QUARTERLY ACITIVITY REPORT

3 MONTHS ENDED 30 JUNE 2023

EMU NL

RARE EARTHS ELEMENTS, PRECIOUS AND BASE METALS EXPLORER

EMU reported significant success during the quarter, updating the market with second round assay results from its 100% owned Condingup REE Project[1]near Esperance WA, and further announcing the discovery of 3 additional, 100% owned REE projects in the WA wheatbelt.

EMU's Viper and Graceland Projects, acquired originally for anomalism in nickel, copper, gold, and PGE's, returned outstanding REE results from drill pulps and rock chips. The Merredin REE Project rock chip sampling programme also reported highly anomalous REE mineralisation bringing EMU's total WA REE portfolio of projects to four.

EMU's focus on clay hosted REE exploration has been rewarded at each of the four projects assessed by EMU for the occurrence of REE; positioning the Company as one of Australia's most successful REE explorers.

Targeted aircore drilling programmes are required to confirm the preliminary results from fertile pulp, rock, and soils samples.

Condingup Project - Significant Upgrade

The stage 2 rock chip reconnaissance survey conducted at Condingup extended the known REE mineralisation footprint there with highly anomalous samples recorded from outcropping Booanya suite granites. Extensive REE mineralisation of the host rocks was reported with TREO[2] assay results including **941 ppm TREO, 1,089 ppm TREO, 1,205 ppm TREO** and **1,242 ppm TREO.** High value (**MREO**)[3] represent an average of **~22% of TREO grade** from 28 rock chip samples. The survey confirmed EMU's Booanya suite granites to be highly fertile for rare earth elements with the potential to host significantly enriched rare-earth minerals in clay.

EMU applied for an additional 765 square km of highly prospective Exploration Licence ground, taking the overall exploration package at the Condingup REE Project to **1,560 square km** of Exploration Licence area – further increasing its major strategic footprint in the Esperance REE Province.

On a regional scale, the western, central and eastern granitic zones remain untested with numerous, extensive prospective exploration targets varying from **14.1 km to 18.3km in strike length** having so far been identified by EMU. Following a highly successful passive seismic survey[4] commenced in June 2023, EMU advised the market that it had determined to commence a maiden aircore drilling programme at Condingup.

[1] Rare Earth Elements

[2] Total Rare Earth Oxides

[3] Magnetic Rare Earth Oxides

[4] ASX Release 24 July 2023 "Substantial Increase in REE Prospectivity at Condingup WA"

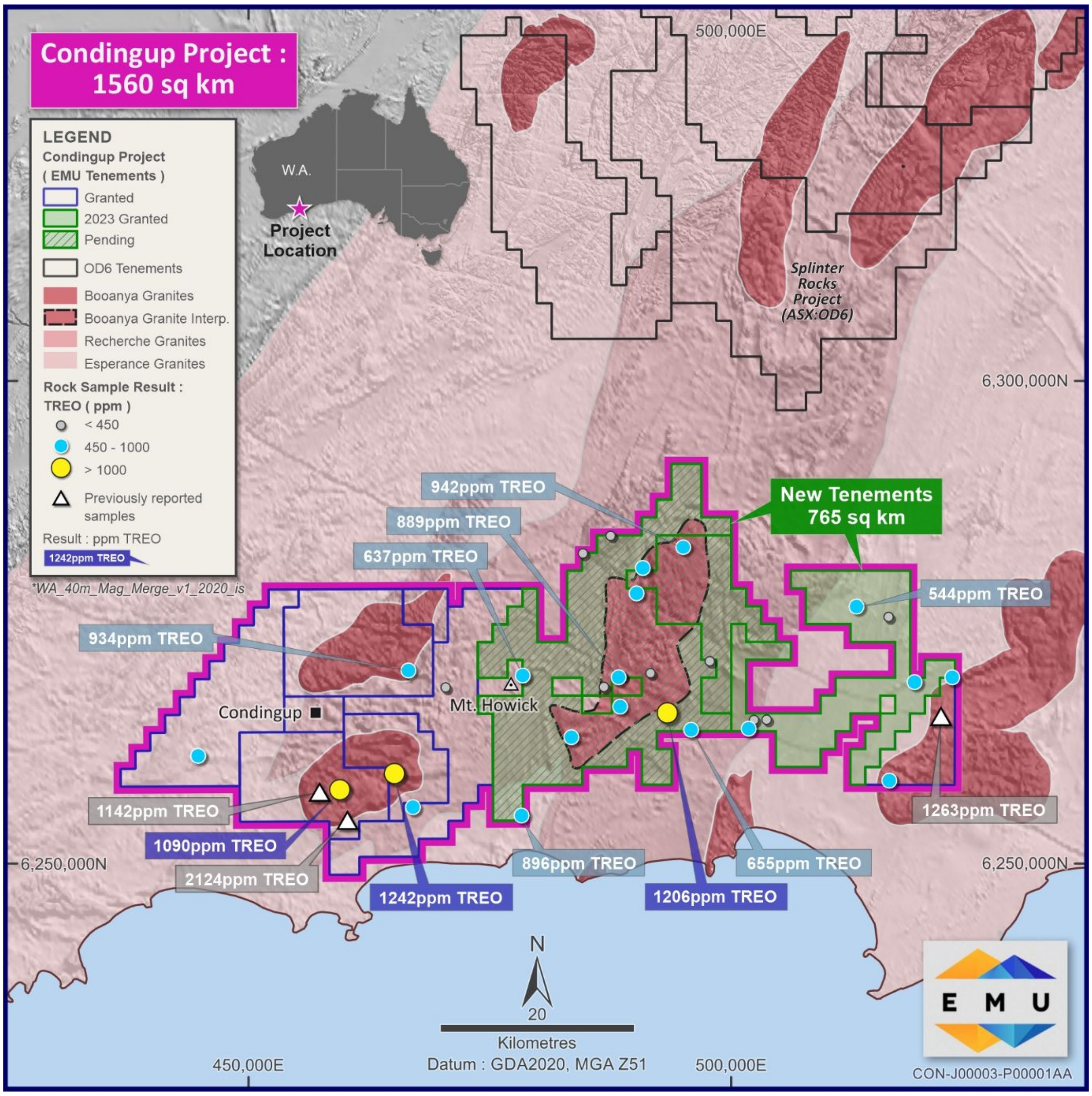

Figure 1. Condingup REE Project highlighting extensive regional land holding and broad REE mineralisation determined from a number of high TREO values sampled from Booanya granite outcropping.

Viper Project REE - Discovery

Emu confirmed the discovery of an entirely new REE region near Jerramungup WA with assay results from its RC (Reverse Circulation) drilling programme highlighting zones of clay hosted REE mineralisation. These zones situated over Gneiss/Granite rocks and adjacent weathered clays, were encountered from shallow depths in RC drilling varying from 20m to 52m in thickness. EMU recorded significant assays from 4m composite samples including[5];

- Drillhole 22VRC001: **40m @ 438.70 ppm TREO** from 28m
- Drillhole 22VRC002: **4m @ 566.5 ppm TREO** from 12m
  and **20m @ 432.7 ppm TREO** from 84m
- Drillhole 22VRC003: **20m @ 654.23 ppm TREO** from 0m
  including **4m @ 1,137.68 ppm TREO** from 16m
- Drillhole 22VRC004: **32m @ 459.87 ppm TREO** from 0m
- Drillhole 22VRC005: **52m @ 541.95 ppm TREO** from 4m
  including **28m @ 648.12 ppm TREO** from 4m

All RC drill holes ended in significantly anomalous (composite) REE up to **380.9 ppm TREO**[6] with an overall sample average **MREO**[7] of **29.4**% and **HREO**[8] of **15.6%.**

EMU then applied for, and was granted a further 120 square km of tenements immediately to the south of existing tenements covering an identical geological setting.

The Viper Project is conveniently located in the southeastern wheatbelt with sealed road access and is adjacent to the town of Jerramungup in the WA wheatbelt. The location is supported by excellent access to infrastructure and workforce should it develop into a large scale REE project.

[5] ASX Release 15 May 2023 “REE Discovery Viper Project Jerramungup WA”
[6] TREO Total Rare Earth Oxides
[7] Total Magnetic Rare Earth Oxides
[8] Total Heavy Rare Earth Oxides

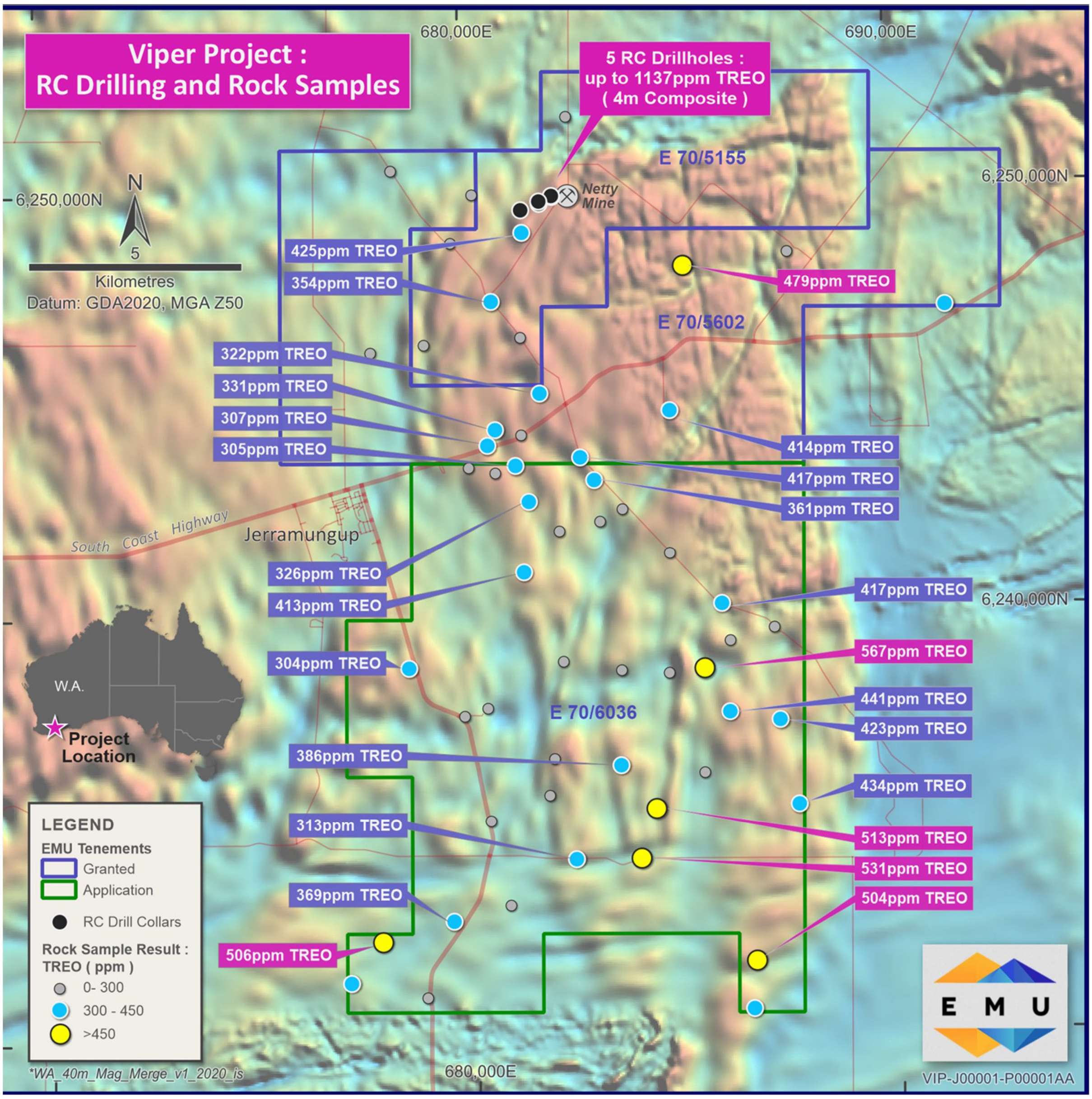

Figure 2. Map with underlying areomagnetic layer showing Viper Project with new tenement area under application in the south of granted tenements.

Graceland Project REE - Discovery

Assaying of samples from EMU's maiden RC drilling program at Graceland Project, directed at delineating nickel, copper and PGE anomalism from geochemistry and geophysics surveys, established REE mineralisation hosted within clay saprolite/granitoid and adjacent weathered zones. The assays from RC drilling returned significant, thick zones of REE mineralisation from 8m to 52m. The REE mineralisation is largely hosted within the saprolite clay zone above the granitic pluton and confirmed EMU's conceptual mineralisation model highlighting the project's clay hosted REE enrichment overlaying the adjacent granite terrain.

Significant drill assays from **4m composite drill samples** include:

- Drillhole 23GLRC001: **52m @ 518.69 ppm TREO** from 8m
- Drillhole 23GLRC002: **8m @ 470.24 ppm TREO** from 12m
- Drillhole 23GLRC003: **8m @ 502.12 ppm TREO** from 16m
- Drillhole 23GLRC004: **36m @ 554.75 ppm TREO** from 16m
  incl **4m @ 848.88 ppm TREO** from 28m
  and **20m @ 611.59 ppm TREO** from 64m
- Drillhole 23GLRC005: **32m @ 716.75 ppm TREO** from 32m
  incl **4m @ 960.66 ppm TREO** from 32m
- Drillhole 23GLRC006: **32m @ 483.06 ppm TREO** from 28m
- Drillhole 23GLRC007: **16m @ 638.25 ppm TREO** from 32m
- Drillhole 23GLRC008: **4m @ 435.62 ppm TREO** from 20m

All drill holes ended in significantly anomalous (composite) REE mineralisation of up to **646.91 ppm TREO**[9] with a complete sample average **MREO**[10] of **26.7%** and **HREO**[11] of **14.6%**.

A fractionated intrusive feature as shown on the re processed aeromagnetic map layer presents as a highly attractive target for drilling given the REE mineralisation identified by EMU.(see Figure 3.)

The Graceland Project is situated in the developing REE region of Lake Grace/Hyden and is located in similar geological settings and proximity to the ASX:M24 Dragon Rocks Project and the ASX:G88 Quicksilver Ni-Cu Project. Significant REE anomalism has been reported from these near neighbours.

[9] TREO Total Rare Earth Oxides
[10] Total Magnetic Rare Earth Oxides
[11] Total Heavy Rare Earth Oxides

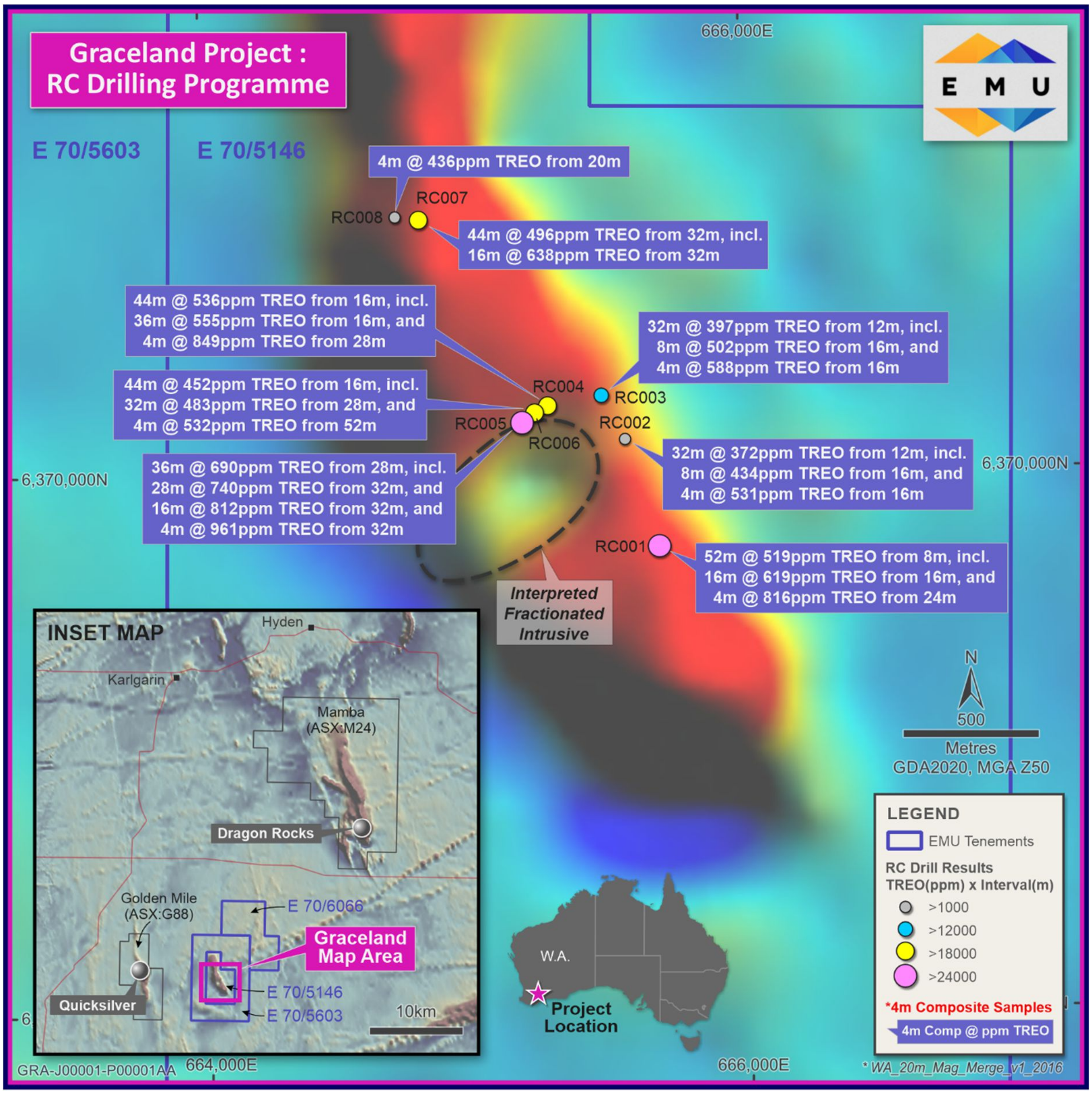

Figure 3. Graceland Project Map with underlying areomagnetic layer. Inset displays location of Graceland to Dragon Rocks and Quicksilver projects. Interpreted geophysics feature identified as fractionated intrusive presents as a vector for future drilling.

Merredin Project - Discovery

EMU's Initial rock chip reconnaissance survey conducted at its Merredin Project confirmed assay results from historic GSWA rock chip samples[12] [13](reported grades up to **1,405 ppm** or **(0.14%) TREO**). Emu's survey returned results from rock chip samples of up to **971 ppm TREO** with (**MREO**) representing up to **21.3%** of **TREO** grade with numerous assay results greater than **600 ppm TREO.**

[12] ASX Release 28 April 2023 "April Quarterly Activity Report 3 Months Ended 31 March 2023"

[13] DMIRS, WAMEX Report Number a59228. 1997-98 Multi element soils results, Astro Mining NL

The rock chip sample results confirm the various granitic intrusions in the greater Merredin area to be highly fertile for rare earth elements with the potential to be the primary source for significantly enriched rare earth minerals in clay. Additionally, historic soil samples[14] have returned elevated copper up to **1452 ppm** and zinc up to **1,679 ppm**. These results are highly anomalous and worthy of follow-up.

EMU considers that there is the potential for REE, Niobium–yttrium–fluorine Pegmatites to exist within the Merredin Project based on prospectivity in the Mukinbudin Province.

The Merredin REE Project's pending Exploration License application covers 88.2 km2 in the new and emerging Mukinbudin REE Province. EMU has applied for additional Exploration Licenses adjacent to this application.

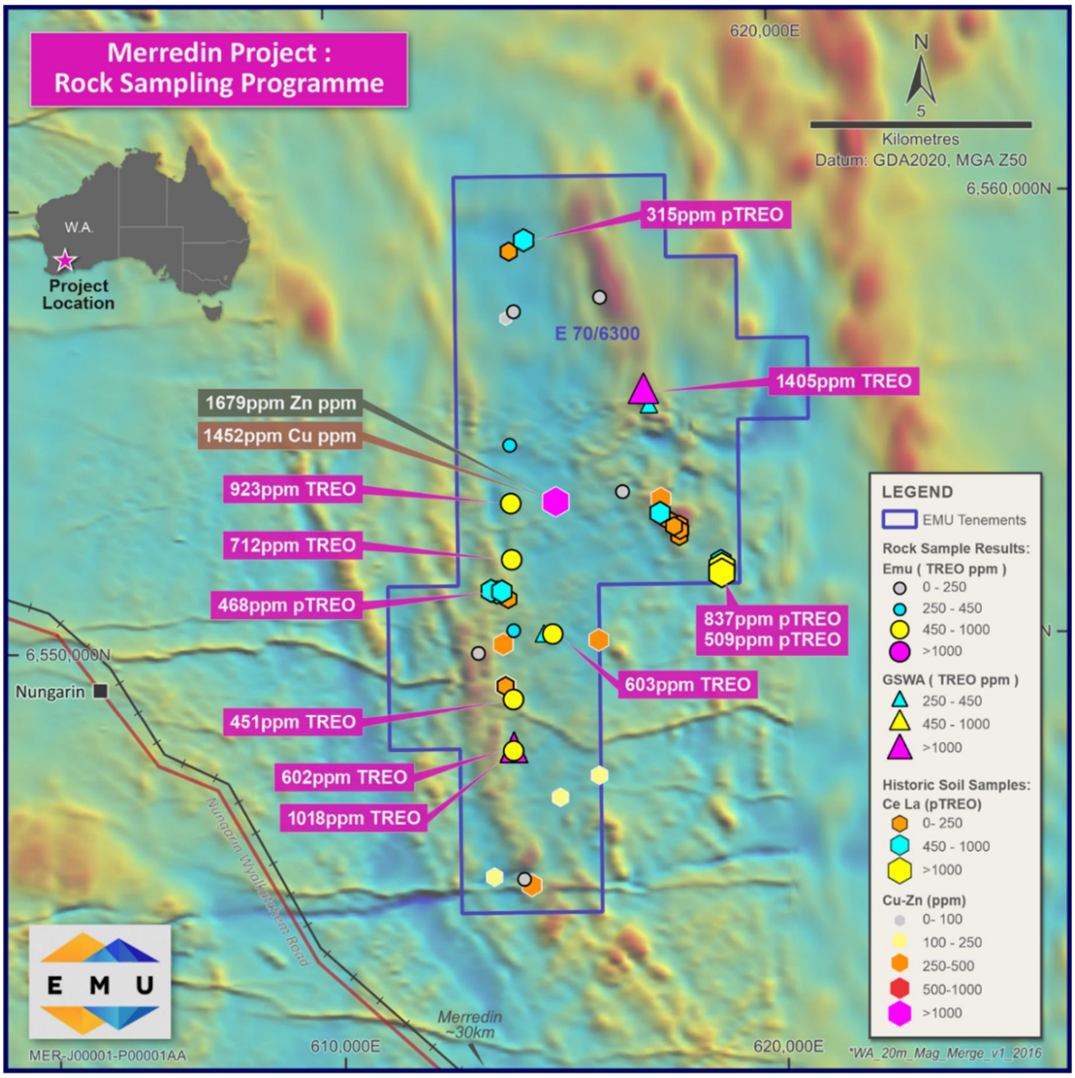

Figure 4. Map showing EMU's Merredin REE Project tenements under application and significant assay results obtained from EMU and GSWA rock chip samples, as well as historic soil samples.

[14] DMIRS, WAMEX Report Number a59228. 1997-98 Multi element soils results, Astro Mining NL

Exploration Updates – Other Projects

Badja Gold/Tungsten Project

Emu continues to evaluate the potential of high-grade tungsten extending from Watertank Hill through Monte Cristo to the Flying Emu prospects. The tungsten appears to be primarily co incident with the high-grade gold in quartz veining along the contact with the banded iron formation. EMU is exploring conceptual models which point to the tungsten sources being located adjacent to and west of the Monte Cristo prospect in zones that have been posited as late-stage granite intrusive events.

Georgetown Multi Minerals Project

EMU initiated its maiden reconnaissance field trip to conduct mapping, soil sampling and rock chip sampling during July 2023. The programme is following up historic datasets and exploration activities as well as EMU's own targeting from latest mapping and open-source information. This highly prospective project has not seen any systematic exploration for decades. As part of the programme, EMU is following up the possible existence of lithium fields[15] which have been historically reported in the tenement areas.

Sunfire Nickel, Copper Project

Emu has met all required environmental obligations with respect to accessing state forest areas within the project with the commencement of onsite exploration activities remaining frustrated by the Government's processes. This unreasonably 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 indication from the Government as to the likely timing of environmental access approvals being forthcoming is extraordinarily frustrating. With assistance from AMEC, EMU will continue lobbying relevant Governmental instrumentalities but with less ardour and less urgency than hitherto was the case.

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 $199k. 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

[15] *"Emerging Strategic Minerals in Queensland", July 2017, Queensland Department of Natural Resources and Mines.*

remuneration for services as directors (including statutory superannuation), and for office rental paid to a director.

Table 1: Tenement Schedule (Status as at 30 June 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 – Warramboo	Badja	Exploration	EMU 100% - Granted
E59/2817 - Warramboo	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

RELEASE AUTHORISED BY THE BOARD

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

Emu NL

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ASX Codes: EMU and EMUCA

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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	Quarter ended ("current quarter")
50 127 291 927	**30 June 2023**

Consolidated statement of cash flows			**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		-	-
1.2	Payments for			
	(a)	exploration & evaluation	(199)	(818)
	(b)	development	-	-
	(c)	production	-	-
	(d)	staff costs	(171)	(723)
	(e)	administration and corporate costs	(73)	(381)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		12	22
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**		**(431)**	**(1,900)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	-
	(b)	tenements	(15)	(103
	(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 (12 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	15
	(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**	**(15)**	**(88)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,452
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	-	(102)
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**	**-**	**2,350**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,593	785
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(431)	(1,900)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	(88)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,350

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	-	-
4.6	**Cash and cash equivalents at end of period**	**1,147**	**1,147**

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 $A'000**
5.1	Bank balances	60	84
5.2	Call deposits	1,081	1,503
5.3	Bank overdrafts	-	-
5.4	Other (provide details) ***Cash deposit held in US$***	6	6
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,147**	**1,593**

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	-

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.

7.	**Financing facilities** *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.*	**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)	(431)
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)	(431)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,147
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,147
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.66

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.

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: N/A

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: N/A

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: N/A

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.

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: **31 July 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.