



QUARTERLY REPORT for the Quarter Ended 30 June 2011

Emu Nickel NL
ABN 50 127 291 927

ASX Code: EMU

Level 2
16 Ord Street
West Perth, WA 6005

T +61 8 9226 4266
F +61 8 9485 2840
E info@emunickel.com.au

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: \$5.4 million

Directors:

Peter Thomas
Chairman
George Sakalidis
Managing Director
Roger Thomson
Executive Director

SUMMARY

- Emu Nickel to assume management of the Emu Lake Nickel project, subject to completion of a management agreement.
- Review of the Emu Lake database in progress to identify priority drilling targets on the 1,200m strike length hosting high grade nickel sulphides.
- Potential plunge extensions of the adjacent Austin VMS deposit on to the Windy Knob tenements continue to be modelled, with a view to deep drilling to test this target.
- Geochemical sampling of gold and VMS targets in progress at Windy Knob.
- Ground magnetic surveys planned at Kambalda West to define drilling targets at the Woolgangie magnetite-copper-silver system.
- Two gold anomalies identified at Salmon Gums, further sampling planned.

Table 1
Binti Gossan and Binti South

Hole No	From (m)	To (m)	Interval (m)	Ni %	Cu %	Pt ppb	Pd ppb	Pt+Pd g/t
ELD 5	256.40	256.70	0.30	7.55	0.35	1015	1726	2.74
	277.06	277.23	0.17	7.08	6.46	1092	2315	3.41
ELD 11	364.05	364.10	0.05	3.55	0.01	205	745	0.95
ELD 14	194.52	194.65	0.13	5.56	0.18	940	3230	4.17
ELD 15	336.00	338.00	2.00	6.20	1.78	749	1424	2.17
ELD 16	377.07	377.35	0.28	6.66	0.24	423	226	0.65
ELD 16	302.57	302.68	0.11	3.95	0.18	632	723	1.35
ELD 21	366.50	366.65	0.15	7.54	0.11	928	1310	2.24
ELD 23	292.79	293.07	0.28	5.35	0.40	na	na	na
ELD 25	346.60	346.70	0.10	10.90	0.07	na	na	4.17
ELD 29	551.05	551.55	0.50	3.76	0.23	na	na	na
ELD 36	320.56	322.14	1.58	3.70	1.33	na	na	na
ELD 36	476.83	477.00	0.17	3.84	0.91	31	3096	3.13
ELD 42A	282.28	282.49	0.21	6.32	0.39	na	na	na
ELD 47	447.35	447.60	0.25	5.68	0.67	na	na	na

Drill Intersections >3%Ni

na; assays not yet available

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, 3.51 g/t Ag, 0.24g/t Au) with a view to deep drilling to test the plunge extension of this mineralisation on the joint venture tenements.

During the quarter Emu carried out follow up soil sampling over a 6km-long gold-anomalous strike length of the Federal Basset Shear Zone. Soil sampling was also carried out over three VMS target areas along stratigraphy prospective for VMS mineralisation and where the regolith appears to be suitable for sampling. A total of 727 soil samples were taken with results yet to be received. In addition 31 orientation regolith samples were taken over the Defiance VMS prospect. Defiance is obscured by transported cover and as such is unlikely to be detected by conventional soil sampling. The regolith samples are being analysed by seven different partial leach methods in order to evaluate the use of partial leach geochemistry in testing other areas of transported cover overlying prospective stratigraphy. Analysis of the orientation samples is in progress.

KAMBALDA WEST (Emu 24%, earning 30%)

A ground magnetic survey is being planned for the Woolgangie area where previously reported RC drilling of electromagnetic anomalies associated with a large magnetic anomaly intersected massive iron sulphides with anomalous copper and silver and broad zones of magnetite alteration. The ground magnetic survey is aimed at defining the strongest magnetic anomalies for future drill testing.

Permitting has been approved for a RAB drilling programme to test a gold target situated on joint venture tenements south of the Nepean nickel mine. The aim is to test the source of supergene gold mineralisation identified by previous scout RAB drilling testing a nickel target. The best previous intercept was 3m @ 2.3g/t Au from 57 m in drillhole NRB042. Drilling is scheduled to commence in the next quarter.

SALMON GUMS (Emu 100%)

Emu has completed follow up geochemical sampling surrounding the gold anomalism defined in previous roadside sampling in the Lake Pyramid area. The 270 sample programme has identified two areas of significant gold response which appear to be located along the periphery of a discrete copper zone also defined by the sampling.

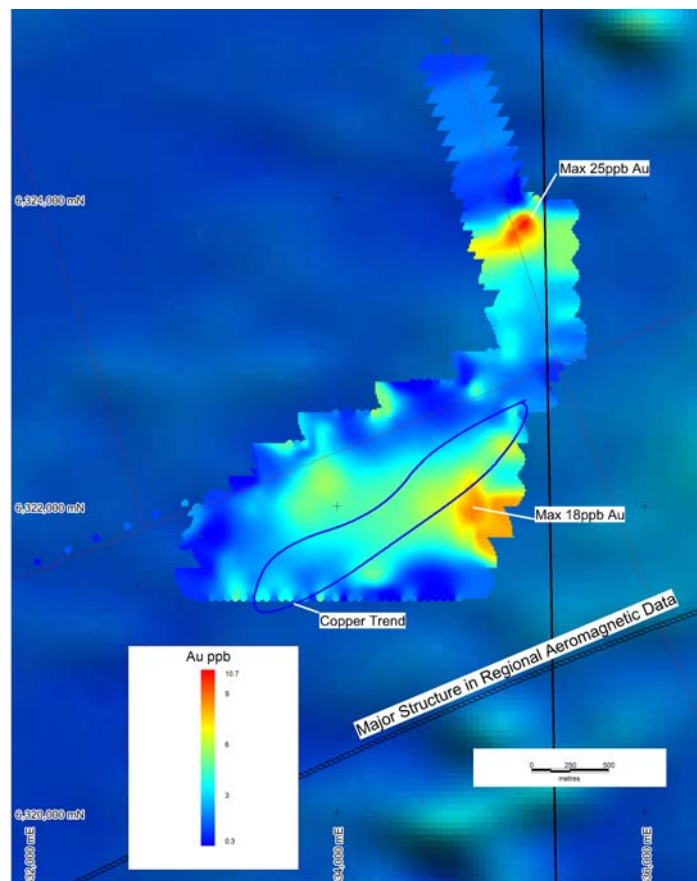


Figure 2
Lake Pyramid Gold Geochemistry

Subject to completion of land access agreements, further sampling is planned to assess the extent of the gold anomalies within the company's tenements.

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

Roger Thomson
Technical Director
Phone (08) 9226 4266
Mobile 0419 969 183
Email roger@emunickel.com.au

George Sakalidis
Managing Director
Phone (08) 9226 4266
Mobile 0411 640 337
Email george@emunickel.com.au

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")

30/6/2011

Consolidated statement of cash flows

	Current quarter \$AUD'000	Year to date (12 months) \$AUD'000
Cash flows related to operating activities		
1.1 Receipts from product sales, related debtors, GST Credits	4	89
1.2 Payments for:		
(a) exploration and evaluation	(135)	(438)
(b) development		
(c) production		
(d) administration	(66)	(540)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	77	315
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	(120)	(574)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(12)	(35)
(b) equity investments		(10)
(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	(12)	(45)
1.13 Total operating and investing cash flows (carried forward)	(132)	(619)

1.13	Total operating and investing cash flows (brought forward)	(132)	(619)
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	(132)	(619)
1.20	Cash at beginning of quarter/year to date	5,531	6,018
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	5,399	5,399

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	24
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	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		290
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details) – Short Term Deposit		5,241
Total: cash at end of quarter (item 1.22)		5,531

Changes in interests in mining tenements

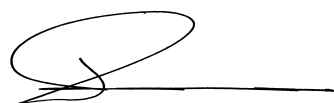
	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	E63/1478	Relinquished	100%	0%
	E63/1479	Relinquished	100%	0%
	E63/1480	Relinquished	100%	0%
6.2	E63/1507	Application	0%	100%

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	180,000			
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: 29 July 2011