



QUARTERLY REPORT for the Quarter Ended 30 September 2011

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 - Quoted:
59,828,940 fully paid shares

Options – Unquoted:
10,000,000 exercisable at
\$0.50 by 27.2.2013

1,830,000 exercisable at
\$0.27 by 22.12.2014

180,000 exercisable at
\$0.1961 by 21.12.2015

Cash: \$5.3 million

Directors:

Peter Thomas
Chairman
George Sakalidis
Managing Director
Roger Thomson
Executive Director

EMU LAKE (Emu earning 33.3%)

Emu Nickel has signed a management agreement with joint venturer Xstrata Nickel Australasia Operations (XNAO) whereby XNAO may dilute its interest in the Emu Lake nickel project and Emu assumes management. Emu has earned 80% of Image Resources' 37.9% interest in the project and has elected to proceed to 100% by sole funding exploration on a package of tenements, including Emu Lake.

During the quarter Emu commissioned nickel specialists Newexco Services Pty Ltd to review the data on the 1,200m-long mineralised contact zones at Binti Gossan and Binti South – see Figure 1. The objective of the study is to assess the practicality of drilling contact-parallel drill holes along selected positions near the mineralised contacts in order to use these drill holes as platforms for deep downhole EM surveys to test for massive nickel sulphides on these prospective contacts. This technique has proved successful in discovering significant nickel resources at several nickel deposits in Western Australia including the Silver Swan and Flying Fox nickel deposits. Newexco is currently reviewing the data and formulating recommendations for drilling.

WINDY KNOB (Emu 51%)

The Windy Knob joint venture tenements are situated about 55km south of Meekatharra in the Murchison region of WA, adjacent to the Austin volcanogenic massive sulphide (VMS) discovery made by the Silver Swan Group. The Austin VMS Cu-Zn-Ag-Au mineralisation is close to a joint venture tenement boundary and appears to be plunging towards this boundary at depth. Emu is continuing to model available data on the Austin resource (1.48Mt @ 1.02% Cu, 1.39% Zn, 3.51g/t Ag, 0.24g/t Au) with a view to deep drilling to test the plunge extension to this mineralisation.

Geochemical sampling completed along the Federal Bassett Shear Zone has outlined a 1.7km-long gold anomaly up to 10 x background (range 5-16ppb Au). The gold anomaly forms part of a 5km-long zone of discontinuous weaker gold anomalies along this gold-prospective structure. Field work to assess this gold-anomalous zone is in progress.

MADOONIA DOWNS (Emu 100%)

Emu holds a 100% interest in a 67sq km exploration licence in the Madoonia Downs area about 120km SE of Kalgoorlie. The licence is in two parts, the eastern part covering an ultramafic sequence prospective for nickel and the western part covering a mafic sequence prospective for gold. The eastern part is situated along strike from the Hootan and Talc Lake nickel sulphide prospects, in an area largely covered by alluvium and lake sediments. A programme of scout RAB drilling is being prepared to test this target zone.

The western part is along strike from the Angel Fish Lake gold occurrence, interpreted to be hosted by pyroxene basalt which trends through the Emu tenement. Wide-spaced (400m centres) systematic geochemical sampling has identified several anomalous gold zones (5-10ppb Au compared to a background of 1-2ppb Au). A pronounced 3km-long arsenic anomaly (20-80ppm As compared to a background of 3-4ppm As) has also been identified. Field work to examine the significance of these geochemical anomalies is in preparation.

SALMON GUMS (Emu 100%)

As previously reported, two areas of significant gold responses have been identified in the Lake Pyramid area WSW of Salmon Gums on the interpreted southern extension of the Tropicana gold trend. Negotiations are continuing with landowners in order to carry out further sampling to assess these gold anomalies.

For more information on the company visit www.emunickel.com.au
Please direct enquiries to:

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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.

MINING EXPLORATION ENTITY QUARTERLY REPORT

APPENDIX 5B

Name of entity:

EMU NICKEL NL

ABN:

50 127 291 927

Quarter ended ("current quarter")

30/9/2011

Consolidated statement of cash flows

	Current quarter \$AUD'000	Year to date (3 months) \$AUD'000
Cash flows related to operating activities		
1.1 Receipts from product sales, related debtors, GST Credits	14	14
1.2 Payments for:		
(a) exploration and evaluation	(30)	(30)
(b) development		
(c) production		
(d) administration	(161)	(161)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	73	73
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(104)	(104)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments	(25)	(25)
(c) other fixed assets		
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans advanced by/repaid to other entities		
1.12 Other (Loan repayments to associated company)		
Net investing cash flows	(25)	(25)
1.13 Total operating and investing cash flows (carried forward)	(129)	(129)

1.13	Total operating and investing cash flows (brought forward)	(129)	(129)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material) – Share issue expenses		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(129)	(129)
1.20	Cash at beginning of quarter/year to date	5,399	5,399
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	5,270	5,270

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$AUD'000
1.23	Aggregate amount of payments to the parties included in item 1.2	51
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

		Amount available \$AUD'000	Amount used \$AUD'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		\$AUD'000
4.1	Exploration and evaluation	250
4.2	Development	
4.3	Production	
4.4	Administration	100
Total		350

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$AUD'000	Previous quarter \$AUD'000
5.1	Cash on hand and at bank	243	147
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details) – Short Term Deposit	5,027	5,252
Total: cash at end of quarter (item 1.22)		5,270	5,399

Changes in interests in mining tenements

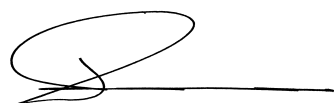
	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	E15/1277	Granted	100%

Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (cents)	Amount paid-up per security (cents)
7.1 Preference securities	N/A			
7.2 Issued during quarter				
7.3 Ordinary securities				
Fully paid	59,828,940	59,828,940	\$0.50	\$0.50
7.4 Issued during quarter	Nil			
7.5 Convertible debt securities	N/A			
7.6 Issued during quarter				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
	10,000,000	Not Quoted	\$0.50	27/2/2013
	1,830,000	Not Quoted	\$0.27	22/12/2014
	180,000	Not Quoted	\$0.1961	21/12/2015
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	Nil			
7.11 Debentures	N/A			
7.12 Unsecured notes	N/A			

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.
2. This statement does give a true and fair view of the matters disclosed.



Rudolf Tieleman
Company Secretary
 Date: 31 October 2011