minerals in demand required for electric vehicles and the global energy/carbon balance transition."

¹ Queensland Department of Natural Resources GeoResGlobe Interactive Website
<https://georesglobe.information.qld.gov.au/>

² "Emerging strategic minerals in Queensland", July 2017, Queensland Department of Natural Resources and Mines.

³ "Mineral Occurrences: Forgotten discoveries providing new leads for mineral supply" C. Kucka, A Senior, A. Britt, Geoscience Australia 2022. *Exploring for the Future*.

EMU NL, (**EMU** or the Company, ASX:EMU), has secured the right to earn an 80% interest in 3 EPM's (Exploration Permits for Minerals - being **Georgetown, Perpendicular Peak & Fiery Creek**) under a farm-in and joint venture agreement with Rugby Resources Ltd (Previously Rugby Mining Limited, **Rugby**, TSXV:RUG). These EPMs cover 850 square kilometres in the Georgetown mining district, North Queensland, Australia. (Fig 1)

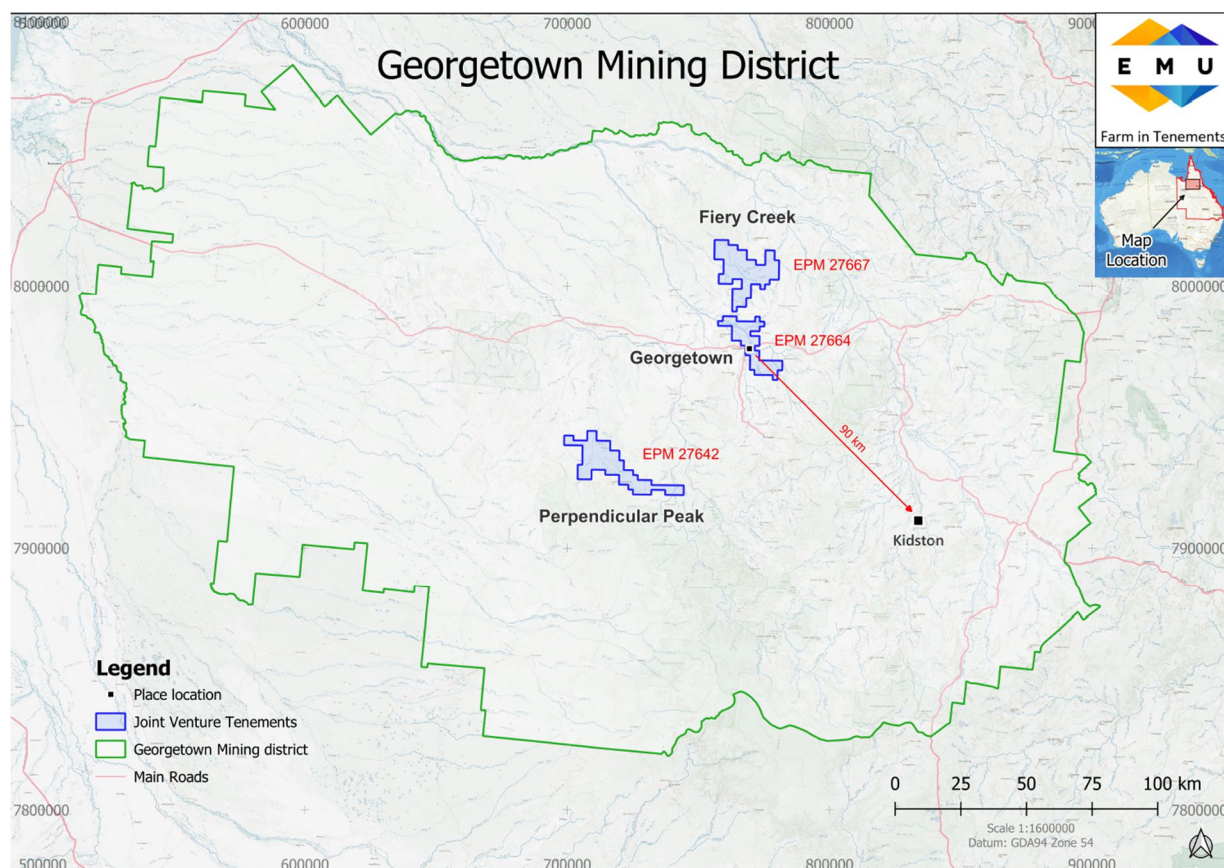


(Fig 1) Location of the Etheridge and Croydon Local Government Areas, North Queensland, Australia which define the Georgetown mining district boundaries

The Georgetown mining district, within the 39,000 square kilometre local government area of Etheridge and the adjoining 29,500 square kilometre local government area of Croydon, has a long mining history. The district includes the settlements of Georgetown, Einasleigh, Gilbert River, Mount Surprise and Croydon. More than 1,000 mines, prospects and mineral occurrences have been identified within the district including the Kidston mine, one of

Australia's largest ever gold producing mines. Discovered in 1907, the **Kidston mine recorded production of 5.1moz (145 tonnes) of gold in the 16 years between 1985 to 2001 alone.**

It has been estimated that the district produced more than 650,000 oz of gold in the period between the late 1800's and early 1900's.⁴ Pre Kidston, the most significant historic production came from the Cumberland mine which produced over 65,000 oz gold between 1872 and 1897. That mine is located just 20kms west of Georgetown.



(Fig 2.) Location of EMU's farm-in tenements relative to Kidston mine. The Georgetown mining district lies within the Proterozoic Etheridge Province of the North Australia Craton which includes the Georgetown inlier. Intrusion related and epithermal styles of mineralisation have been identified throughout the Georgetown mining district.

GEORGETOWN PROJECT TENURE

Area	Exploration Permit	Grant Date	Term
Georgetown	EPM 27664	March 26, 2021	5 years
Perpendicular Peak	EPM 27642	April 12, 2021	5 years
Fiery Creek	EPM 27667	April 12, 2021	5 years

(Table 1.) EMU's Georgetown Tenements

⁴ "Readings in North Queensland Mining History Vol 1", Ed KH Kennedy, History Department, James Cook University of North Queensland, Townsville, 1980

Geoscience Australia, in a 2022 study which interrogated its extensive Australian database⁵ to seek “forgotten discoveries”, identified critical mineral occurrences along with gold, copper, iron and silver-lead-zinc in the Georgetown mining district.

The report notes that the Georgetown inlier (defined as being the area bound by Croydon to the west, Chillagoe to the east and Hughenden to the south) is “exceedingly rich in gold, copper, lead silver and zinc mineralisation”. The Georgetown inlier is a geologically significant structural feature of the region formed during the Proterozoic period.

The authors further noted they expect there to be a massive increase in demand for base metals as they are required for electric vehicle batteries and other electrification infrastructure. Geoscience Australia suggests that growing demand will change the economic cut off grades for many minerals.

The Queensland Department of Natural Resources and Mines (**DNRM** ⁶, reports the Georgetown mining district as having untested potential for significant lithium resources. The most abundant lithium bearing mineral, lepidolite, the focus of recent exploration in the Georgetown mining district, has been found in significant quantities around Buchanan’s Creek and Grants Gully to the south of Georgetown itself. In the same report, the DNRM delineates anomalous tantalum and niobium in pegmatites in Buchanan’s Creek and Grants Gully (both located approximately 30 kms southwest of Georgetown) as well as in the Georgetown and Forsythe township areas. It noted tantalum has been reported from some gold mines in the Georgetown township area and at the historic Cumberland Mine.

Several explorers in the Georgetown mining district are focussed on the potential lithium endowment including ActivEx Limited (ASX:AIV), which has commenced exploring for LCT (Lithium, Caesium, Tantalum) in its leases near Georgetown⁷. Private company, Strategic Metals Australia (SMA), announced it made a significant lithium discovery at Buchanan’s Creek near Georgetown at the “AusIMM Lithium and Battery Metals Conference” in Perth 3-4 July 2019. Since the announcement that company has focussed on Lithium-caesium-rubidium extraction from alkali metal enriched mica from the are⁸. SMA notes this style of mineralisation is similar to the large tonnage medium grade San Jose Lithium-Tin Deposit in Spain.

Georgetown Tenement (EPM 7664)

The Georgetown EPM covers numerous historic gold mines which operated through the period 1877 to 1915. Significant gold production was recorded from 18 mines located along the Delany Fault.

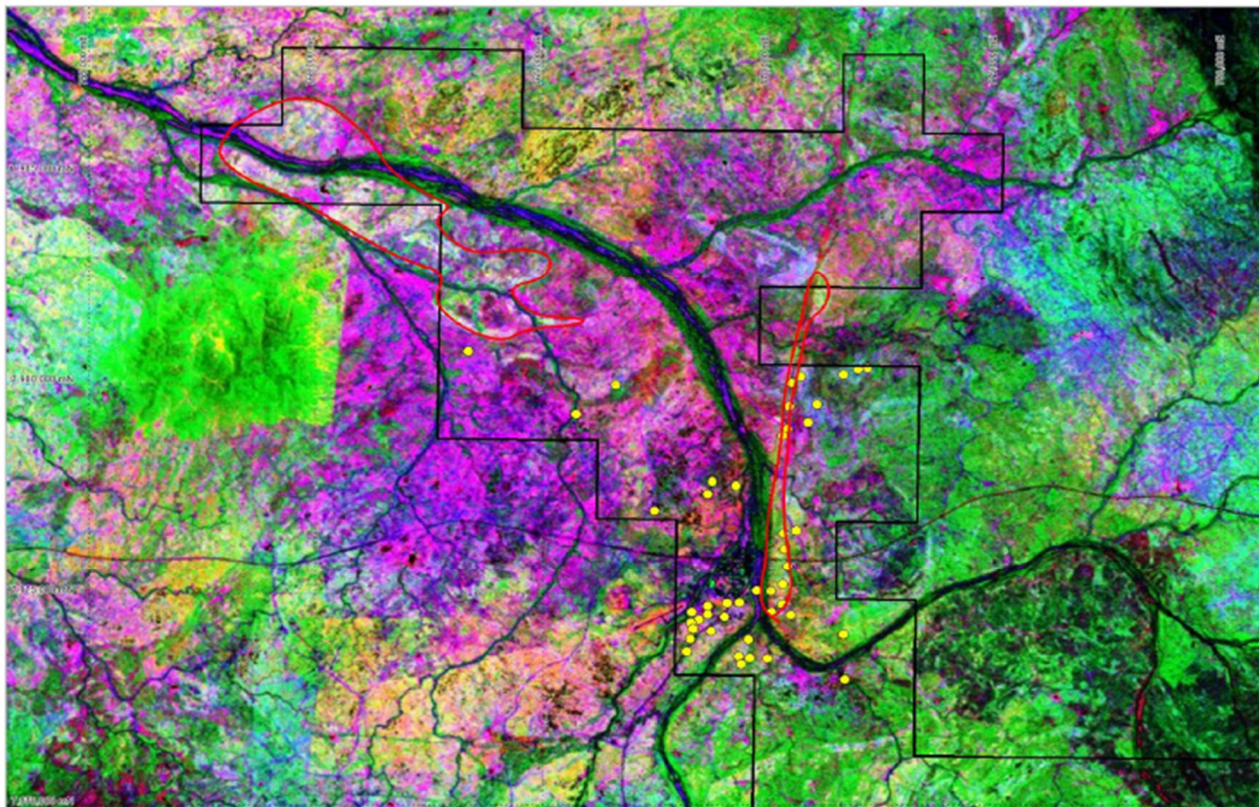
Immediate EMU exploration targets include the follow up of the of the historical gold mines and an alteration zone identified from Landsat Imagery by Rugby in the northwest area of the tenement (see Fig 2.)

⁵ “Mineral Occurrences: Forgotten discoveries providing new leads for mineral supply” C. Kucka, A Senior, A. Britt, Geoscience Australia 2022. *Exploring for the Future*.

⁶ “Emerging strategic minerals in Queensland”, July 2017, Queensland Department of Natural Resources and Mines.

⁷ ActivEx Limited, ASX Announcement “Georgetown Lithium Potential to be Assessed” 15 November 2021

⁸ Strategic Metals Australia website www.strategicmetalsaustralia.com.



(Fig 3.) Processed Landsat imagery showing anomalies (red outlines) and gold occurrences (yellow dots) Georgetown (EPM 27664)

Fiery Creek (EPM 27667)

The Fiery Creek EPM is located approximately 30 kms north of the Georgetown permit and covers an area of 325 square kilometres. It hosts several known gold and copper occurrences with the most significant being the Yataga copper prospect. This substantial intrusive complex is apparent from a large circular aeromagnetic anomaly and associated surficial copper occurrences. Potential alteration zones have been identified by Rugby on the margins of the Yataga intrusive from Landsat imagery.

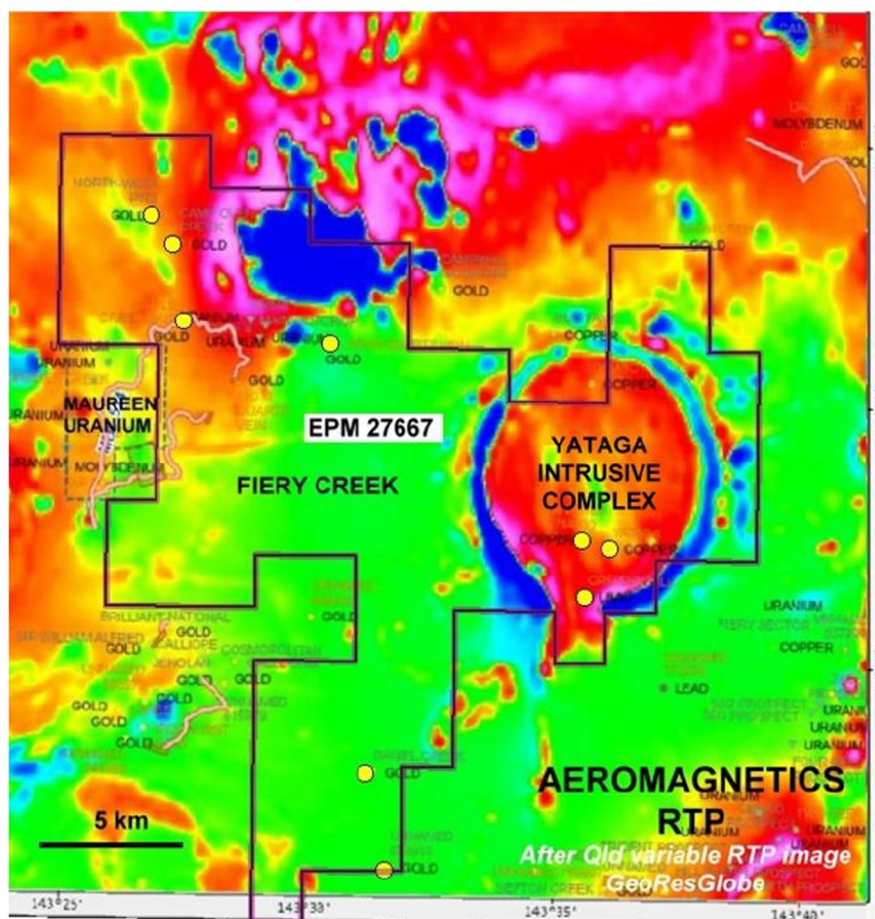
The Fiery Creek permit hosts epithermal style gold mineralisation and intrusive hosted copper – molybdenum targets.

Moreover, the permit area provides potential uranium exploration opportunities with the Maureen uranium deposit adjoining Fiery Creek's western boundary.

Category	Tonnes	U ₃ O ₈	Mo	U ₃ O ₈ Lbs.	Mo Lbs.
<i>Inferred</i>	154,000	0.11%	0.10%	382,000	347,000
<i>Indicated</i>	3,124,000	0.09%	0.06%	5,949,000	3,875,000

Table 2. Maureen Uranium Ni 43-101 Compliant Resources⁹

⁹ "A Review and Resource estimate of the Maureen Uranium-Molybdenum deposit, North Queensland, Australia by Mega Uranium Ltd", Mining Associates, Brisbane QLD, 25 June 2008



(Fig 4.) Fiery Creek (EPM 27667) RTP aeromagnetics and mineral occurrences with the Maureen Uranium Deposit located on the western boundary

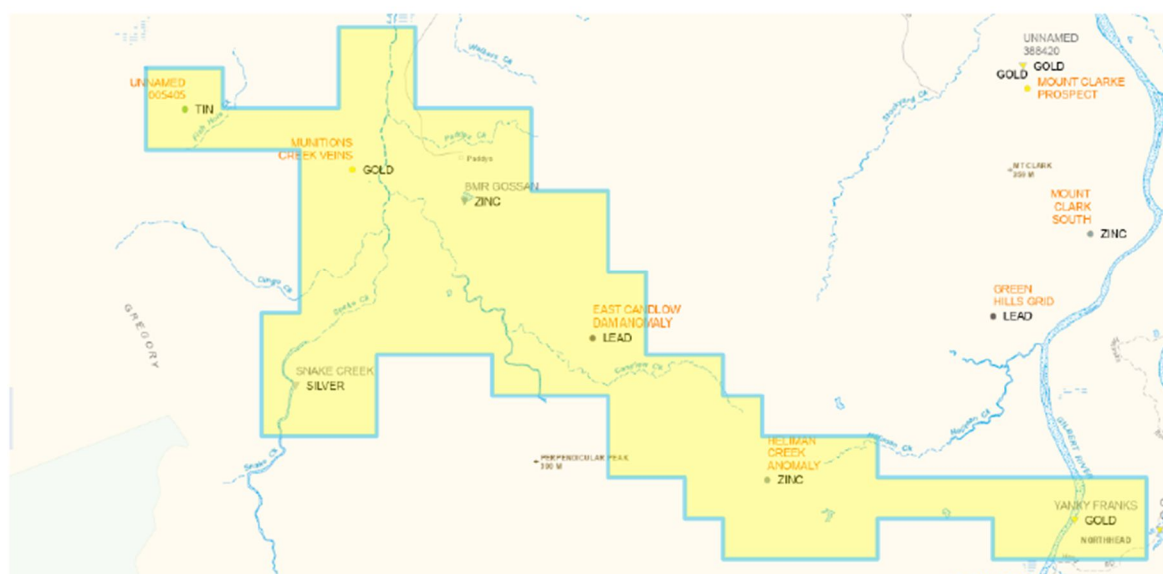
Perpendicular Creek (EPM 27642)

The Perpendicular Creek permit covers the **Snake Creek silver-lead prospect** and the **Munitions Creek gold prospect**.

The area has been exposed to very little recent exploration activity with the most recent work having been conducted by the following companies.

- Pickands Mather and Co International 1971
- Seltrust Mining Corp 1985
- CRA Limited 1986 – 1988
- Battle Mountain Gold Company 1987-1988
- Mount Isa Mines Limited 1991-1995
- Diatrema Resources Limited 2006

Perpendicular Peak (EPM 27642)



(Fig 5.) Perpendicular Peak (EPM27642) showing mineral occurrences

Snake Creek silver-lead Prospect (part of the Perpendicular Peak EPM)

The silver-lead mineralisation at Snake Creek is associated within a sheared rhyodacite of the Croydon Volcanics. The historic workings at the prospect, consist of several trenches and a 13.7m collapsed shaft. Samples taken from the shaft by Pickands Mather (1971) returned intersections with anomalous silver and lead values. Pickands Mather drilled a total of 103m in 3 shallow reverse circulation holes to test an IP (induced polarisation) anomaly to the northeast of the workings. Lead mineralisation was intersected in pyritic graphite shales. Pickands Mather recommended further exploration be conducted near the contact of the Croydon Volcanics and the Langdon River formation, but that recommendation is yet to be followed.

Assays of rock chip samples collected by Battle Mountain (1988) also returned anomalous silver and lead values.

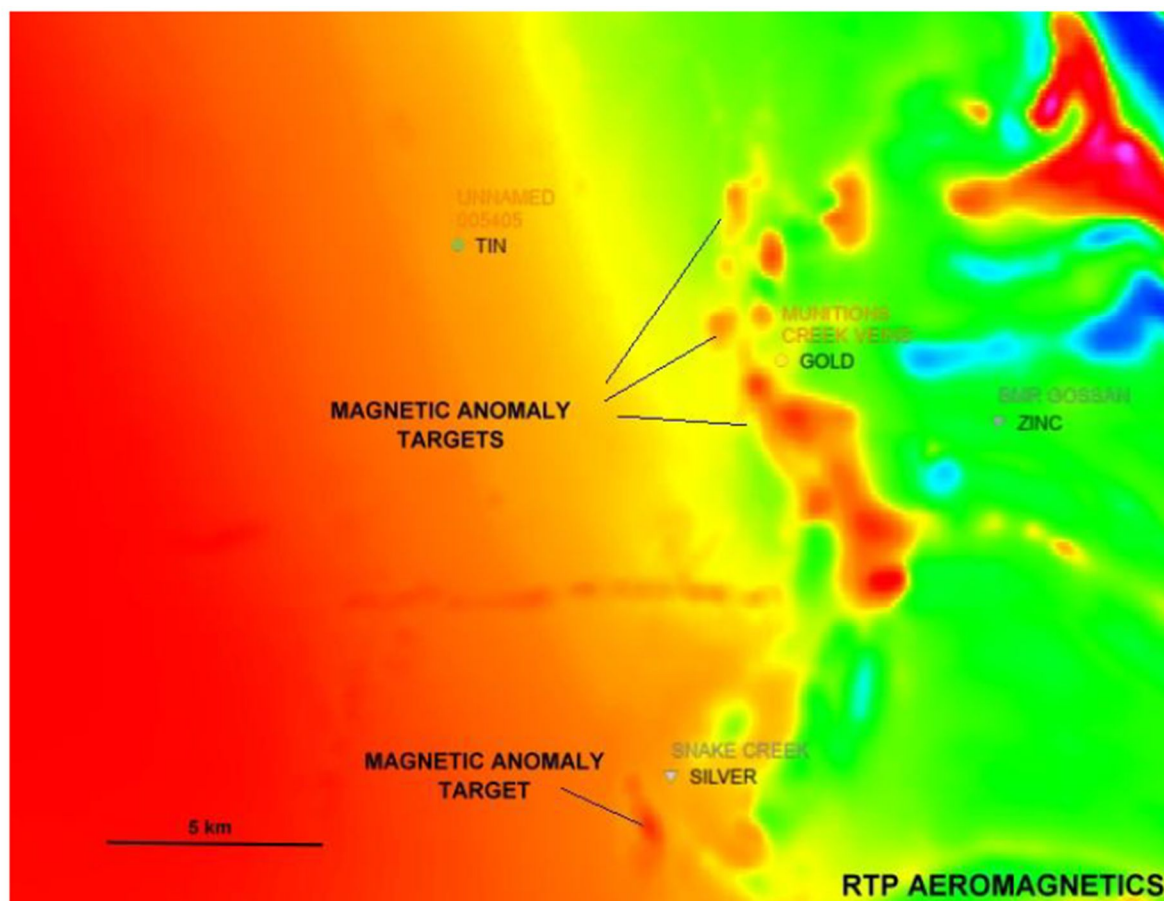
Mount Isa Mines (1991-1995) completed a soil survey programme over the prospect and defined a large lead anomaly. Mount Isa Mines drilled 3 holes to test the potential for stratiform, Mount Isa style basement, mineralisation to the northeast of the geochemical anomaly. Those drill holes did not intersect any significant mineralisation. The geochemical anomaly remains to be explained with the most significant part of the anomaly being located in the southwest area of the soils survey area. Follow up is required to define the extent of the silver-lead anomalism.

Munitions Creek gold Prospect (part of the Perpendicular Peak EPM)

Approximately 10kms north of Snake Creek Prospect, Battle Mountain (1987-1988) defined a 100m x 2m wide quartz vein swarm with gold anomalism. In 2006 Diatreme Resources conducted a shallow reverse circulation drill programme comprising 11 holes for 779m over the target. Shallow gold mineralisation was identified highlighting the need for further exploration to test the anomaly.

Aeromagnetics

A DNRM aeromagnetic survey, which covers the Snake Creek and Munitions Creek Prospects, has identified a major northwest deformational structure (the Croydon Fault) marked by the contact of the Croydon Volcanics and the Langdon River Formation. Along the fault zone there are numerous isolated “Hemi-style” magnetic anomalies, which may be the source of gold-silver mineralisation in the area.



(Fig 6.) DNRM Aeromagnetics covering Snake Creek and Munition Creek Prospects

The gold mineralisation at Munitions Creek Prospect may be related to a number of magnetic anomalies which occur to the west and southwest of the quartz vein swarm. A smaller magnetic feature occurs to the southwest of the Snake Creek Prospect and further exploration is required to determine if there is relationship between that feature and the known silver lead anomalism.

Key Terms of the Agreement

The material commercial terms of the farm-in and joint venture Heads of Agreement between EMU NL (for its wholly owned subsidiary Georgetown Projects Pty Ltd) and Rugby Resources Ltd are summarised below.

EMU may earn a 50% interest in the tenements by spending not less than \$750k on exploration or development (includes all expenses other than annual fees) and a further 30% interest by spending a further \$1.1m.

EMU will manage the project and determine all programmes and budgets during the earn in period and EMU may withdraw at any time but must keep the tenements in good standing and is liable for the cost of all rehabilitation works required consequent on its farm-in activities.

The optional earn-in spend rate for first a 50% interest then an 80% interest is as follows:

Year 1	\$200k
Year 2	\$250k (aggregate \$450k)
Year 3	\$300k (aggregate \$750k – for 50%)
Year 4	\$500k (aggregate \$1.25m)
Year 5	\$600k (aggregate \$1.85m – for 80%)

If EMU's rate of expenditure (incurred or, in the case of rehabilitation, provided for) falls below that stipulated, it shall cease to have the right to earn any (further) interest. If it has earned no interest, the agreement shall be at an end but without releasing EMU from its obligation to maintain the tenements and undertake rehabilitation.

If Emu earns an interest in the tenements, then once it ceases to have the right to earn (further) interest pursuant to the farm-in, a JV will be formed.

Either party may choose to dilute its interest in the JV, but if a party's interest is diluted to less than 5%, that interest will convert to a 2% NSR - save if EMU's interest is diluted to less than 5% and its expenditure then aggregates less than \$1.5m, its NSR conversion right shall reduce from 2% to 1%.

EMU will pay Rugby \$50,000 within 10 days of the parties executing a long form farm-in and joint venture agreement (which the parties have agreed to negotiate in good faith with a view to replacing the HOA within a year).

Rugby warrants that the tenements are in good standing. Current annual tenement fees are approximately \$45k.

Exploration on the tenements is subject to the native title conditions as per relevant legislation.

RELEASE AUTHORISED BY THE BOARD

Contact Details: Doug Grewar - Mobile: 0419 833 604

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 31/12/2023

Options (unlisted)

33,320,000 options to acquire fully [paid
shares, exercisable at \$0.075 each, expiry
15/3/2023

35,000,000 options to acquire partly paid
shares, exercisable at \$0.0001 each,
expiry 15/11/2022

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

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 Kurtis Dunstone, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Dunstone 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 Dunstone 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 -