

Substantial Increase in REE Prospectivity, Drilling to Commence Condingup WA

24 July 2023

EMU NL

RARE EARTHS ELEMENTS, PRECIOUS AND BASE METALS EXPLORER

Following an incredibly successful rock chip sampling field programme, Emu NL (ASX:EMU) ("**EMU**" or "**the Company**") is excited to announce results of its recently completed first pass, Passive Seismic Survey (**PSS**) at its 100% owned Condingup Project near Esperance WA.

The survey, conducted during June and July, was initiated to test for depth of clays, identify "clay trap zones" and to determine drill depths in areas overlaying and adjacent to the highly fertile clay hosted Rare Earth Element (**REE**) Booanya Granite suite. Passive seismic surveys were also completed at EMU's REE Viper, Graceland and Merredin discoveries.

HIGHLIGHTS

- Substantially enhanced exploration potential, with the identification of **multiple, kilometre scale (3 to +6km wide), shallow clay traps** to 100m depth associated with the Booanya Granites.
- Targeted **aircore drilling programme** to test the clay hosted REE enrichment at Condingup.
- The PSS **confirms EMU's conceptual modelling** of weathered zones surrounding and overlaying the highly fertile REE Booanya Granites.
- **Multiple target areas revealed** by the survey with interpreted clay depths ranging between as little as 20m down to 100m and pointing to significant clay trap zones identified for follow up drilling.
- A **wide 6km+ paleo channel** identified on the eastern margin of the most westerly Booanya Granite intrusions, presents an excellent, large scale "**walk-up**" clay-trap drill target.
- Walk up drill targets include **substantial, repeated, 3-4km wide "flank" clay trap zones** surrounding the intrusive Booanya plutons. The identified flank traps are likely to exhibit economically significant REE enrichment based on results recorded from EMU's rock sample programmes¹.
- A number of Booanya Granite intrusions are yet to be tested by the PSS methodology. It is expected potential REE clay traps might be identified in subsequent surveys thereby enhancing prospectivity in these areas.
- Emu has demonstrated passive seismic surveying to be a powerful geophysics technique to identify depths of weathered lithologies overlaying bedrock. The surveys provide the foundation for targeted drill collar locations in the identified clay traps, significantly reducing exploration drill costs.

¹ ASX Release "Assays Confirm Magnetic and Heavy Rare Earth Fertility" 14 March 2023

- Comparisons between EMU's survey, open-source gravity and airborne electromagnetic surveys have enhanced drill targeting in areas where EMU is seeking broader concentrated REE clay trap zones which may lead to large economic resource envelopes.
- Passive seismic surveys have now been completed at each of our 4 REE discovery projects in WA; namely, Condingup, (near Esperance), Viper (near Jerramungup), Graceland (near Hyden) and Merredin (30kms north of that regional centre).
- Each of the surveys has produced highly successful outcomes in terms of drill vectoring, laying the foundation for numerous drill programmes.

Peter Thomas, EMU's Chairman, comments:

"EMU's Passive Seismic Survey programme, which was conducted over our WA based REE discovery projects, has provided us with resounding success, adding to the weight of evidence supporting EMU's conceptual modelling for potential REE clay trap hosted zones at each of the projects. The surveys have provided us with walk up drill targets at all of our REE projects through the definition of vectors to locations of shallow broad trap zones with potentially economically enriched concentrations of REE.

At Condingup, highly significant broad clay zones have been interpreted for immediate walk-up drilling targets including an interpreted clay paleo-channel more than 6kms wide, open to the east, north and south. Broad, 3-4km wide, clay traps zones surrounding the "flanks" of Booanya granite plutons surveyed, present as highly prospective drill targets.

The Board has requested an immediate aircore drilling programme to test the clay hosted REE enrichment at Condingup."

Passive Seismic Surveys

Passive seismic surveying is a geophysics method used to determine the depth of weathered, oxidised material which overlies basement rock. EMU, working with its Geophysics Consultants, Resource Potentials, has completed passive seismic surveys at its Condingup, Viper, Graceland and Merredin REE Projects. The programme was initiated following results recorded from assays of EMU's rock chip sampling programmes at its projects and from RC drilling programmes (drilled targeting other commodities) at Graceland and Viper. The PSS were directed at delineating the most prospective areas for aircore drilling.

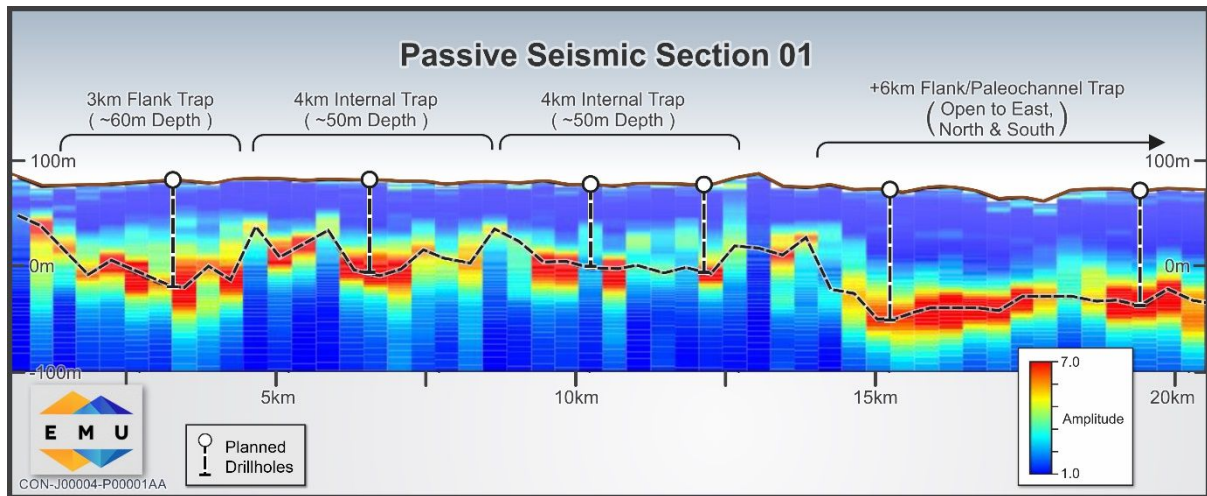


Figure 1. Passive Seismic Survey cross section of Merivale Road showing Flank, Internal and Paleochannel Clay Traps identified in the passive seismic survey. The magnitude of the prospectivity is demonstrated by the 20km length of this cross section. Location of Line 01 in Figure 3. below

Conceptual modelling of clay hosted REE's, supported by substantial evidence from elevated REE results in clay hosted REE exploration areas, suggests concentrations of REE are formed in the saprolitic, deeper trap zones surrounding fertile host rocks. (See Figure 2). The surveys support EMU's modelling at our REE projects and has added further prospectivity for economic concentrations of REE by the indication of significant, broad trap zones. The success of the surveys now provides EMU with confidence to initiate a scientifically targeted and cost effective aircore drilling programme at Condingup.

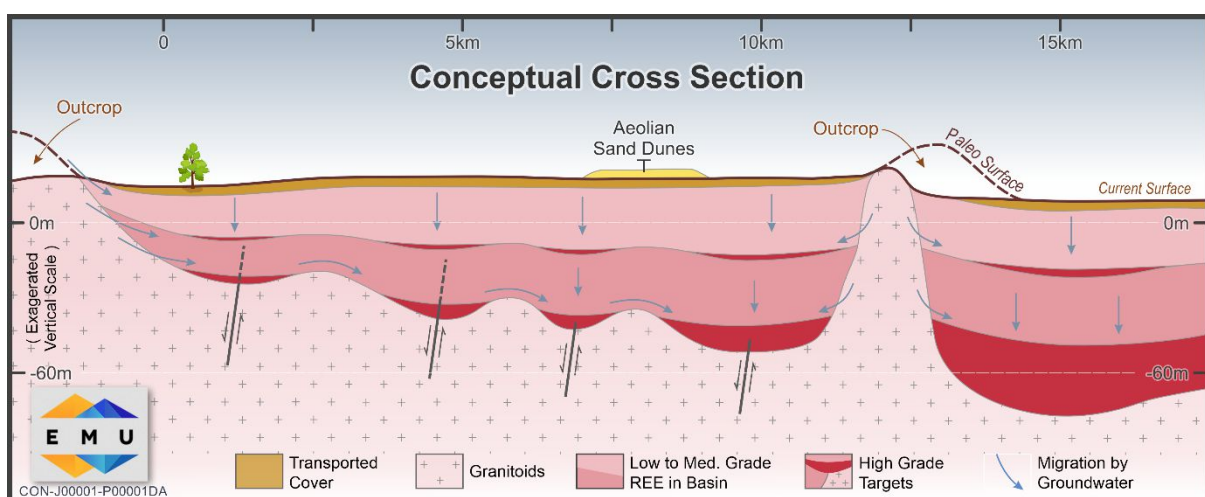


Figure 2. Conceptual Model showing types of clay traps and possible concentrations of REE.

Condingup REE Project

A maiden aircore drill programme at Condingup to target clay trap zones surrounding and overlying the Booanya granite plutons is to be initiated forthwith. The interpreted surrounding “flank clay traps” provide excellent targets as they are located adjacent to the host rocks and present as shallow, highly weathered clays.

A seismic line, testing clay depths along Merivale Road, Condingup (Figure 1), has reported a wide, shallow north – south striking paleochannel. The paleochannel, which is closed out to the west but otherwise open to the north, south and east, provides EMU with an extensive, outstanding walk-up drill target, being adjacent to the western most, Booanya granites REE host. Based on the modelling of concentrations of REE and the yet to be determined boundaries of the paleo channel, the magnitude of the REE target zone here could be significant.

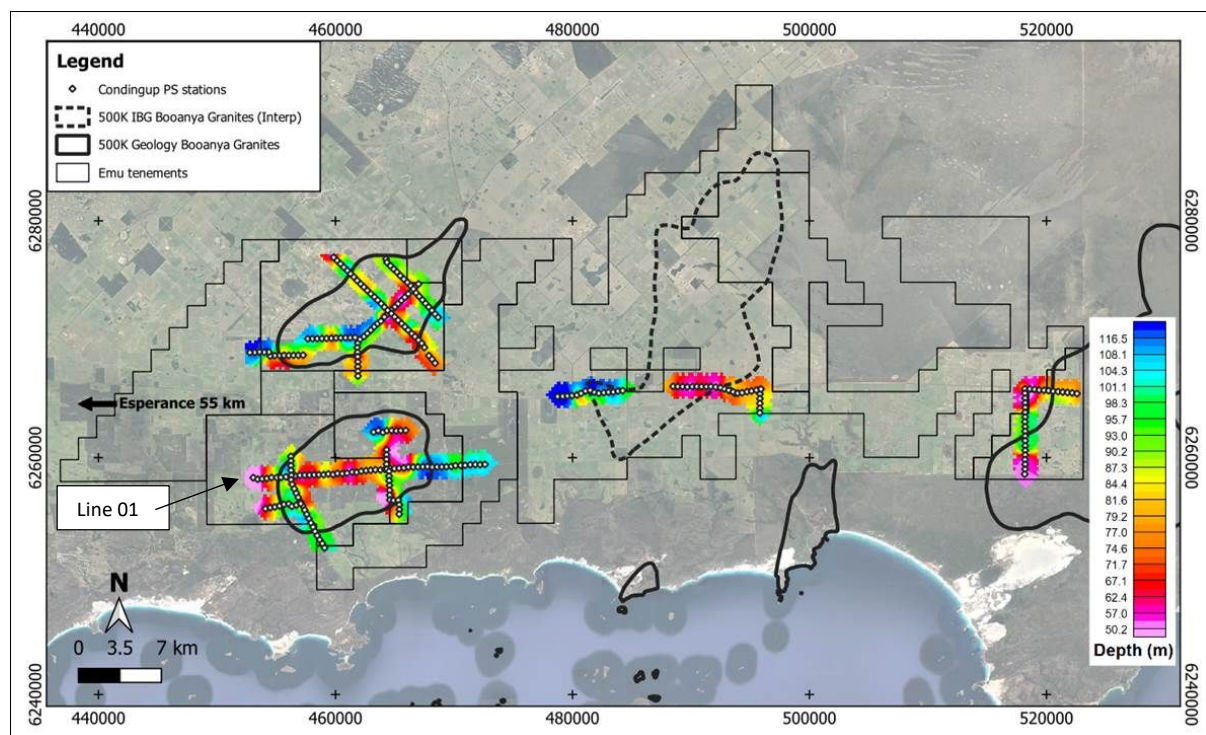


Figure 3. Passive seismic survey lines overlying Booanya Granite intrusions.

The survey conducted at Condingup has confirmed clay trap zones with depths interpreted between 20-100m. The identified shallow nature of the clay traps presents as one of the more highly desirable aspects of clay hosted REE deposits for mining.

Following rock chip sampling programmes, assays confirmed the fertility of the Booanya Granites (Figure 4). EMU believes the planned 3,000m, maiden aircore drilling programme will likely yield higher concentrations of REE than the results reported from its rock and clay sampling programmes.²

² ASX Release “Significant REE Values, Project Footprint Extended Condingup” 4 May 2023

Open-source gravity survey and airborne electromagnetic survey information was overlaid with results from EMU's passive seismic survey. Information from the combined overlay, confirms and reinforces the passive seismic survey results and further supports the accuracy of clay depths and prospective drill areas.

EMU anticipates that the aircore drilling programme will commence late August, early September 2023 with the earliest results expected towards the end of September or in early October. Drill collar locations will be established along the passive seismic survey lines and the activity will be confined by access approvals and administrative processes. Whilst completing the drill programme EMU will sample drill cutting material for metallurgical analysis.

About the Condingup Rare Earth Project

The 100% owned Condingup Rare Earth Project is located just 35kms southeast of ASX:OD6's Splinter Rock Project. That project is achieving success in a similar geological setting within REE enriched Booanya suite granites.

EMU's Condingup Project, accessible by sealed roads, is situated just 60kms from the port of Esperance and essential infrastructure. Esperance is widely projected to become a central hub for major renewable energy and green hydrogen production and is located within a well-regarded exploration/mining support jurisdiction.

The 1,560 square kilometre Condingup Rare Earth Project overlies saprolite, clay enriched rare earth soils, and covers REE enriched, geologically significant Booanya granite suite plutons. The project tenements are located directly over what EMU considers to be some of the most prospective and highly fertile clay hosted REE granite suites in the Esperance region.

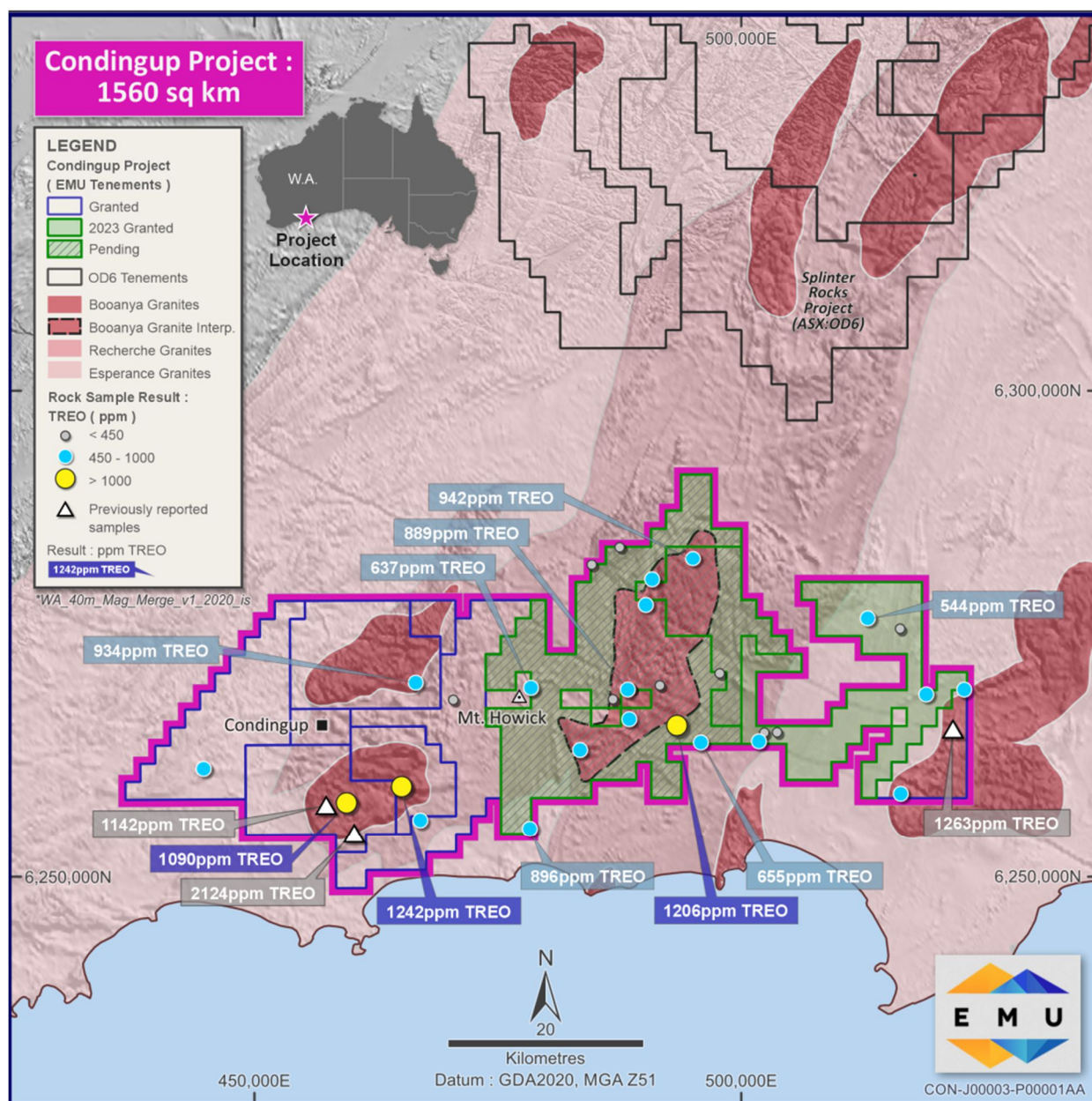


Figure 4. Condingup REE Project highlighting extensive regional land holding and broad REE mineralisation determined from a number of high value Total Rare Earth Oxides (TREO's) sampled from outcropping rocks including Booanya granites.

RELEASE AUTHORISED BY THE BOARD

For further information, please contact:

Doug Grewar

Chief Executive Officer

Emu NL

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

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)

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.

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