



QUARTERLY REPORT for the Quarter Ended 31 March 2009

Emu Nickel NL
ABN 50 127 291 927

ASX Code: EMU

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PO Box 1112
West Perth, WA 6872

Issued Capital:
Shares:
55,369,877 fully paid shares
- quoted
4,459,063 fully paid shares
escrowed until 27.2.2010

Options – Unquoted and subject to escrow:
10,000,000 exercisable at
\$0.50 by 27.2.2013

Cash: \$7.6 million

Directors:

Peter Thomas
Chairman
George Sakalidis
Managing Director
Roger Thomson
Executive Director

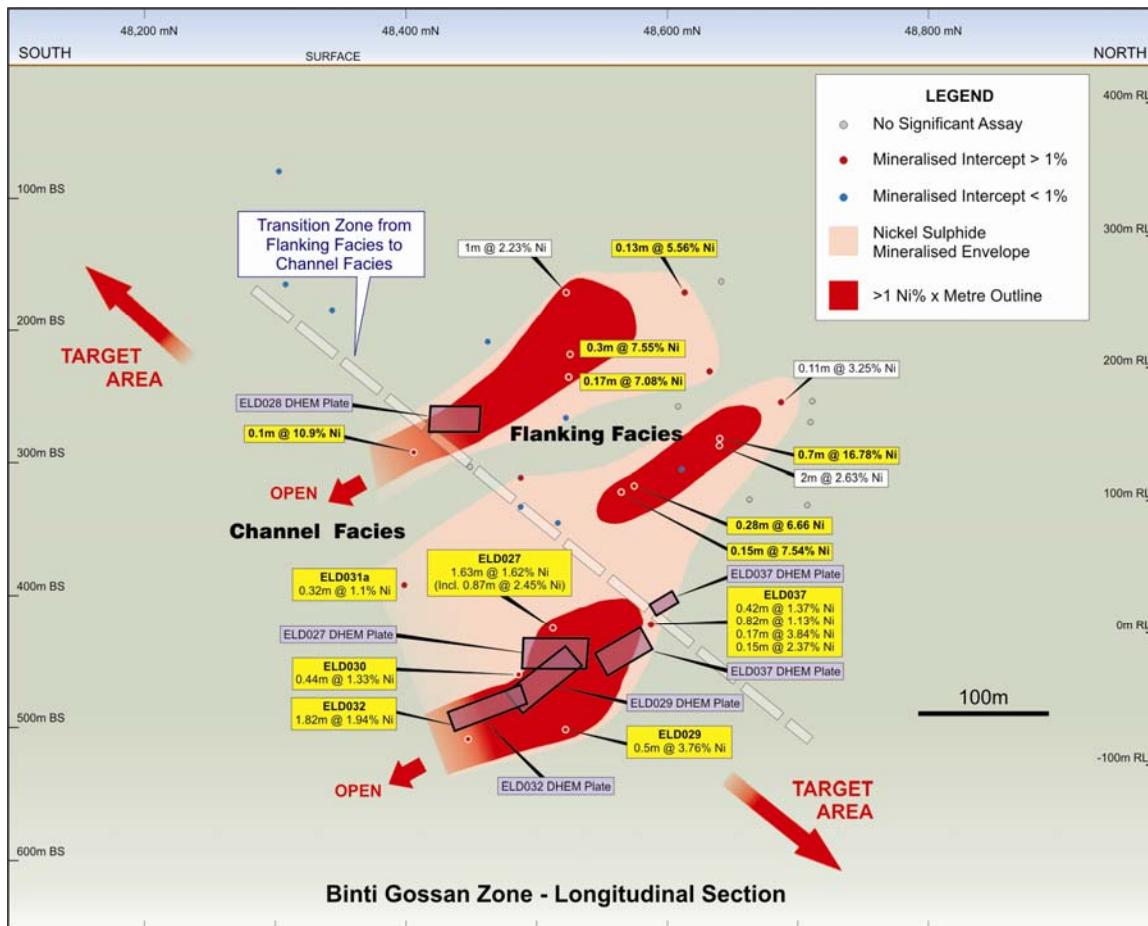
HIGHLIGHTS

- A new nickel target identified at Emu Lake with a revised interpretation highlighting a shallow undrilled area at the Binti Gossan Zone up-plunge from previous high-grade nickel sulphide intersections.
- A state-of-the-art ground EM survey proposed over the new target area at Emu Lake as a prelude to further drilling.
- A joint venture at Windy Knob over copper-zinc-gold targets adjacent to the recent Austin massive sulphide (VMS) discovery in the Murchison region.
- Drilling of VTEM anomalies about to commence at Koolyanobbing.
- Assessment of gold and VTEM anomalies in progress at Beetle Lake and Bronzite.

EMU LAKE (Emu earning 33⅓%)

As recently announced (EMU ASX release 22 April 2009), interpretation of previous drilling results has identified new exploration targets at the Binti Gossan Zone. The geological and geochemical trends in the ultramafic komatiite host suggest that the channel facies of the ultramafic plunges to the north, and not to the south as previously thought. This new interpretation means that while the nickel sulphide zones intersected on the main contact remain open to the south, the overall trend of the sulphide shoots at depth may be to the north. **Significantly, the new interpretation points to a shallow target area which has not been drilled, up-plunge and to the south of the high-grade nickel intersections, as shown in the longitudinal section below.**

To assist in further drill target identification, joint venture operator Xstrata Nickel Australasia is proposing to carry out a large fixed loop ground EM survey over the Binti Gossan Zone. **The survey will make use of the On-time capabilities of the Crone EM system, an approach not previously employed on the Emu Lake project, but which has proven successful in many other nickel mining camps in resolving highly conductive massive nickel sulphides.** The ground EM survey is scheduled to commence in June or July and will focus on the new shallow undrilled target area at the south end of the Binti Gossan Zone. It is anticipated that drilling of this new target will commence in the September quarter.



KAMBALDA WEST (Emu earning 30%)

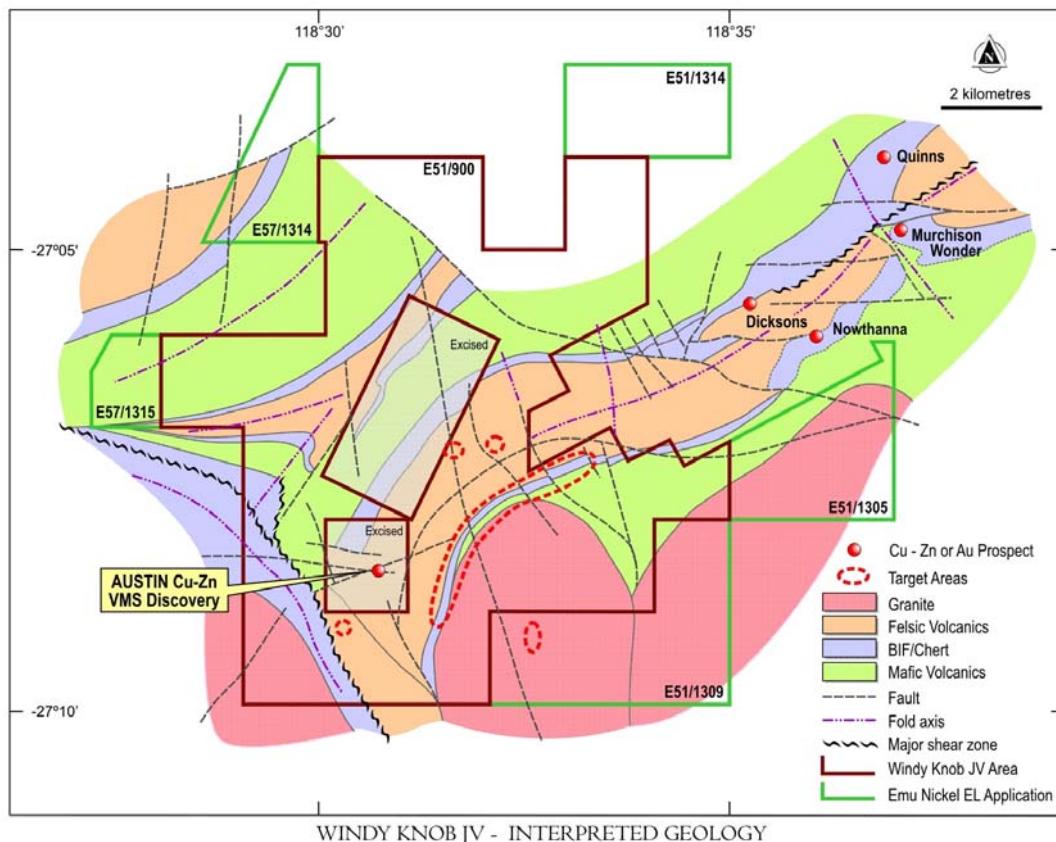
No field work was completed during the quarter pending completion of environmental permitting over several attractive airborne electromagnetic (VTEM) anomalies, identified on the Emu/Mincor tenements situated near Queen Victoria Rocks, west of Kambalda.

WINDY KNOB JOINT VENTURE (Emu earning 51%)

As previously announced (Emu ASX Release 12 March 2009), Emu Nickel has entered into a joint venture agreement with Windy Knob Resources Limited (WKR) on WKR's 100%-owned Windy Knob copper-zinc-gold project situated about 55km south of Meekatharra, WA. The WKR tenements are strategically located around and in part along strike from a volcanogenic massive sulphide (VMS) discovery reported at the nearby Austin prospect, as shown in the map below.

Under the terms of the agreement Emu may earn a 51% interest in the tenement by expenditure of \$300,000 within 3 years yet retains the right to withdraw after spending a minimum of \$75,000.

The Austin copper-zinc-gold discovery announced by Silver Swan Group (ASX:SWN) reported significant massive sulphide drill intersections associated with highly altered footwall felsic volcanic rocks and hangingwall banded iron formation and amphibolites with a sulphide assemblage similar to the Golden Grove mine (SWN ASX release 30 July 2008). It is also reported that the Austin mineralisation is closely associated with a discrete magnetic anomaly, probably related to chlorite-magnetite alteration (SWN December 2008 Quarterly Report).



Significantly, the prospective felsic volcanic sequence is interpreted to pass through the WKR tenement in an area of poor outcrop. In addition, several discrete magnetic anomalies have been identified from a recent WKR airborne magnetic survey, which have not been tested. All of the prospective ground is under extensive surficial cover.

Emu is encouraged by the presence of prospective stratigraphy and identified, but as yet untested, magnetic targets at Windy Knob. A programme of airborne electromagnetic surveying (VTEM) over the target areas is planned to commence in May.

KOOLYANOBMING (Emu earning up to 100%)

Drilling of the airborne electromagnetic (VTEM) anomalies outlined during the previous quarter is scheduled to commence in May. The VTEM anomalies are considered to be prospective for nickel sulphides. The drilling will also test a gold-in-soil anomaly adjacent to the southern of the VTEM anomalies.

BEETLE LAKE (Emu earning up to 100%)

A 79-hole, 1803m scout geochemical RAB drilling programme was completed over two VTEM anomalies. Weakly anomalous nickel and copper values occur in bottom of hole samples on or adjacent to both the VTEM targets and are being further investigated.

BRONZITE (Emu earning up to 100%)

Geochemical drilling over a VTEM anomaly and an adjacent gold-in-soil anomaly is currently in progress.

CORPORATE

Cash position; \$7.6 million, significantly in excess of the current market capitalisation of \$5 million.

Issued capital; 59,828,940 fully paid ordinary shares.

10,000,000 options exercisable at 50 cents by 27 February 2013.

For more information on the company visit www.emunickel.com.au
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The information in this report that relates to exploration results is based on information compiled or reviewed by Roger Thomson BSc, ARSM, MAusIMM, MAIG. Roger Thomson is a director of Emu Nickel NL. Roger Thomson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Roger Thomson consents to the inclusion of this information in the form and context in which it appears in this report.