

EMU NL (**EMU** or the **Company**) completed its significant Stage 3 drill programme at Badja Project (gold, tungsten). Early assay results indicate continuing high-grade gold occurrences at Gnows Nest and the discovery of a broad zone of gold mineralisation at the Flying Emu prospect. Environmental and land access work progressed at Sunfire Project (Nickel Copper).. Administrative processes towards access were progressed at Viper and Graceland (Nickel Copper) projects with a (Stage 4) drilling programme planned to intercept conductors at both projects during the 3<sup>rd</sup> quarter 2022.

### **BADJA PROJECT near Yalgoo, WA**

EMU completed its Stage 3 Aircore (AC) and Reverse Circulation (RC) drilling programme at the Badja Project. The programme concluded with 2,486m of RC drilling specifically targeting extensions of the high-grade zones at Gnows Nest gold mine, Monte Cristo and Watertank Hill prospects. The RC programme also tested a new zone at the Flying Emu prospect. Early sampling results received were highly encouraging with broad, high-grade gold intercepts realised from both Gnows Nest gold mine and the Flying Emu prospect.

#### **Significant Gold Intercepts reported from Stage 3 drilling programme<sup>1</sup>:**

##### **Gnows Nest Mine**

- **7m at 10.12g/t gold** from 131m including;
  - **1m at 40.38g/t gold** from 131m

##### **Flying Emu Prospect**

- **9m at 3.44g/t gold** from 39m including;
  - **2m at 10.14g/t gold** from 39m

The significant RC intercept recorded at Gnows Nest highlights the potential for a northern strike extension of the high-grade gold lode. Results from the drill hole indicate the continuance of the mineralisation in a structure previously considered a barren shear zone.

A second drill rig was employed during the Stage 3 drilling programme and completed 7,258m of AC drilling. The systematic AC drilling, extended across broad areas of the Badja tenement package, targeted gold anomalism determined from EMU's soils survey work.

The Flying Emu discovery is located 1,000m northwest of the Monte Cristo prospect, on the same geological structural setting. It was selected as a target for drilling from results obtained from mapping, the presence of numerous historic workings, an interpreted thrust fault, or 'jog', in the structural lineaments and results from Emu's soils survey which indicated anomalism for gold.

The shallow, broad, high-grade gold intercept at Flying Emu, which is coincident with a wide shear zone, provided Emu with the encouragement to prepare a follow up 800m, RC drilling

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<sup>1</sup> ASX Release 18 May 2022, "Further High-grade Gold and Significant Gold Discovery"

(Stage 4) programme which was scheduled to be and then was completed post reporting period (in July 2022). This Stage 4 programme was designed to test strike and depth extensions from the discovery hole location at Flying Emu.

## **TUNGSTEN**

EMU confirmed the presence of high-grade tungsten coincident with gold at Monte Cristo following a systematic soils survey and review of multi-element assay results from a small subset of drill holes. EMU continued its assessment of tungsten anomalism during the period with the presence of UV light fluorescing scheelite in drill cuttings leading to new sample submissions for assaying from the Monte Cristo drill holes<sup>2</sup>.

A review of the drill chips from the discovery hole at Flying Emu has confirmed substantial similarities to the Monte Cristo mineralised zone. Visible fluorescing scheelite was observed and has prompted immediate follow up multi-element assessment from the drill samples to test tungsten grade and characteristics. Results of these multi element assays are expected in the third quarter.

The Badja Project continues to be prospective for economic high-grade gold with several gold lodes identified with high-grade tungsten zones being followed up.

EMU awaits assay results from the Stage 3 and Stage 4 drilling programmes, including multi-element sample results, which will be used to further assess the value of the tungsten endowment.

## **GRACELAND, VIPER and SUNFIRE (Nickel Copper Projects)**

EMU continued to advance the required administrative processes for land access over its nickel copper projects.

Drilling is scheduled in quarter 3 at Graceland and Viper projects where a series of conductors were identified in FLEM (Fixed Loop Electromagnetic) surveys conducted earlier in the year. RC drilling will test for the possibility of nickel sulphides and potential nickel, copper and gold occurrences coincident with magnetic, gravity and geochemistry anomalism.

At Sunfire, EMU continued to progress the administrative processes for land access which will be followed by a planned soil survey and FLEM programme scheduled in quarters 3 and 4, 2022.

## **PROJECT GENERATION**

EMU continuously seeks to identify and review resource and exploration projects both within Australia and overseas with a view to acquiring assets that may have the potential to add significant financial value and returns for its shareholders. During the period, EMU commenced and continued reviews on several domestic and overseas projects. EMU

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<sup>2</sup> Refer to ASX Release 3 June 2022, "Flying Emu Gold Discovery". Results of these multi element assays are expected. Visual observations and estimates obtained from UV light fluorescing should never be considered a proxy or substitute for laboratory analyses where metal concentrations or grades are the factor of principal economic interest.

maintains a valuation criterion over projects that have the potential to be value-accretive and demonstrate significant upside at any stage in the project life cycle including greenfield exploration, late-stage exploration and near-term cash flow.

## **CORPORATE ACTIVITIES**

### **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 \$467k. 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.

### **RELEASE AUTHORISED BY THE BOARD**

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

**Table 1: Tenement Schedule:**

Tenement ID (DMIRS ID)	Project	Type	Description/ Status
<b>M59/739 – Gnows Nest</b>	Gnows Nest	Mining	EMU 100% - Granted
<b>E59/2315 – Gnows Nest</b>	Gnows Nest	Exploration	EMU 100% - Granted -
<b>P59/2068 – Monte Cristo</b>	Gnows Nest	Prospect	EMU 100% - Granted
<b>P59/2071 – Monte Cristo</b>	Gnows Nest	Prospect	EMU 100% - Granted
<b>P59/2072 – Monte Cristo</b>	Gnows Nest	Prospect	EMU 100% - Granted
<b>P59/2073 – Monte Cristo</b>	Gnows Nest	Prospect	EMU 100% - Granted
<b>P59/2074 – Monte Cristo</b>	Gnows Nest	Prospect	EMU 100% - Granted
<b>E59/2495 – Warrambo</b>	Gnows Nest	Exploration	EMU 100% - Granted
<b>E70/5507 – Sunfire</b>	Sunfire	Exploration	EMU 100% - Granted
<b>E70/5346 - Sunfire</b>	Sunfire	Exploration	EMU 100% - Granted
<b>E70/5146 - Graceland</b>	Graceland	Exploration	EMU 100% - Granted
<b>E70/5603 – Roe</b>	Graceland	Exploration	EMU 100% - Granted
<b>E70/6066 - Roe</b>	Graceland	Exploration	EMU 100% - Granted
<b>E70/5155 - Viper</b>	Viper	Exploration	EMU 100% - Granted
<b>E70/5602 – Kent</b>	Viper	Exploration	EMU 100% - Granted
<b>E29/1080 – Marmion</b>	8 Mile Dam	Exploration	EMU 100% - Granted

## Emu NL

ABN 50 127 291 927

### ASX Codes: EMU and EMUCA

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West Perth, WA 6005

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E [info@emunl.com.au](mailto: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 December 2023

### Options (unlisted)

35,000,000 options to acquire partly paid shares, exercisable at \$0.0001 each, on or before 15 November 2022 with a further \$0.04 payable on each to convert into fully paid shares

33,320,000 options to acquire fully paid shares, exercisable at \$0.075 each, on or before 15 March 2023

### 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:

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## 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.

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## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

<b>EMU NL</b>
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ABN

<b>50 127 291 927</b>
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Quarter ended ("current quarter")

<b>30 June 2022</b>
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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(467)	(1,539)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(227)	(766)
	(e) administration and corporate costs	(149)	(544)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
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)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(842)</b>	<b>(2,848)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	(101)
	(c) property, plant and equipment	-	(7)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	30
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(78)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,083
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	-	(128)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>1,955</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,627	1,755
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(842)	(2,848)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(78)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,955

## 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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	1
4.6	<b>Cash and cash equivalents at end of period</b>	<b>785</b>	<b>785</b>

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	45	88
5.2	Call deposits	734	1,533
5.3	Bank overdrafts	-	-
5.4	Other (provide details) <i>Cash deposit held in US\$</i>	6	6
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>785</b>	<b>1,627</b>

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	<b>Total financing facilities</b>	<b>-</b>	<b>-</b>
7.5	<b>Unused financing facilities available at quarter end</b>		<b>-</b>
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.		



<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(842)
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)	(842)
8.4 Cash and cash equivalents at quarter end (item 4.6)	785
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	785
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.93
<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 expenditure 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: EMU is currently in discussions and having regard to its record of raising funds as and when required, these negotiations are expected to result in additional capital being raised.	
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

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **22 July 2022**

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*

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**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

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*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.