



ASX Release
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WINDY KNOB ENCOURAGEMENT

HIGHLIGHTS

- **Copper and zinc sulphides intersected in drilling.**
- **Silica-magnetite-sulphide horizons identified similar to those at the nearby Austin VMS deposit.**
- **Continued indications that the Austin VMS system plunges into the joint venture tenement at depth.**

Emu Nickel has completed a four-hole, 1211m RC drilling programme at Austin South, Defiance and 4E near the Austin copper-zinc-gold-silver discovery near Meekatharra, WA – see Figure 1. The targets at Austin South and 4E comprise discrete magnetic anomalies similar to that associated with the Austin volcanogenic massive sulphide (VMS) deposit of Silver Swan Group. The target at Defiance comprises a 1km-long magnetic anomaly with anomalous copper and zinc values associated with a silica-magnetite unit identified in previous shallow drilling. Significant results are shown in Table 1.

Cross sections of WKRC4 at Defiance and WKRC5 at 4E are shown in Figures 2 and 3 respectively. The geology and alteration suggest that the sequence may be overturned (i.e. interpreted chloritic footwall alteration is now in the hanging wall) similar to the sequence at Austin. The silica-magnetite-sulphide horizon anomalous in copper and zinc also appears to be similar to that associated with the VMS mineralisation at Austin and may be a fold or thrust repeat of this horizon.

Downhole electromagnetic (DHEM) surveys were completed on three holes (WKRC4 was blocked and could not be surveyed). The DHEM in drill hole WKRC-1 at Austin South and WKRC3A at Defiance detected several minor in-hole or near-hole conductors consistent with disseminated or stringer sulphides. The DHEM in drill hole WKRC5 at 4E identified moderately strong in-hole and off-hole conductors interpreted to be related to flat lying stringer sulphides.

Emu Nickel is encouraged by these results which indicate possible extensions of the fertile horizon which hosts the Austin VMS deposit into the Windy Knob joint venture tenements. In addition, drilling at the nearby Austin deposit by Silver Swan continues to indicate that this VMS system plunges towards the joint venture tenement boundary at depth, providing an attractive deep target for Emu Nickel. Further testing of these targets is being planned.

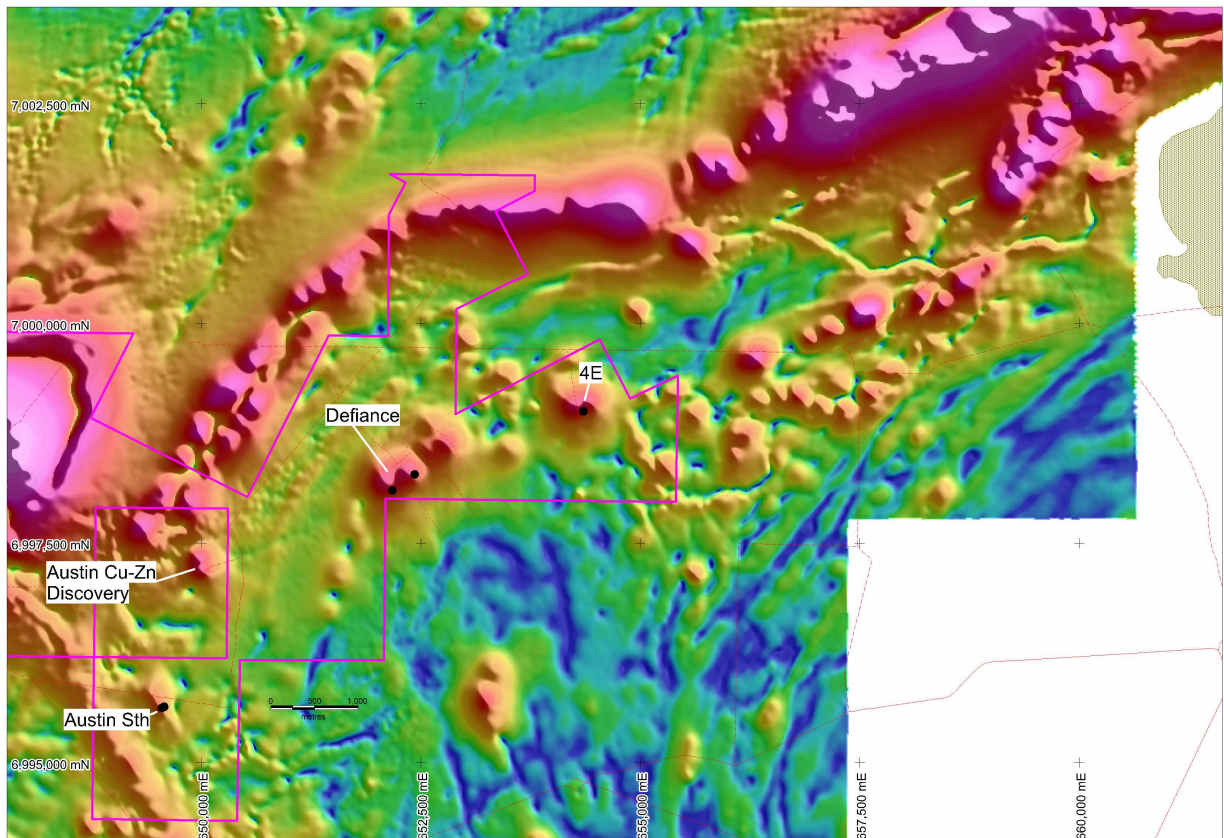


Figure 1
Windy Knob Drill Targets

Table 1
RC Drilling Results

Hole Number	From m	To m	Interval m	Cu %	Zn %	Au g/t
WKRC 4*	144	148	4	0.18		-
	148	156	8	-	0.34	-
WKRC 5*	126	136	10	0.23		
including	129	130	1	0.55	-	-
	129	131	2	-	-	0.14

* 4m composite samples × 1m samples

Aqua regia digestion followed by ICPMS determinations

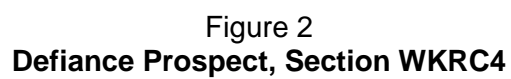


Figure 2
Defiance Prospect, Section WKRC4

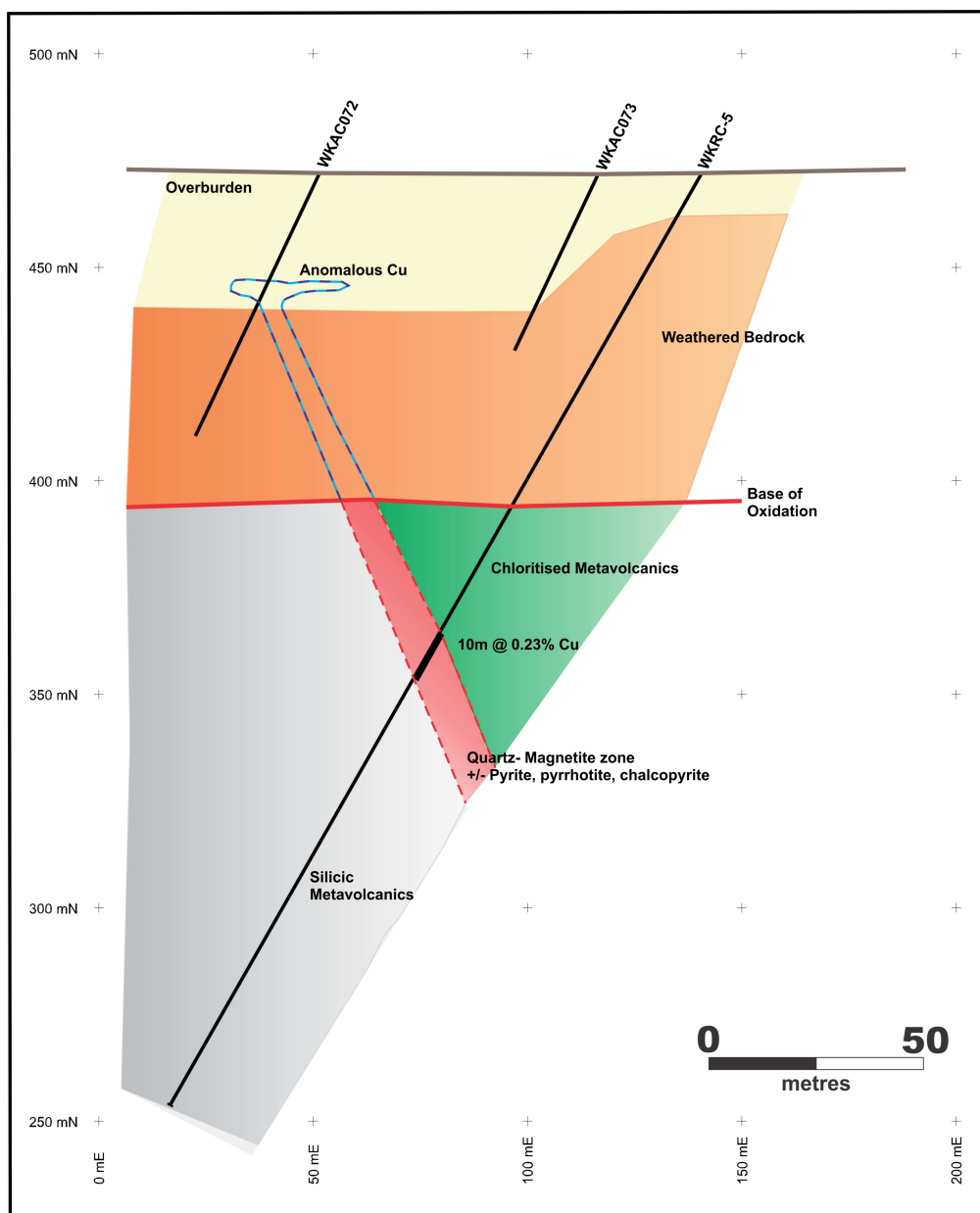


Figure 3
4E Prospect, Section WKRC5

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, 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.