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**ASX Release**  
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2<sup>nd</sup> Floor, 16 Ord St  
West Perth WA 6005  
PO Box 1112  
West Perth WA 6872  
Telephone 08 9226 4266  
Facsimile 08 9485 2840  
info@emunickel.com.au  
www.emunickel.com.au

ABN 50 127 291 927

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## **SIGNIFICANT, OPEN ENDED EM CONDUCTOR AT EMU LAKE. MORE EM AND DRILLING PLANNED**

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Recent interpretation of downhole EM (DHEM) data and further processing of existing fixed loop ground EM (FLEM) have confirmed the presence of 500m-long x 150m (down dip) EM conductor at Binti South, part of the Emu Lake joint venture situated 70km north east of Kalgoorlie.

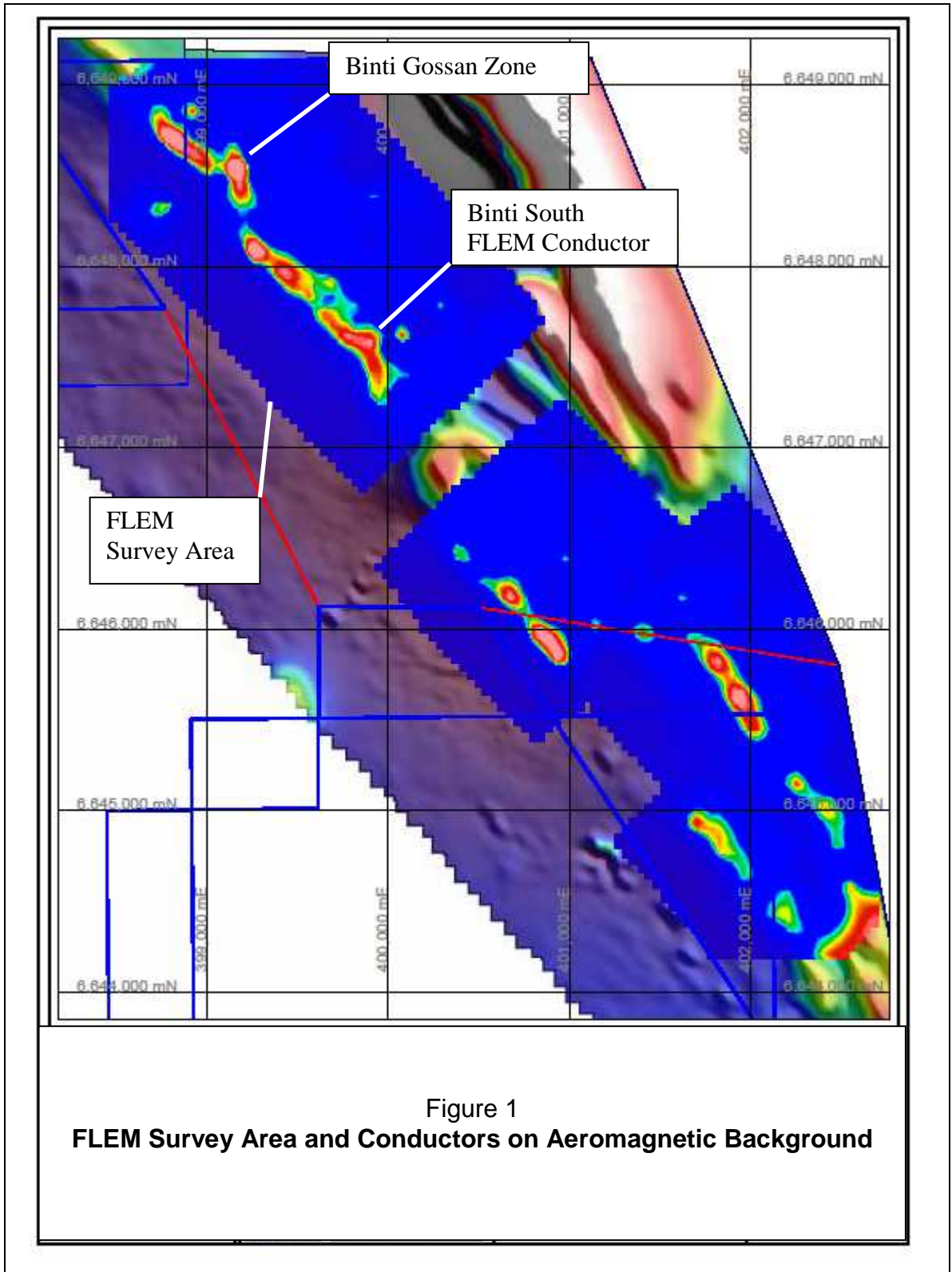
The FLEM survey completed in 2009 identified a conductive trend parallel to the ultramafic rocks in this area as shown in Figure 1. Several higher conductance targets were drill tested with results summarised in Emu's ASX release of 6 November 2009. Each of the completed drill holes were surveyed by DHEM which yielded further conductive targets.

DHEM surveys in drill holes ELD039 and ELD042A detected late-time, conductive anomalies striking south east from the holes as shown in Figure 2. Of significance, ELD042A intersected two zones of nickel sulphide mineralization including:

- 0.21m @ 6.32% Ni from 282.28m associated with a small conductor, interpreted to be 50m wide x 50m in strike length.
- **1.57m @ 1.14% Ni from 393.43m, including 0.45m @ 267% Ni, associated with a distinct conductor interpreted to be 500m in strike length and 150m down dip**, but of lower conductance. This conductor could be open to the south. The locations of the interpreted conductors are shown in the cross section in Figure 3.

Further FLEM surveys are planned in June 2010 to infill gaps in the previous survey coverage and to identify targets for diamond drilling. Emu Nickel is most encouraged by this large EM conductor which is known to be associated with nickel sulphides and which may remain open to the south. Diamond drilling of this highly prospective target remains a priority for Emu.

As previously reported, Emu has earned 80% of Image Resources' 33 $\frac{1}{3}$ % interest in the Emu Lake JV and has elected to proceed to earn the remainder of this interest. The balance of 66 $\frac{2}{3}$ % is held by Xstrata Nickel Australasia.



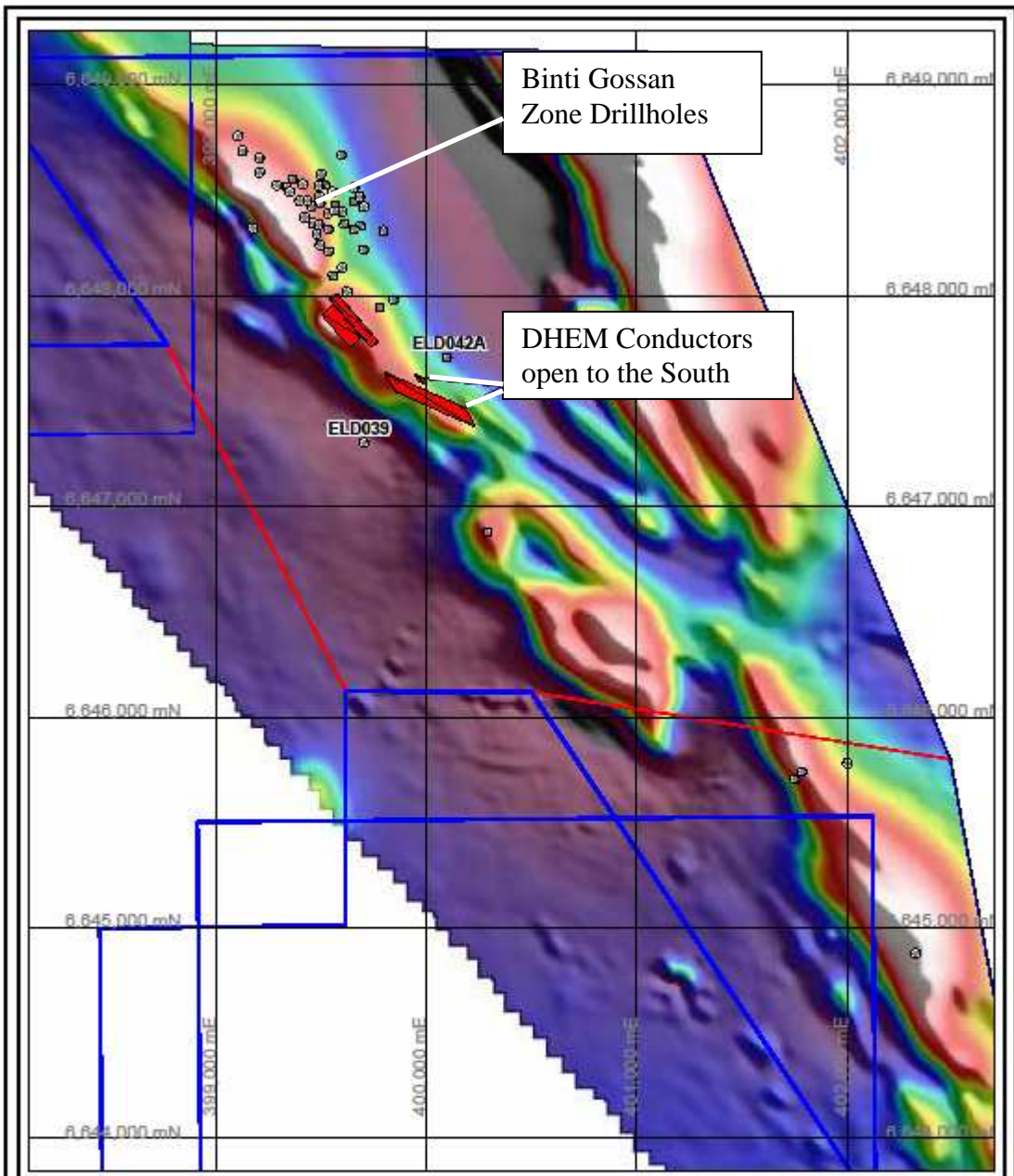


Figure 2  
DHEM Conductors (red polygons) on Aeromagnetic Background

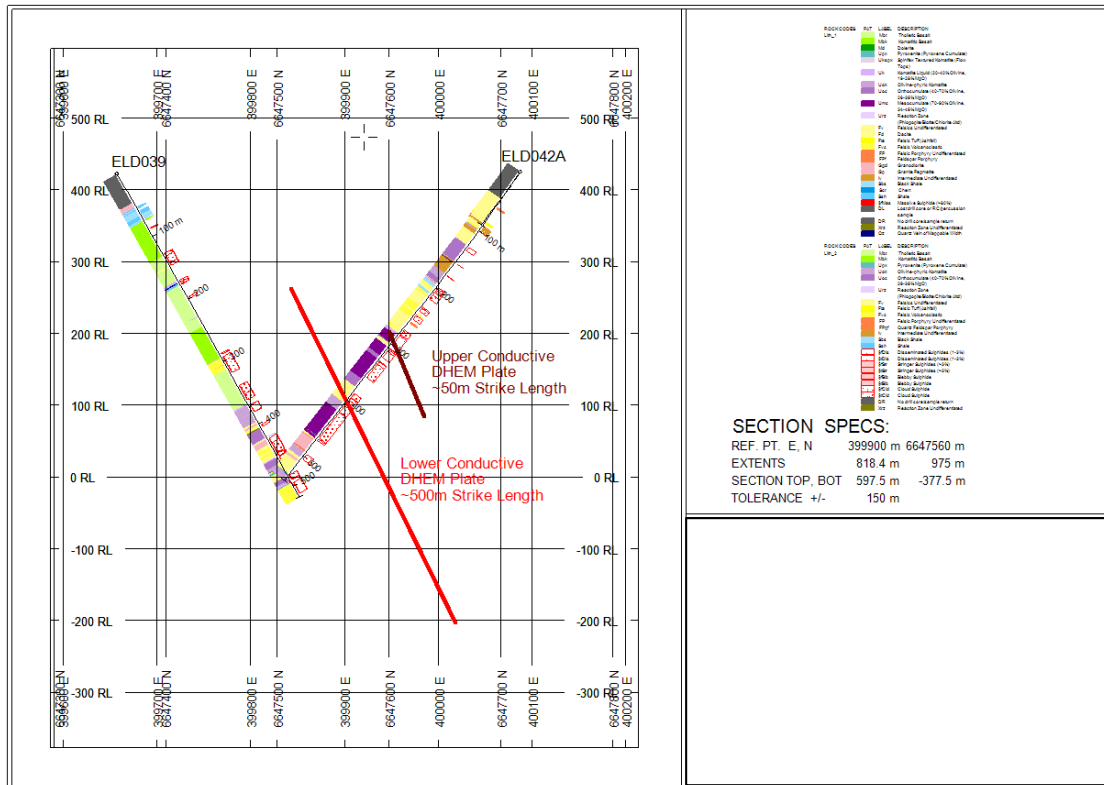


Figure 3

**Cross Section of ELD 039 and ELD 042A with Interpreted DHEM Conductors showing the Lower Conductor with Possible 500m Strike Length**

For more information on the company visit [www.emunickel.com.au](http://www.emunickel.com.au)

Please direct enquiries to:  
 George Sakalidis  
 Managing Director  
 Phone (08) 9226 4266  
 Mob 0411 640 337

Roger Thomson  
 Executive Director  
 Phone (08) 9226 4266  
 Mob 0419 969 183

The information in this report that relates to exploration results is based on information compiled or reviewed by Roger Thomson BSc, ARSM, MAusIMM, who is a Member of the Australian Institute of Geoscientists. 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.