



**EMU NL**

**ABN 50 127 291 927**

**INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2017**

**This interim financial report does not include all the notes of the type normally included in an annual financial report. This report is to be read in conjunction with the Annual Report for the year ended 30 June 2017 and any public announcements made by Emu NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.**

**EMU NL**  
**31 DECEMBER 2017**

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**COMPETENT PERSON'S STATEMENT**

Any details in this report pertaining to exploration results, mineral resources and mineral reserves are based upon information compiled by Mr Greg Steemson, Managing Director of Emu NL. Mr Steemson is a Fellow of the Australasian Institute of Geoscientists (FAIG) 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" (JORC Code). Mr Steemson consents to the inclusion in this report of the matters based upon his information in the form and context in which they appear.

**EMU NL**  
**31 DECEMBER 2017**

**DIRECTORS' REPORT**

Your directors are pleased to present their report on the consolidated entity (referred to hereafter as the Group) consisting of Emu NL and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

**DIRECTORS**

The names of the directors who held office during or since the end of the period are:

Peter Thomas

Greg Steemson

Gavin Rutherford

**REVIEW AND RESULTS OF OPERATIONS (for the period)**

**Vidalita and Jotahues Projects**

Exploration activities consisting of surface geochemical sampling and mapping continued in Chile.

The geochemical sampling at Vidalita has infilled the existing data set and added technical support for the results from the previous field season. At Jotahues, reconnaissance sampling identified several areas worthy of follow up.

On the basis of results, the Company applied for additional concessions and confirmation is awaited as to the success of these applications.

The Company's drilling contractor failed to perform.

**Other Projects**

Consistent with previous statements, Emu continued to look for new mineral exploration, development and mining opportunities within Australia and in various overseas jurisdictions.

**Revenues and results**

A summary of the Group's revenues and results for the period is set out below:

	<b>2017</b>	
	<b>Revenues</b>	<b>Results</b>
	<b>\$</b>	<b>\$</b>
Consolidated entity revenues and loss	10,305	(1,313,464)

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

**DIRECTORS' REPORT (continued)**

**ASX WAIVER – APPROVAL TO ISSUE SHARES**

On 8 February 2017, the Company received shareholder approvals for the issue of up to 15 million shares (**Consideration Shares**; 2,500,000 of which were issued shortly after the approvals) in respect of the Option Agreement (for the option to purchase the Vidalita and Jotahues projects – **Projects**) with Prospex SpA and BLC SpA.

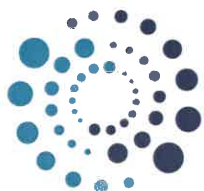
The following information is provided in accordance with a waiver granted by ASX permitting the Company to issue the balance of the Consideration Shares (12,500,000) more than 3 months after the date of the approvals:

- a) No Consideration Shares were issued during the reporting period;
- b) 12,500,000 of the Consideration Shares remain, conditionally, to be issued; and
- c) the conditions to and instalments in which the remainder of the Consideration Shares may be issued are:
  - i) 2,500,000 (approved for issue no later than 31 March 2019) if the Company elects to continue exploring the Projects and subject to it meeting its expenditure commitment in relation to the Projects (minimum of US\$1 million by 10 December 2018) and;
  - ii) 5,000,000 (approved for issue no later than 31 December 2020) if the Company exercises the option and defines a 500,000 ounce measured resource of gold on the Projects; and
  - iii) 5,000,000 (approved for issue no later than 31 December 2020) if the Company exercises the option and defines a 1,000,000 ounce measured resource of gold on the Projects.

This report is made in accordance with a resolution of directors.



**Greg Steemson**  
Managing Director  
Perth, 15 March 2018



Greenwich & Co

Greenwich & Co Audit Pty Ltd | ABN 51 609 542 458  
Level 2, 35 Outram Street, West Perth WA 6005  
PO Box 983, West Perth WA 6872  
T 08 6555 9500 | F 08 6555 9555  
[www.greenwichco.com](http://www.greenwichco.com)

## Auditor's Independence Declaration

To those charged with the governance of Emu NL

As auditor for the review of Emu NL for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

*Greenwich & Co Audit Pty Ltd*

**Greenwich & Co Audit Pty Ltd**

**Andrew May**  
Audit Director

15 March 2018  
Perth

**EMU NL**  
**31 DECEMBER 2017**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Half-Year	
	2017	2016
	\$	\$
<b>REVENUE</b>		
Interest revenue	10,305	17,226
Other income	-	11,011
<b>EXPENDITURE</b>		
Depreciation expense	(5,998)	(699)
Exploration and tenement expenses	(739,288)	(152,491)
Key management personnel compensation	(168,135)	(168,135)
Share-based payments expense (non-KMP compensation)	(137,774)	-
Other expenses	(272,574)	(54,049)
<b>LOSS BEFORE INCOME TAX</b>	(1,313,464)	(347,137)
Income tax benefit/(expense)	-	-
<b>LOSS FOR THE HALF-YEAR ATTRIBUTABLE TO MEMBERS OF EMU NL</b>	(1,313,464)	(347,137)
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Items that may be reclassified to profit or loss</i>		
Changes in the fair value of available-for-sale financial assets	47,613	(58,859)
Other comprehensive income for the period, net of tax	47,613	(58,859)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF EMU NL</b>	1,265,851	(405,996)
Basic and diluted loss per share (cents)	(1.27)	(0.46)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**EMU NL**  
**31 DECEMBER 2017**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

		31 December 2017 \$	30 June 2017 \$
	Notes		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,016,600	2,749,349
Trade and other receivables		22,706	42,884
Other assets		109,676	3,181
<b>TOTAL CURRENT ASSETS</b>		<b>2,148,982</b>	<b>2,795,414</b>
<b>NON-CURRENT ASSETS</b>			
Available-for-sale financial assets	3	111,426	63,813
Plant and equipment		47,197	51,073
<b>TOTAL NON-CURRENT ASSETS</b>		<b>158,623</b>	<b>114,886</b>
<b>TOTAL ASSETS</b>		<b>2,307,605</b>	<b>2,910,300</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		152,694	205,356
Provisions		5,012	2,068
<b>TOTAL CURRENT LIABILITIES</b>		<b>157,706</b>	<b>207,424</b>
<b>TOTAL LIABILITIES</b>		<b>157,706</b>	<b>207,424</b>
<b>NET ASSETS</b>		<b>2,149,899</b>	<b>2,702,876</b>
<b>EQUITY</b>			
Contributed equity	4	14,721,313	14,146,213
Reserves		549,137	363,750
Accumulated losses		(13,120,551)	(11,807,087)
<b>TOTAL EQUITY</b>		<b>2,149,899</b>	<b>2,702,876</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**EMU NL**  
**31 DECEMBER 2017**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Contributed Equity \$	Available- for-Sale Asset Reserve \$	Share-based Payments Reserve \$	Accumulat- ed Losses \$	Total \$
<b>BALANCE AT 1 JULY 2016</b>	11,175,866	35,800	5,720	(9,011,778)	2,205,608
Loss for the period	-	-	-	(347,137)	(347,137)
Other comprehensive income	-	(58,859)	-	-	(58,859)
<b>TOTAL COMPREHENSIVE INCOME</b>	-	(58,859)	-	(347,137)	(405,996)
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>					
Proceeds from issue of shares	-	-	-	-	-
<b>BALANCE AT 31 DECEMBER 2016</b>	11,175,866	(23,059)	5,720	(9,358,915)	1,799,612
<b>BALANCE AT 1 JULY 2017</b>	14,146,213	-	363,750	(11,807,087)	2,702,876
Loss for the period	-	-	-	(1,313,464)	(1,313,464)
Other comprehensive income	-	47,613	-	-	47,613
<b>TOTAL COMPREHENSIVE INCOME</b>	-	47,613	-	(1,313,464)	(1,265,851)
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>					
Proceeds from issue of shares	611,100	-	-	-	611,100
Share issue costs	(36,000)	-	-	-	(36,000)
Share-based payments	-	-	137,774	-	137,774
<b>BALANCE AT 31 DECEMBER 2017</b>	14,721,313	47,613	501,524	(13,120,551)	2,149,899

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



**EMU NL**  
**31 DECEMBER 2017**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Expenditure on mining interests	(979,162)	(151,876)
Payments to suppliers and employees	(353,903)	(220,621)
Interest received	22,121	17,324
<b>Net cash used in operating activities</b>	<b>(1,310,944)</b>	<b>(355,173)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds on sale of available-for-sale financial assets	-	104,925
Payments for available-for-sale financial assets	-	(126,472)
Receipt of security bond	18,150	42,325
Payments for plant and equipment	(2,121)	-
<b>Net cash provided by investing activities</b>	<b>16,029</b>	<b>20,778</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	600,000	-
Proceeds from exercise of options	11,100	-
Share issue costs	(36,000)	-
<b>Net cash provided by financing activities</b>	<b>575,100</b>	<b>-</b>
Net decrease in cash and cash equivalents	(719,815)	(334,395)
Cash and cash equivalents at the beginning of the half-year	2,749,349	2,046,448
Effects of exchange rate changes on cash and cash equivalents	(12,934)	13,585
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR</b>	<b>2,016,600</b>	<b>1,725,638</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT**

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Emu NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**Adoption of new and revised Accounting Standards**

The Group has reviewed new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017.

It has been determined by the Group that there is no material impact on its financial statements as a result of those new and revised Standards and Interpretations.

The Group has also reviewed new Standards and Interpretations that have been issued that are relevant but are not yet effective for the half-year ended 31 December 2017. Based on its business during the reporting period, the Group does not anticipate any material impact on its financial statements upon adoption of the new and revised Standards and Interpretations.

**NOTE 2: SEGMENT INFORMATION**

The Group has identified that it operates in only one segment based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group's principal activity is mineral exploration.

**NOTE 3: AVAILABLE-FOR-SALE FINANCIAL ASSETS**

	<b>31 December 2017</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
Equity securities in listed entities	<b>111,426</b>	<b>63,813</b>

The market value of all equity investments represent the fair value based on quoted prices on active markets (TSX) as at the reporting date without any deduction for transaction costs. These investments are classified as Level 1 financial instruments. There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of these financial instruments, or changes in its classification as a result of a change in the purpose or use of these assets.

**EMU NL**  
**31 DECEMBER 2017**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**NOTE 4: EQUITY SECURITIES ISSUED**

	2017 Shares	2017 \$	2016 Shares	2016 \$
<b>As at 1 July</b>	<b>102,491,054</b>	<b>14,146,213</b>	75,557,834	11,175,866
<b>Issues of ordinary shares during the half-year</b>				
Fully paid shares issued – Acuity*	4,000,000	-	-	-
Fully paid shares issued - Placement	4,000,000	600,000	-	-
Transaction costs – Placement	-	(36,000)	-	-
Contributing shares issued on exercise of options	370,000	11,100	-	-
<b>As at 31 December</b>	<b>110,861,054</b>	<b>14,721,313</b>	75,557,834	11,175,866

As at 31 December 2017, the Company had 73,910,387 fully paid ordinary shares and 36,950,667 partly paid ordinary (contributing) shares on issue (3 cents paid, 3 cents unpaid).

\* Note: On 15 December 2017 the Company issued 4,000,000 fully paid ordinary shares (Collateral Shares) to Acuity Capital pursuant to the Controlled Placement Agreement (CPA) with Acuity Capital. The shares were issued at nil cash consideration to Acuity Capital and the Company may, at any time, cancel the CPA and buy back the Collateral Shares for no cash consideration (subject to shareholder approval) or require the Collateral Shares to be transferred to a third party without any consideration being due or payable to Acuity Capital.

	<b>Number of options</b>	
	2017	2016
<b>As at 1 July</b>	<b>4,050,000</b>	15,058,220
<b>Movements of options during the half-year</b>		
Issued, exercisable at \$0.10, expiring 20 December 2018	1,000,000	-
Issued, exercisable at \$0.11, expiring 20 December 2018**	2,000,000	-
Issued, exercisable at \$0.03 (to acquire one partly paid (contributing) share), expiring 30 April 2018	2,000,004	-
Exercised at \$0.03 (to acquire one partly paid (contributing) share), expiring 30 April 2018	(370,000)	-
<b>As at 31 December</b>	<b>8,680,004</b>	15,058,220

\*\* Note: 1,500,000 of these options are subject to market-based vesting conditions. As at the balance date none of these 1,500,000 options have vested.

**NOTE 5: DIVIDENDS**

No dividends were paid during the half-year. No recommendation for payment of dividends has been made.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**NOTE 6: CONTINGENCIES**

Ron Stanley Contingency

The Group has a contingent asset, being a cause of action it contends to have against Territory Minerals Limited (ACN 121 200 299) and/or parties associated with it (including without limitation Ron Stanley) (**Ron Stanley & Associates**) in relation to the lost opportunity, costs and expenses incurred and thrown away as a result of Ron Stanley & Associates repudiation of an agreement whereby Emu could, subject to various conditions, acquire an interest in certain exploration tenements held (or claimed to be held) by Territory Minerals Limited in Queensland.

Other than as described above, there are no material contingent liabilities or contingent assets of the Group at the reporting date.

**NOTE 7: SUBSEQUENT EVENTS**

Since the reporting date a total of 270,000 unlisted options (each convertible into a listed partly paid ordinary (contributing) share (EMUCA) on or before 30 April 2018 by paying \$0.03 upon exercise of the option with a further \$0.03 being payable upon call) were exercised and partly paid ordinary (contributing) shares issued, raising a total of \$8,100.

No other matter or circumstance has arisen since 31 December 2017, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

**EMU NL**  
**31 DECEMBER 2017**

**DIRECTORS' DECLARATION**

In the directors' opinion:

1. the financial statements and notes set out on pages 6 to 12 are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Emu NL will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



**Greg Steemson**  
Managing Director  
Perth, 15 March 2018



## Independent Auditor's Review Report

To the members of Emu NL

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Emu NL, which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors' determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Emu NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Emu NL is not in accordance with the *Corporations Act 2001* including:

giving a true and fair view of the Emu NL's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and

complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

*Greenwich & Co Audit Pty Ltd*

**Greenwich & Co Audit Pty Ltd**



**Andrew May**  
Audit Director

15 March 2018