

QUARTERLY ACTIVITY REPORT

3 MONTHS ENDED 30 September 2023

EMU NL

RARE EARTHS ELEMENTS, PRECIOUS AND BASE METALS EXPLORER

Despite EMU having conducted numerous field exploration activities at its Condingup Georgetown and Badja projects during the quarter, reporting significant geological advances and success from each of these highly prospective projects, subdued capital markets failed to credit the commitment, focus or portive progress and results.

EMU's in field exploration activities during the reporting period included:

- Completion of geophysical, passive seismic surveys at each of its four, 100% owned, REE projects – Condingup, Viper, Graceland and Viper;
- Completion of a first pass aircore drilling programme at its premier clay hosted REE¹ Condingup project;
- Follow-up on new lithium targets derived from a regional mineralisation study discovering spodumene at its Badja project;
- Completion of a 15-day reconnaissance field survey and sampling programme at the Georgetown project leading to the report of outstanding copper, silver and lead from numerous prospects².

Condungup REE Project

A passive seismic survey was conducted during June and July³ to map the depth to granite basement along predetermined road sections and thereby identify prospective “clay trap zones” in areas overlaying and adjacent to the highly fertile clay hosted REE Booanya Granite suite. The survey identified multiple, kilometre-scale (3 to +6km wide), shallow clay traps to 100m depth associated with the Booanya Granites. It produced readily available “walk-up” drill targets including substantial, repeated, 3-4km wide “flank” clay trap zones surrounding the intrusive Booanya plutons. Results from this survey prompted EMU to commence its maiden aircore drilling programme.

¹ REE – Rare Earth Element

² ASX Release “Copper Silver Lead Assay Results Pegmatite Fields Georgetown” 5 October 2023

³ ASX Release “Substantial Increase in REE Prospectivity at Condingup WA” 24 July 2023

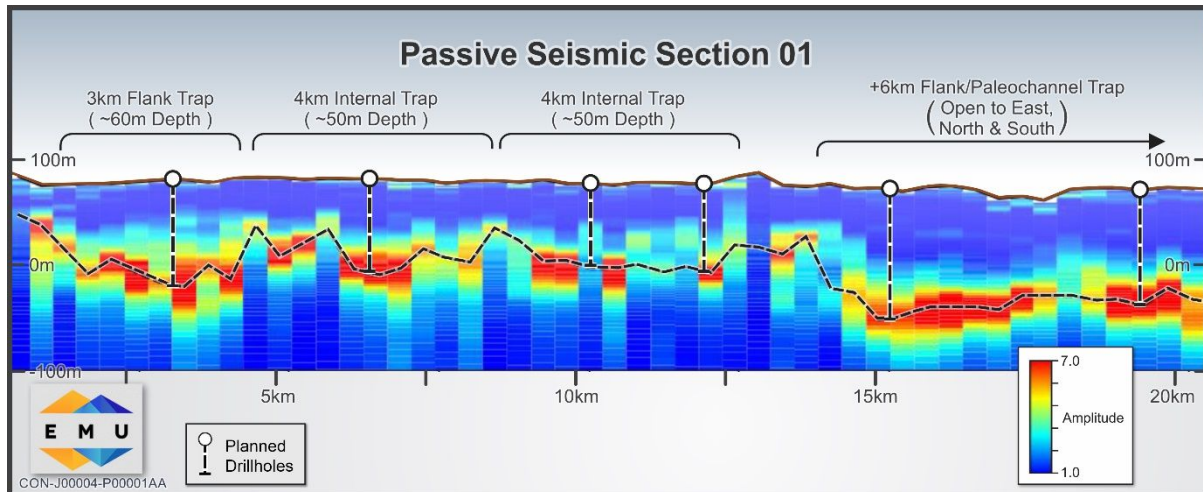


Figure 1. Passive Seismic Survey cross section of Merivale Road showing Flank, Internal and Paleochannel Clay Traps identified in the passive seismic survey. The magnitude of the prospectivity is demonstrated by the 20km length of this cross section.

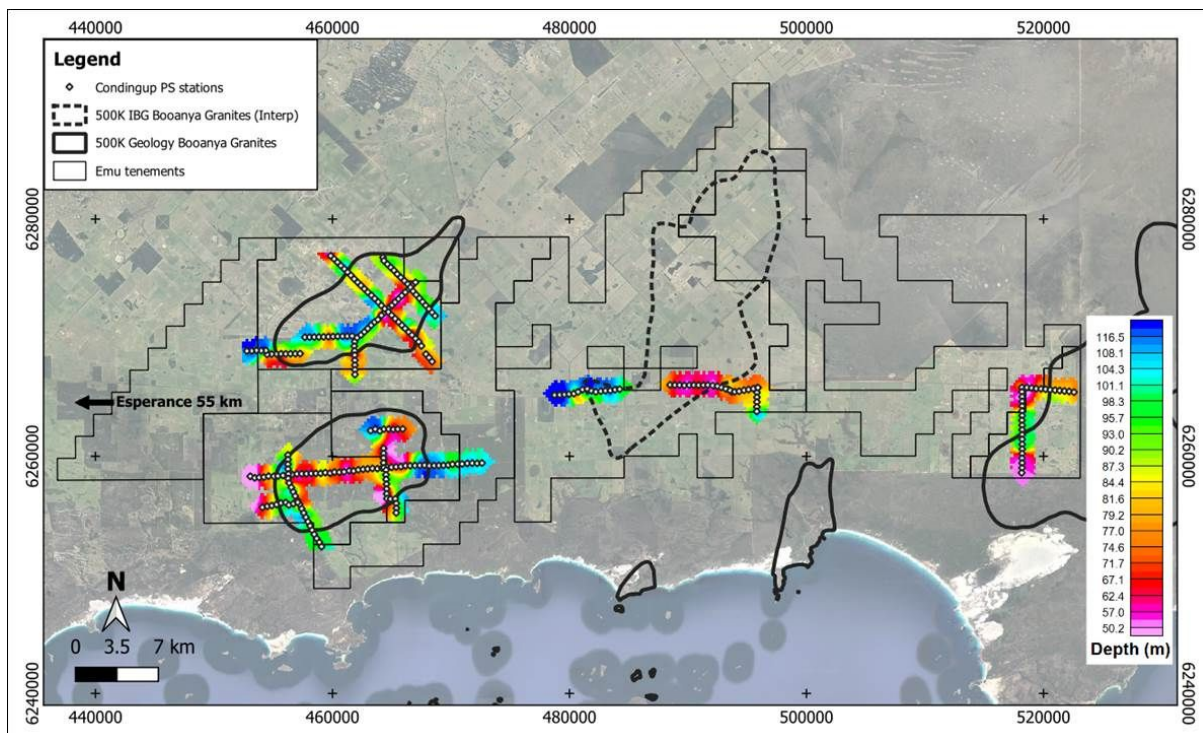


Figure 2. Passive seismic survey lines tested overlying Booanya Granite intrusions.

The aircore drilling programme was completed on time and within budget in the first week of September 2023 with 2,762m drilled over 34 holes. Average drill hole depth to basement rock was 81.2m, coincident with the depths interpreted from the passive seismic survey.

The programme proved to be exceptionally successful in that the drilling intercepted thick clay layer horizons within the weathering profile of the granitoid plutons in line with the geological interpretations and expectations. The assay results from this drill programme (received in the subsequent quarter to the one under report) confirmed the fertility of these target zones at

depth⁴ (see Figure 3 - Aircore drilling chip trays highlighting clay profile).

The “first-pass” drilling programme tested only a small proportion of the substantial portfolio of targets EMU has generated within the extensive 1,560 square kilometre Condingup REE Project. The drill programme focussed on the western and eastern Booanya granite intrusive suites (see Figure 4 – Drill Collar Location Plan).

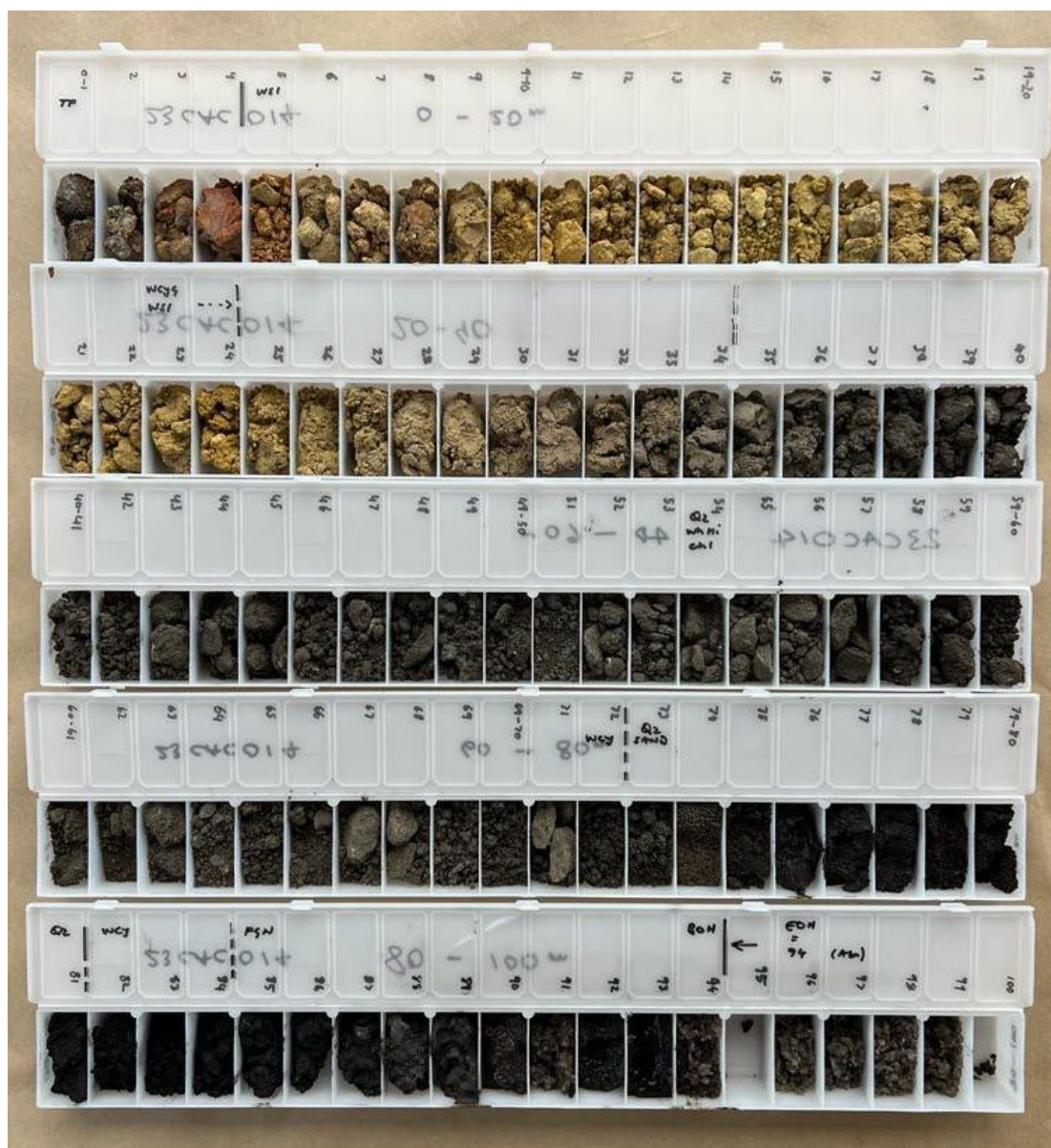


Figure 3– Aircore drilling chip trays showing typical weathering profile through the Booanya Granite regolith from surface to bedrock (Drill Hole 23CAC014/ EOH = 94m/ Location 472745mE 6259418mN)

⁴ ASX Release “Extensive High Grade REEs over multiple km at Condingup Project” 9 October 2023

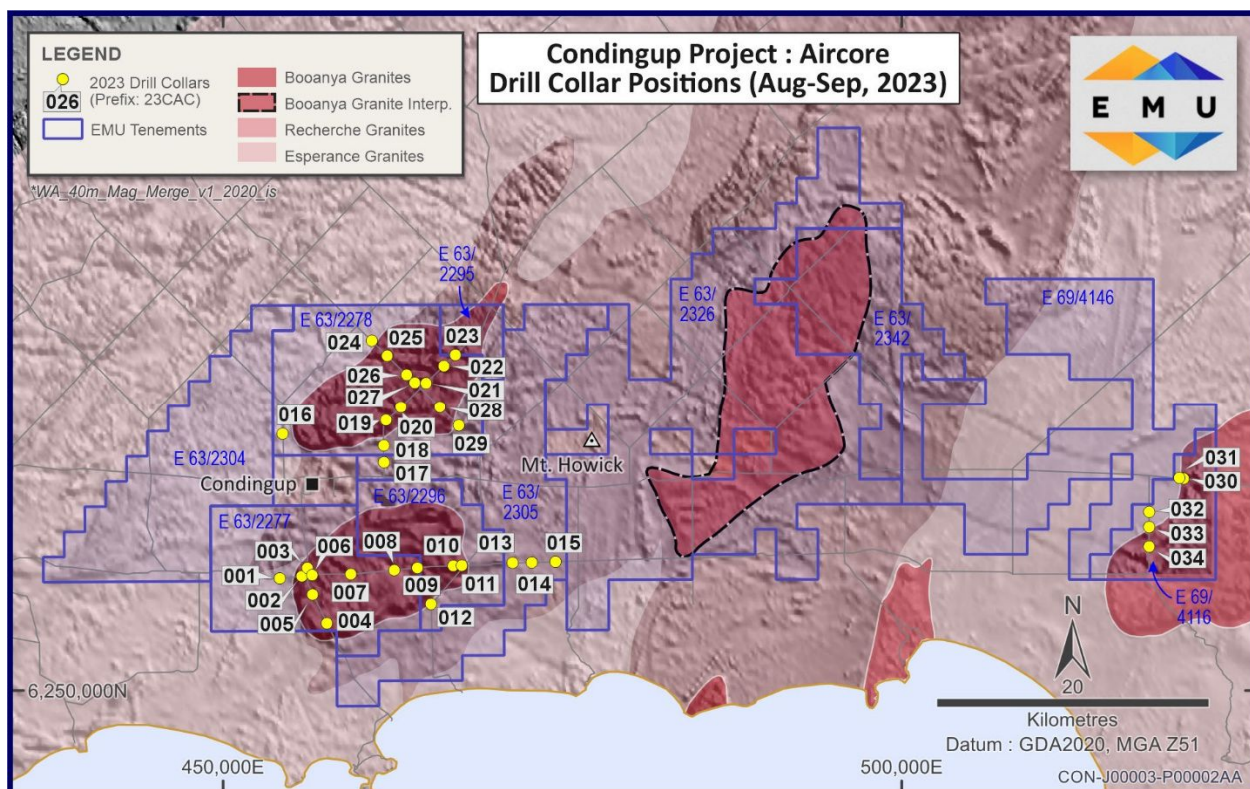


Figure 4 –Drill Collar Plan showing positions relative to geology and EMU tenement boundaries



Figure 5. Aircore drilling commences at EMU's Condingup REE Project 60kms east of Esperance WA

Badja Gold/Tungsten Project

Following a review of the Badja project's structural and geochemistry datasets by a consulting geologist, Mr Nigel Maund, EMU conducted a short field verification survey during September 2023. This survey identified the presence of LCT (Lithium-Cesium-Tantalum) pegmatites. Subsequent LIBS analyser testwork of rock samples, the UV fluorescing of spodumene and the visual identification of the crystal morphology support the presence of lithium-bearing spodumene crystals contained in mafic rock samples returned from the field. The LIBS analyser reading on the hand samples have obtained values of 1,426ppm Li (equivalent to 0.31% Li_2O), see Figure 6 below. LCT pegmatite occurrences at Badja are interpreted to be sourced from discrete highly fractionated, late-stage granite plutons on the south-west portion of the project.



Figure 6. – Hand-specimen of spodumene crystals in LCT pegmatite showing strong pink fluorescence, a characteristic feature under long-wavelength UV light (Sample ID: ESS02321 - Location -28.59985257, longitude 116.8597968).

Mr Maund was commissioned in July 2023 to investigate the importance of the regional granite intrusive bodies surrounding the project area.⁵ EMU's geologists posit that the late stage, fractionated, intrusive granite plutons, identified primarily from airborne geophysical surveys, are the key drivers of high-grade gold and tungsten occurrences at Badja. The investigation by Mr Maund revealed major LCT Pegmatite pathfinder geochemistry and element associations in historic and recent EMU geochemistry leading to the field survey.

⁵ Report by Mr Nigel Maund BSc (Hons)Lond., MSc, DIC, MBA, F.Aus.IMM, FAIG, F.SEG, FGS, MMSA, Consultant Economic Geologist "A Report on Badja Gold Project Area Near the Historic "Gnows Nest" Gold Mine, Wadgingarra Gold Field, Badja Station, Western Australia", 25 August 2023

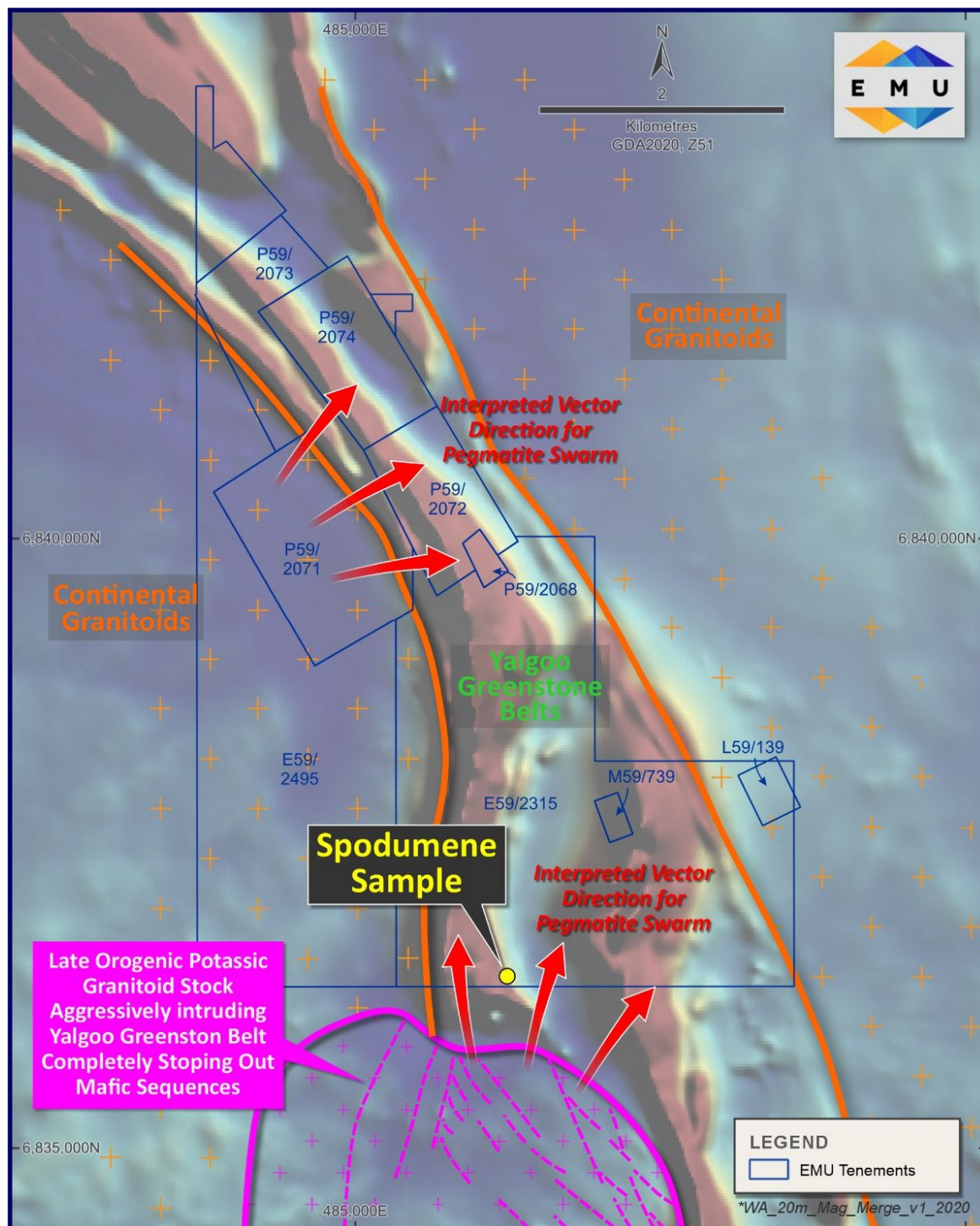


Figure 7. – Conceptual model for LCT pegmatites in the western and southern intrusive-mafic contacts at Badja. Multi-element geochemistry, particularly the immobile elements (eg., Rb, Cs & Be) supports a late-stage fractionated granite source. Note location of sample and spodumene specimen reported in this announcement.

Georgetown Multi-Minerals Project

EMU completed its maiden reconnaissance 15-day field trip conducting mapping, soil sampling and rock chip sampling during July and August 2023. The programme followed up some of many historic datasets and exploration activities as well as EMU's targeting from latest mapping and open-source information. The Georgetown project area has not seen any systematic exploration for decades. As part of the programme, EMU also followed up the existence of and confirmed numerous possible lithium fields⁶ which have been historically reported from the tenement areas.

A substantial (potentially polymetallic) system was identified within the Fiery Creek tenement from which EMU, post quarter, has received assay results from in situ rock sampling evidencing broad, high-grade copper and silver mineralisation⁷. EMU also identified numerous, extensive outcropping pegmatite veins in the Fiery Creek and Perpendicular Peak tenements. Rock sample assay results received subsequent to report date from the Snake Creek prospect area evidence high-grade lead and silver mineralization.

Results from the field trip confirm the outstanding prospectivity for the historically underexplored Georgetown area, vindicating EMU's strategic decision to farm into the project⁸.

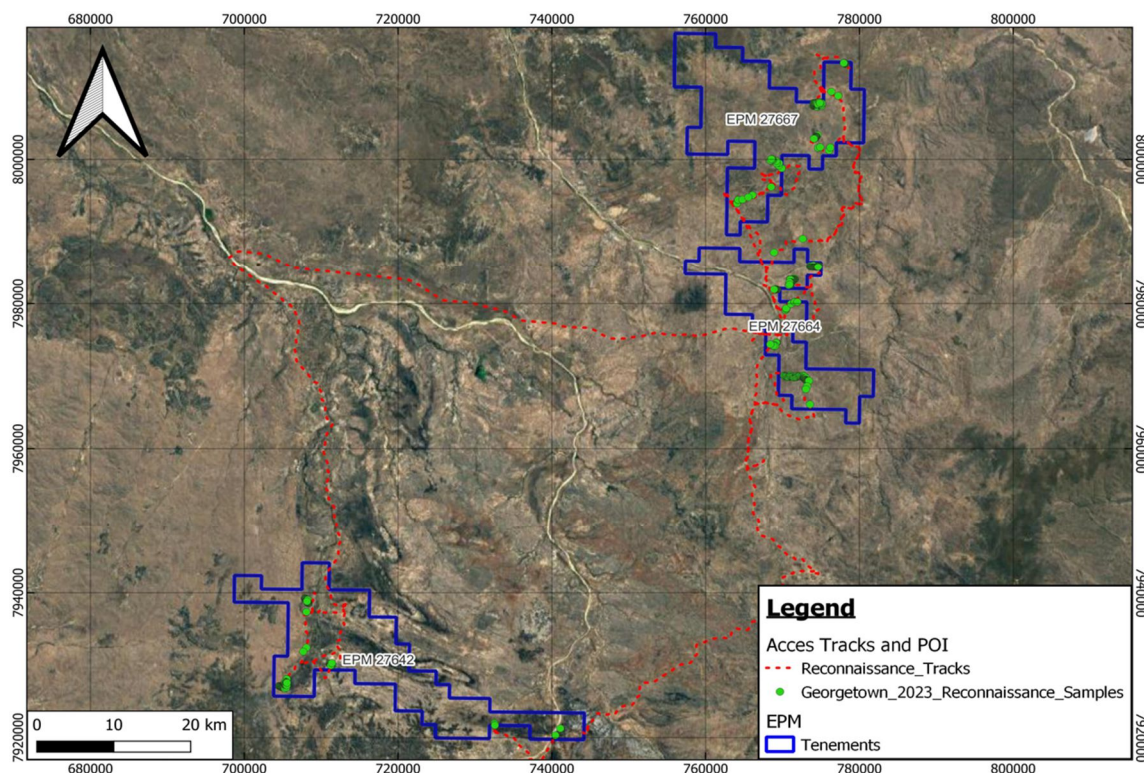


Figure 8.- Georgetown project location map showing outline of tracks and sample locations from EMU's maiden field reconnaissance trip July-August 2023

⁶ "Emerging Strategic Minerals in Queensland", July 2017, Queensland Department of Natural Resources and Mines.

⁷ ASX Release "Copper Silver Lead Assay Results Pegmatite Fields Georgetown" 5 October 2023

⁸ ASX Release "Scale Project Added to Exploration Portfolio" 1 September 2022

Viper, Graceland and Merredin REE Projects

EMU conducted passive seismic surveys at the Viper, Graceland and Merredin projects confirming in all cases sufficient depths of clay to warrant aircore drilling programmes.

Sunfire Nickel, Copper Project

EMU has met all required environmental obligations with respect to accessing WA State Forest areas within the project with the commencement of onsite exploration activities remaining stalled by ongoing regulatory environmental red-tape. This unreasonably long, drawn-out process to gain environmental approvals from Government, despite the attendance of EMU's credentialed environmental consultants and AMEC (Association of Mining and Exploration Companies, of which EMU is a member) is an unattractive hallmark. The complete lack of progress coupled with the absence of any indication from the Government departments as to the likely probability of drilling consent being forthcoming has frustrated effective exploration that would have been in the interest of the State and its peoples. EMU has placed progress on the back burner to allow Governmental instrumentalities to respond at their glacial pace.

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 \$142k. 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.

Table 1: Tenement Schedule (Status as at 30 September 2023)

Tenement ID (DMIRS ID)	Project	Type	Description/ Status
M59/739 – Gnows Nest	Badja	Mining	EMU 100% - Granted
E59/2315 – Gnows Nest	Badja	Exploration	EMU 100% - Granted -
P59/2068 – Monte Cristo	Badja	Prospect	EMU 100% - Granted
P59/2071 – Monte Cristo	Badja	Prospect	EMU 100% - Granted
P59/2072 – Monte Cristo	Badja	Prospect	EMU 100% - Granted
P59/2073 – Monte Cristo	Badja	Prospect	EMU 100% - Granted
P59/2074 – Monte Cristo	Badja	Prospect	EMU 100% - Granted
E59/2495 – Warrambo	Badja	Exploration	EMU 100% - Granted
E59/2817 - Warrambo	Badja	Exploration	EMU 100% - Pending
E70/5507 – Sunfire	Sunfire	Exploration	EMU 100% - Granted
E70/5346 – Sunfire	Sunfire	Exploration	EMU 100% - Granted
E70/5146 - Graceland	Graceland	Exploration	EMU 100% - Granted
E70/5603 – Roe	Graceland	Exploration	EMU 100% - Granted
E70/6066 – Roe	Graceland	Exploration	EMU 100% - Granted
E70/5155 – Viper	Viper	Exploration	EMU 100% - Granted
E70/5602 – Kent	Viper	Exploration	EMU 100% - Granted
E70/6430 – Kent	Viper	Exploration	EMU 100% - Granted
E63/2277 - Neridup	Condingup	Exploration	EMU 100% - Granted
E63/2278 - Neridup	Condingup	Exploration	EMU 100% - Granted
E63/2295 - Neridup	Condingup	Exploration	EMU 100% - Granted
E63/2296 - Neridup	Condingup	Exploration	EMU 100% - Granted
E63/2304 - Neridup	Condingup	Exploration	EMU 100% - Granted
E63/2305 - Neridup	Condingup	Exploration	EMU 100% - Granted
E69/4116 - Neridup	Condingup	Exploration	EMU 100% - Granted
E70/6300 – Avon	Merredin	Exploration	EMU 100% - Pending
E69/4117 - Balladonia	Balladonia	Exploration	EMU 100% - Pending
E69/4118 - Balladonia	Balladonia	Exploration	EMU 100% - Pending
E63/2326 - Neridup	Condingup	Exploration	EMU 100% - Granted
E69/4146 - Neridup	Condingup	Exploration	EMU 100% - Granted
E63/2342 - Neridup	Condingup	Exploration	EMU 100% - Granted
E70/6434 – Nelson	Merredin	Exploration	EMU 100% - Pending
E70/6436 - Nelson	Merredin	Exploration	EMU 100% - Pending
E59/2836 - Warrambo	Badja	Exploration	EMU 100% - Granted
E70/6513 - Avon	Merredin	Exploration	EMU 100% - Pending

AUTHORISED FOR RELEASE BY DOUG GREWAR, CEO

For further information, please contact:

Doug Grewar

Chief Executive Officer

Mobile: 0419 833 604

info@emunl.com.au

Investors can sign into our interactive investor hub and join in on the conversation with Emu NL.

<https://investorhub.emunl.com.au/auth/signup>



[EMU Investorhub QR Code](https://investorhub.emunl.com.au/auth/signup)

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)

1,450,021,079 (including 18.6m the subject of the ATM 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

Contributing Shares (Unlisted)

35,000,000 paid to \$0.0001, \$0.04 to pay, no call before 31 December 2025

Options (unlisted)

172,453,621 options to acquire fully paid shares, exercisable at \$0.01 each, on or before 7 October 2024

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 -

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 2023

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	(142)	(142)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(206)	(206)
	(e) administration and corporate costs	(153)	(153)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	6
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	(495)	(495)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(58)	(58)
	(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	(58)	(58)

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	1,149	1,149
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(495)	(495)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(58)	(58)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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 (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	596	596

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	2	62
5.2	Call deposits	588	1,081
5.3	Bank overdrafts	-	-
5.4	Other (provide details) <i>Cash deposit held in US\$</i>	6	6
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	596	1,149

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)	(495)
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)	(495)
8.4 Cash and cash equivalents at quarter end (item 4.6)	596
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	596
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.2
<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: Since the end of the quarter, EMU agreed to place up to 600M ASX:EMU shares to raise up to \$900k (refer ASX release 12 October 2023). Of this amount, 217.5M shares have been issued, raising \$326.25k. The balance of up to ~\$574k is expected to be received once shareholder approval has been granted at the Company's AGM set to be held 30 November 2023. The Company also has a Controlled Placement Agreement with Acuity Capital (Updated December 2020) which as yet has not been actioned. A total of 18.6 million ASX:EMU shares could be placed at market to activate the facility.	
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: **31 October 2023**

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.
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.