

SUMMARY

- **Significant work undertaken on Project Generation**
- **8 Mile Dam review**
- **EMU exit from Chile**
- **COVID 19 management plan**
- **Corporate**

PROJECT GENERATION

EMU's Project Generation team compiled a global scale, comprehensive long list of more than 60 projects during the period. As the issues surrounding the COVID19 pandemic unfolded, EMU redirected its strategy, for the near term, to prioritise sourcing Australian-based projects.

With border lockdowns and travel restrictions impeding inter jurisdictional exploration, and likely to for some time, projects based within EMU's home base of WA have become more attractive. EMU, thus, developed a shortlist of suitable projects within WA, a number of which, post the period, are under final review and of interest to EMU to become targets of acquisition.

EMU has evaluated, and continues to evaluate, gold, nickel, copper and PGE projects. With investors seeking gold as a safe haven consequent upon the pandemic, the uplift in the gold price has significantly increased demand for gold projects. Vendor asking prices for gold projects have sky rocketed. A knock-on consequence of this is that base metal projects appear, in the current environment, to offer superior value by comparison and certainly are far more affordable.

EMU's criteria for evaluation of projects is for all short-listed projects to have the potential to be value-accretive. It has been paramount to EMU that projects must be able to demonstrate potential for significant upside at any stage in the project lifecycle including greenfield exploration, late-stage exploration, or near-term cash flow opportunities.

Post quarter, acquisition discussions were initiated with respect to several projects and are currently at preliminary stages. There is no certainty any result will be secured consequent upon those or other discussions.

8 MILE DAM, MENZIES WA

EMU continued its review of its Western Australian tenements (under application). The 8 Mile Dam Project, near Menzies, was subject to a desktop review by the geology team. EMU has noted the presence of ultramafic lithologies and nickel geochemical values in historical core drilling for diamond (lamprophyre pipe) exploration within the western portions of E29/1080. Exploration for intrusion related Ni-PGE mineralisation within the previously unrecorded slivers of greenstone geology under shallow cover represents a viable new target-type for this terrane. Early work considered by EMU includes the confirmation of historical geochemical data and field work



comprising reconnaissance mapping and sampling leading to EM geophysical surveys and shallow aircore drilling across the prospective units.

ELEVADO PROJECT, CHILE

After completing the demobilisation from the Elevado Project in the previous quarter, EMU finalised its operational work in Chile.

The base in Copiapo was relinquished, all Chilean employees and contractors were made redundant and a sale process was commenced for items of field equipment no longer required.

A review of the 2020 drilling programme was undertaken which confirmed EMU's management, financial initiatives and cost control resulted in significant time and money savings against the budget. Whilst drilling and exploration results from the programme were very disappointing, the swift actions taken by the project team in finalising the work at Elevado ensured robust savings for EMU.

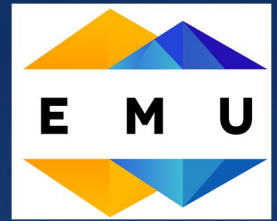
Corporate, administrative, and environmental work in relation to Elevado and operations in Chile continued. Close out in Chile remains a work in progress targeted to be finalised in all respects by year's end.

COVID 19

EMU continued to monitor the day to day impacts of COVID 19 and adapted quickly to changing conditions. "Work from home" initiatives and the use of technology for communications were implemented, all with minimal disruption to EMU's activities.

Australian contractors and employees were repatriated in March, well before the pandemic took hold in Chile and ensuring our team maximised its contribution potential to the Project Generation phase in Australia during the period.

COVID 19 and the exit from the Chilean assets served to sharpen EMU's ever vigilant focus on cost control.



CORPORATE

Appendix 5B

Item 6.1 in the Appendix 5B lodged concurrently with this Quarterly Activities Report includes aggregate amounts paid to directors for directors' fees, related statutory superannuation and office rent of \$4,250 per month (net of GST) plus variable outgoings paid to a director.

District Court Action Settled

Post quarter, an agreement was reached in the District Court of Western Australia by Wallis and EMU to settle the claim initiated by Wallis Drilling to which EMU counter claimed. Both the claim and counter claim will be dismissed with no order as to costs and no prior order as to costs will be enforced.

RELEASE AUTHORISED BY THE BOARD

Contact Details: Doug Grewar - Office: +61 8 9226 4266; Mobile: 0419 833 604

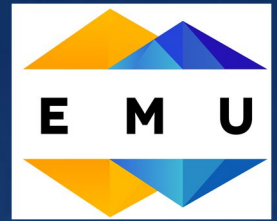


Table 2: Schedule of Tenements – Western Australia

| Concession ID | Type | Description/Status |
|---------------|-------------|------------------------|
| E29/1080 | Exploration | Emu 100% - Application |



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)

298,005,436 (including 15.7m which EMU can buy back for nil consideration)

Contributing Shares (listed)

33,725,496 paid to \$0.03, \$0.03 to pay, no call before 31/12/2023

Options (unlisted)

65,759,750 options to acquire partly paid shares, exercisable at \$0.02 each, on or before 21 December 2020

84,355,000 options to acquire fully paid shares, exercisable at \$0.20 each, on or before 15 January 2021

8,454,468 options to acquire fully paid shares, exercisable at \$0.20 each, on or before 16 January 2021

22,000,000 options to acquire partly paid shares, exercisable at \$0.03 each, on or before 21 December 2021

Directors:

Peter Thomas

Non-Executive Chairman

Terry Streeter

Non-Executive Director

Gavin Rutherford

Non-Executive Director

Tim Staermose

Non-Executive Director

Investor enquiries:

T +61 8 9226 4266

M +61 419833604

E info@emunl.com.au

COMPETENT PERSON'S STATEMENT

Any details contained herein that pertain to exploration results, mineral resources or mineral reserves are based upon information compiled by Mr Francisco Montes, Senior Geologist and Exploration Manager, of Emu NL. Mr Montes is a Member of the Australasian Institute of Geoscientists 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 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.