



**EMU NL**

**ABN 50 139 546 428**

**INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2015**

**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 2015 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*.**

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**31 DECEMBER 2015**

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**EMU NL**  
**31 DECEMBER 2015**

**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 2015.

**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**

Following the Company's stated objective of sourcing and assessing projects located in various jurisdictions worldwide, a Heads of Agreement was signed on 29<sup>th</sup> October 2015 with Genesis Gold Corporation whereby the Company could acquire 100% interest in the Speedway project located in western Utah north of the town of Wendover.

The specific area was pegged by Genesis based on surface gold [and other] geochemistry, exposure of jasperoids and other indicators [barite veins] of Carlin style gold mineralisation in outcrop.

In 2015, Genesis and Industrial Imaging Company completed an AMT (Audio Magnetotelluric) survey over the area. This survey, which was interpreted by Industrial Imaging Corporation, defined a body of low resistivity lying below the pediment west of the outcrop area with a geometry directly analogous with other Carlin style deposits.

Emu has agreed to test the AMT target with two drill holes, the second contingent on the results of the first. The holes are planned to depths of approximately 500m and 700m respectively.

Final regulatory approval for the drilling program was granted on 3<sup>rd</sup> February and the drilling contractor mobilised to site on 8<sup>th</sup> February.

**The essential terms of the Heads of Agreement are:**

1. The agreement is subject to annual option payments commencing at US\$15,000 and rising to US\$125,000 on the fifth anniversary (adjusted for the CPI on the second anniversary) and beyond for a maximum term of 15 years.
2. Emu may elect to purchase the property at any time by paying Genesis Gold Corporation US\$3 million less the annual option payments and granting Genesis the NSR.
3. The NSR is set at 2% for all mined products except for the circumstance that if gold contributes > 85% of the revenue and the gold price is > US\$1,600/troy oz, then Genesis participates in any further increase in gold price in accordance with the following:
  - a) US\$1,601 to US\$1,700 – NSR = 2.25%
  - b) US\$1,701 to US\$1,800 – NSR = 2.50%
  - c) US\$1,801 to US\$1,900 – NSR = 2.75%
  - d) US\$1,901 and above – NSR = 3.00%
4. The agreement has other normal terms seen in such agreements such as:
  - a) Area of Influence of 1 mile around the Speedway mining claims.
  - b) Warranties with respect to title and works to be undertaken.
  - c) Termination.
  - d) Long form agreement which is well advanced.

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**DIRECTORS' REPORT (continued)**

The Company retains the exploration licence at Mt Marmion in WA. No work was undertaken during the period.

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

	<b>2015</b>	
	<b>Revenues</b>	<b>Results</b>
	<b>\$</b>	<b>\$</b>
Consolidated entity revenues and loss	127,535	(300,937)

**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.

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



**Greg Steemson**  
Managing Director  
Perth, 4 March 2016

## 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 2015, 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.

Somes Cooke

*Somes Cooke*

*Nicholas Hollens*

Nicholas Hollens  
Partner

Perth

4 March 2016

**EMU NL**  
**31 DECEMBER 2015**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Half-Year	
	2015	2014
	\$	\$
<b>REVENUE</b>		
Interest revenue	30,976	138,248
Other income	96,559	14,621
<b>EXPENDITURE</b>		
Depreciation expense	(2,871)	(812)
Exploration and tenement expenses	(140,016)	(152,820)
Key management personnel compensation	(168,053)	(229,181)
Other expenses	(117,532)	(62,648)
<b>LOSS BEFORE INCOME TAX</b>	<b>(300,937)</b>	<b>(292,592)</b>
Income tax benefit/(expense)	-	-
<b>LOSS FOR THE HALF-YEAR ATTRIBUTABLE TO MEMBERS OF EMU NL</b>	<b>(300,937)</b>	<b>(292,592)</b>
<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	79,200	600
Other comprehensive income for the period, net of tax	79,200	600
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF EMU NL</b>	<b>(221,737)</b>	<b>(291,992)</b>
Basic and diluted loss per share (cents)	(0.40)	(0.39)

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 2015**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

		31 December 2015 \$	30 June 2015 \$
	Notes		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,320,959	2,635,316
Trade and other receivables		16,720	25,983
Other assets		11,901	14,361
<b>TOTAL CURRENT ASSETS</b>		<b>2,349,580</b>	<b>2,675,660</b>
<b>NON-CURRENT ASSETS</b>			
Available-for-sale financial assets	3	115,400	60,700
Plant and equipment		59,085	3,511
<b>TOTAL NON-CURRENT ASSETS</b>		<b>174,485</b>	<b>64,211</b>
<b>TOTAL ASSETS</b>		<b>2,524,065</b>	<b>2,739,871</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		19,877	24,268
Provisions		1,110	644
<b>TOTAL CURRENT LIABILITIES</b>		<b>20,987</b>	<b>24,912</b>
<b>TOTAL LIABILITIES</b>		<b>20,987</b>	<b>24,912</b>
<b>NET ASSETS</b>		<b>2,503,078</b>	<b>2,714,959</b>
<b>EQUITY</b>			
Contributed equity	4	10,870,071	10,860,215
Reserves		54,750	(24,450)
Accumulated losses		(8,421,743)	(8,120,806)
<b>TOTAL EQUITY</b>		<b>2,503,078</b>	<b>2,714,959</b>

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

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Contributed Equity \$	Available- for-Sale Asset Reserve \$	Share-based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulat- ed Losses \$	Total \$
<b>BALANCE AT 1 JULY 2014</b>	10,860,215	(8,400)	120,650	-	(7,697,871)	3,274,594
Loss for the period	-	-	-	-	(292,592)	(292,592)
Other comprehensive income	-	600	-	-	-	600
<b>TOTAL COMPREHENSIVE INCOME</b>	-	600	-	-	(292,592)	(291,992)
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>						
Transfer of reserve upon expiry of options	-	-	(120,650)	-	120,650	-
<b>BALANCE AT 31 DECEMBER 2014</b>	10,860,215	(7,800)	-	-	(7,869,813)	2,982,602
<b>BALANCE AT 1 JULY 2015</b>	10,860,215	(24,450)	-	-	(8,120,806)	2,714,959
Loss for the period	-	-	-	-	(300,937)	(300,937)
Other comprehensive income	-	79,200	-	-	-	79,200
<b>TOTAL COMPREHENSIVE INCOME</b>	-	79,200	-	-	(300,937)	(221,737)
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>						
Funds received for option issue	9,856	-	-	-	-	9,856
<b>BALANCE AT 31 DECEMBER 2015</b>	10,870,071	54,750	-	-	(8,421,743)	2,503,078

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



**EMU NL**  
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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Expenditure on mining interests	(149,718)	(152,911)
Payments to suppliers and employees	(278,788)	(301,139)
Interest received	41,680	122,274
<b>Net cash outflow from operating activities</b>	<b>(386,826)</b>	<b>(331,776)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds on sale of available-for-sale financial assets	238,919	22,200
Payments for available-for-sale financial assets	(132,000)	-
Repayments of loan by El Nino	-	1,000,000
Payments for plant and equipment	(58,446)	-
<b>Net cash inflow from investing activities</b>	<b>48,473</b>	<b>1,022,200</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Converting shares paid-up during the period	9,856	-
<b>Net cash inflow from financing activities</b>	<b>9,856</b>	<b>-</b>
Net (decrease)/increase in cash and cash equivalents	(328,497)	690,424
Cash and cash equivalents at the beginning of the half-year	2,635,316	732,829
Effects of exchange rate changes on cash and cash equivalents	14,140	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR</b>	<b>2,320,959</b>	<b>1,423,253</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 2015 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 2015 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**

In the half-year ended 31 December 2015, the Group has reviewed all of the 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 2015.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

**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**

	31 December 2015 \$	30 June 2015 \$
Equity securities in listed entities	115,400	60,700

The market value of all equity investments represent the fair value based on quoted prices on active markets (ASX) 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 2015**

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

**NOTE 4: EQUITY SECURITIES ISSUED**

	2015 Shares	2015 \$	2014 Shares	2014 \$
<b>As at 1 July</b>	75,346,712	10,860,215	75,346,712	10,860,215
<b>Issues of ordinary shares during the half-year</b>				
Contributing shares paid up by call of 3 cents per share <sup>(1)</sup>	-	9,856	-	-
<b>As at 31 December</b>	<b>75,346,712</b>	<b>10,870,071</b>	75,346,712	10,860,215

(1) On 4 January 2016 a total of 328,515 contributing shares were converted to fully paid ordinary shares after being paid-up in full by payment of the outstanding call of 3 cents per share. The funds were received prior to the reporting date.

As at 31 December 2015, the Company had 39,693,856 fully paid ordinary shares and 35,652,856 contributing shares on issue.

	<b>Number of options</b>	
	2015	2014
<b>As at 1 July</b>	82,736	923,884
<b>Movements of options during the half-year</b>		
Options expired 21 December 2015, exercisable at 42.66 cents	(82,736)	-
Options expired 22 December 2014, exercisable at 58.74 cents	-	(841,148)
<b>As at 31 December</b>	<b>-</b>	<b>82,736</b>

**NOTE 5: DIVIDENDS**

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

**NOTE 6: CONTINGENCIES**

There are no material contingent liabilities or contingent assets of the Group at the reporting date.

**NOTE 7: SUBSIDIARY**

American Emu Inc. was incorporated in the state of Nevada, United States of America, on 9 November 2015 with Emu Blue Pty Ltd being and remaining the sole shareholder.

**NOTE 8: SUBSEQUENT EVENTS**

On 12 January 2016 the Company issued 11,757,049 unlisted options with an exercise price of \$0.10, expiring 30 March 2017, in accordance with the non-renounceable pro-rata entitlement offer prospectus dated 14 December 2015. The options were issued at \$0.02 each, to raise a total of \$235,141. An additional 200,000 options were issued to an employee on the same terms and conditions for nil consideration as a reward and incentive.

During February 2016, a total of 211,122 of the above unlisted options were converted into fully paid ordinary shares by the payment of \$0.10 per option, raising a total of \$21,112.

No other matter or circumstance has arisen since 31 December 2015, 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 2015**

**DIRECTORS' DECLARATION**

In the directors' opinion:

1. the financial statements and notes set out on pages 6 to 11 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 2015 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, 4 March 2016

## 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 condensed statement of financial position as at 31 December 2015, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and the condensed 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 Group 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 Group's financial position as at 31 December 2015 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Emu NL, would be in the same terms if given to the directors as at the time of this auditor's report.

### *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 Group's financial position as at 31 December 2015 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*.

Somes Cooke

**SOMES COOKE**

Nicholas Hollens

**NICHOLAS HOLLENS**

Partner

4 March 2016

Perth