(ABN 50 127 291 927)

P R O S P E C T U S

for the offer by Emu Nickel Pty Ltd of

up to 40 million Shares at 50 cents each to raise up to $20 million
(with a minimum subscription of $10 million)

Lead Manager

Bell Potter Securities Limited
AFSL 243480

IMPORTANT NOTICES

ASX Code to be :EMU

The Offer is conditional on the Company changing its type from proprietary to public status.

This document is important and should be read in its entirety. If you are in any doubt as to the course you should follow you should consult your stockbroker, solicitor, accountant or other professional adviser. This is a speculative investment.

CORPORATE DIRECTORY & TIMETABLE

Directors

Peter Thomas – Non Executive Chairman
George Sakalidis – Managing Director
Roger Thomson – Technical Director

Secretary

Robert Lewis

Registered & Principal Office

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West Perth, Western Australia
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Facsimile: (08) 9485 2840
Email: info@emunickel.com.au
Website: www.emunickel.com.au

Share Registry

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Applecross, Western Australia
Telephone: (08) 9315 2333

Float Co-ordinator

TPT Nominees Pty Ltd
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Mount Pleasant, Western Australia
Mobile: 0413 832 171
Email: admin@tieleman.net.au

Lead Manager

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Telephone: (02) 9255 7200

Solicitors

Smyth & Thomas
10 Walker Avenue
West Perth, Western Australia

Independent Geologist

Corvidae Pty Ltd as Trustee for Ravensgate Unit Trust Trading as Ravensgate
49 Ord Street
West Perth, Western Australia

Auditor & Independent Accountant

Somes & Cooke
1304 Hay Street
West Perth, Western Australia

Tenement Consultant

McMahon Mining Titles Services Pty Ltd
Level 1, 202 Pier Street
Perth, Western Australia

Indicative Timetable

Lodgement of prospectus with ASIC	[30 November 2007]
Change of company type from proprietary to public	3 December 2007
Offer opens	14 December 2007
Offer closes (5:00pm WST)	24 January 2008
Holding Statements expected to be despatched (on or before)	2 February 2008
Listing Date	8 February 2008

The above dates, other than the date for the lodgement of this prospectus with ASIC, are indicative only and each or any of them may be brought forward or extended without notice upon a resolution to that effect being passed by the Board.

Emu Nickel is, at the date of this prospectus, a proprietary limited company but is expected to become a public company limited by shares on 3 December 2007. It is expected to become a public no liability company on or about 11 January 2008. The Offer is conditional upon Emu Nickel becoming a public company.

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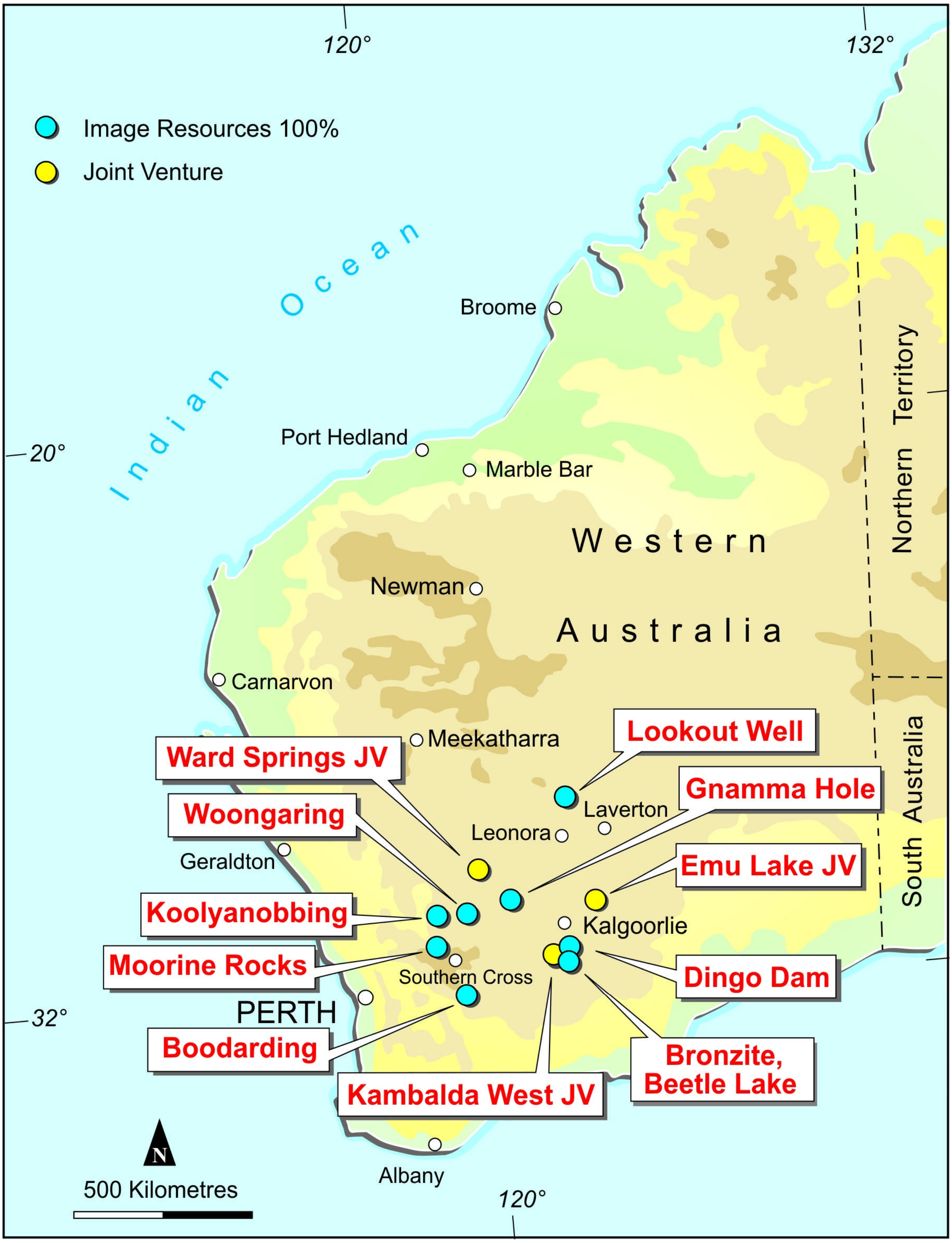
LOCATION MAP



INVESTMENT HIGHLIGHTS

(a) A spin-out of nickel assets from Image Resources NL assembled over a number of years.

(b) A prospective package including 24 granted exploration licences covering 2,500 sq km situated in one of the world's most fertile nickel provinces.

(c) Joint ventures with nickel miners Jubilee Mines NL (through its 100% owned subsidiary, Sir Samuel Mines NL) and Mincor Resources NL, providing access to demonstrated expertise in exploration and development of nickel sulphide resources.

(d) The advanced Emu Lake exploration project (Image Resources 33⅓%) hosts nickel sulphide mineralisation over a 500m strike length with ten high-grade drill intersections of between 3% and 10% nickel considered by Emu Nickel to have excellent potential for a high-grade nickel discovery close to Kalgoorlie and some 30 kilometres from the Silver Swan nickel mine owned by Norilsk Nickel.

(e) A vigorous first year programme of diamond drilling and extensive state of the art airborne and ground electromagnetic surveys planned.

(f) The maximum raising of $20 million will empower the Company to confidently and aggressively pursue its vision of becoming a nickel miner.

(g) Historically strong nickel price, around $US30,000/tonne, with a firm market outlook.

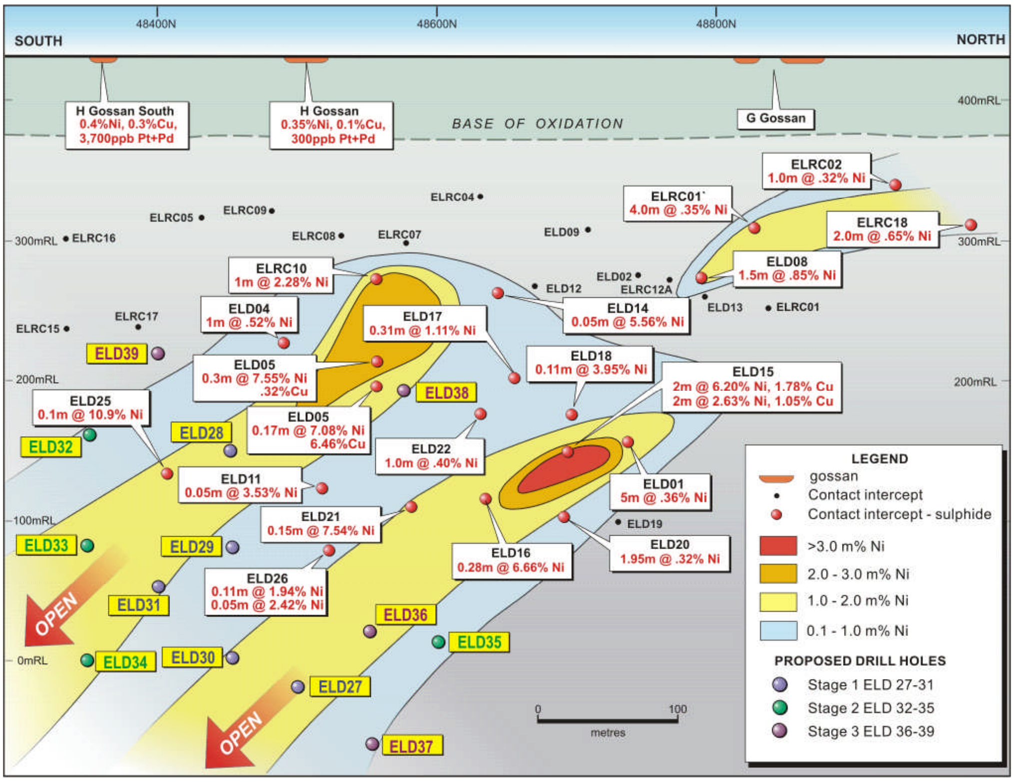
(h) Significant corporate activity in the nickel sector - $US6.3 billion Norilsk Nickel takeover of Lionore International Mining in mid 2007 and the current A$3.1 billion Xstrata takeover offer for Jubilee Mines.

(i) Directors with extensive and proven expertise in mineral exploration with track records of resource discovery and value-adding for shareholders.

KEY PROJECT - EMU LAKE JV

The project area covers a 10km strike of komatiitic ultramafic rocks with demonstrated potential for high-grade nickel sulphide mineralisation. At the Binti Gossan Zone drilling has identified nickel sulphide mineralisation over a 500m strike length on an ultramafic contact.

To date, ten high-grade drill intersections have been made at grades of between 3%-10% Ni with best intersections of **2m at 6.2% Ni, 1.8% Cu and 2.2g/t PGE** (platinum group elements) from 336m and **2m at 2.0% Ni, 1.0% Cu and 4.2g/t PGE** from 343.5m in drill hole ELD15.



Emu Lake JV - Binti Gossan Zone Longitudinal Projection

Interpretation of the drill intersections indicates the presence of two plunging high-grade shoots within a broad sulphide contact zone. It is a characteristic of komatiite-hosted nickel sulphide deposits to have a long down-plunge dimension as demonstrated by the high-grade nickel sulphide shoots at the Silver Swan nickel mine which have been drilled to more than 1500m below surface. By comparison, the sulphide shoots at Emu Lake have been drilled to depths of about only 350m below surface and remain open at depth, suggesting considerable potential for depth extensions to this high-grade mineralisation. Significantly, the intersections made to date are interpreted to be hosted by flanking facies ultramafics, with changes to the geology at depth indicating potential for development of the more prospective channel facies ultramafics where thicker nickel sulphide accumulations could be expected to occur.

In September 2007 the Emu Lake JV commenced the first of a proposed two stage programme, including a proposed 4400 metre RC and diamond drilling programme to test for down-plunge extensions of the massive sulphide mineralisation on the main contact within channel facies ultramafics. The first two programmes are anticipated to be completed in the June 2008 quarter with provision for a third, 4-hole drilling programme later in the year.

KEY INVESTMENT RISKS

This section, together with the ***Risks*** section, outlines the principal risks involved in investing in Emu Nickel. These include general investment risks and risks specific to the Company. Of the principal risks, the Directors consider the following to be key areas of risk specific to Emu Nickel.

Reliance on Key Personnel

The Company's success could be influenced by the core competencies of its directors and management, their familiarisation with, and ability to operate in, the metals and mining industry and the Company's projects. In its initial stages, the Company will rely heavily upon the services of Messrs Sakalidis and Thomson. Each of Messrs Sakalidis and Thomson hold executive director positions not only with Emu Nickel but also with ASX listed Image, Meteoric Resources NL and Magnetic Resources NL. Collectively these positions impose considerable demands on their time. The loss (or restricted access to availability) of one or both of these persons, or other key persons or consultants, could have a materially adverse affect on the Company.

Conflicts

The Company and Image have common boards of directors. As a result of this, the directors could be subject to a conflict of interest in matters arising between the Company and Image. This is especially important in the context of the Company deriving its interest in the Tenements pursuant to the Emu Nickel JVA, details of which appear in section *Summary of Material Agreements -Emu Nickel Joint Venture Agreement*.

Expenditure time constraint

The Company must incur at least $1 million under the Emu Nickel JVA within the first year of the Listing Date,

To earn an 80% interest under the Emu Nickel JVA, the Company must incur at least $2 million under the Emu Nickel JVA within 2 years of the Listing Date.

To earn a 100% interest under the Emu Nickel JVA, the Company must incur at least $3 million within 3 years of the Listing Date.

There is an inherent (but the Board considers extremely low) risk that the rate of expenditure required by the Emu Nickel JVA may not be met for various reasons including results not justifying either level of expenditure within the relevant time constraint (or at all), with the consequence that Emu Nickel may either earn no interest or only an 80% interest in the Tenements.

Tenement Interests & Access

Emu Nickel's interest in the Tenements is contractual only – see *Summary of Material Agreements* under the headings *Emu Nickel Joint Venture Agreement, Emu Lake (Image 33⅓%), Kambalda West (Image 100%, diluting)* and *Ward Springs (Image 90%).*

There is a risk that Image or one or more of the other joint venturers may be unwilling or unable to comply with the terms of the relevant joint venture agreement. If this occurs, the Company may not be able to recover adequate damages or other amounts, which may have a material effect on the value of the Company and its Shares. Jubilee Mines NL is the holding company of Sir Samuel Mines NL which in turn is party to the Emu Lake JVA. Jubilee is the subject of a takeover bid by Xstrata - the potential impact of that bid on the JVA and operations thereunder is unknown. The transfer of an interest in some of the Tenements to

Emu Nickel will require consent under the Mining Act and there can be no guarantee that the necessary consent will be forthcoming.

The Company has adopted a policy of ongoing rationalisation of its tenement holdings following exploration results. Investors should expect the Company to cease to maintain an interest in some of the Tenements in whole or in part.

Valuation of Tenements

The Company has not commissioned and is not aware of a valuation of the Tenements or the Shares and Emu Nickel makes no representation in that regard. Potential investors and their advisers should invest only on the basis that the Tenements have an unknown value and must make their own assessment as to the value of Shares on that basis.

Exemption Applications

A number of applications for exemption from compliance with the minimum expenditure conditions prescribed by law in respect of some of the Tenements have been or are yet to be made in respect of both tenement years that have lapsed and tenement years that have yet to lapse. No assurance is given that any or all of these applications will be granted or, failing such grant, that none of the Tenements will be forfeited for want of compliance with such expenditure conditions or, alternatively, that the holder will not be fined in lieu. Applications for exemption from compliance with the minimum expenditure conditions prescribed by law in respect of three of the Tenements have been refused. Whilst these refusals are not expected to result in the forfeiture of those Tenements, that result is not guaranteed. For further information refer *Report on Tenements.*

Exploration

Exploration, by its very nature, is an inherently risky business. Some of the Tenements are grass root exploration projects and many of them have had little or no on-ground prospecting or exploration activity undertaken on them. They were acquired on the basis of interpretation of remote sensing geophysical data or first pass geochemical surveys. The stated prospectivity of some of the Tenements is based on conceptual interpretation with the probability of a significant discovery in those instances, as is usual in such cases, being statistically low. Further, even where mineralisation has been identified the probability of demonstrating an economic deposit is not assured. The potential rewards reflect this very high risk.

Whilst nickel sulphide mineralisation has been delineated at Emu Lake, there are no defined mineral resources or ore reserves (as defined in JORC) at any of the Company's projects. Any references made to mineralisation, other mineral deposits or mining production are merely used to give an indication of the size and types of mineralisation for which the Company will be exploring or hoping to discover and are not necessarily indicative of the type or size of mineral resources (if any) which might be present at the relevant project or the referenced area of mineralisation.

Ultimate success potentially depends on many factors including the establishment of an efficient exploratory operation, obtaining necessary access agreements, government, statutory and other approvals and discovery and delineation of economically recoverable mineral resources. The exploration activities of the Company may be affected by a number of factors including, but not limited to, obstruction to ground access, objections to the grant of tenements, geological conditions, seasonal weather patterns, technical difficulties and failures, availability of the necessary technical equipment and appropriately skilled and experienced technicians, adverse changes in government policy or legislation and access to the required level of funding.

There can be no assurances that the Company's current or future exploration activities will result in the discovery of mineral resources. Even if a mineral resource is identified, there can be no guarantee that it can be exploited.

On-ground access to some of the Tenements still requires agreement with Aboriginals and freehold landowners. There can be no guarantee that agreements will be obtained.

IMPORTANT NOTICES

This prospectus has been issued by Emu Nickel Pty Ltd, was lodged with ASIC on 30 November 2007 and is dated, 30 November 2007. Neither ASIC nor ASX take any responsibility for the contents of this prospectus.

The Company has issued both a printed and an electronic version of this prospectus and the electronic version may be accessed at www.emunickel.com.au. This prospectus should be read in its entirety before deciding to invest in the Shares offered by this prospectus. The Board considers an investment in the Shares to be speculative and recommends that you consult with your financial advisor as to the course you should follow with respect to the Shares. No Shares (or other securities) will be issued on the basis of this prospectus after its expiry date, being 13 months after the date of this prospectus.

This prospectus only constitutes an offer in Australia. Where this prospectus has been dispatched to, or accessed electronically outside Australia by Overseas Applicants, this prospectus is provided for information purposes only. See also section *Details of the Offer* under the sub-heading *Overseas Applicants*

The Company reserves the right not to accept an application form from any person if it has reason to believe that when that person was given the application form, that person was not provided with a complete and unaltered copy of this prospectus and any relevant supplementary or replacement prospectus. If you have received an application form for the Shares without a complete and unaltered copy of this prospectus, please contact the Company who will send you, free of charge, either a printed or an electronic version of this prospectus.

Notwithstanding any provision of this prospectus, the Board may, from time to time and without giving any notice, abridge or further abridge, extend or further extend any period or vary or further vary any date referred to in this prospectus for such period or to such later date as the Board thinks fit whether or not the period to be extended has expired or the date to be varied has passed.

The information on mineralisation contained in this prospectus (except for the *Independent Geologist's Report*) accurately reflects the information compiled by Mr Roger Thomson, BSc, ARSM, MAusIMM, MAIG, who is a competent person (as defined by JORC) with relevant experience in relation to such mineralisation.

Definitions (usually with the first letter capitalised) appear both in the body of this prospectus (refer bolded terms) as well as in the *Glossary*..

Privacy Disclosure Statement

By completing an Application Form accompanying this prospectus, investors will be providing personal information. The Privacy Act 1988 (Cth) governs the use of a person's personal information and sets out principles governing the ways in which organisations should treat that information. The personal information to be collected from investors on an Application Form accompanying this prospectus will be used to evaluate applications for Shares and, if an application is successful, to administer the applicant's security holdings, provide services to the applicant and otherwise effect appropriate administration for security holders. If Emu Nickel is obliged to do so by law, personal information will be passed on to other parties.

In making an application, the applicant agrees that Emu Nickel may use the information provided by the applicant on the Application Form for the purposes here disclosed and may disclose it for those purposes to Bell Potter, its Share Registrar, related bodies corporate, agents, contractors, employees, servants, and third party service providers, including without limitation, mailing houses, professional advisers, ASX, other shareholders and regulatory authorities.

The Corporations Act requires Emu Nickel to include information about security holders (including name, address and details of securities held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a security holder. Information contained in the Company's public register is also used to facilitate distribution payments and corporate communications (including financial results, annual reports and other information that the Company may elect to utilise to communicate with its security holders) and compliance by the Company for legal and regulatory requirements. For instance, in certain circumstances details of security holder's names and holdings must be disclosed by the Company in its annual reports.

An applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under the law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

CORPORATE OVERVIEW

Objectives

The Company's **objectives** are that for the 2 years following the Listing Date it will:

(a) explore (directly or via joint venture) the projects detailed in this prospectus in accordance with the parameters set out in this section *Corporate Overview* under the sub headings *Use of Proceeds* and *Indicative Exploration Expenditure* but all within and subject to the constraints of the expenditure programmes set out below; and

(b) maintain a watching brief for and, if seen fit by the Board, pursue other opportunities.

Following the Completion of the Offer, the Directors consider that the Company will have enough working capital to carry out these objectives.

Board of Directors

Peter Thomas Non-executive Chairman

Mr Thomas is a practising solicitor with more than 20 years experience in the resource sector, both oil and minerals, specialising in the provision of general legal, contractual, commercial and corporate advice and services to both miners and explorers. Mr Thomas is Chairman of (ASX listed companies) Image, Meteoric Resources NL and Magnetic Resources NL and has served as a director of various other ASX listed companies.

George Sakalidis Managing Director

Mr Sakalidis is an exploration geophysicist with over 20 years industry experience, during which time his career has included extensive gold, diamond, base metals and mineral sands exploration. He was involved in the compilation of a large aeromagnetic database now held by Image. Using this database, Mr Sakalidis has been involved in a number of significant mineral discoveries, including the Three Rivers gold deposit in Western Australia and the tenement application over the Silver Swan nickel deposit. He was also instrumental in the design of the magnetic surveys that led to the discovery of the large mineral sands resources at Magnetic Mineral Limited's Dongara Project. Mr Sakalidis was a founding director of Magnetic Minerals Limited. He is currently a director of (ASX listed companies) Image, Meteoric Resources NL and Magnetic Resources NL.

Roger Thomson Technical Director

Mr Thomson is a geologist with 39 years experience in mineral exploration, mining geology and management in Australia, Africa, South America and Southeast Asia. He has held the positions of General Manager Exploration with Delta Gold Ltd and Sons of Gwalia Ltd and has been responsible for, or closely associated with, making economic discoveries of gold and tantalum in Australia. Mr Thomson successfully managed the exploration programme that led to the discovery of the multi-million ounce Sunrise gold deposit near Laverton in Western Australia. He is an Associate of the Royal School of Mines, a Member of the Australasian Institute of Mining and Metallurgy and a Member the Australian Institute of Geoscientists. Mr Thomson is a director of (ASX listed companies) Image, Meteoric Resources NL, Magnetic Resources NL and (AIM listed) Mariana Resources Limited.

Capital Structure

The capital structure of the Company following the Completion of the Offer is shown below for 2 scenarios, namely if the Offer closes fully subscribed on the one hand and if the Offer achieves the minimum subscription only on the other hand:

Details	Minimum Subscription Number	Full Subscription Number
Shares issued pursuant to the Bonus Issue	39,822,047	39,822,047
Shares to be issued pursuant to the Offer	20,000,000	40,000,000
Total Shares on issue at the Listing Date	**59,822,047**	**79,822,047**
Options exercisable at $0.50	10,000,000	10,000,000
Total Options on issue at the Listing Date	**10,000,000**	**10,000,000**

If Emu Nickel raises less than $20 million pursuant to the Offer, the number of Shares issued pursuant to the Offer will decrease by up to 20 million.

Holders of shares in Image as at close of business WST on 19 November 2007 participated in the Bonus Issue.

Escrow

As a condition of admitting Emu Nickel to the Official List, the ASX may classify certain securities in the issued capital of Emu Nickel as restricted securities. Prior to official quotation on the ASX, it will be necessary for parties holding securities in respect of which ASX imposes such condition to enter into restriction agreements with Emu Nickel. The effect of the restriction agreements will be that the restricted securities cannot be dealt with for the period determined by the ASX.

ASX has advised that, in principle, it can be expected that the applicable escrow period will be 24 months from the date of official quotation of the securities of Emu Nickel and that all securities issued pursuant to the Bonus Issue to the directors of Emu Nickel or their associates will be restricted securities, as will the Options. Full details will be released to ASX as part of the Company's pre-quotation disclosure.

Use of Proceeds

The following table sets out how the Company intends, as at the date of this prospectus, to apply the funds raised pursuant to this prospectus **over the first two years** following the Listing Date:

Description	Minimum Subscription ($)	Full Subscription ($)
Exploration (refer table below and in *Investment Highlights*)	5,563,000	7,564,000
Purchase of Capital Equipment	73,000	422,000
Initial ASX Listing Fees	53,000	62,000
Brokerage (5% plus unrecouped GST)	512,500	1,025,000
Fee to Image (6% plus unrecouped GST)	615,000	1,230,000
Other (fixed) Expenses of the Offer	38,000	38,000
Corporate Overheads	1,474,500	1,474,000
Less: Interest Earned	-709,000	-1,715,000
General Working Capital (at end of 2 years)	2,380,000	9,900,000
Total	**$10,000,000**	**$20,000,000**

To the extent that funds raised pursuant to the Offer do not fall into one of the above scenarios, the Board will commensurately adjust the application of the funds having regard to the quantum raised. However, it is anticipated that save for the line of fixed cost items (namely, the Other Expenses of the Offer) the funds will be applied in a broadly pro rata manner.

Indicative Exploration Expenditure

The Company believes that expenditure of the following amounts on exploring each project is justified.

Project	Minimum Subscription		Full Subscription	
	Yr 1 ($)	Yr 2 ($)	Yr 1 ($)	Yr 2 ($)
Emu Lake JV	0	1,293,000	0	1,257,000
Kambalda West JV	0	646,000	0	629,000
Woongaring	649,000	280,000	649,000	658,000
Ward Springs	198,000	134,000	198,000	317,000
Lookout Well	184,000	134,000	184,000	310,000
Koolyanobbing	401,000	246,000	401,000	576,000
Moorine Rocks	434,000	228,000	434,000	529,000
Gnamma Hole	219,000	129,000	219,000	302,000
Boodarding	0	95,000	0	220,000
Bronzite	0	78,000		180,000
Beetle Lake	0	129,000		301,000
Dingo Dam	0	86,000		200,000
Total	2,085,000	3,478,000	2,085,000	5,479,000

The above exploration budget is subject to change and contingent on circumstances, including:

(a) the terms of the Emu Lake and Kambalda West joint venture agreements - in this regard it is noted that under the agreements summarised at *Summary of Material Agreements* under the subheadings *Emu Lake (Image 33⅓%)* and *Kambalda West (Image 100%, diluting)*, third parties have the right to sole contribute on the terms specified in those agreements – the budgeted rates of expenditure for these projects assumes that the third party joint venturers will accelerate their rates of sole funding and approve programmes and budgets requiring/permitting Emu Nickel to contribute at the rates budgeted – as Emu Nickel is or is likely to be the minority joint venturer it cannot determine programmes and budgets;

(b) results of exploration generally and other opportunities;

(c) expenditure being reallocated amongst existing or new projects or to general working capital;

(d) Tenements being in the application phase at the date of this prospectus (Bronzite, Boodarding, Dingo Dam and Beetle Lake) being granted in the second year following Listing Date failing which the Company will reallocate funds as the Board sees fit;

(e) it not being the intent of the Company to restrict its activities to the aforementioned projects and reserving the right to evaluate other opportunities as they arise;

(f) it not being practicable for the Board to specify exactly how funds may be applied, as this will be influenced by the outcome of exploration yet to take place and events as they unfold generally.

Nevertheless, the two tables above represent statements at the date of this prospectus as to the intended use of the funds by the Company.

The Company may seek to raise additional funds (including, possibly within two years of the Listing Date) as the Board sees fit.

The Directors consider that, upon Completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives during the first two years following the Listing Date.

DETAILS OF THE OFFER

The Offer

This prospectus is for the offer of up to 40 million Shares at an issue price of 50 cents each to raise not less than $10 million and up to $20 million. The minimum subscription for the Offer is 20 million Shares raising $10 million.

Acceptance

If you wish to participate in the Offer, you must complete an application form accompanying this prospectus in accordance with the instructions set out therein.

Application monies will be held in a separate bank account on behalf of applicants until the Shares offered under this prospectus are issued. If any application is rejected in whole or in part, the amount tendered in respect of Shares that have not been issued pursuant to the relevant application will be repaid to the unsuccessful applicant, without interest.

Conditional Priority to Image Shareholders

For every 4 Bonus Shares issued to a person, that person will be eligible on a conditional priority basis (**Conditional Priority**) to be issued a Share subject to that person validly subscribing for that Share by the Closing Date using the "green application form". It is crucial that persons claiming Conditional Priority recognise that the Closing Date can be brought forward from that suggested at the front of this prospectus and that as soon as valid applications for the maximum raising are received, the Offer is likely to be closed.

Persons to whom Bonus Shares are issued may apply (on the green application forms) for Shares (in addition to their Conditional Priority) in the shortfall arising in relation to persons not exercising the Conditional Priority. The time and date for determining the shortfall shall be 5 pm WST 31 December 2007 or such later time and date as the Directors may determine. Where the aggregate of Shares so applied for exceeds the shortfall, the Directors may scale back any such surplus applications to fall within the limits of the shortfall. The scaling process will be effected proportionally on the basis of Conditional Priorities (on a rounded basis).

Notwithstanding the above, the Board reserves the right in relation to any application on a green form to accept the application in whole or in part out of non shortfall shares and in doing so need not treat all green form applications equally.

Issue of Shares

If your application is accepted, in whole or in part, the Company will issue Shares pursuant to your application and dispatch either an issuer sponsored holding statement or a CHESS statement to you as soon as practicable after the closing date together with any excess application monies. The banking of application monies in a trust account does not constitute acceptance of your application.

No Shares will be issued pursuant to this prospectus until:

(a) Emu Nickel becomes a public company;

(b) the minimum subscription under the Offer has been received; and

(c) ASX has given the Company conditional approval to be admitted to the Official List.

Opening and Closing Date

The proposed opening date for acceptances of the Offer will be 14 December 2007 (the opening date will be delayed if the mandatory 7 day Exposure Period required by the Corporations Act is extended by ASIC). The proposed closing date for acceptances of the Offer is 5:00pm (WST) 24 January 2008. The Board reserves the right at any time and from time to time to change the Offer open and close dates and time, without giving notice.

Applications for Shares pursuant to this prospectus will not be processed by the Company until after the expiry of the Exposure Period. An application lodged prior to the expiry of the Exposure Period will be treated as though it was received immediately following expiry of the Exposure Period.

Stock Exchange Listing and Quotation of Shares

The Company will, within 7 days after the date of this prospectus, apply for admission to the Official List and for its Shares to be quoted on ASX. If the application is not made within 7 days after the date of this prospectus or if the Shares offered under this prospectus are not granted quotation within 3 months after the date of this prospectus, the Company shall deal with applications in accordance with the requirements of the Corporations Act. The fact that ASX may grant quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares.

Fees & Expenses

The Company will pay a brokerage fee equal to 5% of the funds raised to Bell Potter as **Lead Manager** (plus GST).

The Company will pay Image a listing support fee equal to 6% of the funds raised (plus GST).

Assuming a raising of $20 million pursuant to the Offer, it is estimated that the expenses of the Offer will aggregate approximately $2,355,000 comprised of approximately $62,000 in ASX listing fees, $1,025,000 on account of the 5% brokerage, $1,230,000 on account of the 6% fee to Image, and approximately $38,000 in other Offer expenses.

In the event that less than $20 million is raised pursuant to this prospectus, ASX listing fees will diminish by up to $8,772, the maximum amount payable on account of the 5% brokerage will diminish by a factor of 5.125% (5% plus unrecouped GST) of the difference between the amount raised and the amount of $20 million and the maximum amount payable on account of the 6% listing support fee will diminish by a factor of 6.15% (6% plus unrecouped GST) of the difference between the amount raised and the amount of $20 million.

Overseas Applicants

This prospectus does not constitute an offer or invitation:

(a) in any jurisdiction where, or to any person to whom, it would be unlawful to issue this prospectus;

(b) to any person to whom, it would not be lawful to make such an offer or invitation.

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside Australia.

The distribution of this prospectus within jurisdictions outside Australia may be restricted by law and persons into whose possession this prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. It is the responsibility of any Overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application and to obtain all necessary approvals so that they may legally subscribe for (and be issued) Shares pursuant to the Offer.

Without limitation to the generality of the information otherwise provided in this prospectus, the Shares have not been, and will not be, registered under the US Securities Act of 1993 as amended (**US Act**), and may not be offered, sold or resold:

(a) in the US or to, or for the account or benefit of, US Persons (as defined in Rule 902 under the US Act) except in a transaction exempt from the registration requirements of the US Act and applicable US state securities laws; and

(b) outside the US, except to non-US persons in offshore transactions in compliance with Regulations of the US Act.

The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of any law, that all necessary approvals and consents have been obtained and that the Company may legally issue Shares to the Applicant pursuant to this prospectus. Overseas Applicants should consult with their professional advisors as to whether any formalities need to be observed (either by themselves or the Company) to enable them to subscribe for the Shares being offered pursuant to this prospectus.

RISKS

In the *Key Investment Risks* section, certain key specific risks are identified. This section expands upon those risks. Nevertheless, these two sections do not exhaustively list the risks that may have a material effect on the financial position and performance of the Company and the value of its securities, the Company's exploration, (and any future) development and mining activities, or ability to fund those activities.

An investment in the Shares is speculative due to the nature of the Company's business. The Board recommends that potential applicants consider the risks described below and information contained elsewhere in this prospectus, as well as consult with their professional advisors, before deciding whether or not to apply for the Shares.

Prospective shareholders should have the financial ability and willingness to accept the risks and possible lack of liquidity associated with an investment in a company of the type described in this prospectus. The Shares are only suitable for investors who understand the potential risk of capital loss, for whom an investment in the Shares constitutes part of a diversified investment portfolio, and who fully understand and are willing to assume the risks involved in investing in the Company.

The value of any investment can go down as well as up and shareholders may lose their entire investment in the Company.

No representation is or can be made as to the future performance of the Company and there is no assurance that the Company will realise its aims.

General, Economic and Political Conditions

The value of the Company's securities is likely to fluctuate depending on various factors including, but not limited to: (a) inflation, (b) interest rates, (c) domestic and international economic growth, (d) changes to taxation legislation, interpretation and policies, (e) legislative change, (f) political stability, (g) disasters, (h) industrial disputes, (i) social unrest, (j) war on a local or global scale, (k) mining industry conditions, (l) stock market conditions in Australia and elsewhere, (m) changes in investor sentiment towards particular market sectors, (n) acts of God, and (o) acts of terrorism.

Native Title & Aboriginal Heritage - Aboriginal Sites of Significance

The Company's activities in Australia are subject to the Native Title Act and its interpretation.

The Native Title Act legally recognises the title rights of indigenous Australians over areas where those rights have not been lawfully extinguished. State and Commonwealth native title legislation regulates the recognition, application and protection of native title. Native title may affect the status, renewal and conversion of existing tenements and the granting of new tenements. Indigenous land use agreements, including terms of compensation, heritage survey and protection agreements or other agreement types may need to be negotiated with affected parties.

The Native Title Act prescribes procedures applicable to the grant of tenements which apply even in the case of, for instance, a granted exploration licence being "converted" to, say, a mining lease. Compensation may become payable in respect of any impact which the grant of any tenements or other activities have on native title. A tenement holder may be liable for the payment of compensation for the affect of mining and exploration activities on any native title rights and interests that exist in the area covered by a tenement. Compensation may be payable in forms other than money, including the transfer of property and the provision of goods and services.

It is not currently possible to assess whether compensation will be payable by Emu Nickel to native title holders in relation to any of the Tenements but such compensation could be significant.

There may be sites and objects of significance to indigenous Australians located on the land relating to the Company's tenements. State and Commonwealth Aboriginal heritage legislation aims to preserve and protect these sites and objects from use in a manner inconsistent with Aboriginal tradition. The Company proposes carrying out 'clearance surveys' before conducting any exploration work that would disturb the surface of the land. The Company's Tenements may contain some such sites of significance, which would need to be avoided or cause delays. It is possible that areas containing mineralisation or an economic resource may also contain sacred sites, in which case they may remain unexploited. Access agreements will need to be negotiated with affected parties.

Native title, Aboriginal heritage or other indigenous matters are matters of substantial risk (giving rise to the threat that certain tenements may not be granted, access to certain tenements may be denied or delayed in addition to potentially significant cost exposure in respect of things such as negotiations, surveys, incentive payments and compensation to name but a few) as the legislative frame works provide torturous and frequently uncertain routes to the endeavour by both stakeholders (that is explorers/miners and indigenous peoples) to attain certainty.

It is not possible to quantify the financial or other impact native title and Aboriginal heritage will have upon the Company as, amongst other things, the processes involved with:

(a) identifying all and only the indigenous peoples with a relevant interest;

(b) registering an indigenous land use agreement;

(c) obtaining access to land without infringing the provisions of the Aboriginal Heritage Act;

are open ended, can involve substantial delay and cost and there can be no certainty as to the outcome with it being possible for projects to be entirely frustrated.

This could be the case, for instance, even in circumstances where:

(a) a native title party consents to the grant of an exploration licence and assists the exploration endeavour thereon (and the discovery of an otherwise economic deposit);

(b) the Company, in order to exploit that discovery, applies for a mining lease (or other required approval, consent, authority etc.) but such grant, approval, consent or authority is not forthcoming by reason of an objection by the same or another native title party.

Freehold Access

The interests of holders of freehold land encroached by the Tenements are given special recognition by the Mining Act (WA). As a general proposition, a tenement holder must obtain the consent of the owner of freehold before conducting operations on the freehold land. There can be no assurance that the Company will secure rights to access those portions of the Tenements encroaching freehold land but, importantly, the grant of freehold extinguished native title so wherever the Tenements encroach freehold the Company is in the position of not having to abide by the Native Title Act albeit aboriginal heritage matters will still be of concern.

Tenements and Government Imposts

The Tenements are located in Western Australia, and are subject to legislative requirements with respect to the processes for application, grant, conversion and renewal. Tenements are also subject to the payment of annual rent and the meeting of minimum annual expenditure commitments. There is no guarantee that any applications, conversions or renewals for the Company's tenements will be granted. The inability of the Company to meet rent and expenditure requirements may adversely affect the standing of its tenements.

Commodity and Currency Price Volatility

Commodity prices inherently fluctuate and are affected by numerous factors beyond the control of the Company, including global and regional demand for, and supply of, a particular commodity, forward selling by producers and the level of production costs in major commodity-producing regions. Commodity prices are also affected by macroeconomic factors such as expectations regarding inflation and interest rates. Commodities are principally sold throughout the world in US dollars.

As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian and US dollars, and/or adverse movements in commodity prices could have a materially adverse affect on the Company's financial position and performance. The Company may undertake measures deemed necessary by the Board to mitigate such risks.

Development and Mining

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineral resources, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

In the event that the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions and other accidents. No assurances can be given that the Company will achieve commercial viability through the development and/or mining of its projects.

Environment

The Company's projects are subject to Australian State and Commonwealth laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all exploration and mining projects, the Company's projects are expected to have a variety of environmental impacts. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws and regulations.

Shortage of Capital

The funds raised by the Offer will be used to carry out the Company's objectives, as detailed in this prospectus. However, the Company will require additional capital to fund further exploration at the Company's existing projects, undertake feasibility studies, develop mining operations, meet its future obligations and/or acquire new projects. The Company's ability to raise further capital, either equity or debt, within an acceptable time, of sufficient quantum and on terms acceptable to the Company will vary according to a number of factors, including:

(a) prospectivity of projects (existing and/or future);

(b) the results of exploration, subsequent feasibility studies, development and mining;

(c) stock market and industry conditions; and

(d) the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms, or at all. If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects or assume further obligations in the future.

Industry Risks

The Company's activities will be subject to the *Native Title Act,* and its interpretation. Native title and Aboriginal land rights may affect the Company's ability to gain access to prospective exploration areas or its ability to obtain mining titles.

Compensatory obligations may be necessary in relation to settling native title claims lodged over any of the Tenements held or acquired by the Company. The level of impact of these matters will depend, in part, upon the location and status of the Tenements acquired by the Company. Uncertainty associated with native title issues may affect the Company's plans.

Liquidity and Realisation Risks

There can be no guarantee that an active market in Shares will develop or that the price of Shares will increase. Moreover, there may be relatively few buyers or a relatively high number of sellers of the Shares on the ASX at any given time, which may increase not only the volatility of the market price of the Shares but also the prevailing market price at which Shareholders can sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price paid for their Shares.

INDEPENDENT GEOLOGIST'S REPORT

25 November 2007

The Directors
Emu Nickel Pty Ltd
Level 2
35 Outram Street
West Perth WA 6005
Australia

Dear Sirs

INDEPENDENT GEOLOGIST'S REPORT ON EMU NICKEL PTY LTD'S INTERESTS IN MINERAL PROPERTIES SITUATED IN WESTERN AUSTRALIA

Corvidae Group Pty Ltd as Trustee for Ravensgate Unit Trust trading as Ravensgate ("Ravensgate") has been commissioned by Image Resources NL (ABN 57 063 977 579) ("Image"), on behalf of Emu Nickel Pty Ltd (ACN 127 291 927) ("Emu"), to prepare an independent geological report on Emu Nickel's interests in nickel projects in Western Australia. This report is to be included in a Prospectus to be lodged by Emu with the Australian Securities and Investments Commission ("ASIC"), offering for subscription up to 40 million Shares at an issue price of $0.50 per Share (the "Prospectus"), to raise a total of up to $20 million.

This review is based on information provided by Image, along with technical reports by consultants, previous tenements holders and other relevant published and unpublished data for the areas. A listing of the principal sources of information is included in this Report. Ravensgate has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this report is based.

This report has been prepared in accordance with the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission ("ASIC") and the Australian Securities Exchange ("ASX"), which pertain to Independent Expert Reports. The report complies with section 716(2) of the Corporations Act 2001 where consent is required if statements have been attributed to third parties.

In consideration of the definition provided by the ASX and in the JORC Code, Emu Nickel's projects are classified as 'advanced exploration projects' and as 'grass roots exploration projects'. These are inherently speculative in nature. The projects are considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential, consistent with the programs proposed by Emu.

In the event that Emu raises $20 million under the Prospectus, Emu has, subject to various contingencies, budgeted to expend $7.5 million of those funds on the exploration and development of the projects. In the event of the minimum subscription of $10 million being raised, a reduced budget of $5.5 million is, subject to various contingencies, proposed. Each of the proposed budgets exceed the minimum annual statutory expenditure requirement on the projects. It is considered that sufficient exploration and mining activities have been undertaken by earlier exploration initiatives to justify each of the proposed budgets and that each of the proposed budgets will be adequate to advance the projects.

This independent technical report has been compiled based on information available up to and including the date of this report. Consent is hereby given for the distribution of this report in the form and context in which it appears.

Ravensgate and its employees are not, nor intend to be, directors, officers or other direct employees of Emu and have no material interest in the Projects or Emu. The relationship with Emu is solely one of professional association between client and independent consultant. The review work and this report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Yours faithfully

Craig Harvey
Author – Ravensgate

INDEPENDENT GEOLOGIST'S REPORT

on

EMU NICKEL PTY LTD'S INTERESTs IN MINERAL PROPERTIES

IN WESTERN AUSTRALIA

for

EMU NICKEL PTY LTD

RAVENSGATE

25 November 2007

Corvidae Pty Ltd As Trustee for
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INDEPENDENT GEOLOGIST'S REPORT

Prepared by RAVENSGATE on behalf of:

Emu Nickel Pty Ltd

Author:	Craig Harvey	Principal Consultant	NHD Econ. Geol, MGSSA, Pr.Sci.Nat
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Date:	25 November 2007		
Copies:	Image Resources NL	(2)	
	Ravensgate	(1)	

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Craig Harvey
For and on behalf of:
RAVENSGATE

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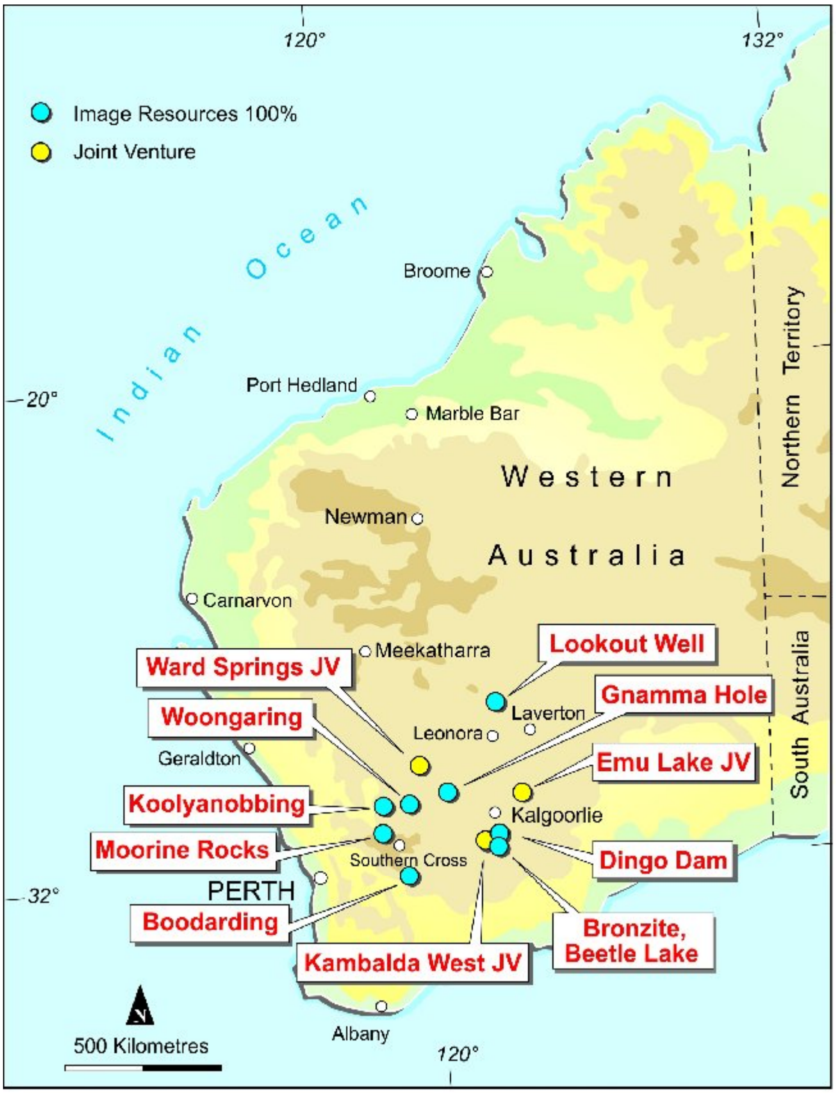
1. SUMMARY

Emu Nickel Pty Ltd ("Emu") intends to farm into the interests of Image Resources NL ("Image") in a portfolio of 28 tenements which are considered prospective for nickel sulphide mineral occurrences. Of these tenements, 24 are granted and total 2,174km^2 in area, and the remaining four tenements under application total 333km^2 in area. These include three Joint Venture ("JV") projects which are the Emu Lake JV with Sir Samuel Mines NL, a subsidiary of nickel miner Jubilee Mines NL, the Kambalda West JV with nickel miner Mincor Resources NL and Ward Springs JV with SL Ward.

The tenements, other than those the subject of the Emu Lake and Kambalda West JVs, are predominantly grass roots exploration projects, that have had little or no exploration conducted on them, but are considered to be geologically favourable for the occurrence of nickel sulphide mineralisation. The approximate locality of the project areas are shown in Figure 1. Tenement details are supplied individually under each project heading.

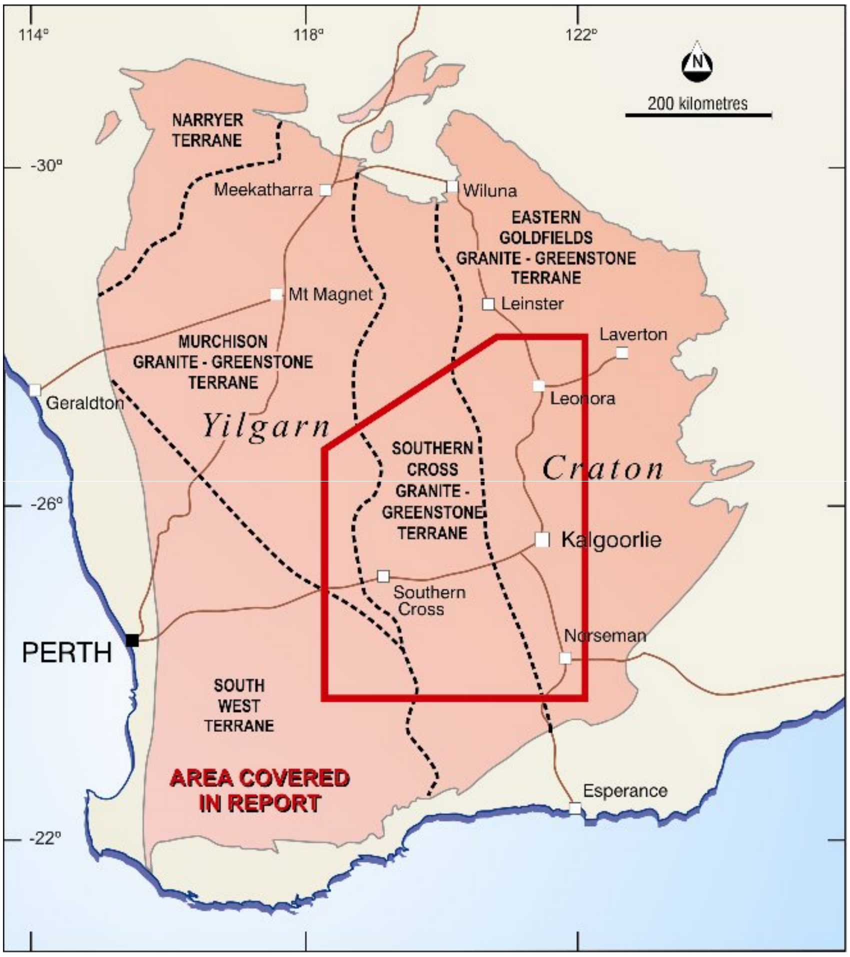
Emu intends to list on the Australian Securities Exchange ("ASX") in order to raise working capital to fund the further exploration of its projects, in conjunction with its joint venture partners.

Figure 1 General location of Emu Nickel Pty Ltd projects



The projects are located within the Southern Cross and the Eastern Goldfields Granite Greenstone Terranes of the Yilgarn Craton. These Granite Greenstone Terranes host a number of nickel occurrences such as the Kambalda, Nepean and Black Swan nickel mines. A general tectonic map of the Yilgarn Craton depicting these terranes is shown in Figure 2.

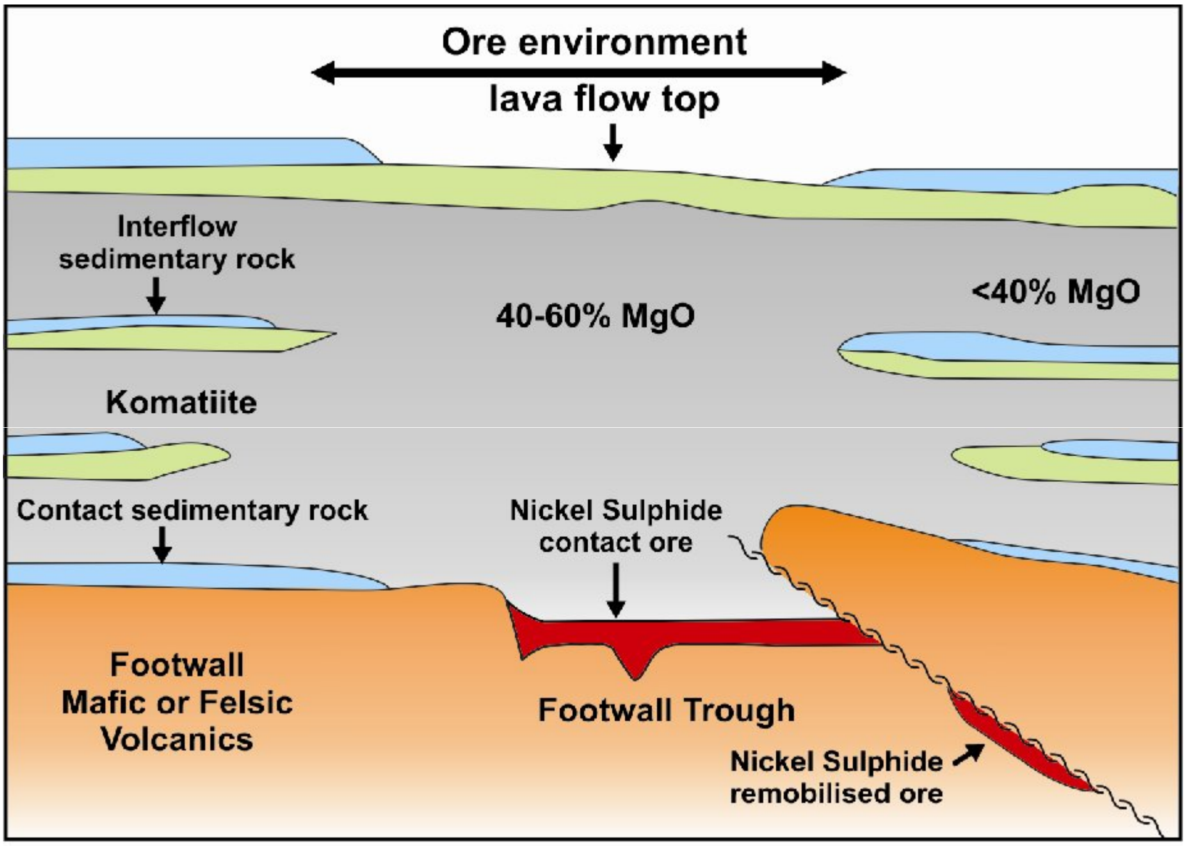
Figure 2 General tectonic map of the Yilgarn Craton



Emu will be actively seeking nickel sulphide mineralisation, within the project areas, which is hosted within 'lava channels' that formed as a result of intermittent flows of ultramafic lava that 'eroded' and incised into the underlying widespread basaltic lava flows. Pillow and flow breccia horizons can occur within these lava channels. The ultramafic sequences consist of magnesium rich ultramafic rocks with nickel sulphide concentrations and conformable sedimentary horizons.

With time, an olivine 'crystal pile' within the ultramafic unit can build up, crystallizing from a continually replenishing turbulent lava flow. Breakouts or thin flows and flow tops are marked by distinctive "spinifex textured" rocks. As the influx of fresh lava eventually wanes, crystal fractionation results in the formation of olivine-pyroxene and plagioclase-pyroxene cumulates, with a finer grained mafic unit (typically basaltic to gabbroic) marking the top of the lava pile. These latter rocks are less magnesian-rich and by detailed outcrop mapping or drill core logging, the geologist can locate each of these "facies", building up a predictive map of where the prospective basal olivine cumulate contact is. A generalised model of this nickel sulphide mineralisation model is shown in Figure 3.

Figure 3   Generalised nickel sulphide mineralisation within ultramafic lava flows



The ore deposits form on the all important basal contacts between the ultramafic komatiites and the underlying basaltic units. Typically the sulphides exhibit a form of upward fining with three distinct types of mineralisation present. These are:

- Massive Sulphides that form at the basal contact and can be from a few millimetres thick up to 1.5m thick. These are typically the higher grade nickel deposits.
- Matrix Sulphides overly the basal massive sulphides and the tenor of the ore grade is less than that of the massive sulphides.
- Disseminated Sulphides mark the top of the sulphide zone and typically grade between 0.5% to 2.0% nickel.

The sulphide zone can be comprised of a single sulphide zone or of all three types mentioned. The ore deposits can be flat lying, have a gentle plunge or dip, or be completely overturned as a result of structural deformation in the typically 2.7 billion year old geological setting of the region. It is Emu's intention to focus on the massive sulphide contact type of nickel mineralisation.

1.1 Emu Lake Joint Venture

The area that is the subject of the Emu Lake Joint Venture is secured by two granted exploration licences, E27/084 and E27/168, totalling 54.64km^2. Both of these exploration licences have passed their expiry dates but remain in force (hence the Emu Lake Joint Venture retains access and exploration rights) pending the grant (as of statutory right subject to the provisions of the Native Title Act) of substitute mining leases pursuant to applications submitted to the Department of Industry and Resources during 2005.

The Joint Venture area has been subjected to numerous exploration campaigns since 1967. The Joint Venture area is within a known nickel metallogenic district with the high grade Silver Swan nickel mine located 30km to the west.

The project area is located within the Eastern Goldfields Granite-Greenstone Province of the Yilgarn Craton, and straddles the boundary of the Jubilee and Gindalbie Terranes. The Jubilee Terrane contains a sequence of west dipping and younging basalts with overlying felsic volcanics. These in turn are underlain by basaltic lithologies containing olivine cumulate dominated komatiitic interflow units. It is within, and on the basal contacts of these komatiite units that nickel sulphide mineralisation is formed as a result of the massive sulphides being immiscible in flowing lava. These nickel sulphide deposits can be remobilised into the adjacent rock at a later stage.

Image and Sir Samuel were successful in identifying a 500m strike length of contact type nickel sulphide mineralisation through a continued program of exploration. To date, ten drillhole intersections have been obtained within this strike area grading between 3% Ni and 10% Ni. Exploration is planned to continue in order to improve the geological understanding and setting of the nickel sulphide mineralisation. Metal credits for copper and Platinum Group Elements (PGE's) could be included in any future feasibility studies.

1.2 Kambalda West Joint Venture

The Kambalda West Joint Venture between Image and Mincor Resources NL relates to ten granted exploration tenements totalling 753km^2 in area. While the sole registered holder of those tenements is Image, Mincor has the right to earn up to a 70% interest in them. The tenements are situated within the Nepean district to the west of the town of Kambalda.

The tenements straddle the Southern Cross Granite-Greenstone Terrane, and the Eastern Goldfields Granite-Greenstone Terrane of the Yilgarn Craton. The boundary between the two terranes is marked by the Ida Fault. Exploration has been limited to predominantly the interpretation of geophysical surveys to delineate magnetic anomalies that may represent channels of ultramafic lithology, and limited surface geochemical sampling.

Mincor recently conducted a RAB drilling program and selected ground based EM surveys over the northern portion of the tenement package.

It is understood that the focus of exploration has been and will continue to be on delineating extensions of the ultramafic komatiite channels from the Nepean mine located to the north. Mincor will be undertaking airborne VTEM surveys of ultramafic targets within the Joint Venture area in the near future.

1.3 Woongaring Project

The Woongaring project relates to six granted exploration tenements, forming a contiguous block of ground, comprising 899km^2; Image is the sole registered holder of these tenements.

Interpretation of aeromagnetic survey maps covering the tenements indicate anomalies thought to be prospective for ultramafic channels containing nickel sulphide mineralisation.

Soil sampling on E77/1144 and E77/1172 identified anomalous nickel mineralisation which was subsequently broadly confirmed by RAB drilling on a broad grid, with a best intersection of 10512ppm Ni, and 190ppm Cu over 1m. A moving loop EM survey on E77/1144 failed to identify the source of the anomalism and instead identified a large 'bull's-eye' anomaly located between and to the west of the two anomalies.

Exploration in the future is proposed by Emu to consist of airborne geophysical surveys (Helimag and VTEM), with follow up ground based EM surveys of identified anomalies. Allowance has been made by Emu to extend the coverage of soil geochemical sampling, and RAB and RC drilling within the tenements.

1.4 Ward Springs, Lookout Well and Moorine Rocks

Image is the sole registered holder of the Lookout Well and Moorine Rocks tenements and is the registered holder of a 90% interest in the Ward Springs tenement. These tenements comprise (in aggregate) 286km^2 and have all had first pass exploration programs conducted on them.

Interpretation of aeromagnetic surveys covering these tenements indicate magnetic anomalies which may represent ultramafic lithologies prospective for contact style nickel sulphide mineralisation.

Initial soil geochemical sampling has identified low level nickel anomalies that Emu plans to follow up on through a combination of geophysical survey methods, a program of soil geochemical sampling undertaken on a denser grid, and a reconnaissance RAB drilling program.

1.5 Grass Roots Exploration Projects

The grassroots exploration projects consist of six tenements of which Image is the sole holder and which total 515km^2 in area. The tenements are widely spread across the Southern Cross and Eastern Goldfields Granite-Greenstone terranes of the Yilgarn Craton.

Interpretation of aeromagnetic surveys covering these tenements have indicated potential areas of ultramafic lithologies in proximity to known or inferred greenstone occurrences.

Emu plans to undertake both airborne and ground based geophysical surveys, soil geochemical sampling and reconnaissance drilling across magnetic anomalies defined by the aeromagnetic surveys in an attempt to ascertain the source of those anomalies.

1.6 Emu Nickel Pty Ltd's Proposed Exploration Expenditure (as more fully detailed in elsewhere in the Prospectus)

Emu intends to follow an exploration strategy aimed at rapidly advancing existing targets, and generating further targets through the application of modern exploration techniques. Ravensgate considers that Emu's proposed expenditure of A$7.5 million (in the event of the maximum subscription of $20 million being raised) over the period of 2 years following Emu being listed on the ASX, together with expenditure to be contributed by Emu's joint venture partners, is consistent with the exploration potential of the greater Kambalda Nickel Province of the Yilgarn Craton, and is adequate to cover the costs of the proposed program. In the event of the minimum subscription of $10 million being raised, Emu's proposed 2 year budget of $5.5 million is considered adequate to advance the projects. The budgeted expenditure (under each scenario) would be sufficient to meet the current minimum statutory expenditure requirements on the tenements.

Emu has allocated no exploration budget currently to the exploration tenements under application. Should any of those applications be granted, Emu plans to use a portion of the funds raised to execute a phased exploration program to investigate the area the subject of the resultant tenement.

Details of the exploration expenditure are provided elsewhere in this prospectus and the reader is referred to these for more information.

2. INTRODUCTION

2.1 Qualifications, Experience and Independence

Ravensgate was incorporated in 1997 and specialises in resource modelling and resource estimation services. Ravensgate has focused upon providing resource estimations, valuations, and independent technical documentation and has been involved in the preparation of Independent Reports for Australian, Canadian, and other internationally listed companies.

Primary author: Craig Harvey – Principal Consultant - NHD Economic Geology, MGSSA, Pr.Sci.Nat

Craig Harvey has been involved in the mining and resource industry for the past 15 years. In this time he has been extensively involved in mining, resource and reserve estimations and management of exploration programs. This includes due diligence investigations in Southern Africa and Canada. He is a member of the Geological Society of Southern Africa. Membership of the South African Councils for Natural Scientific Professions is pending. Membership of either of these two bodies is accepted by the Australian Stock Exchange as a Recognised Overseas Professional Organisation (ROPO).

He has the appropriate relevant qualifications and experience to satisfy the requirements of an 'Expert' as defined under the ValMin Code.

Peer Reviewer : Steve Hyland – Director - BSc Geology, MAusIMM, CIMM, GAA

Stephen Hyland has had extensive experience of over 20 years in exploration geology and resource modelling and has worked extensively within Australia as well as offshore in Africa, Eastern and Western Europe, Central and South East Asia, modelling base metals, gold, precious metals and industrial minerals including various laterite style deposits. Stephen's extensive resource modelling experience commenced whilst working with Eagle Mining Corporation NL in the extensive Yandal Gold Province where for three and half years he was their Principal Resource Geologist. Whilst the majority of his time there had been developing the now successful Nimary Mine, he also assisted the regional exploration group with preliminary resource assessment of Eagle's numerous exploration and mining leases. Since 1997 Stephen has been a full time Consultant with the consulting firm Ravensgate where he is responsible for all geological modelling and reviews, mineral deposit evaluation, computational modelling, resource estimation, resource reporting for ASX / JORC and other regulatory compliance areas. Primarily Stephen specialises in Geological and Resource Block Modelling generally with the widely used Medsystem / Minesight 3D mine-evaluation and design software. Stephen Hyland holds the relevant qualifications and professional associations required by the ASX, JORC and ValMin Codes in Australia. He is a Qualified Person under the rules of the CIMM and NI43-101.

Neither Ravensgate nor any of its employees or associates is an insider, associate or affiliate of Emu Nickel Pty Ltd or any associated company. Neither Ravensgate nor any of its affiliates have acted previously in any capacity for Emu Nickel Pty Ltd or any of its associates or affiliates.

Ravensgate's professional fees are based on time charges for work actually carried out, and are not contingent on any prior understanding concerning the conclusions to be reached.

3. EMU LAKE JOINT VENTURE

3.1 Project Location and Tenure

The Emu Lake Nickel Project is located in Western Australia approximately 70km to the northeast of Kalgoorlie, and 30km to the east of the Black Swan and Silver Swan Nickel deposit. The Emu Lake JV relates to two granted tenements, E27/84 and E27/168, with an aggregate area totalling 54.64km2. The location of the tenements is shown in Figure 4.

These two tenements have passed their expiry dates as set out by the Department of Industry and Resources of Western Australia, although they remain in force pending mining lease applications being granted. The existing exploration and pending mining licences are summarised in Table 1 and Table2.

Table 1 Exploration Licence E27/084 and conversion mining licences applied for

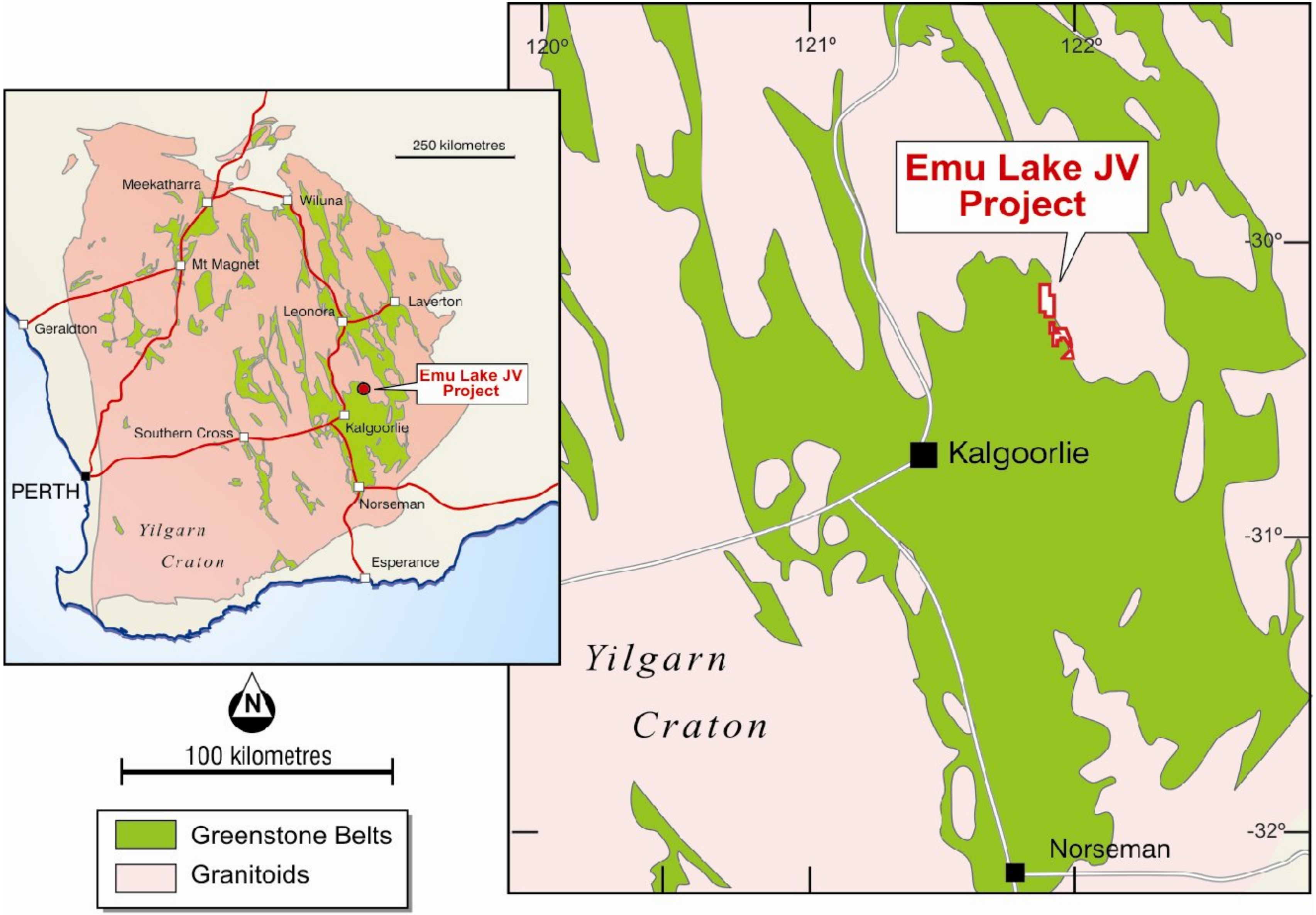
Tenement	Type	Status	Area km^2	Conversion Licence	Grant / Application Date	Expiry Date
E27/84	Exploration	Live	27.94		5 Dec 1991	4 Dec 2005
Conversion	Mining	Pending	9.10	M27/457	19 Oct 2005	
Conversion	Mining	Pending	8.96	M27/458	19 Oct 2005	
Conversion	Mining	Pending	3.38	M27/459	19 Oct 2005	
Conversion	Mining	Pending	6.32	M27/460	19 Oct 2005	
Total	**Mining**		**27.96**			

Table 2 Exploration Licence E27/168 and conversion mining licences applied for

Tenement	Type	Status	Area km^2	Conversion Licence	Grant / Application Date	Expiry Date
E27/168	Exploration	Live	26		6 Nov 1997	5 Nov 2005
Conversion	Mining	Pending	5.93	M27/461	19 Oct 2005	
Conversion	Mining	Pending	5.93	M27/462	19 Oct 2005	
Conversion	Mining	Pending	8.89	M27/463	19 Oct 2005	
Conversion	Mining	Pending	5.93	M27/464	19 Oct 2005	
Total	**Mining**		**26.68**			

The area is accessed from Kalgoorlie by proceeding via the Kalgoorlie – Yarri road for 20kms, then following the right hand fork in the road for a further 32kms. Turn right onto a gravel track and proceed along the track for a further 24kms. This puts one on the southern boundary of E27/84. The remainder of E27/84 and of E27/168 to the north are accessed by 4WD tracks.

Figure 4 : Location and regional geology of the Emu Lake JV



The majority of E27/168 is located within the Gindalbie Pastoral Station while the southern portion of E27/84 is located within the Hampton Hill Pastoral Station

3.2 Regional Geology

The Emu Lake project area lies within and on the Jubilee and Gindalbie Terrane Boundaries of the Eastern Goldfields Granite – Greenstone Province of the Eastern Yilgarn Craton.

The Jubilee Terrane terminates in the west against the Emu Fault and to the east against the Avoca Fault. The terrane boundaries are marked in the southwest by the Penny Dam Conglomerates, the Mount Belches Greywacke and the Railway Fault. The Jubilee Terrane consists of a homoclinal sequence of volcanics which dip and get younger to the west.

The volcanic terrane consists of basaltic lithologies with internal flows of komatiitic lava. The komatiitic lava is dominated by an olivine cumulate with minor gabbro and rare basaltic facies exhibiting pyroxene – spinifex textures. Thrusting within the komatiitic lava flows is suggested by the presence of duplex structures and repetitions of the komatiite units.

Overlying these basal komatiites are felsic volcanic and volcaniclastic units which are in turn overlain by younger basalts. This greenstone succession is unconformably capped by the Penny Dam Conglomerates. Felsic volcanic units between probable thrusted komatiites have been dated at 2706 +- 3Ma.

The adjoining Gindalbie Terrane is bounded by the Emu Fault to the east, the Mt Monger Fault to the west and the Randall Fault to the south. The Gindalbie Terrane is comprised of a lower calc alkaline mafic sequence which is in turn overlain by orthopyroxene orthocumulates which grade into olivine spinifex flows and pyroxene spinifex units. The three lithological units are stacked on top of each other as a result of early stage thrusting. This has resulted in the underlying younger basalts being overlain by older komatiites.

Evidence that the greenstones of the Jubilee Terrane dip to the west and underlie the greenstones of the Gindalbie Terrane was provided by a seismic line conducted in 1991 by the Australian Geological Survey Organisation ("AGSO"). The lithologies of the area have undergone upper greenschist to lower amphibolite metamorphism.

The regional area has been explored since the early 1970's for occurrences of nickel mineralisation. During this period, several gossans with elevated nickel and PGE's were located. The Black Swan Nickel Mine, comprising the high grade Silver Swan underground section and the Black Swan disseminated open pit, is located within the Gindalbie Terrane 30km to the west of the Emu Lake project area. The geological setting of the Emu Lake project area is considered to have a similar geological setting as that of the Black / Silver Swan Nickel Mine.

3.3 Local Geology

Two distinct belts of ultramafic lithologies dominate the geology of the project areas as can be seen in the aeromagnetic image in Figure 5. These are a western ultramafic body trending in a northwest to southeast direction comprising a sequence of olivine orthocumulates dominated by komatiites intercalated with basaltic type komatiites and felsic volcanic lithologies.

The second sequence, occurring in the eastern portion of the project area is predominantly a thick fractionated komatiite composed of a lower zone of olivine adcumulates to mesocumulates, overlain by an olivine orthocumulate. An upper zone consisting of a thin pyroxenite and a thick gabbro unit complete the sequence.

To the west of, and in between these two ultramafic belts, are felsic volcanics and volcanoclastics of the Jubilee and Gindalbie Terranes of the Yilgarn Craton. The geology of the project area is discussed in more detail in the following sections.

3.3.1 The Western Ultramafic Sequence

From moderate outcrop in the northern portion of the project area, it is apparent that this sequence consists of two ultramafic units, namely a lower unit of olivine orthocumulate in the eastern portion that contains nickel sulphides on its eastern boundary. The western contact of this unit is sheared and appears to have resulted in the top of the unit being removed and is now in contact with the felsic units surrounding the komatiites. The ultramafic unit appears to thin to the north and changes from an olivine cumulate through to a basaltic komatiite with only minor olivine cumulate. The magnetics do not clearly reflect this change and casts some doubt as to the extent of this lateral facies change.

The western portion of this sequence is dominated by a basaltic komatiite with an isolated occurrence of the eastern basal olivine orthocumulate. Once again however, the magnetics indicate that a more MgO rich unit is present. It is possible that this unit is buried or that it is hidden behind a thin fault sliver. The basaltic komatiites of this western portion of the sequence consist of doleritic to gabbroic textured plagioclase – pyroxene (altered to amphibole) in the east to pyroxene Spinifex textured units on the western margin.

Numerous black shale clasts and other clastic sedimentary rock fragments are present both within the felsic lithologies and intercalated within the basaltic komatiites as interflow sedimentary units. In places, it is estimated that the felsic lithologies contain up to 1% to 5% disseminated sulphides. In the southern portion of the project area, the sequence is buried below transported overburden and the existence of this sequence is inferred from geophysical imaging and four detailed air core traverses.

The geology of the southern and central portion of the western ultramafic sequence within the project area is obscured by transported cover and the underlying geology has mainly been inferred from aeromagnetic data and limited drillholes. The aeromagnetics is considered to have been reasonably successful in delineating the occurrence of the eastern portion of the sequence although the trace of faults responsible for duplications of the sequence to the north and south are not discernible in the magnetic data.

3.3.2 The Eastern Ultramafic Sequence

Thick pisolitic ferricrete scree obscures the underlying olivine adcumulate to mesocumulate lithologies of the lower zone of this sequence. The sequence is only seen from rock chips in drillholes penetrating the thick laterite cover. A thin olivine orthocumulate stratigraphically overlies this unit and occurs as irregular outcrop through the project area. The orthocumulates display a wide range of textures, including coarse grained augite oikiocrystals and heterogeneous olivine grain sizes and shapes.

The boundary between the upper and lower zones of the sequence is marked by a 2m to 5m thick, coarse grained, cumulate textured pyroxenite.

The upper zone is comprised of a coarse, to very coarse grained gabbro, that in places exhibits excellent modal layering, and locally grades upwards to a basalt. Within the project area, the olivine orthocumulates of the lower zone, the intermediate pyroxenite and the gabbro of the upper zone, have been repeated a number of times due to interpreted D1 thrust stacking and in places the upper portion of the gabbro has been removed by faulting.

The ultramafic sequence changes character to the south and consists of several sub-parallel talc-carbonate-chlorite schists, of which most are not likely to be magnetic and therefore unable to be recognised in a magnetic image of the area. From core from RC drilling, it is inferred that the ultramafic units most likely comprises an olivine orthocumulate which occurs in fault bounded, elongate, ultramafic units, that form a general anastomosing network of bodies within a sub-parallel faulted sequence. An implication of this inference is that few of the ultramafic contacts are likely to be preserved and the true nature of the contacts will need to be drill tested.

Based on drillhole and magnetic data, it is apparent that the fault planes have acted as a conduit for felsic intrusions into the ultramafic sequences.

3.4 Historical Exploration and Mineralisation

CRA Exploration undertook nickel exploration during the period 1967 to 1971 at the Binti prospect, (now referred to as the Binti Gossan Zone), and was successful in delineating nickel sulphide gossans within an outcropping ultramafic belt. Shallow diamond drilling intersected wide zones of anomalous nickel – copper geochemistry within the oxidised profile and one hole returned values of 5.7m at 0.69% nickel. Follow up drilling was not undertaken at the time to test this anomalous hole and drilling for the ultramafic bodies in the south under cover was planned, but never actually completed.

Normandy Exploration NL undertook exploration in 1994 for Mt Keith style nickel mineralisation but failed to identify any occurrences. They did recognise the potential for the ultramafics to host contact related nickel mineralisation, but stated that these deposit types were not part of Normandy's exploration strategy, and subsequently relinquished the tenements.

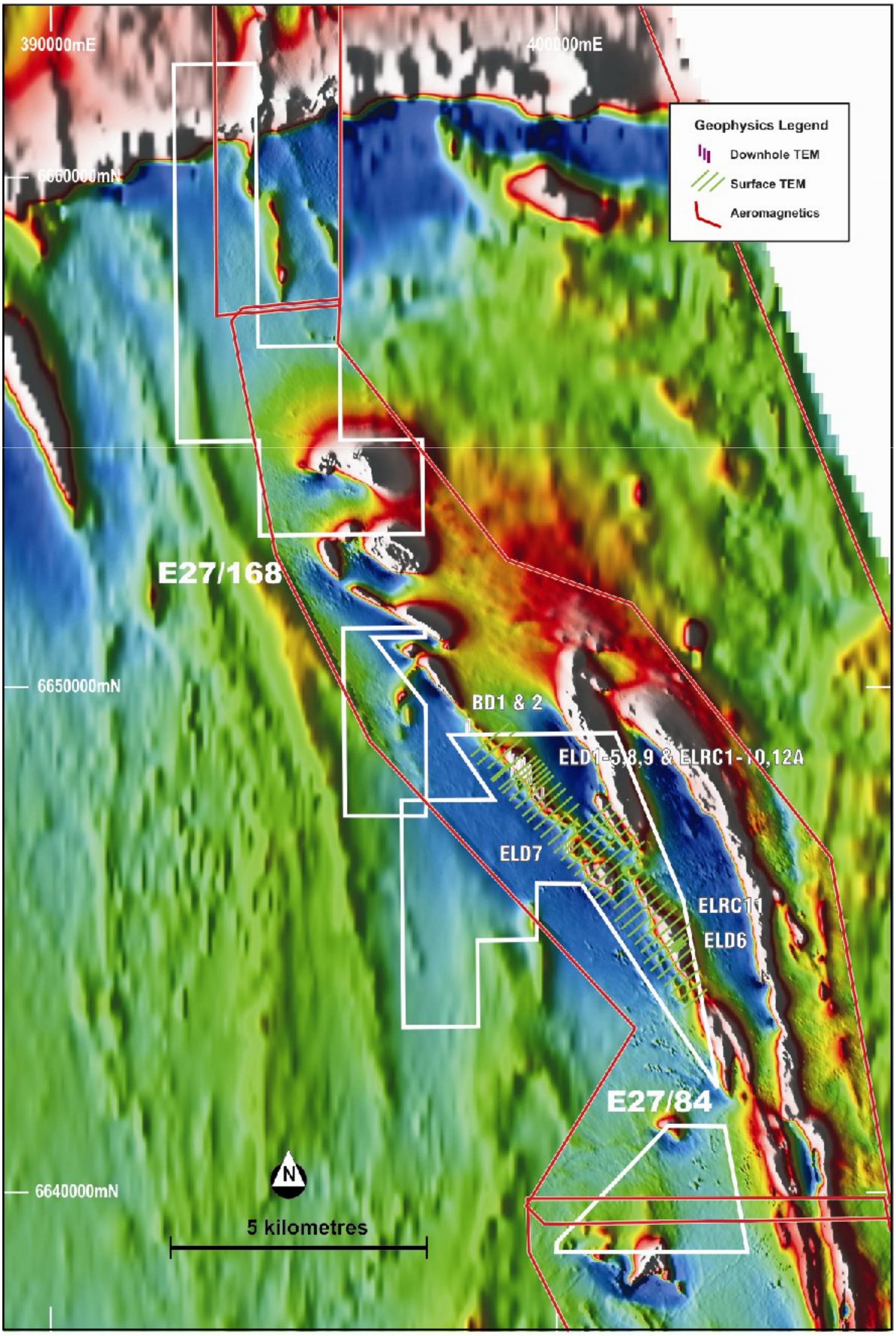
During the period 1995 to 1998, ***Mining Project Investors ("MPI")*** undertook exploration across the tenements held by Croesus Mining NL on behalf of Fodina Minerals and Outokumpu Exploration Ventures Pty Ltd. Exploration focussed on potential nickel mineralisation and took the form of detailed geological mapping, gridding, soil sampling and aeromagnetic surveys. Drilling programs comprised rotary air blast, air core, reverse circulation and diamond drilling .

A total of 65 air core drillholes, ten RC drillholes and five diamond drillholes were completed in this period and divided into three distinct phases. In Phase 1, three diamond drillholes and six RC holes were drilled. Weakly anomalous nickel assays were obtained as shown in Table 3, and logging indicated the presence of a komatiitic ultramafic unit. Down-hole EM logging by Outer Rim Exploration identified a strong 'off hole conductor' to the south of and below drillhole ELRC-4. A weak off hole conductor was identified to the north of ELRC-5.

Table 3 MPI Initial drilling results

Hole No	From (m)	To (m)	Interval (m)	Ni %
ELD-1	20	44	24	0.498
ELRC-3	135	174	39	0.291
	162	173	11	0.332
ELRC-6	145	161	16	0.352
	151	158	7	0.444

Figure 5 Aeromagnetic image of the Emu Lake JV showing the eastern and the western ultramafic sequence.



An air core drilling program of 65 holes totalling 3,216m was completed by MPI in Phase 2 in an attempt to determine the volcanogenic setting of the komatiites to the south and east of the Binti channel. Drillholes situated to the south of the Binti prospect intersected mixed cumulate, talc bearing and pyroxene bearing ultramafics, but a channel feature could not be identified. The upper portions of the ultramafic stratigraphy showed weak nickel and copper anomalism, but due to associated elevated cobalt values, the anomalism was ascribed to supergene enrichment. Of interest is that 21% of the assays returned values greater than 0.2% nickel with a highest value of 0.864% nickel over an 8m width in drillhole ELAC-15.

Subsequently the EM anomalies were drilled and significant nickel sulphide mineralisation was encountered in diamond drillhole ELD-5 and reverse circulation drillhole ELRC-10 as listed in Table 4.

Table 4 MPI follow up drilling results

Hole No	From (m)	To (m)	Interval (m)	Ni %
ELD-5	256.40	256.70	0.3	7.55
	258.60	259.90	1.3	1.11
	277.06	277.23	0.17	7.08
ELRC-10	192.0	193.0	1.0	2.28

In the RC drillhole ELRC-10, a narrow zone of sulphide mineralisation was intersected which assayed 2.3% Ni, 0.2% Cu, 700ppb Pd and 350ppb Pt over the one metre split core sample. The mineralisation was hosted in a sulphide assemblage comprising pentlandite and pyrrhotite with minor pyrite, chalcopyrite, violarite and mackinawate.

Drillhole ELD-4 intersected weak disseminated sulphide mineralisation but assays returned low values. The target contact zone was barren of sulphide mineralisation, yet returned assay values of 0.52% nickel over 0.8m at a depth of 246.2m to 247m down the hole. A third hole ELD-5, situated 60m to the north of ELD-4, intersected multiple bands of thin (1.3m to 0.17m) massive sulphide bands within a brecciated andesite and close to the contact of a mafic intrusive. Due to the position of the mineralisation (off contact and in a different stratigraphic position), the mineralisation was interpreted as being remobilised.

In 1999, a reassessment of the target areas was undertaken and a reconnaissance moving loop TEM survey was conducted along strike to the southeast of the sulphide intersections obtained in drillholes ELD-5 and ELRC-10. Several off hole anomalies were identified and planned for follow up drilling. During the years 2001 and 2002, a further four diamond drillholes and a single reverse circulation drillhole were drilled.

RC Drillhole ELRC-11 intersected a broad zone of anomalous Ni-Cu and PGE's. Nickel values ranged from 0.111% to 0.454% over 56m (from 5m to 61m) and averaged 0.266% over this width. The central 5m of this intersection averaged 0.438% nickel. Of the diamond holes drilled, ELD-8 intersected a broad zone of anomalous nickel (Ni values range from 0.201% to 0.853% over 36.75m, averaging 0.308%). Core logging revealed 7m of 'blebby' sulphides within this zone which returned values ranging from 0.331% to 0.853% nickel, which averaged 0.484% nickel over the 7m width.

3.5 Recent Exploration

In late 2002, Image completed a 58-hole RAB drilling program totalling 2,655m and one RC drill hole. A 5km zone to the south of the gossan zone was drilled and several anomalies were identified in close proximity to the basal contact of the ultramafic sequence. A single RC hole (ELRC-12A) was drilled on a shallow off hole EM anomaly between ELD-2 and ELD-8. The drill hole intersected a crosscutting porphyry dyke.

In early 2003, a 42-hole RAB drilling program was completed to test the two strongest anomalies identified from the previous drilling campaign. A summary of the intersections obtained above 0.3% Ni is provided in Table 5.

Table 5 Summary of RAB drill program highlighting intersections >0.3% Ni

Hole No	From (m)	To (m)	Interval (m)	Ni %
ELRB-39	6	18	12	0.439
ELRB-44	29	36	7	0.348
ELRB-47	31	59	28	0.471
ELRB-59	17	27	10	0.328
ELRB-70	21	31	10	0.303
ELRB-101	41	48	7	0.527

During 2004, the Emu Lake JV completed twenty one air core drill holes totalling 1,156m and generating 297 samples for assay. The holes were drilled to the north of the Binti Gossan Zone and three holes as listed in Table 6 returned intersections greater than 1.0% Ni.

Table 6 Air core drilling with intersections >1.0% Ni

Hole No	From (m)	To (m)	Interval (m)	Ni %
ELAC-502	36	40	4	1.24
ELAC-514	28	40	12	1.14
ELAC-515	32	36	4	1.23

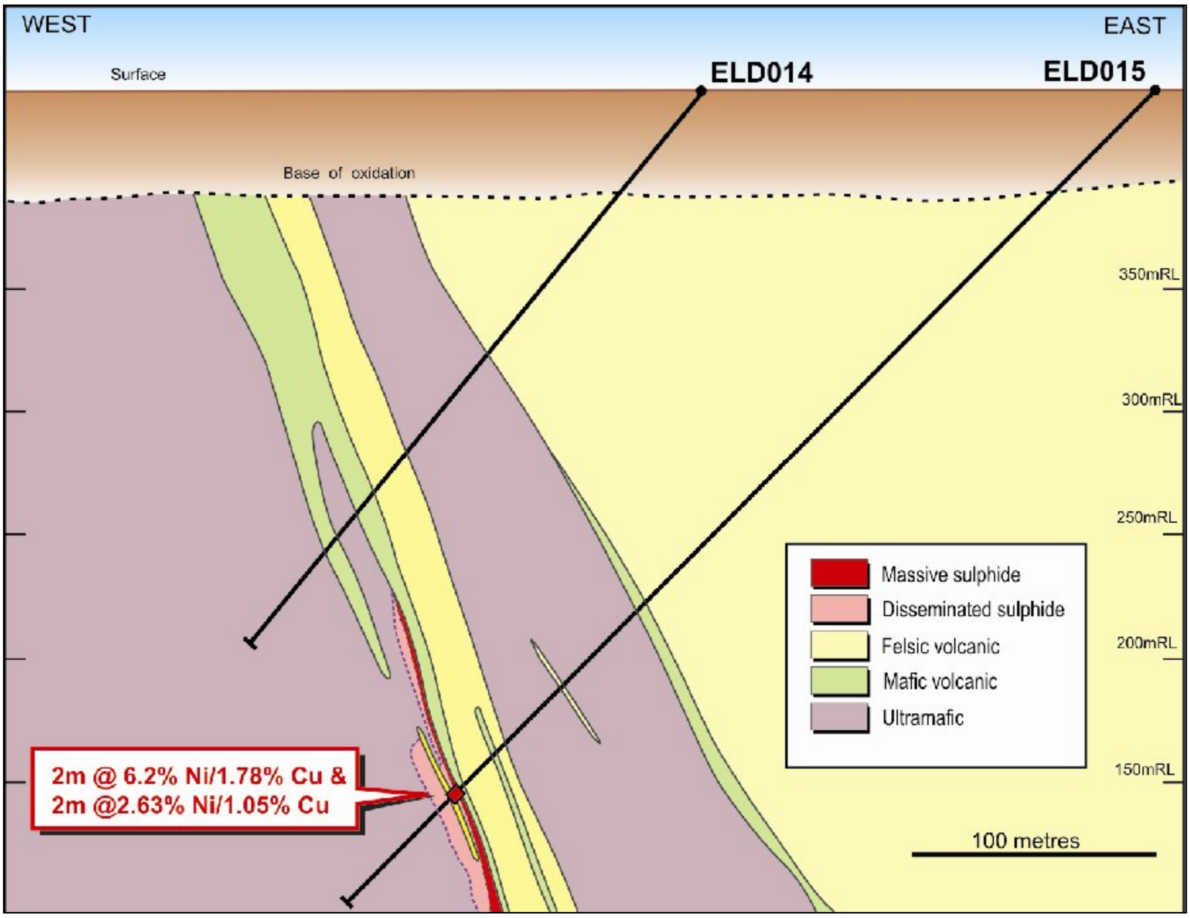
An additional five RC holes totalling 1,123m were drilled both north and south of the Binti Gossan Zone. No anomalous nickel sulphide mineralisation was encountered south of the gossan zone. To the north, a single hole (ELRC-18), intersected nickel sulphides grading 0.65% Ni over a 2m width from 137m to 139m down the hole.

A subsequent follow up diamond drill campaign totalling 3,443.8m was completed on the RC and DHEM anomalies identified. Intersections greater than 1.0% Ni are listed in Table 7. Interpreted geology through section line 48625N with drill holes ELD-14 and ELD-15 is shown in Figure 6.

Table 7 Diamond drill follow up on identified DHEM anomalies

Hole No	From (m)	To (m)	Interval (m)	Ni %
ELD-15	336.30	336.90	0.60	18.80
	344.55	344.80	0.25	8.81
ELD-16	377.20	377.35	0.15	8.42
ELD-17	269.50	269.81	0.31	1.11
	302.57	302.68	0.11	3.90
ELD-21	366.50	366.65	0.15	7.54

Figure 6   Emu Lake JV section 48625N



During 2005, the Emu Lake JV conducted an extensive exploration program across the tenements. The program comprised 8 rock chip samples, 1,474 soil geochemical samples, four RC drill holes as precollars for diamond drill holes totalling 894m and two diamond drill holes from these precollared positions totalling 469.5m generating 168 samples for assay. Subsequent down hole EM surveys were carried out for these two holes.

The soil sampling campaign generated nine nickel anomalies within E27/84 as shown in Figure 7. The data was analysed by a consulting geochemist who concluded that within the EWE sample area of E27/168, no significant Ni anomalies were present and that the sampling indicated that there are no komatiites or mafic volcanics present within the lease. A single weak Ni anomaly was identified within the North EWE sample area within the E27/168 licence area.

Within E27/84, a total of eight anomalies where identified as shown in the enlarged region of Figure 7. Of these anomalies, EML001 (the Binti Gossan Zone) and EML005 have been drilled. The Emu Lake JV has ranked the anomalies according to the proposed exploration priorities as shown in Table 8.

Figure 7 Emu Lake JV soil sample localities and identified anomalies

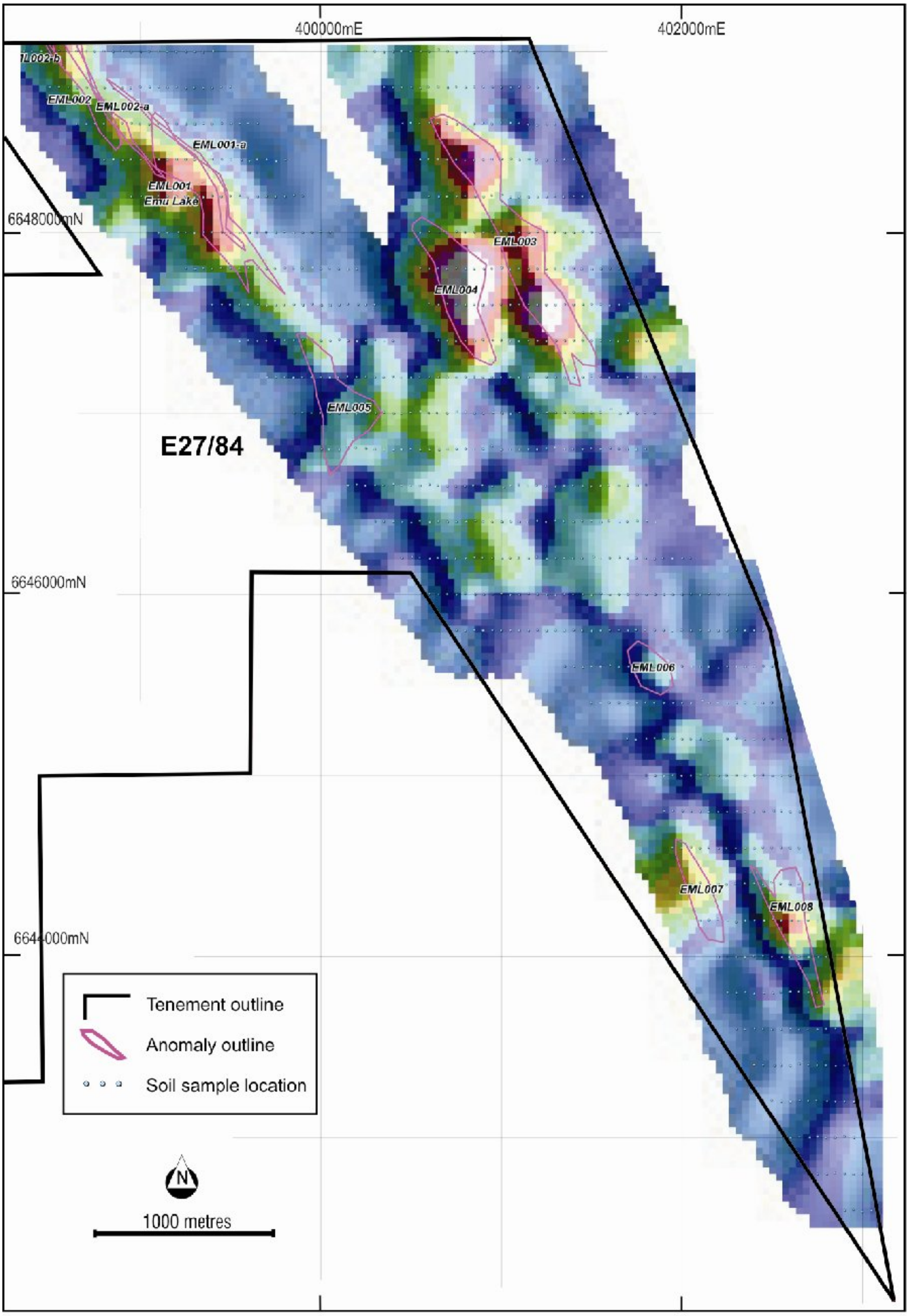


Table 8 Summary of identified Ni soil anomalies within E27/84			
Anomaly No	**Anomaly size**	**Comments**	**Priority**
EML001	700m x 100m	Original soil anomaly.	High
EML002	440m x 100m	Northern extension to Emu Lake. No drilling data.	Medium – High
EML003	1440m x 80m	Robust, strong anomaly with no drill data.	High
EML004	700m x 250m	Robust anomaly with no drill data.	Medium – High
EML005	400m x 250m	Weak anomaly. Field inspection required.	Low – Medium
EML006	Line Anomaly	Anomalous drilling. Needs to be revisited.	Low – Medium
EML007	400m x 80m	Open to west. On flank of magnetic high. No drill data.	Medium
EML008	600m x 100m	Edge of magnetic high. No drill data.	High

The eight rock chip samples were collected from the Binti Gossan Zone and returned values ranging from 0.025% Ni to 0.368% Ni.

Two diamond drill holes were drilled to target southerly extensions to the massive sulphides previously intersected in drill holes ELD-5 and ELD-15. Both drill holes intersected thin Ni sulphide mineralisation either directly on the contact or adjacent to the contact of the ultramafic and felsic lithologies. A summary of all the known contact type massive sulphide intersections obtained during the period 1996 to 2007 is given in Table 9.

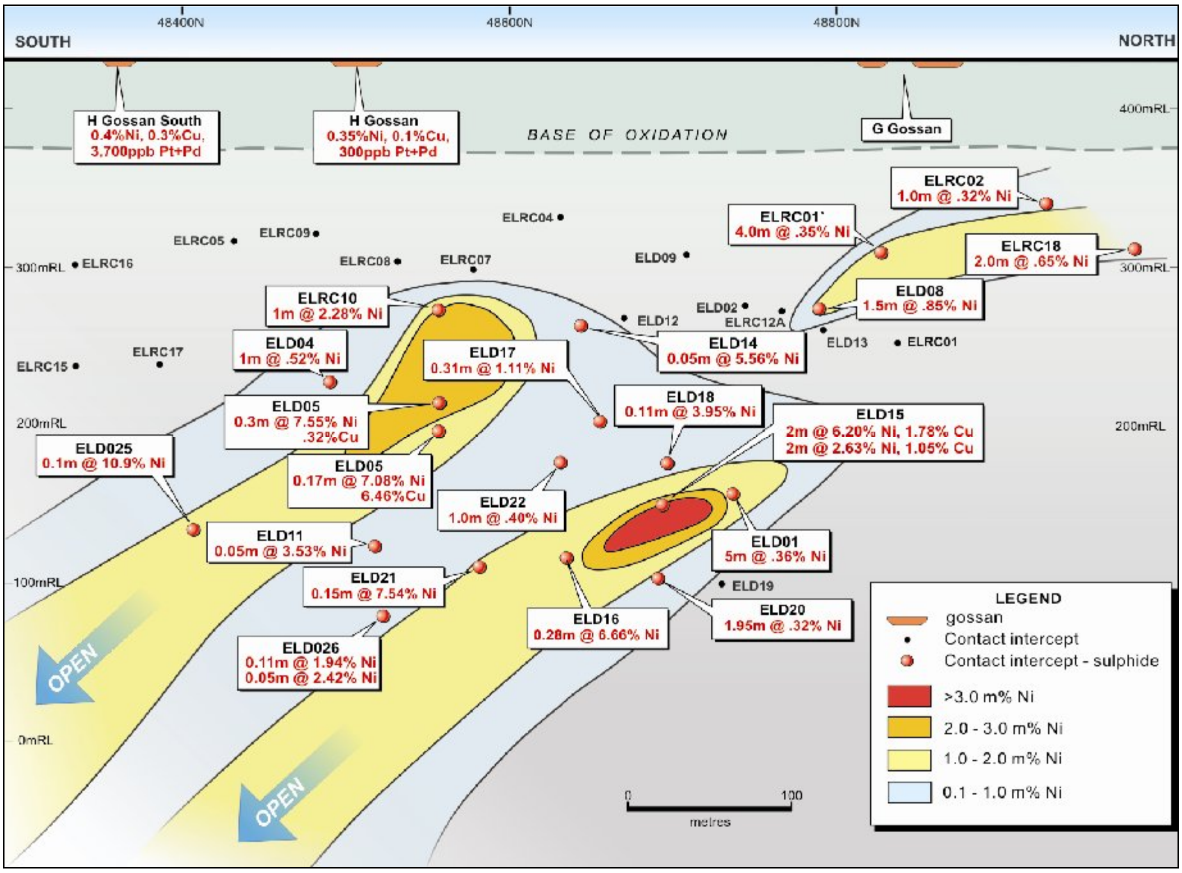
Table 9 Summary of contact style nickel sulphide mineralisation intersections between 1996 and 2007 and associated copper and PGE grades						
Hole No	**From (m)**	**To (m)**	**Interval (m)**	**Ni %**	**Cu %**	**Pt+Pd (PGE) g/t**
ELD-5	256.40	256.70	0.3	7.55	0.35	2.74
	258.22	258.35	0.13	0.34	21.30	3.01
	258.60	259.90	1.3	1.11	0.18	0.48
	277.06	277.23	0.17	7.08	6.46	3.41
ELRC-10	192.0	193.0	1.0	2.28	0.20	1.07
ELD-11	364.05	364.10	0.05	3.55	0.01	0.95
ELD-15	336.0	338.0	2.0	6.08	1.78	2.17
	343.5	345.5	2.0	2.63	1.05	4.19
ELD-16	377.07	377.35	0.28	6.66	0.24	0.65
ELD-17	269.50	269.81	0.31	1.11	0.14	0.30
ELD-18	302.57	303.65	1.08	1.25	0.20	0.46
	302.57	302.68	0.11	3.95	0.18	1.35
ELD-21	366.50	366.65	0.15	7.54	0.11	2.24
ELD-25	346.60	346.70	0.10	10.9	0.075	4.17
ELD-26	414.10	414.21	0.11	1.94	0.083	0.20
.	414.53	414.58	0.05	2.42	0.067	0.52

Selected sample pulps were submitted for a reassay of PGE’s at ALS Chemex. The anomalous nickel values were repeated and showed associated elevated PGE values.

Figure 8 is a schematic drawing showing the results of the gossan (rock chip) sampling, the nickel sulphide intercepts obtained from drilling, and the interpreted mineralisation setting across the Binti Gossan Zone (anomaly EML001).

A comparison to the high grade Silver Swan nickel deposit reveals similarities in terms of geological setting, where the host, the Black Swan Komatiite Complex, features a thick sequence Archean olivine cumulate and spinifex textured flows, and a pyrrhotite – pentlandite sulphide assemblage. The Silver Swan orebodies dip steeply, and lie adjacent to or on the ultramafic footwall contacts. The sulphide lenses are relatively short along the known strike length but extend down dip for up to 1,500 metres.

Figure 8 Emu Lake JV significant intersections at Binti Gossan Zone (longitudinal section)



3.6 Exploration Potential

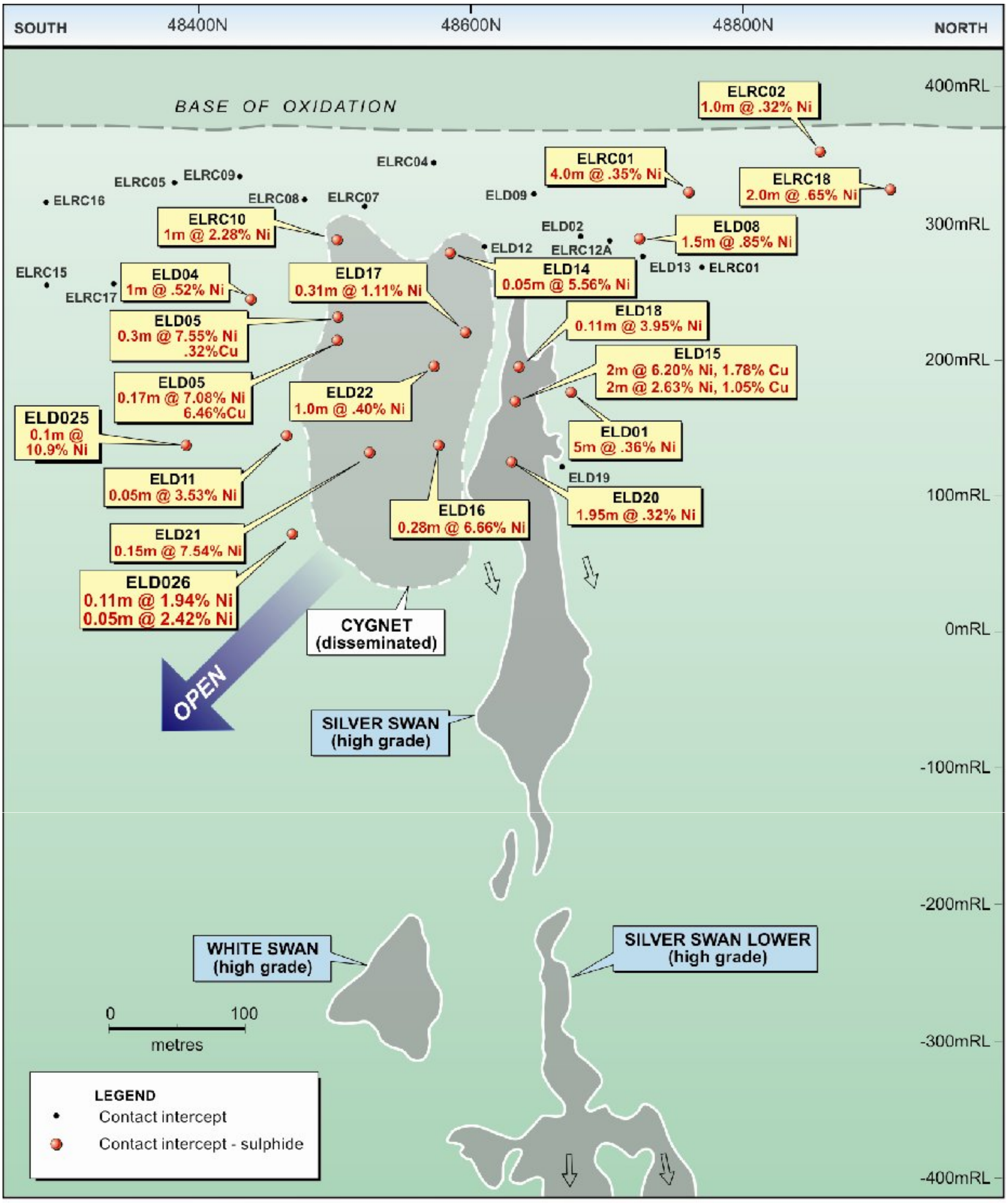
Extensive exploration within the tenements comprising the Emu Lake Joint Venture has highlighted the area as hosting anomalous nickel occurrences within prospective ultramafic lithologies. Drilling by the Emu Lake JV has further confirmed the project area as being prospective to host contact related, massive nickel sulphide mineralisation. From examination of the geological logs and related assays, it is clear that the komatiites above the basal contacts are mineralised with pervasive low grade (0.1% to 0.3%) nickel mineralisation.

The areas of nickel sulphide mineralisation, both contact and disseminated types, are broadly understood at the moment, with mineralisation occurring on the contacts, or above and below the contacts with evidence of remobilization of the sulphides. The recent soil sampling exercise has identified nine surface nickel anomalies of which only two have been drilled. The geological lithologies have been shown to be highly complex with units not developed in areas, faulted out, or duplicated by thrusting. EM surveys, both ground based and down hole, have proven to be a useful tool in vectoring in and drilling on the anomalies.

Deeper diamond drilling should be undertaken to establish further continuity at depth. In-fill drilling within the known areas of mineralisation is recommended to improve the geological confidence in the continuity of contact style nickel sulphide mineralisation.

The location of the Emu Lake project area within a nickel province, and the proximity to a nickel producing mine of similar geological setting (Black/Silver Swan Nickel Mine), lends further weight to the nickel occurrences within the area. The Emu Lake mineral occurrence displays similarities to the higher grade Silver Swan nickel deposit located to the west and modelling of the Emu Lake occurrence carried out by Image, as depicted in Figure 9, illustrates this point.

Figure 9 Interpreted concept setting of the Emu Lake prospect with drillholes shown overlain on the high grade Silver Swan geological model



3.7 Exploration Program

Ravensgate considers that further drilling, and specifically diamond drilling, will advance the knowledge of the basic geological setting that would allow the mineralisation style to be better understood.

It is Ravensgate's opinion that the funds allocated for the Emu Lake JV through the JV agreement between Image and Sir Samuel are sufficient, and that the exploration program is warranted. Details of the exploration expenditure are summarised elsewhere in the prospectus and the reader is referred to these.

4. KAMBALDA WEST JOINT VENTURE

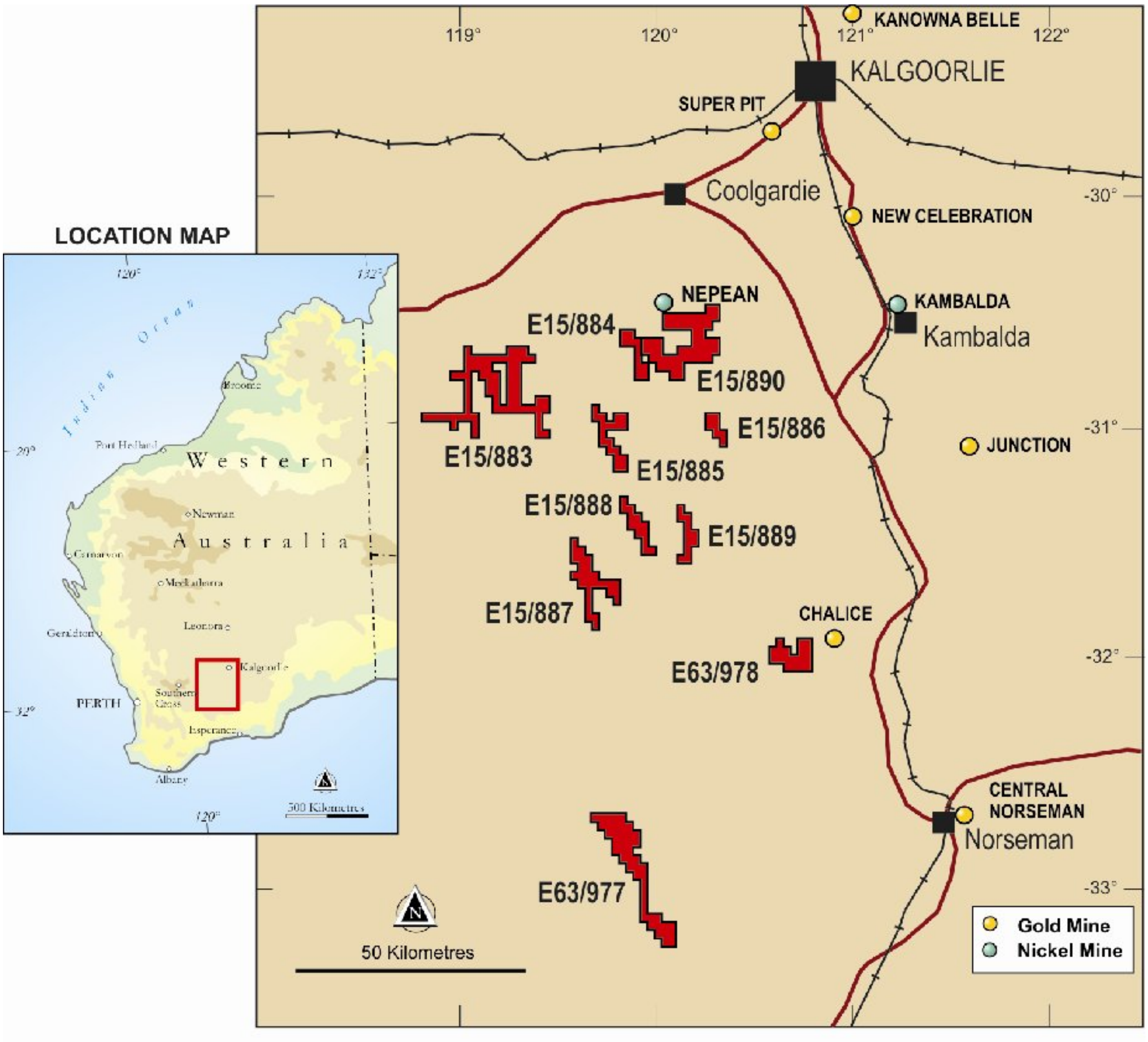
4.1 Project Location and Tenure

The Kambalda West Project relates to an area of 753km^2 the subject of ten granted exploration licences located in a broad region to the south of Coolgardie, and to the west of Kambalda. The location of the tenements is shown in Figure 10. The ten tenements (of which Image is the sole registered holder) are listed in Table 10. Conditional group status for the grouping of tenements for reporting purposes has been granted by the Department of Industry and Resources and is to be reviewed bi-annually.

Table 10 Tenements comprising the Kambalda West JV

Tenement ID	Name	Area km2	Grant Date	Exp. Comm. $	Rent $
E15/883	Woolgangie South	129	9 Mar 2006	$46,000	$5,065.06
E15/884	Nepean East / Yilmia 1	31	30 Jan 2006	$20,000	$1,211.21
E15/885	Queen Vic Rocks	50	30 Jan 2006	$20,000	$1,981.98
E15/886	Burra Rock	50	9 Mar 2006	$20,000	$1,981.98
E15/887	Burra Rock	190	30 Jan 2006	$68,000	$7,487.48
E15/888	Cave Hill West	36	26 Apr 2006	$20,000	$1,431.43
E15/889	Cave Hill	31	26 Apr 2006	$20,000	$1,211.21
E15/890	Nepean East / Yilmia 2	140	12 May 2006	$50,000	$5,505.50
E63/977	Taylor Rock	76	30 Jan 2006	$27,000	$2,972.97
E63/978	Sunday Soak	20	30 Jan 2006	$20,000	$770.77
	Total	753		$311,000	$29,619.59

Figure 10 Tenements comprising the Kambalda West JV



4.2 Regional Geology

The tenements occur within the well known Kambalda Nickel province of Western Australia, hosted within the Archaean Yilgarn Craton. The project area is located within the Southern Cross Granite Greenstone Terrane (SCGGT) and the Eastern Goldfields Granite Greenstone Terrane (EGGGT) of the Yilgarn Craton. The boundary between these two terranes is marked by the Ida Fault which is interpreted as being a crustal-scale extensional fault.

The western portion of the project area is underlain by the Barlee Terrane of the SCGGT which comprises metamorphosed banded iron formations associated with metamorphosed mafic volcanics and sedimentary lithologies. The eastern portion of the project area is comprised of the Bullabulling, Coolgardie and Ora Banda domains of the Kalgoorlie terrane within the EGGGT.

The ***Bullabulling*** domain is made up of highly deformed greenstone metamorphosed from middle to upper amphibolite facies. Outcrop in the area is rare and limited to upper sedimentary and felsic volcanic lithologies.

The ***Coolgardie*** domain comprises a basal metabasalt overlain by a metakomatiite and capped by a second metabasalt. Overlying these units are felsic volcanics and sedimentary units with layered and differentiated mafic sills at various stratigraphic levels. On the western margin, the upper metabasalt is not present and the metakomatiites are capped by the felsic volcanic and sedimentary succession. Repetition of the basal metabasalt and metakomatiite is probably due to thrusting within the sequence.

The ***Ora Banda*** domain has a similar lithological succession to that of the Coolgardie domain and has metaconglomerates within the sedimentary succession at the top of the sedimentary successions.

Positions of ultramafic bodies forming channels have been interpreted from the regional aeromagnetic data released by the GWSA. These channels wrap around the central granitic domes and are identified by their magnetic signature from a geophysical survey. The granitic domes and the positions of interpreted channels as derived by Image are shown in Figure 11 and Figure 12.

Figure 11 Aeromagnetics and interpreted geology within the Kambalda West JV

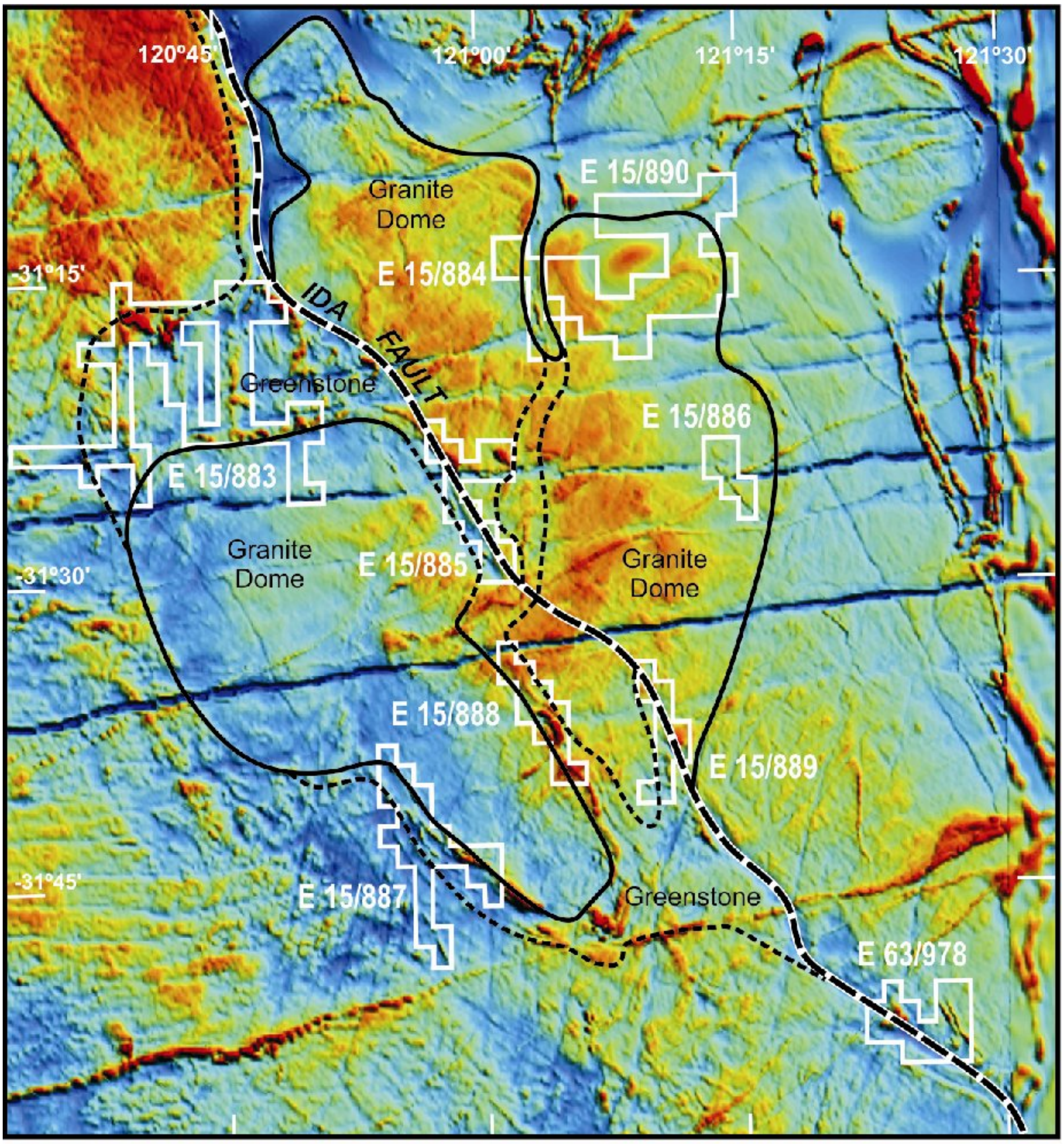
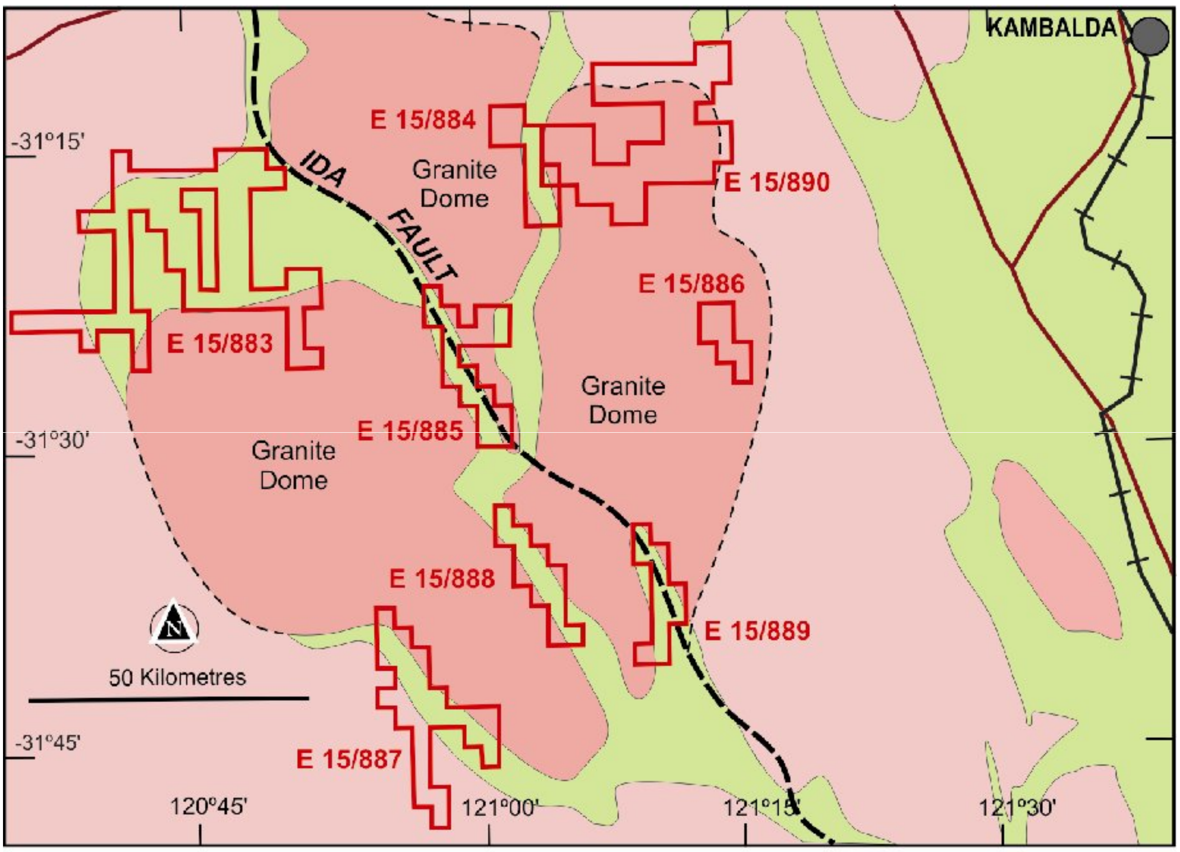


Figure 12 Interpreted geology within the Kambalda West JV



4.3 Local Geology and Mineralisation

The Kambalda West JV tenements are situated on the boundary of, and within two major terranes of the Yilgarn Craton. Located in the Southern Cross Granite Greenstone Terrane are tenements E15/887, E15/883 and E15/883. Located within the Eastern Goldfields Granite Greenstone Terrane are tenements E15/884, E15/890, E15/886, E15/978 and E15/889. Straddling the contact between the two terranes marked by the Ida Fault are tenements E15/885 and E15/888.

Surface outcrop geology in most cases is limited due to transported soil cover. The interpreted ultramafic sequences are buried and outcrop is limited to sedimentary units and the upper felsic volcanics. Two granite domes, the Kambalda Dome and the Widgiemooltha Dome, occur in the centre of the project area and are bisected by the Ida Fault. These granites form an anticline which exposes successions of older stratigraphy on their flanks.

The Nepean Nickel Mine is situated some 5km to 10km north and northwest of the closest tenements, E15/884 and E15/890. The Nepean mine produced 32,303 tons of nickel metal at an average recovered grade of 2.99% nickel, (from Focus Minerals quarterly activities report ended 30 September 2005).

4.4 Historical and current Exploration

An aeromagnetic survey conducted by Fugro for the GSWA, and released to open file in 2004 and 2005, was the key tool in selecting these tenements. Figure 13 shows the tenements overlain on the aeromagnetic image.

Figure 13 Kambalda West JV tenements over regional aeromagnetic image

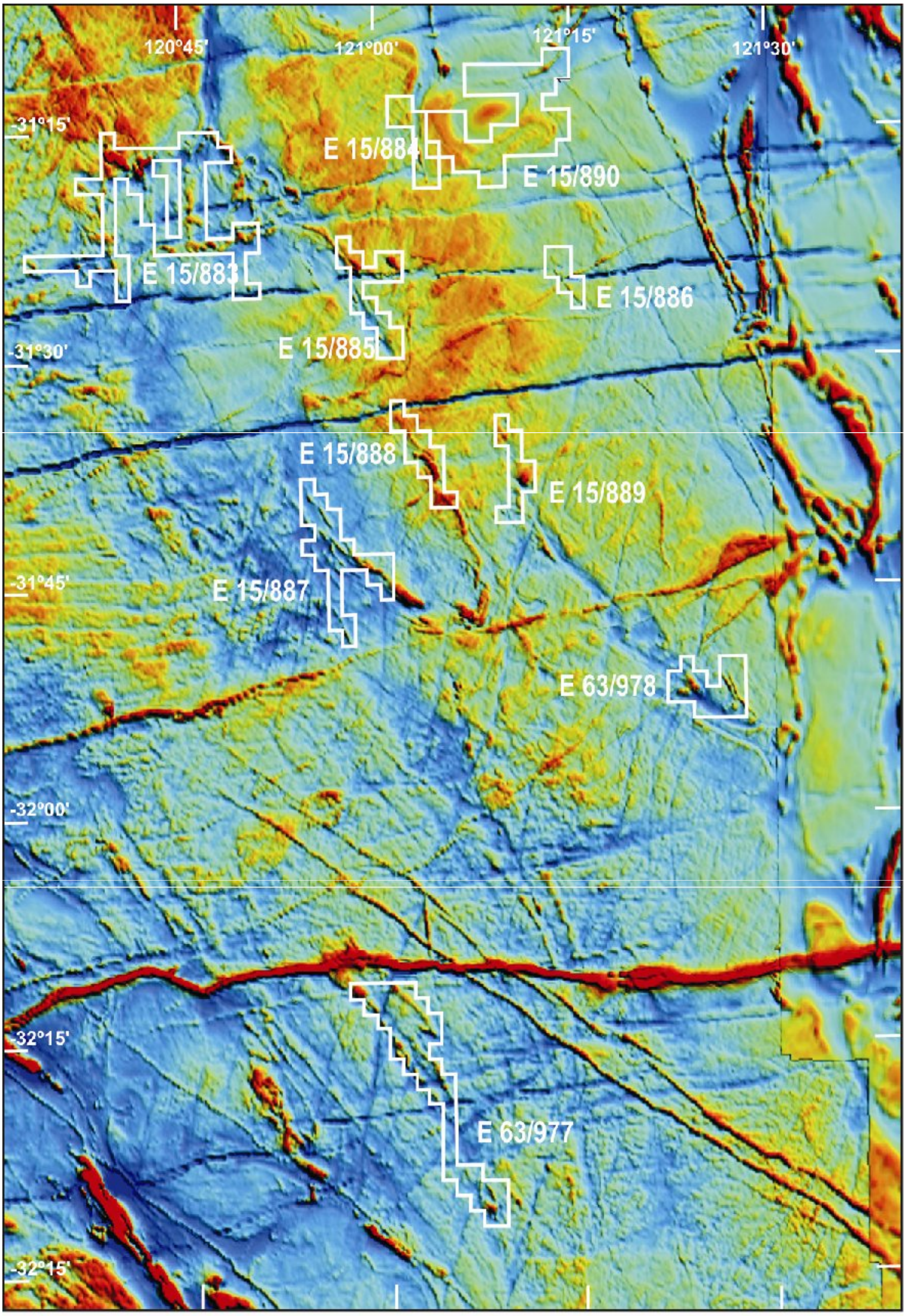


Image undertook a regional soil sample and lag sample exploration program during 2006 across six (E15/883, E15/884, E15/886, E15/888, E15/889 and E15/890) of the tenements. A total of 1,211 soil samples and 244 lag samples were taken. Values from the soil sample survey returned values ranging from 1ppm nickel to 218ppm nickel while the lag samples returned values ranging from 4ppm nickel to 661ppm nickel. A summary of the sampling results per tenement is given in Table 11.

Table 11 Soil sampling results in the Kambalda West JV

Tenement	Name	Type	No. of Samples	High (Ni ppm)	Low (Ni ppm)
E15/883	Woolgangie South	Lag	50	68	7
E15/884	Nepean East	Lag	39	348	18
E15/886	Burra Rock	Lag	23	55	11
E15/889	Cave Hill	Lag	16	219	4
E15/890	Nepean East	Lag	116	661	14
E15/883	Woolgangie South	Soil	472	99	2
E15/884	Nepean East	Soil	107	56	7
E15/886	Burra Rock	Soil	57	31	6
E15/888	Cave Hill West	Soil	47	42	2
E15/889	Cave Hill	Soil	68	61	1
E15/890	Nepean East	Soil	460	218	8

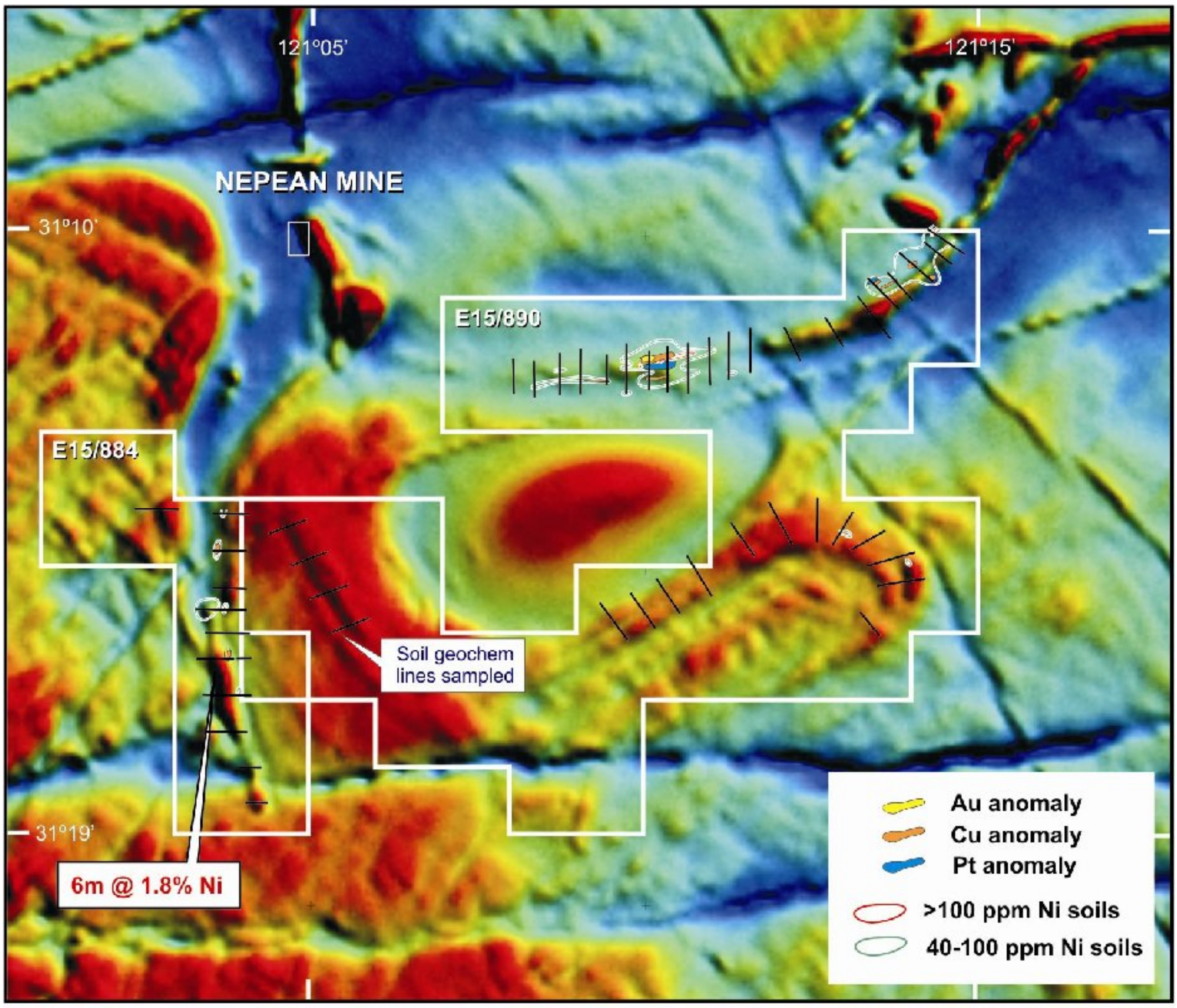
The sample data was reviewed by a consulting geochemist who determined that Nepean East (E15/890) was the only area of interest. It was Mincor's opinion however, that the soil samples were taken from transported soils and as such were not representative. Anomalies identified within the Nepean East tenements are shown in Figure 14.

A data search of past exploration within the tenements by Mincor revealed that RAB drilling had been undertaken by Resolute Resources in 1997 in which a drill program undertaken for gold mineralisation had intersected a succession of ultramafics overlying a mafic amphibolite. Field investigations by Mincor confirmed a high magnesium serpentinised ultramafic overlying a probable metabasalt. Aeromagnetic data identifies this area as a magnetic high, which is probably due to the presence of an ultramafic body.

A moving loop TEM survey was undertaken by Image over the Nepean East area of interest as defined by the consulting geochemist. No bedrock magnetic anomalies were discerned. A trend of a broad conductor was delineated which was interpreted as probably representing a deeply weathered profile containing clays.

A total of 73 RAB drillholes were drilled by Mincor within the E15/884 tenement for a total of 3,010 metres drilled. A best intersection was obtained in the southern portion of the tenement in drillhole NRB048 of 6m @ 1.84% Ni from 18m within a lateritic profile. Results from sixty six of the holes were reviewed by the consulting geochemist who concluded that the komatiite lithologies intersected in the Nepean South area represent fractionated komatiite lithologies. Further to this, it was observed that the komatiites were coincident with magnetic highs.

Figure 14 Geochemical anomalies within Nepean East tenement overlain on an aeromagnetic image



4.5 Heritage Review

As part of Mincor Corporate Policy, a Register of Aboriginal Heritage Reports from the Department of Indigenous Affairs (DIA) Sacred Sites Enquiry System is maintained for each exploration site. These reports detail the location of any Registered Sacred Sites as well as a list of Anthropological and Ethnographic Reports relevant to the Site or adjacent area. As new exploration areas are proposed, an updated DIA Aboriginal Heritage Report is obtained for the tenement and included with the statutory application for Proposal of Work (POW) with the Department of Industry and Resources (DoIR). Locations of all Registered Sites are annotated on Mincor site plans, and exploration programmes are modified as required by the DoIR upon grant of the GDA.

Standard heritage agreements exist that are signed by Image with the Ngadju claimants that affect the south part of the lease. Further archaeological and anthropological surveys will be completed prior to any ground disturbance activities by Mincor in future drill programs.

4.6 Exploration Potential

Of the tenements that have not been geochemically sampled by Image, Mincor considers Taylor Rock (E63/977) to have the highest priority for geochemical soil sampling. The area has not been explored and has a number of strong aeromagnetic anomalies.

Mincor plans to carry out a VTEM survey focused on the aeromagnetic anomalies within the tenements. The VTEM survey will cover an area of approximately 505km^2 and consist of a 400m line spacing for a total of 850 line kilometres. At a later stage the VTEM survey could be infilled to a 200m line spacing at additional cost. In the Nepean area, it has been shown that a VTEM survey with a positive response and an associated magnetic anomaly could be interpreted as highly prospective for mineralisation. Drilling will ascertain whether the aeromagnetic anomalies are indeed representations of broad ultramafic sequences that are obscured by recent cover.

The tenements have potential to host channels of ultramafic komatiitic lava flows that may be prospective for nickel sulphide mineralisation in a similar geological setting to that of the Nepean nickel mine.

4.7 Exploration Program

Ravensgate considers that further geophysical surveys and drilling, and specifically diamond drilling, will advance the knowledge of the basic geological setting that would allow the potential for nickel mineralisation to be better understood.

It is Ravensgate's opinion that the funds allocated for the Kambalda West JV through the JV agreement between Image and Mincor are sufficient, and that the exploration program is warranted. Details of the exploration expenditure are provided elsewhere in the prospectus and the reader is referred to these.

5. WOONGARING PROJECT

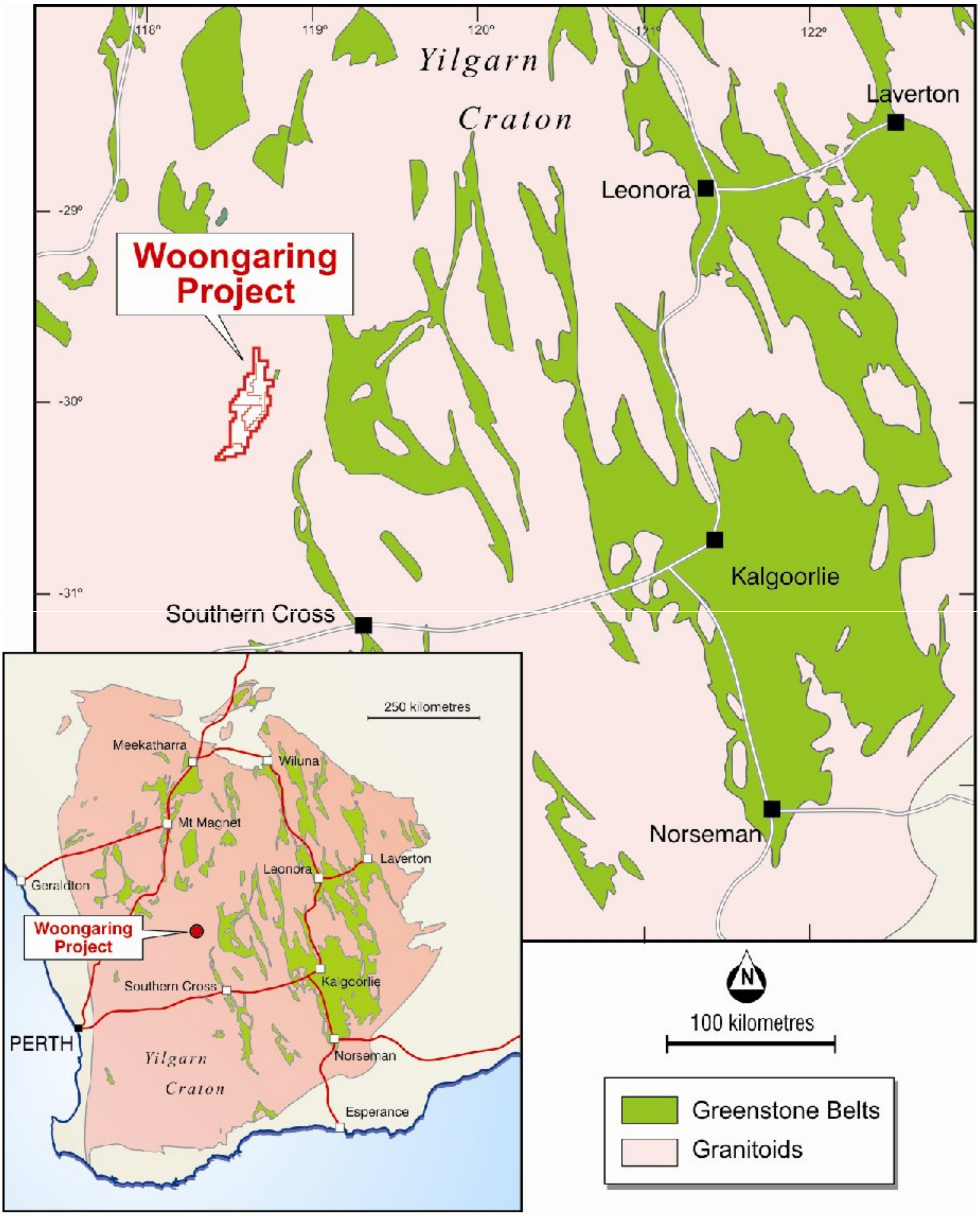
5.1 Project Location and Tenure

The Woongaring project is comprised of seven granted exploration licences located 180km to the southeast of Mt Magnet, and 130km to the northwest of the town of Southern Cross within the Murchison Granite Greenstone Terrane (MGGT) of the Yilgarn Craton. The six tenements form a continuous adjoining block of ground totaling 899km^2. The locality of the tenements is shown in Figure 15. All the tenements are held 100% by Image, and a tenement summary is provided in Table12.

Table 12 Summary of tenements comprising the Woongaring Project

Tenement ID	Name	Area km^2	Grant Date	Exp Comm. $	Rent $
E77/1144	Woongaring	45	5 May 2004	$30,000	$2,740.32
E77/1172	Woongaring	188	14 June 2005	$67,000	$11,475.09
E77/1179	Woongaring	76	9 December 2005	$27,000	$2,972.97
E77/1222	Woongaring	64	25 July 2006	$23,000	$2,532.53
E77/1260	Woongaring	182	4 May 2007	$65,000	$7,157.15
E77/1261	Woongaring	148	4 May 2007	$53,000	$5,835.83
E77/1266	Woongaring	196	10 July 2007	$70,000	$7,707.70
	Total	899		$335,000	$40,421.59

Figure 15 Location of Woongaring Project



5.2 Local Geology and Mineralisation

The area comprising the Woongaring project area is entirely covered by aeolian sand cover overlying interpreted ultramafic greenstones and Banded Ironstone Formations. The interpretation is mainly based upon aeromagnetic images, and highlights a major change in orientation of the BIF which is thought to represent a dilational structure.

5.3 Historic and Current Exploration

Historically, exploration for diamonds has been conducted by Astro Mining NL during 1998 and 1999 and by De Beers Australia Exploration Ltd during 2001. In both instances, exploration was unsuccessful and the tenements were relinquished.

The tenements comprising the project area have been underexplored for nickel mineralisation. The area was a focus for gold mineralisation by Image during 2003 and only recently, through renewed studies of the area, has it become of interest for nickel mineralisation.

During the period 2003 to 2005, the project area was subjected to first pass soil geochemical sampling, soil augering, rock chip sampling, geophysical exploration and a RAB drilling program. The soil sampling was focused on identifying gold and base metal mineralisation and consequently not all the samples were analysed for nickel mineralisation. Grades ranged between 2ppm and 245ppm nickel for the soil auger program and between 2ppm and 29ppm nickel for the pisolite auger program.

A RAB drilling campaign in 2005 over E77/1144 consisted of 169 holes on a grid spacing of 800m by 80m for a total drill length of 7,800m. The drilling confirmed the granite and ultramafic lithologies and sampling consisted of composite samples over 4m lengths. An anomalous assay of 7,756ppm nickel over 4m was returned in drill hole WGRB1. Subsequent reassaying over 1m composites resulted in values of 10,512ppm nickel over a 1m width or alternatively, 9,666ppm nickel over a 2m width.

Of the 169 RAB drill holes drilled, 51 drill holes were assayed for nickel mineralisation. The 288 remaining 4m long composite samples returned assay values ranging from 3ppm nickel to 3,585ppm nickel. A subsequent moving loop TEM survey across two areas within E77/1144 failed to identify any bedrock conductors beneath the aeolian sand cover. It did however identify a 'bull's-eye' anomaly situated between and to the west of the two drill anomalies.

In a recent soil sampling program conducted during 2007, Image identified ultramafic lithologies hosting five localised nickel anomalies (anomalies defined as <75ppm Ni), with values ranging from 1ppm to 684ppm nickel. Lag and auger sampling subsequently confirmed the defined anomalous areas with values ranging from 1ppm nickel to 805ppm nickel for the lag samples, and values ranging from 3ppm nickel to 590ppm nickel for the auger sampling. A summary of the results per tenement is given in Table 13.

Table 13 Surface sampling results within tenements E77/1144 and E77/1172

Tenement	Name	Type	No. of Samples	High (Ni ppm)	Low (Ni ppm)
E77/1144	Woongaring	Auger	457	590	3
E77/1144	Woongaring	Lag	26	805	4
E77/1144	Woongaring	Soil	646	684	2
E77/1172	Woongaring	Auger	6	28	16
E77/1172	Woongaring	Lag	82	56	1
E77/1172	Woongaring	Soil	575	47	1

Image undertook interpretation of aeromagnetic data and delineated areas considered as prospective on the premise of magnetic anomalies potentially pointing the way to ultramafic bodies that could host contact type nickel mineralisation. The remaining tenements are either under explored or not at all, yet show several magnetic anomalies identified from regional aeromagnetics.

5.4 Exploration Philosophy

Large portions of the project area have not been subjected to rudimentary, let alone modern techniques of exploration for specifically nickel sulphide mineralisation. RAB drilling has confirmed the presence of ultramafic lithologies and several nickel anomalies have been defined.

Due to the extent of the aeolian sand cover, aeromagnetics, ground based magnetic and EM surveys remain the best tool for identifying broad areas of interest. Lithological units and nickel mineralisation can only be determined through a drilling campaign as surface sampling in terranes of transported cover can be unreliable. Consideration should be given to a few select diamond drill holes to produce core for visual inspection. This will aid in the understanding of the geological setting of the ultramafic units.

5.5 Exploration Program

Ravensgate is of the opinion that the exploration activities planned for the project area is commensurate with projects that have identified broadly anomalous zones of interest. Initially, airborne geophysical methods can be used to refine the occurrence and shape of the identified anomalies, and possibly identify new anomalies for investigation.

A significant soil geochemical program is proposed to expand on the existing soil anomalies and to cover the remainder of the tenements within the project area. RAB drilling in Year 1, and later RC drilling in Year 2, is included in the exploration program for drilling of current and future identified magnetic anomalies. Details of the exploration expenditure are provided elsewhere in the prospectus and the reader is referred to these.

6. WARD SPRINGS, LOOKOUT WELL AND MOORINE ROCKS

6.1 General

Two of the tenements, Lookout Well and Moorine Rocks, are held 100% by Image, while the Ward Springs tenement is held 90% by Image and 10% by Samuel Lucien Warne. These tenements have been subject to limited exploration programs. They are geographically spread, totalling 286km^2 in area, and their location is indicated in Figure 16. A tenement summary is provided in Table 14.

Figure 16 Location of Ward Springs, Lookout Well and Moorine Rocks Projects

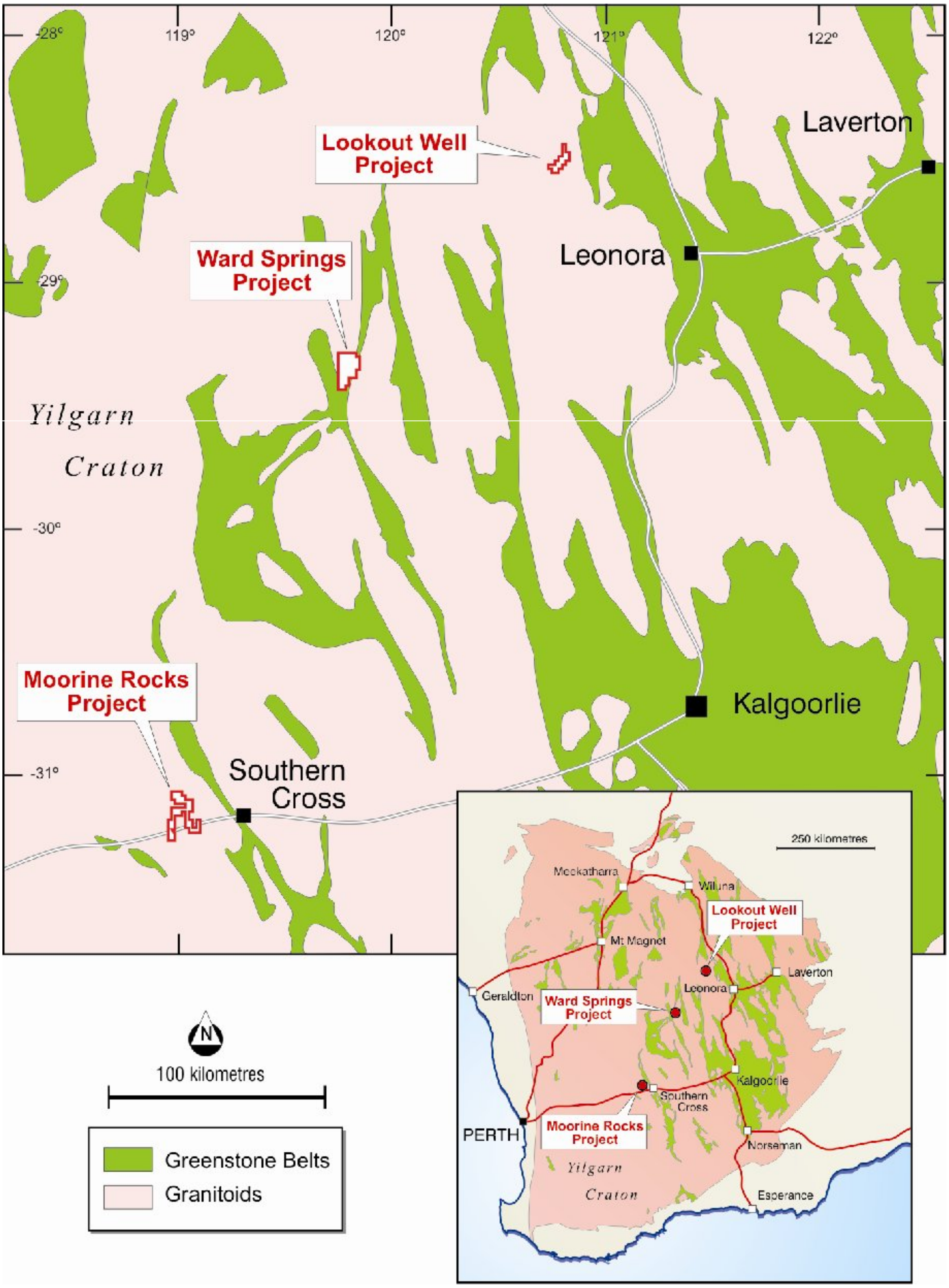


Table 14 Tenement summary for Ward Springs, Lookout Well and Moorine Rocks					
Tenement ID	**Name**	**Area km²**	**Grant Date**	**Exp Comm. $**	**Rent $**
E30/287	Ward Springs	115	16 September 2005	$41,000	$4,514.51
E37/787	Lookout Well	45	29 August 2005	$20,000	$1,761.76
E77/1284	Moorine Rocks	126	24 January 2007	$45,000	$4,954.95
	Total	286		$106,000	$11,213.22

6.2 Ward Springs

The Ward Springs tenement is situated 290km to the north of the town of Southern Cross and 140km to the southeast of the town of Sandstone, within the Southern Cross Granite Greenstone Terrane of the Yilgarn Craton. The local geology comprises Banded Ironstone Formations (BIF's), ultramafic lithologies and amphibolites. The Battle Mountain Gold Company undertook gold focused exploration on the tenement during the period 1995 to 1996 which consisted of soil sampling, stream sediment and rock chip sampling. No results of significance were returned with a best value from soil sampling of 5ppb Au and a best value of 4.6ppb Au from stream sediment sampling.

Image acquired the tenement on the basis of the presence of a greenstone belt on the eastern boundary of the tenement and additional potentially buried ultramafics highlighted as aeromagnetic anomalies within the tenement boundary as shown in Figure 17.

Image submitted 58 samples from the eastern ultramafic sequence for assay and returned values ranging from 1ppm nickel to 130ppm nickel. A further eight random rock chip samples were taken across the eastern ultramafic sequence but no results of significance were obtained.

6.3 Lookout Well

Limited exploration has been undertaken on the Lookout Well tenement. The local geology comprises biotite granites of the Southern Cross Granite – Greenstone Terrane of the Yilgarn Craton. The geology is obscured by extensive calcrete, alluvium and aeolian sand cover of Quaternary and Tertiary age.

An interpretation of aeromagnetic maps indicates a series of 'bulls-eye' magnetic anomalies that are considered by Emu and Ravensgate to be similar to the ultramafics hosting the Black Swan and Silver Swan nickel deposits. The tenement outline superimposed on the regional aeromagnetic image is shown in Figure 18.

In addition, the tenement is located adjacent to the Sinclair – Smitz Well Ultramafic belt where Jubilee Mines NL has returned positive drilling results for nickel sulphide mineralisation.

Image submitted 240 soil samples (sieved to -2mm particle size) for assay which returned values ranging from 8ppm nickel to 44ppm nickel. Two weak Ni-Cu anomalies were interpreted and a RAB drill hole program was laid out to test these anomalous areas. 15 RAB drill holes have been drilled to date, for a total of 270m of drilling. Samples have been submitted for assay during August 2007 and at the time of writing this review, results have not been received.

Figure 17 Ward Springs tenement overlain on a regional aeromagnetic image

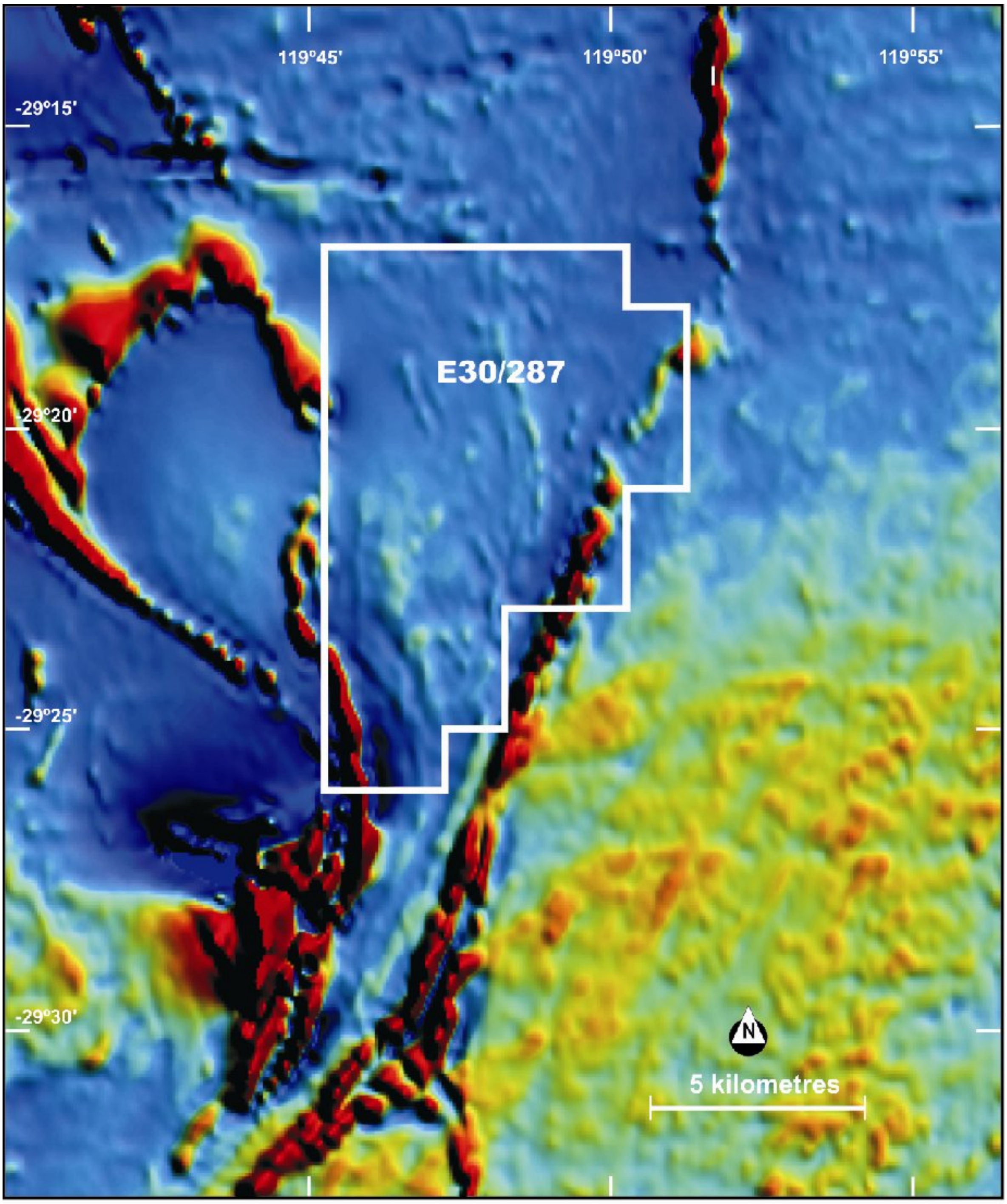
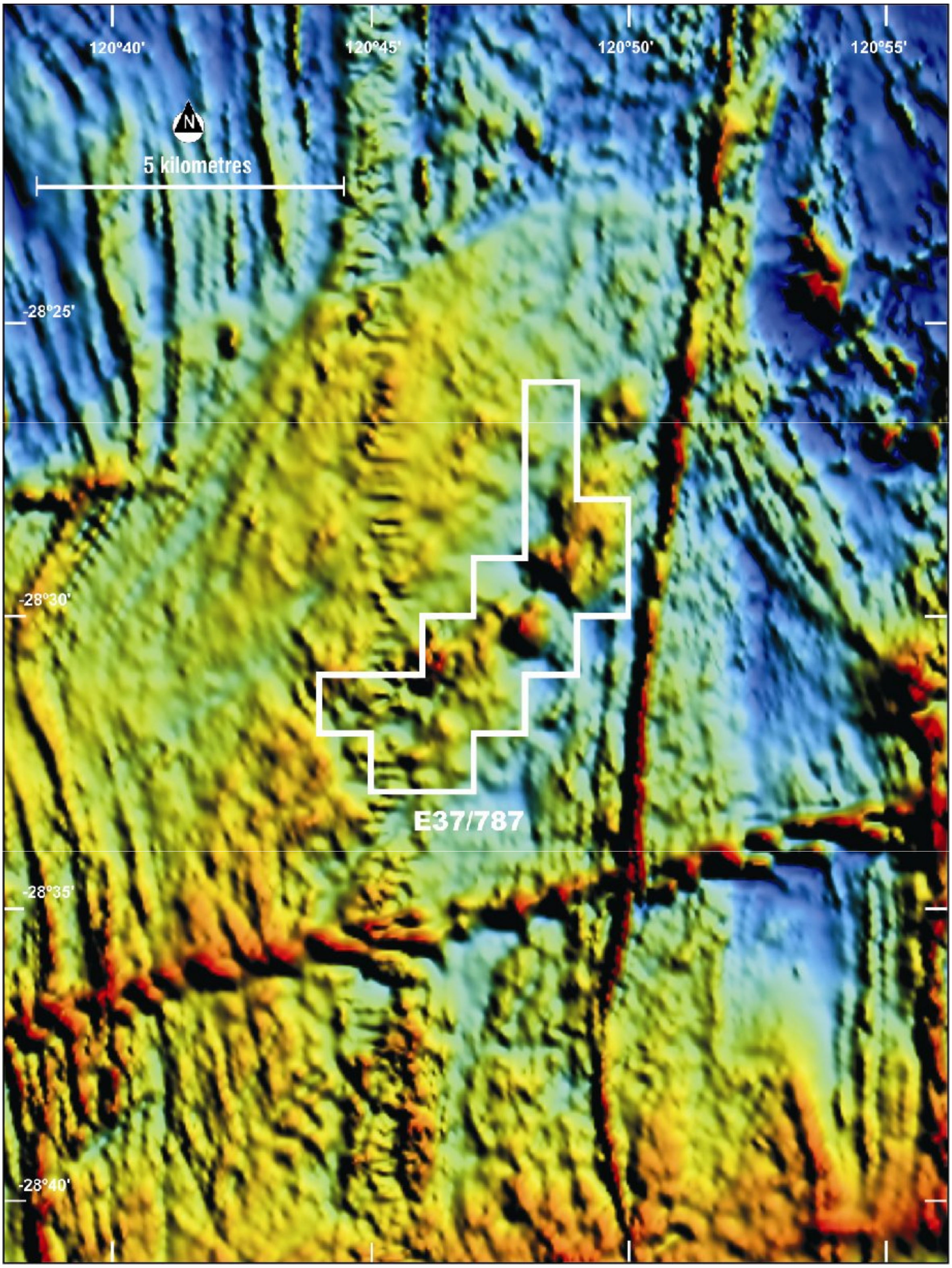


Figure 18 Lookout Well tenement overlain on a regional aeromagnetic image



6.4 Moorine Rocks

The Moorine Rocks tenement comprises medium grained to coarse grained granites of the Southern Cross Granite – Greenstone Terrane which become more evenly grained to the southeast. Outcrop is limited and the geology is predominantly obscured by extensive laterite and aeolian sand cover.

The tenement was acquired by Image on the basis of a number of magnetic anomalies in the vicinity as indicated on a regional aeromagnetic map in Figure 19. A sampling program comprising soil, rock chip and pisolite sampling was undertaken by Image with the results summarised in Table 15.

Table 15 Summary of surface sampling results for Moorine Rocks

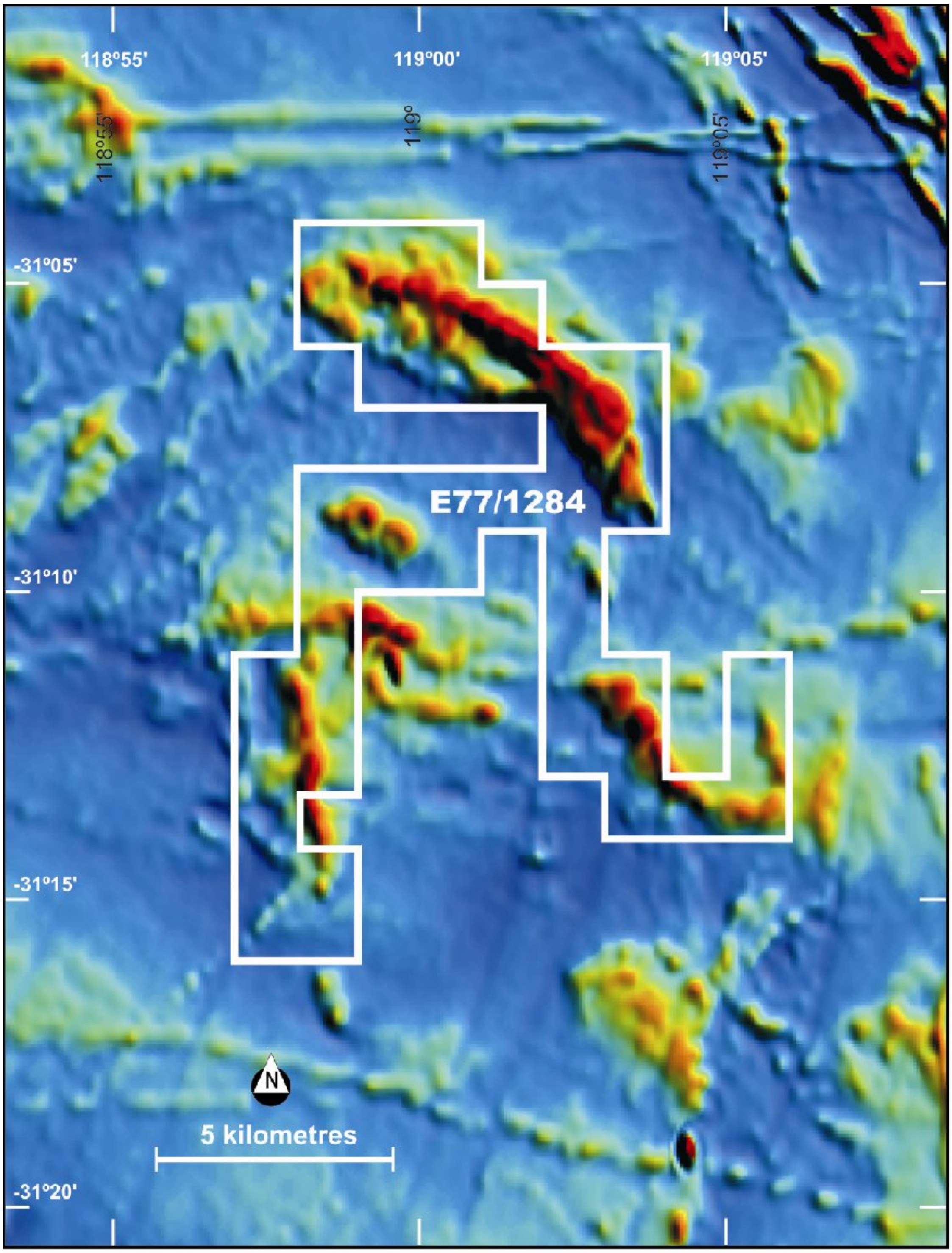
Sample Type	No. of Samples	High (Ni ppm)	Low (Ni ppm)
Pisolite	13	14	6
Rock Chip	4	12	4
Soil	154	29	6

6.5 Conclusions and Exploration Philosophy

All three tenements have been acquired by Image based on the presence of magnetic anomalies determined from interpretation from aeromagnetic imaging. All have had limited surface sampling undertaken on them with varying degrees of success. Of critical importance is the identification of suitable ultramafic lithologies for hosting nickel sulphide mineralisation.

It is Ravensgate's opinion that a systematic exploration method is being followed and planned regional geophysics is being used to select areas within suitable metallogenic domains. Ground based geophysical surveys can provide a more detailed interpretation of the shape and structure of the anomaly. Thereafter, surface sampling will indicate the presence or absence of nickel gossan. In areas of extensive transported cover, this may not be the best method and drilling would have to be undertaken to test for ultramafic lithologies and nickel sulphide mineralisation over identified anomalies.

Figure 19 Moorine Rocks tenement overlain on a regional aeromagnetic image



6.6 Exploration Program

Emu is proposing to follow the same basic exploration strategy as used in past successful exploration ventures such as at Emu Lake. Emu intends to conduct helicopter based electromagnetic (EM) surveys in Year 1, followed by ground based EM surveys over identified anomalies. Allowance has been made in Year 1 and Year 2 for surface sampling geochemistry and for reconnaissance RAB drilling. Provision has been made for RC drilling in Year 2 of selected anomalies. In all cases allowance has been made for heritage surveys.

Ravensgate considers that the amounts proposed in the budget are adequate to perform the exploration as outlined, and that the exploration as proposed is warranted in projects of this size and geological certainty and prospectivity. Details of the proposed exploration expenditure are provided elsewhere in this prospectus and the reader is referred to these.

7. KOOLYANOBBING, GNAMMA HOLE, BOODARDING, BRONZITE, BEETLE LAKE AND DINGO DAM

7.1 General

These six tenements total 515km^2 and comprise two granted tenements and four tenements under application. The two granted tenements are held 100% by Image. A tenement summary is provided in Table 16 and the locality of the tenements is indicated in Figure 20.

Table 16 Tenement summary for the Grassroots Exploration Projects

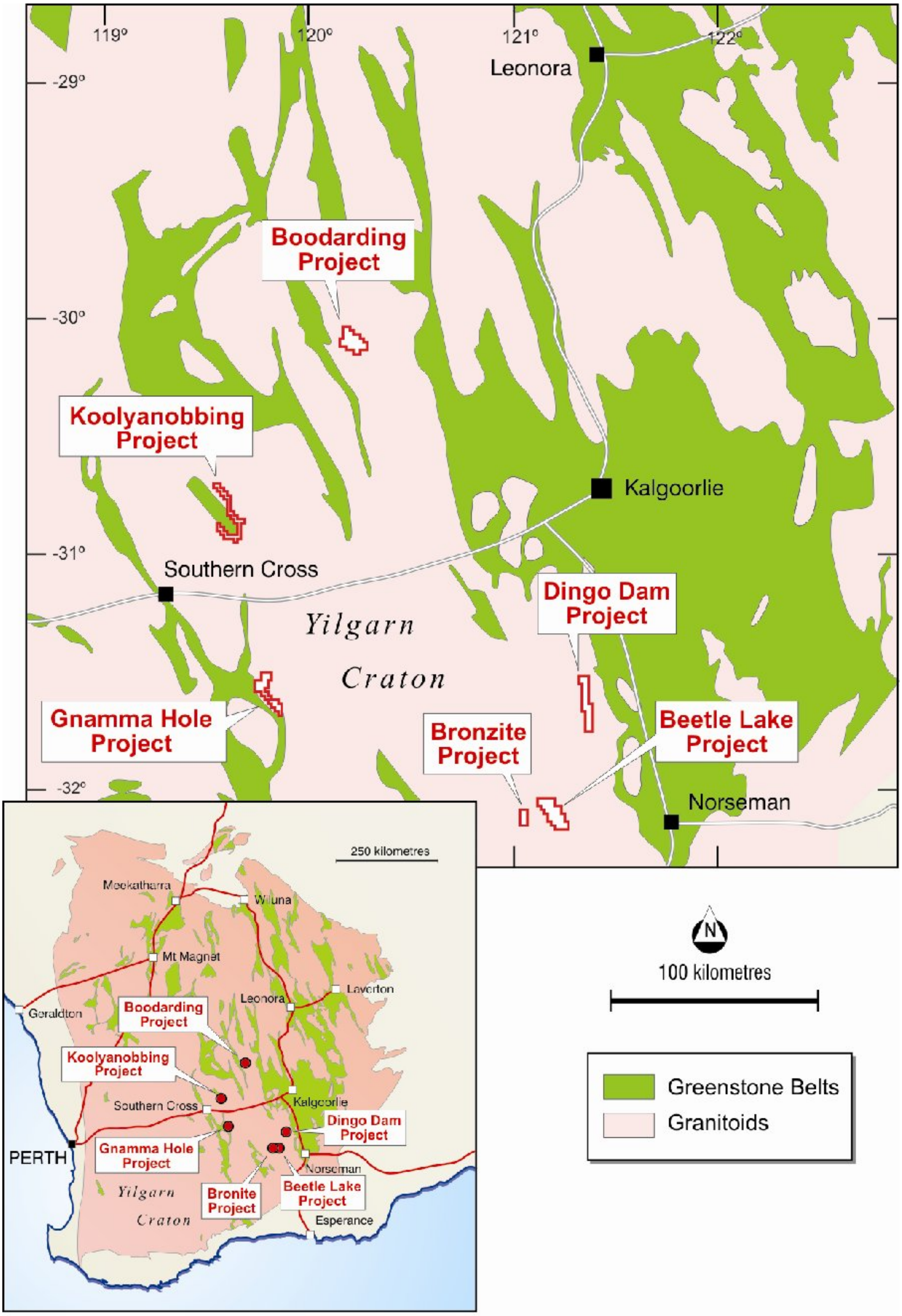
Tenement ID	Name	Area km²	Grant Date	Exp Comm. $	Rent $
E77/1212	Koolyanobbing	90	5 October 2006	$32,000	$3.523.52
E30/310	Gnamma Hole	92	31 March 2006	$33,000	$3,633.63
E77/1288	Boodarding	109	Pending		
E63/1099	Bronzite	22	Pending		
E63/1098	Beetle Lake	112	Pending		
E15/958	Dingo Dam	90	Pending		
	Total	515			

7.2 Geological Setting and Exploration to Date

The tenements have been selected based on the presence of aeromagnetic anomalies within their boundaries. The geology of the tenements consists of granites and greenstones of the Southern Cross and Eastern Goldfields Granite – Greenstone Terranes. Outcrop of lithologies is limited and in most cases alluvium, aeolian sands and laterites obscure the underlying geology.

To date, no surface sampling has been undertaken by Image, and a search of open file historical exploration records indicates a general lack of exploration for nickel. Interpretation of aeromagnetic data has identified aeromagnetic anomalies within a known province of ultramafic lithological occurrences and Emu proposes to subject the tenements to a similar exploration methodology that has been successfully implemented on other nickel sulphide projects such as Emu Lake.

Figure 20 Locality of the Koolyanobbing, Gnamma Hole, Boodarding, Bronzite, Beetle Lake and Dingo Dam projects



7.3 Conclusions and Exploration Philosophy

Emu proposes to undertake grassroots exploration for nickel sulphide mineralisation hosted within, and on the contacts of identified ultramafic lithologies. Airborne and ground based magnetic surveys may identify lithological units that host magnetic minerals, such as nickel sulphides.

Follow up investigations are required to determine the source of the magnetism and in this case it is recommended that reconnaissance drilling be undertaken to determine the source of the magnetism as the majority of the anomalies are covered by Quaternary and Tertiary cover. Surface sampling can be an indication of underlying mineralisation, although in domains of transported cover, the anomalies could be due to surficial concentration, or true anomalies may not be easily identified.

7.4 Exploration Program

Within Year 1, Emu intends to conduct airborne VTEM surveys, surface sampling and reconnaissance RAB drilling across selected anomalies within the Koolyanobbing and Gnamma Hole tenements. During Year 2, follow up ground based EM surveys and anomaly specific RAB and RC drilling is planned for these two tenements.

Initial airborne VTEM surveys and ground based EM surveys are planned in Year 2 of the exploration program on the four remaining tenements. All tenements have a provision made for heritage surveys.

Ravensgate considers that the methodology and expenses being employed in the exploration program is appropriate considering the level of geological knowledge and prospectivity of the tenements. Details of the proposed exploration expenditure are provided elsewhere in this prospectus and the reader is referred to these.

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9. GLOSSARY

adcumulate	rocks containing ~93-100% accumulated magmatic crystals in a fine grained groundmass
aerial photography	Photographs of the Earth's surface taken from an aircraft.
aeromagnetic	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the Earth's magnetic field.
aircore drilling	A drilling method in which the fragmented sample is brought to the surface inside the drill rods.
airborne geophysical data	Data pertaining to the physical properties of the Earth's crust at or near surface and collected from an aircraft.
alluvial	Pertaining to silt, sand and gravel material, transported and deposited by a river.
alluvium	Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries.
alteration	The change in the mineral composition of a rock, commonly due to hydrothermal activity.
amphibolite facies	one of the major divisions of the mineral-facies classification of metamorphic rocks, the rocks of which formed under conditions of moderate to high temperatures (500° C, or about 950° F, maximum) and pressures.
anomalies	An area where exploration has revealed results higher than the local background level.
archaean	The oldest rocks of the Precambrian era, older than about 2,500 million years.
assayed	The testing and quantification metals of interest within a sample.
Au	Chemical symbol for gold.
AusIMM	Australian Institute of Mining and Metallurgy.
basalt	A volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene.
base metals	A non-precious metal, usually referring to copper, lead and zinc.
bedrock	Any solid rock underlying unconsolidated material.
breccia	Rock consisting of angular fragments enclosed in a matrix, usually the result of persistent fracturing by tectonic or hydraulic means.
calcrete	Superficial residual deposits cemented by or precipitated from groundwater as secondary calcium carbonate as a result of evaporation.
chalcopyrite	Chalcopyrite is a common mineral and is found in almost all sulphide deposits. It is a Copper Iron Sulphide with the formula $CuFeS_2$ and is a major ore mineral for Copper.
chlorite	A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks.
clastic	Pertaining to a rock made up of fragments or pebbles (clasts).
clays	A fine-grained, natural, earthy material composed primarily of hydrous aluminium silicates.
colluvium	A loose, heterogeneous and incoherent mass of soil material deposited by slope processes.

conglomerate	A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
craton	Large, usually ancient, stable mass of the earth's crust.
cumulate	Cumulate rocks are the typical product of precipitation of magmatic crystal products from a fractionating magma chamber. Cumulates are typically found in ultramafic intrusions, in the base of large ultramafic lava tubes in komatiite and magnesium rich basalt flows and also in some granitic intrusions
diamond drilling	Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock.
dilational	Open space within a rock mass commonly produced in response to folding or faulting.
dykes	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
ELA	Exploration Licence Application.
EL	Exploration Licence, granted by the relevant Government bodies.
electromagnetic (EM) survey	System of measuring the alternating magnetic fields associated with electrical currents artificially or naturally maintained in the sub-surface. Often used to locate massive sulphide occurrences.
fault zone	A wide zone of structural dislocation and faulting.
felsic	An adjective indicating that a rock contains abundant feldspar and silica.
folding	A term applied to the bending of strata or a planar feature about an axis.
follow-up	A term used to describe more detailed exploration work over targets generated by regional exploration.
fractional	Is the removal and segregation from a magma of mineral precipitates. The composition of a magma is the primary control on which mineral precipitates are crystallized as the melt cools down
g/t	Grammes per tonne, a standard volumetric unit for demonstrating the concentration of precious metals in a rock.
gabbro	A fine to coarse grained, dark coloured, igneous rock composed mainly of calcic plagioclase, clinopyroxene and sometimes olivine.
geochemical	Pertains to the concentration of an element.
geophysical	Pertains to the physical properties of a rock mass.
gossan	An intensely weathered or oxidised rock mass.
granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
granitoid	General term to describe intrusive plutonic rocks with granitic affinities.
graywacke	A variety of texturally immature sandstone generally characterised by its hardness, dark color, and poorly-sorted, angular grains of quartz, feldspar, and small rock fragments set in a compact, clay-fine matrix.
greenstone belt	A broad term used to describe an elongate belt of rocks that have undergone regional metamorphism to greenschist facies.
Igneous	Rocks that have solidified from a magma.
infill	Refers to sampling or drilling undertaken between pre-existing sample points.
intrusions	A body of igneous rock which has forced itself into pre-existing rocks.
intrusive contact	The zone around the margins of an intrusive rock.
joint venture	A business agreement between two or more commercial entities.

komatiite	These are ultramafic mantle-derived volcanic rocks. They have low SiO_2, low K_2O, low Al_2O_3, and high to extremely high MgO. Restricted to rocks of Archaean. Komatiites occur with other ultramafic and high-magnesian mafic volcanic rocks in Archaean greenstone belts.
laterite	A cemented residium of weathering, generally leached in silica with a high alumina and/or iron content.
leaching	Removal of elements from soil by their dissolution in water and moving downward in the ground.
lithological contacts	The contacts between different rock types.
Ma	Million years ago.
mafic	Rock types enriched in magnesium and iron.
mackinawite	An iron nickel sulphide mineral occurring as a hydrothermal alteration product.
magnetic anomaly	Zone where the magnitude and orientation of the earth's magnetic field differs from adjacent areas.
metallogenic	A geographic area characterised by a particular assemblage of mineral deposits, or by a distinctive style of mineralization
metamorphic	A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.
mesocumulate	are rocks with between 93-85% accumulated minerals in a groundmass.
nickel (Ni)	A metallic element used as an alloy metal in the steel industry
nickel sulphide	Refers to a sulphide assemblage of minerals mined as ores for the metallic element nickel
olivine	A common mineral found on earth, a magnesium iron silicate.
orthocumulate	rocks containing between 85-75% accumulated minerals in groundmass
orogen	A belt of deformed rocks, usually comprising metamorphic and intrusive igneous rocks, mostly occurring along the collision zone between cratons.
outcrops	Surface expression of underlying rocks.
oxide	Highly weathered material
Pd	Symbol for metallic element Palladium
pentlandite	An iron nickel sulphide and an important ore of nickel.
pillow lava	A rock texture type formed when lava is extruded in an underwater environment
pisolite	A sedimentary rock mass composed of spherical grains exhibiting concentric growth rings or patterns.
platinum group elements (PGE's)	A grouping of six metallic elements of the periodic table. These are ruthenium, rhodium, palladium, osmium, iridium, and platinum
ppb	Parts per billion; a measure of low level concentration.
ppm	Parts per million; a measure of low level concentration.
Pt	Symbol for metallic element Platinum
pyrrhotite	A magnetic iron sulphide mineral commonly occurring with Pentlandite in a magmatic environment
pyrite	A yellow sulphide mineral, FeS_2.
quartz	Mineral composed of SiO_2
quartzofeldspathic	Compositional term relating to rocks containing abundant quartz and feldspar, commonly applied to metamorphic and sedimentary rocks.
proterozoic	An era of geological time from 544Ma to 2500Ma.

RAB drilling	A drilling method in which the fragmented sample is brought to the surface outside of the drill rods. Generally used a first pass method, where indications if mineralisation are obtained, but are not of a sufficient quality for resource calculations.
RC (percussion) drilling	A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
residual	Soil and regolith which has not been transported from its point or origin.
resources	Insitu mineral occurrence from which valuable or useful minerals may be recovered.
rock chip sampling	The collection of rock specimens for mineral analysis.
saprock	Zone of weathered rock preserved within the weathered profile.
saprolite	Disintegrated, in-situ rock, partially decomposed by the chemical and physical processes of oxidation and weathering.
sand	Loose material consisting of grains of rock or coral.
schist	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
shear	A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.
soil sampling	The collection of soil specimens for mineral analysis.
spinifex	A rock texture found in ultramafic rocks such as komatiites where crystals are aligned in a preferential direction.
stratigraphic	Composition, sequence and correlation of stratified rocks.
stream sediment sampling	The collection of samples of stream sediment with the intention of analysing them for trace elements.
strike	Horizontal direction or trend of a geological structure.
sulphide	A general term to cover minerals containing sulphur and commonly associated with mineralisation.
supergene	Process of mineral enrichment produced by the chemical remobilisation of metals in an oxidised or transitional environment.
tectonic	Pertaining to the forces involved in or the resulting structures of movement in the Earth's crust.
tertiary	This is the time period from the end of the Cretaceous to the present time. 65 million years in duration.
tholeiitic	A descriptive term for a basalt with little or no olivine.
thrust fault	A reverse fault or shear that has a low angle inclination to the horizontal.
ultramafic	Igneous rocks consisting essentially of ferromagnesian minerals with trace quartz and feldspar.
unconformity	Discontinuity between strata of different ages, signifying a cessation in deposition.
veins	A thin infill of a fissure or crack, commonly bearing quartz.
violarite	A product of supergene weathering of the primary nickel iron sulphide Pentlandite.
volcanics	Formed or derived from a volcano.
VTEM	Versatile Time-Domain Electromagnetic Survey. A VTEM survey has documented capabilities to detect highly conductive rock bodies such as massive sulphides to depths of up to 800 meters.

INDEPENDENT ACCOUNTANT'S REPORT

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27 November 2007

The Directors
Emu Nickel Pty Ltd
2nd Floor
35 Outram Street
WEST PERTH WA 6005

Dear Sirs

1. Introduction

This report has been prepared at the request of the Directors of Emu Nickel Pty Ltd (**Emu Nickel)** or **(the Company**), for inclusion in an initial public offering prospectus to be lodged with the Australian Securities and Investment Commission (**ASIC)** on or around 28 November 2007 (**Prospectus**), relating to the proposed issue of up to 40,000,000 ordinary shares at an issue price of 50 cents each to raise up to $20,000,000.

This issue has not been underwritten and the Company does not intend to accept oversubscriptions.

Expressions defined in the Prospectus have the same meaning in this report unless stated otherwise.

2. Background

Emu Nickel was incorporated on 29 August 2007 as a proprietary company and is gazetted to become a public company subject to no valid objections being raised during the advertised period. It will change its type on 3 December 2007.

Since incorporation and to the date of this report, the only activities undertaken by the Company have been the issue of 3,000 Subscriber shares, a granting of 10,000,000 options to the Company's directors and consultants for no cost exercisable at 50 cents on or before the fifth anniversary of the listing date and the determination that 39,726,611 bonus shares will be issued to the shareholders of Image Resources NL as at 19 November 2007 on a 1 for 2 basis when the Company converts to a public company.

On 9 October 2007, a resolution of shareholders of Image Resources NL (**Image**) authorised Image to enter into a farm-in and joint venture agreement with Emu. Under this agreement the Company may earn interests in mineral exploration tenements in Australia. The Company may earn up to 80% in certain tenements by expending $1 million in the first year, $2 million over two years and $3 million over three years to earn the remaining 20%.

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If the company earns 100% interest in those tenements, it will pay a 1% royalty to Image in accordance with the Emu Nickel Joint Venture Agreement. The Company has the right to purchase the Royalty from Image at any time by the payment of $200,000. An addition royalty of 1.75% will be payable to Skryne Hill Pty Ltd in respect of the Emu Lake Joint Venture Agreement between Sir Samuel NL and Image as detailed in the prospectus.

3. Basis of Preparation

This report has been prepared to provide investors with information on the historical results and the Balance Sheet of Emu Nickel, and to provide investors with a pro forma Balance Statement of Emu Nickel as at 31 October 2007 adjusted to include funds proposed to be raised by this Prospectus as referred to in Note 2 of Appendix 2.

This report does not address the rights attaching to the shares to be issued in accordance with the Prospectus, the risks associated with the investment, nor form the basis of an independent expert's opinion with respect to a valuation of the Company or a valuation of the share issue price of 50 cents per share.

This report does not consider the prospects for Emu Nickel nor the merits and risks associated with becoming a shareholder. Somes & Cooke accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report.

4. Scope of our Review

The Directors are responsible for preparation of the historical financial information and the pro forma financial information as detailed in Appendices 1, 2 and 3 of this report.

We have performed a review of the financial information in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial information in Appendices 1, 2 and 3 is not presented fairly in accordance with the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company as described in Note 1 of Appendix 3 and on the basis of the assumptions and transactions set out in Note 2 of Appendix 3.

Our review has been conducted in accordance with Australian Auditing Standard AUS902 "Review of Financial Reports". Our review was limited primarily to:

- Inquiries of Directors, advisors and consultants of Emu Nickel; and
- An examination of working papers, accounting records and other documentation supporting the historical financial information of Emu Nickel.

Our procedures have been limited to ensure that the:

- Income Statement of the Company for the period since the Company's inception up to 31 October 2007 and the Balance Sheet as at 31 October 2007 have been correctly extracted from the reviewed financial report for the period ended 31 October 2007;
- Pro forma financial information has been based on the extracted information; and

- Actual and pro forma financial information has been drawn up in accordance with the accounting policies and the assumption set out in Notes 1 and 2 of Appendix 3 respectively.

Our review of the historical financial information has not involved a study and evaluation of internal accounting controls, test of accounting records or tests of responses to inquiries by obtaining corroborative evidence from inspection, observation or confirmation. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

5. Value of Exploration Interests

Emu Nickel's principal asset is its joint venture agreement with Image Resources NL. This asset consists of the right to earn an interest in the tenements identified in the *Summary of Material Agreements – Emu Nickel Joint Venture Agreement* of this prospectus. Under the Joint Venture Agreement, the commitments described in Note 8 of Appendix 3 represent the minimum expenditure requirements to be expended over the next three years to earn an interest in the tenements. This amount has not been included in the pro forma Balance Sheet and we have not performed a valuation of the tenements in the Joint Venture Agreement.

6. Subsequent Events

Immediately upon the Company being changed from a proprietary company to a public company, Emu Nickel will apply to become a No Liability company. Subject to valid objections being raised during the advertised period, this change will be effected in early January 2008.

Based on our discussions with senior management, we have been advised that there are no other matters dealt with in this report which would require comment on, or adjustment to, the information contained in this report, or would cause such information to be misleading or deceptive or result in an omission of the financial or accounting matters require to be disclosed in this report.

7. Review Statement

Based on our review, which is not an audit, nothing has come to our attention, which causes us to believe that the financial information of Emu Nickel set out in Appendices 1, 2 and 3 does not present fairly in accordance with the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia the:

- Income Statement for the period 29 August 2007 to 31 October, 2007;
- Balance Sheet as at 31 October, 2007;
- Pro forma Balance Sheet as at 31 October, 2007;
- Notes to the actual and pro forma financial information; and
- Accounting policies adopted by Emu Nickel as described in Note 1 of Appendix 3 and on the basis of the assumptions and transactions set out in Note 2 of Appendix 3.

8. Declarations

Mr Kevin Somes, a partner of Somes & Cooke, is a registered company auditor and has qualifications and experience appropriate to this report.

Somes & Cooke has acted as independent accountants for the Company and in no other capacity with respect to the Prospectus. Somes & Cooke has authorised or caused the issue only of its "Independent Accountants' Report" and has not authorised or caused the issue of any other part of this Prospectus. Somes & Cooke will be paid a professional fee for the preparation of this report based on actual hours spent on the assignment at normal professional rates. Neither Somes & Cooke, nor any of its Partners have any pecuniary interest in the Company. Somes & Cooke was appointed as auditors of the Company on 18 September 2007. The Company has agreed to indemnify and hold harmless Somes & Cooke and its employees from any claims arising out of any misstatement or omission of information supplied by the Company.

Yours faithfully

Somes & Cooke

SOMES & COOKE
Chartered Accountants

K Somes

K Somes
Partner

APPENDIX 1 INCOME STATEMENT

	Reviewed 29 August 2007 to 31 October 2007 $
Revenues from ordinary activities	-
Other expenses from ordinary activities	-
Loss from ordinary activities before income tax expense	-
Income Tax expense relating to ordinary activities	-
Loss from ordinary activities after related income tax expense	-

APPENDIX 2 - BALANCE SHEET

	Note	Reviewed 31 October 2007 $	Pro forma 31 October 2007 $
CURRENT ASSETS			
Cash	3	30	17,645,030
Receivable		-	-
Total Current Assets		30	17,645,030
NON CURRENT ASSETS			
Capitalised Exploration expenditure	4	-	-
Total Non Current Assets		-	-
TOTAL ASSETS		30	17,645,030
CURRENT LIABILITIES			
Payables	5	-	-
TOTAL LIABILITIES		-	-
NET ASSETS (LIABILITY)		30	17,645,030
EQUITY			
Contributed Equity	6	30	17,645,030
Accumulated losses	7	-	-
TOTAL EQUITY		30	17,645,030

APPENDIX 3 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 Summary of Significant Accounting Policies

(a) Basis of Accounting

The following significant accounting policies have been adopted in the preparation and presentation of the actual and pro forma financial information:

The financial information has been prepared in accordance with the recognition and measurement principles in Australian Accounting Standards, Urgent Issues Group Consensus Views and on the basis of historical cost and, except where stated do not take into account changing monetary values or current valuations of non-current assets. The disclosure requirements of applicable Accounting Standards and Urgent Issues Group Consensus Views have only been applied as considered necessary. The accounting policies have been consistently applied, unless otherwise stated.

(b) Exploration & Evaluation Expenditure

All exploration and evaluation expenditure is expensed to the profit and loss as incurred. The effect of this write-off is to increase any loss incurred from ordinary activities as disclosed in the Income Statement and to decrease the carrying value of exploration expenditure in the Balance Sheet to $Nil.

(c) Going Concern

The financial statements have been prepared on a going concern basis, which anticipates the ability of the company to meet its obligations in the normal course of business. The ability of the Company to meet its existing obligations and those relating to recent acquisitions (as detailed in the Prospectus) will depend on the ability to raise funds pursuant to the Prospectus, and raise further funds through the issue of additional share capital to meet future exploration commitments, as and when required.

(d) Taxation

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences. Deferred tax assets are recognised for deductible temporary and unused tax losses only if it is probable that future tax amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Trade and other creditors

These amounts represent liabilities for goods and services provided to the Company prior to the end of the period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(f) Acquisition of Assets

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition.

Costs relating to the acquisition of new areas of interest are classified as exploration or evaluation expenditure, development properties or mine properties based on the stage of development reached at the date of acquisition.

Note 2 Actual and Proposed Transactions to Arrive at Pro forma Balance Sheet

The pro forma Balance Sheet as at 31 October 2007 has been included for illustrative purposes to reflect the financial position of the Company on the assumption that the following transactions had occurred on or before 31 October 2007:

(a) The issue of 3,000 Subscriber shares paid to 1 cent equally to the three directors of the Company;

(b) The issue of 39,762,611 fully paid ordinary shares (**Bonus Shares**) on a pro-rata basis to shareholders of Image Resources NL in the ratio of one Emu Nickel share for every two ordinary shares in Image Resources NL. The entitlement to bonus shares is based on the shareholding at the Record Date being 19 November 2007 and will only be issued when the company converts to a public company which is expected to be on 3 December 2007.

(c) The issue of 40,000,000 shares pursuant to this prospectus at 50 cents each to raise a gross $20,000,000;

(d) The consolidation of 3,000 Subscriber shares paid to 1 cent into 1 share of $30;

(e) The payment of a Listing Support fee of 6% to Image Resources NL*;

(f) The payment of a brokerage fee of 5% to Bell Potter Securities Limited*.

(g) The payment of additional expenses relating to the Prospectus and share issue of approximately $100,000.

* These fees are subject to a partial recoupment of GST.

Note 3 Current Asset

	Reviewed 31 October 2007 $	Pro forma 31 October 2007 $
CASH		
Cash on hand	30	30
Pro forma Adjustments		
The issue of 40,000,000 shares at 50 cents each.		20,000,000
Listing support fee of 6% to be paid to Image Resources NL		(1,200,000)
Brokerage fees of 5% to be paid to Bell Potter Securities Limited		(1,000,000)
Payment of prospectus and share issue expenses		(100,000)
Consolidation of 3,000 Subscriber shares into 1 share		-
Unrecouped portion of GST on the listing support fee and brokerage fee		(55,000)
Total	30	17,645,030

Note 3 Current Asset cont.

Minimum Subscription

If the minimum subscription of $10,000,000 is raised, it will have the following effect on the pro forma cash position noted above: -

	Reviewed 31 October 2007 $	Pro forma 31 October 2007 $
CASH		
Cash on hand	30	30
Pro forma Adjustments		
The issue of 20,000,000 shares at 50 cents each.		10,000,000
Listing support fee of 6% to be paid to Image Resources NL based on the reduced capital amount of $10m and (partially recouped GST)		(600,000)
Brokerage fees of 5% to be paid to Bell Potter Securities Limited		(500,000)
Payment of prospectus and share issue expenses		(91,228)
Unrecouped portion of GST on the listing support fee and brokerage fee		(27,500)
Total	30	8,781,302

Note 4 Non Current Assets

	Reviewed 31 October 2007 $	Pro forma 31 October 2007 $
Capitalised Exploration Expenditure		
Opening balance	-	-
Expenditure incurred during the period	-	-
Total	-	-

The company has a policy of expensing all exploration and evaluation expenditures as these are incurred. The carrying value in the Balance Sheet is $Nil.

Note 5 Payables

	Reviewed 31 October 2007 $	Pro forma 31 October 2007 $
Unsecured loan – Image	-	100,000
Repayment of loan	-	(100,000)
Total	-	-

The unsecured loan advanced to Emu Nickel by Image was interest free and repayable at call. Following the listing of Emu Nickel on the ASX the loan will be repaid from the proceeds of the capital raising.

Note 6 Contributed Equity

Ordinary Fully Paid Shares	No of Shares	Reviewed 31 October 2007 $	Pro forma 31 October 2007 $
Pro forma Adjustments			
Issue of 3,000 Subscriber shares at 1 cent equally to the three directors	3,000		30
Bonus shares issued to shareholders of Image Resources NL (see Note 2(b))	39,726,611		-
Consolidation of 3,000 Subscriber shares paid to 1 cent into 1 share	(3,000)		
	1		-
The allotment of fully paid ordinary shares pursuant to this Prospectus at 50 cents each	40,000,000	-	20,000,000
Less: Expenses relating to the Prospectus and share issue			(2,355,000)
Total	79,726,612	-	17,645,030

Options granted	No of Options	Pro forma 31 October 2007 $
George Sakalidis	2,000,000	
Peter Sisley Thomas	2,000,000	
Roger Michael Thomson	2,000,000	
Held in Trust for a possible additional director (not yet identified)	2,000,000	
Consultants	2,000,000	
Total	**10,000,000**	

No share based expense has been included in the Income Statement because:

- These options were valued at no value as at the time of granting a value was not ascertainable as the shares at that time had a current value of $0.01 and were not traded
- At the time of granting it was not certain that the joint venture would proceed.
- However using a range of open form (basic and binomial), Monte Carlo simulation and closed form compound option model using the Geske (1979) equation, an independent valuer has estimated that the options could be ascribed a value of $0.001 to $0.003 per option.
- The options are exercisable at 50 cents, are subject to an escrow period of two years and can only be exercised on or before the fifth anniversary of the Listing Date of Emu Nickel.

If the minimum subscription is raised, the issued capital will decrease by the number of lesser shares allotted. The capital raising fees and the brokerage fees represent 6.15% and 5.125% of the capital raised respectively. The ASX Listing Fee will reduce by a maximum factor of $8,772.

If more than 20,000,000 shares as shown above are issued then the issued capital will increase by the additional shares allotted. The capital raising and brokerage fees will also increase by 6.15% and 5.125% respectively based the increased capital raised.

The additional 0.15% on capital raising fees and 0.125% on brokerage fees relates to unrecovered GST.

Note 7 Accumulated Losses

	Reviewed 31 October 2007 $	**Pro forma 31 October 2007 $**
Accumulated losses at beginning of period	-	-
Loss from ordinary activities after income tax	-	-
Accumulated losses at end of the period	-	-

Note 8 Commitments

Joint Venture expenditure commitments
In order to comply with the farm-in arrangements entered into with Image, the company will be required to spend the following minimum expenditures: -

	Reviewed 31 October 2007 $	Pro forma 31 October 2007 $
Within one year	-	1,000,000
One year later or no later than 3 years	-	2,000,000
	-	3,000,000

Provision of Services

In addition to the above, the company has entered into a serviced offices agreement with Image Resources NL for the provision of certain administrative services and office facilities.

Note 9 Subsequent Event

(a) Emu Nickel has entered into a joint venture agreement (conditional on the listing of Emu Nickel) and royalty agreement with Image Resources NL on the following terms:

(i) Emu Nickel must, within one year of the Listing Date and before it may withdraw from the agreement, incur joint venture exploration costs for an amount of no less that $1,000,000;

(ii) Emu Nickel may earn an 80% interest in the joint venture tenements by expending the sum of $2,000,000 on joint venture exploration costs within the two year period after the Listing Date.

iii) In the event that Emu Nickel earns an 80% interest in the joint venture tenements, Emu Nickel may elect to earn the remaining 20% by expending a total of $3,000,000 on joint venture exploration costs prior to three years from the Listing Date and pay a 1% gross overriding royalty to Image Resources NL;

(iv) Emu Nickel has the right to buy out the royalty at any time on payment of $200,000;

(b) Immediately upon the Company being changed from a proprietary company to a public company Emu Nickel will apply to become a No Liability (NL) company. Subject to valid objections being raised during the advertised period, it will change its type in early January 2008.

REPORT ON TENEMENTS

MMTS

McMAHON
MINING
TITLE
SERVICES
PTY LTD

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20 November 2007

The Board of Directors
Emu Nickel Pty Ltd
Level 2
35 Outram Street
WEST PERTH WA 6005

Dear Sirs,

REPORT ON MINING TENEMENTS

This report is prepared for inclusion in a prospectus (**Prospectus**) to be issued by Emu Nickel Pty Ltd (**Company**) relating to the listing of the Company on the Australian Stock Exchange.

1. SEARCHES

1.1. For the purposes of this report, in respect of all the tenements set out in the Schedule (**Tenements**), we have conducted searches and made enquiries (collectively **Searches**) as follows:

1.1.1. we have reviewed searches of the Tenements in the register maintained by the Western Australian Department of Industry and Resources (**DIR**) These searches were conducted on 14th November 2007;

1.1.2. we have obtained "Quick Appraisal" reports from the DIR, summarising information available in the "TENGRAPH" system maintained by the DIR to determine if any native title claims are registered over the area of the Tenements. These searches were conducted on 14th November 2007 and the 20th November 2007;

1.1.3. and unregistered transfers of 10 of 300 shares in respect of E27/0084, E27/0168, ELA27/0353, ELA27/0354, MLA27/0457, MLA27/0458, MLA27/0459, MLA27/0460, MLA27/0461, MLA27/0462, MLA27/0463, MLA27/0464, PLA27/1750, PLA27/1751, PLA27/1752 from Skryne Hill Pty Ltd (as transferor) and to Image Resources NL (as transferee).

2. OPINION

2.1. As a result of our searches and enquiries, but subject to the assumptions and qualifications set out below, we are satisfied that, as at the date of the relevant searches:

2.1.1. the details of the Tenements included in this report are accurate as to the status of the Tenements;

2.1.2. where title to a Tenement has not been granted that fact is disclosed in the Schedule or the Notes;

2.1.3. all applicable rents due under the Western Australian Mining Act 1978 (**Mining Act**) in respect of the Tenements have been paid, unless otherwise noted in the Schedule;

2.1.4. all expenditure requirements under the Mining Act have been met or exemptions obtained, unless otherwise noted in the Schedule;

2.1.5. Tenements granted since 23 December 1996 are valid assuming the applicable processes prescribed by the Native Title Act 1993 (Cth) (**NTA**) were complied with by the State Government (which we have not checked). The valid grant of any of the current applications for Tenements which may affect native title will require compliance with the applicable processes of the NTA.

3. OVERVIEW OF MINING ACT

3.1. Except in the case of land alienated in fee simple before 1 January 1899 (in which case minerals other than gold, silver and precious metals are the property of the owner of the freehold), all minerals are the property of the State.

3.2. Occurrences of limestone, rock, gravel, shale (other than oil shale), sand (other than mineral sands, silica sands or garnet sand) and clay (other than kaolin, bentonite or montmorillonite) are not minerals within the meaning of the Mining Act when they occur on private land.

3.3. Where minerals are the property of the State, a right to mine must be obtained under the Mining Act (or a State Agreement) before any mining operation can be undertaken in respect thereof.

3.4. Mining titles can be obtained pursuant to the Mining Act in respect of Crown Land, public reserves and private land.

3.5. Crown Land includes reserves for common and public utility, leases for grazing purposes only, leases of Crown Land for the use and benefit of the Aboriginal inhabitants and leases for timber and pastoral purposes. It does not include private land or other reserved land.

3.6. Prospective exploration and mining operations can only be carried out on reserved lands with the consent of the Minister for Energy; Resources; Industry and Enterprise ('Minister").

3.7. With respect to private land, a mining tenement is generally granted on the basis that the top 30 metres from the natural surface is excluded unless the owner of the land consents otherwise. Mining can then only proceed on the basis that compensation for damage is paid to the holder of the private land.

3.8. The holding of the Tenements is subject to compliance with their terms and conditions and the provisions of the Mining Act including the requirement to pay rent, incur certain expenditures exploring them and reporting the results thereof together with other conditions imposed upon grant.

3.9. The Tenements comprise prospecting licences and applications, exploration licences and applications and mining lease applications for the same granted or applied for under the Mining Act.

3.10. A prospecting licence remains in force for 4 years from the date of grant and, subject to compliance with the Mining Act and on a discretionary basis, may be extended for a period of 4 years. The right to extract material under a prospecting licence is limited.

3.11. An exploration licence remains in force for 5 years from the date of grant – the Minister has a discretionary power to extend the term on application. For Exploration Licences applied for prior to 10th February 2006 (and this includes all of the current granted tenements) at the expiration of the third year of the term, 50% of the tenement is required to be surrendered. At the expiration of the fourth year of the term, a further 50% of the tenement is required to be surrendered– exemption from the need to relinquish 50% at the expiration of the third and fourth years may be applied for and, on a discretionary basis, granted on a case by case basis. Exploration Licences applied for after the 11th February 2006, at the expiration of the 5th year of the term, 40% of the tenement is required to be surrendered. A deferral for a period of 1 year can be applied for and granted on a discretionary basis on a case by case basis The right to extract material pursuant to an exploration licence is limited.

3.12. An exploration licence may not be transferred during the first year of its term without the consent of the Minister or his delegate being first obtained.

3.13. It is not possible to transfer an application for a mining tenement.

3.14. The holder of a prospecting licence (under Section 49 of the Mining Act) or an exploration licence (under Section 67 of the Mining Act) has a priority Right to apply for a mining lease. A mining lease has a term of 21 years and may be renewed for successive terms and empowers the holder to mine the land, take and remove minerals.

3.15. During the period 10th February 2006 to 9th February 2007, the Mining Act, under Section 120AA, allowed for the application for exploration licences and prospecting licences over areas where mining lease applications had been applied for despite the existence of granted exploration licences or prospecting licences. Upon the grant of the applications made under Section 120AA the mining lease applications and the granted exploration licences or prospecting licences will lapse.

3.16. Prospecting licences, exploration licences and mining leases are subject to annual expenditure commitments prescribed by regulation. Discretionary relief can be applied for in respect of all or part of such expenditure commitments.

3.17. The Mining Tenements are also (or on grant will also be) subject to statutory requirements of certain other Acts including the Aboriginal Heritage Act 1972, Environmental Protection Act 1971, Rights in Water and Irrigation Act 1914 and Conservation and Land Management Act 1974.

3.18. Certain standard conditions apply (or on grant will apply) to all of the Tenements relating to capping of drill holes, backfilling and rehabilitation of all disturbances to the surface of the freehold, removal of all equipment and waste materials from the tenements and obtaining of the approval of the District Mining Engineer prior to using mechanised equipment for surface disturbance or excavation.

3.19. As a matter of law, it is not possible to transfer an application for a tenement unless it is a related tenement under Sections 49, 67 or 120AA, held under the Mining Act. However, in Western Australia, it is common practice for parties to purport by contract to transfer their interests under applications for tenements. In the experience of the author, some 10 years, such practice has the effect that the parties intend, namely the tenement granted consequent upon the application ultimately vests in the intended assignee.

3.20. Furthermore, one cannot effect dealings in exploration licences granted under the Mining Act within one year of their grant unless the Minister or his delegate gives prior written approval to any dealing. Whilst one can never pre-empt an exercise of discretion by the Minister (or his delegate), it is usual for ministerial consent to be forthcoming in relation to proposed dealings. In any event, one can circumvent the prohibition against dealing in EL's within the first year of their term in the absence of ministerial consent by providing for the dealing to take effect at the end of that term.

3.21. However, pending the grant of applications for tenement and for the period of 12 months following the grant of ELs, in the absence of ministerial consent being given, it is not possible to register caveats to protect the interests of a proposed assignee on the face of the register maintained under the Mining Act.

3.22. Section 82 of the Mining Act, provides that the transfers of an interest in a mining lease is conditional upon the Minister (responsible for the administration of the Mining Act) or his delegate consenting thereto. One can not pre-empt that such consent will be forthcoming but in the experience of the writer it invariably does.

4. THE TENEMENTS

The Tenements comprise exploration licences granted or applied for, prospecting licences applied for and mining leases applied for under the Mining Act.

4.1. Generally Applicable Conditions

4.1.1. Mining tenements are granted subject to various conditions prescribed by the Mining Act and regulations under that Act including payment of rent, compliance with minimum expenditure and reporting requirements. Should these conditions not be met the tenements could be liable for forfeiture by DIR or by plaint action by a third party.

4.1.2. Certain conditions that apply to one or more of the Tenements include standard environmental conditions. Tenements are also subject to statutory requirements of certain other Acts including Aboriginal heritage legislation, environmental protection legislation and rights in water legislation.

4.2. Specific Conditions

Specific conditions applicable to the individual Tenements are detailed in the notes to the Schedule.

4.3. Encumbrances

Encumbrances and caveats applicable to the individual Tenements are mentioned in the Schedule to the extent the same were disclosed by the Searches.

4.4. Expiry Dates

4.4.1. E27/84 has passed its expiry date but remains in force pending the determination of the relevant Section 67 mining lease applications. Working title is retained until the grant of the underlying mining leases applications.

4.4.2. E27/168 has passed its expiry date but remains in force pending the determination of the relevant Section 67 mining lease applications and/or the Section 120AA reversion exploration and prospecting licence applications. Working title is retained until the grant of the underlying mining leases applications or the reversion exploration or prospecting applications.

4.4.3. Subject to compliance with the Native Title Act, the mining lease applications over the area of E27/84 and E27/168 shall be granted by force of section 67.

4.5. Refused Exemptions from Expenditure

4.5.1: When an exemption is refused, a forfeiture notice is issued by DIR and the tenement is liable for forfeiture. Current DIR policy is that where an exemption from expenditure is refused and a work programme that exceeds the annual commitment for the next period is lodged and the refusal is the first refusal of an exemption application in respect of that tenement, a fine will be issued as a penalty and the tenement will not be forfeited. **This is only a policy and the Minister could forfeit the tenements for the breach in such conditions**.

4.5.2. The following tenements have had exemptions from Expenditure refused:

4.5.2.1 E15/0883, E15/0884, E15/0885, E15/0886, E15/0887, E30/0287, E30/0310, E63/0977, E63/0978 with fines having been issued (and the forfeiture action halted) on these tenements other than as stated below.

4.5.2.2 Of the above listed tenements which have had the applications for exemptions from expenditure refused, E30/0310, E63/0977 and E63/0978 are yet to have the penalty determined. While these refusals of exemptions are the first for each of the tenements and the above detailed policy should apply, these tenements are exposed to the threat of forfeiture.

5. INDIGENOUS ISSUES

5.1. Aboriginal Sites

5.1.1. Tenements in Western Australia are granted subject to an endorsement reminding the tenement holder of its obligation to comply with the requirements of the *Aboriginal Heritage Act 1972 (WA)* (**Heritage Act**).

5.1.2. The Heritage Act protects sites and areas of significance to Aboriginal persons. The Minister's consent is required where any use of land is likely to result in the excavation or other alteration of or damage to an Aboriginal site or any objects on or under that site.

5.1.3. There is no requirement for a site to be registered in any public manner or, indeed, be in any way acknowledged as an Aboriginal site for it to qualify as an Aboriginal site for the purposes of the Heritage Act. A register of sites is maintained by the Aboriginal Affairs Department of Western Australia. The Heritage Act applies to all Aboriginal sites and objects whether or not they are registered under the Heritage Act. For that reason, we have not conducted a search of that register for the purposes of this report.

5.1.4. A practical method of minimising the danger of unintentional disturbance of a site, is to undertake Aboriginal heritage surveys with local Aboriginal communities before the commencement of land disturbing activities. This is an informal process because the Heritage Act does not actually prescribe a mechanism for identifying Aboriginal sites. We are not aware of any heritage surveys of the land, the subject of the Tenements, having been conducted to date.

5.1.5. The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (*Cth)* (**Heritage Protection Act**) also affords some protection to Aboriginal sites in Western Australia. It allows declarations to be made which protect or preserve objects or areas which are of significance to Aboriginals, whether situated on private or Crown land.

5.1.6. Two types of declarations may be made in relation to significant Aboriginal objects or Aboriginal areas (being objects or areas of significance to Aboriginals in accordance with Aboriginal tradition) under the Heritage Protection Act:

5.1.6.1 emergency declarations of preservation which remain in force for a maximum of 60 days; and

5.1.6.2 declarations of preservation (which remain in force for the terms specified in the declarations).

5.1.7. Before making a permanent declaration in relation to an area, the Minister for Aboriginal Affairs must commission a report on the area, which addresses specific matters such as the significance of the area, the extent of the area to be protected and the effects of the declaration on any non-Aboriginal interests in the land. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

5.1.8. It is an offence to contravene a declaration made under the Heritage Protection Act.

5.1.9. In respect of [any Aboriginal sites] identified on any of the Tenements, the Company needs to ensure that any interference with such sites is in strict conformity with the provisions of the Heritage Act and the Heritage Protection Act.

5.2. Native Title – MABO and Native Title Legislation

5.2.1. On 3 June 1992, the High Court of Australia held in *Mabo v. Queensland (no.2) (1992) 175 CLR 1* that the common law of Australia recognises a form of native title. In order to succeed in a native title claim the persons making such claim must show that they enjoy certain customary rights and privileges in respect of a particular area of land and that by these rights and privileges they have a continuing connection with that land. Such a claim will not be recognised if the native title has been extinguished, either by voluntary surrender to the Crown, death of the last survivor of a community entitled to native title, abandonment of the land in question by that community or the granting of a wholly "inconsistent interest" in the land by the Crown. An example of an inconsistent interest would be the granting of a freehold or some type of exclusive possession leasehold interest in the land. The granting of a lesser form of interest not conferring exclusive possession will not extinguish native title as it would not be wholly inconsistent with native title rights and interests.

5.2.2. The *Racial Discrimination Act 1975 (Cth)* (**RDA**) generally makes racial discrimination unlawful.

5.2.3. The Commonwealth Parliament responded to the Mabo decision by passing the NTA. This Act enabled a State Parliament to validate any mining tenements granted prior to its commencement which might otherwise have been invalid by reason of the RDA. NTA was extensively amended by the *Native Title Amendment Act 1998 (Cth)*. These amendments include the ability of a State Parliament to validate any titles which may have been invalidly granted over pastoral leases and certain other leasehold interests during the period 1 January 1994 to 23 December 1996. The State of Western Australia has enacted the validating legislation contemplated by the NTA: the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* as amended by the *Titles (Validation) and Native Title (Effect of Past Acts) Amendment Act 1999.*

5.3. Native Title – Native Title Claims

5.3.1. Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The Court will then refer the application to the Native Title Registrar for the registration test.

5.3.2. If the Native Title Registrar is satisfied that the lodged claim meets the registration requirements set out in the NTA (**Registration Test**), it will be entered on the Register of Native Title Claims (**Register**) maintained by the National Native Title Tribunal. That a claim is registered does not mean that native title exists as claimed (or at all). Even if a registered claim is ultimately dismissed, it does not follow that as a corollary, a finding has to be made that native title does not exist thus it may well be open for further (different) claims to be made. That no claim has been made or registered does not mean that native title does not exist. Claimants of registered claims are afforded certain procedural rights under the NTA including the "right to negotiate".

5.3.3. Claims which fail to meet the Registration Test are recorded on the Schedule of Applications Received. Such claims may be entered on the Register at a later date if additional information is provided by the claimant that satisfies the Registration Test.

5.3.4. Some of the Tenements relate to land which is currently the subject of one or more registered native title claims. These claims are identified in the Schedule. If native title is found to exist, the nature of the native title may be such that consent to the grant of a mining tenement may be required by the native title holders but is withheld or only granted on conditions unacceptable to the Company.

5.3.5. We have not undertaken the considerable historical, anthropological and ethnographic work that would be required to determine the likelihood that existing claims may be successful, or the possibility of any further native title claims being made in the future.

5.3.6. In any event, the existence of native title is not the sole relevant issue for the Company. The existence of a registered native title claim is also a relevant issue. That effectively requires the Company to observe the provisions of the NTA in proceeding with its applications for Tenements. The reason for this is that an act which affects native title rights such as the grant of a mining tenement may be invalid unless there has been compliance with the provisions of the NTA. Prudence dictates that native title should be assumed to exist over all land other than freehold, "exclusive possession" leasehold or vested reserve because, even if native title has been determined by the Federal Court not to exist as claimed in a registered claim, another could be made unless a determination has been made that all native title has been extinguished.

5.4. **Native Title – Validity of Titles**

5.4.1. ***Tenements granted before 1 January 1994***

5.4.1.1 The granting of Mining Tenements prior to 1 January 1994 over land other than freehold, "exclusive possession" leasehold or vested reserves was an act that was capable of affecting native title and could have been invalid under the RDA. However, the NTA and State Legislation have validated any such mining tenements.

5.4.1.2 The following tenement was granted prior to 1 January 1994, namely, E27/0084.

5.4.2. ***Tenements granted between 1 January 1994 and 23 December 1996***

No Tenement was granted during this period.

5.4.3. ***Tenements granted since 23 December 1996***

5.4.3.1 Mining tenements granted since 23 December 1996 may be invalid if they were granted over land other than freehold, "exclusive possession" leasehold or vested reserve and the applicable processes prescribed by the NTA were not complied with. We understand that it has been the practice of the State Government since 23 December 1996 to comply with these processes subject to certain cases where the Minister granted mining tenements over enclosed or improved pastoral leasehold land relying on *WA v Ward* (2000) 170 ALR 159 (since overruled by the High Court on this point) and other, not presently relevant, rare exceptions.

5.4.3.2 The following Tenements were granted after 23 December 1996. We have not undertaken any independent enquiries to confirm whether the applicable processes prescribed by the NTA were complied with by the State Government:

5.4.3.3 E15/0883, E15/0884, E15/0885, E15/0886, E15/0887, E15/0888, E15/0889, E15/0890, E27/0168, E30/0287, E30/0310, E37/0787, E63/0977, E63/0978, E77/1144, E77/1172, E77/1179, E77/1212, E77/1260, E77/1261, E77/1266, E77/1284.

5.4.4. ***Future Tenement Grants***

5.4.4.1 The following tenements are current applications:

5.4.4.2 ELA15/0958, ELA27/0353, ELA27/0354, ELA63/1098, ELA63/1099, ELA77/1288, MLA27/0457, MLA27/0458, MLA27/0459, MLA27/0460, MLA27/0461, MLA27/0462, MLA27/0463, MLA27/0464, PLA27/1750, PLA27/1751, PLA27/1752

5.4.4.3 The valid grant of any of the current applications for Tenements which may affect native title requires compliance with the provisions of the NTA.

5.4.4.4 The NTA regulates all future actions (such as the grant of a mining tenement) which affect native title rights. These actions are known as "future acts". A future act will be valid if it falls within one of a number of categories of land dealings specified in the NTA provided that there is compliance with the applicable procedural requirements: NTA Part 2, Division 3, Subdivisions B-P.

5.4.4.5 So, if the grant of any of the current applications for Tenements affects native title, the grant will be a future act and will be valid only if there is compliance with the relevant requirements of the NTA. In order to determine whether the grant of any of the current applications will affect native title, a determination must be made as to whether native title exists in the area. This will require a hearing by the Federal Court (or a consent determination) as to the existence of native title, which could take years. However, in the interim, the validity of the grant of the current applications for Tenements can be assured if the State and the Company comply with the requirements of the NTA on the assumption that native title does in fact exist in the area.

6. QUALIFICATIONS

6.1. While the status of the Tenements is dealt with in the Schedule and the notes to the Schedule, we point out, by way of summary, that:

6.1.1. we have assumed the accuracy and completeness of all Tenement searches and other information or responses which were obtained from the relevant Department or authority. We cannot comment on any obligations of the Company that may arise from agreements that are not registered as a dealing, encumbrance or otherwise noted on the searches of the Tenements obtained from the DIR;

6.1.2. the holding of the Tenements is subject to compliance with the terms and conditions and the provisions of the Mining Act;

6.1.3. we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;

6.1.4. with respect to any application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;

6.1.5. where compliance with the requirements necessary to maintain a Tenement in good standing is not disclosed on the face of the searches referred to in this report, we express no opinion on such compliance;

6.1.6. references in the Schedule to any area of land are taken from details shown on searches obtained from the DIR. It is not possible to verify the accuracy of those areas without conducting a survey;

6.1.7. the Schedule is accurate as at 14th November 2007 as it is based on searches and quick appraisals from the DIR at that date. We cannot comment on whether any changes that occur in respect of the Tenements between 14th November 2007 and the date of the Prospectus.

Yours faithfully

Shannon McMahon
Director

Project	Tenement	Holders	Shares	Grant Date or (Application Date)	Expiry Date	Area Size	Annual Rent (Next Rental Year)	Minimum Annual Expenditure	Encumbrances	Notes	Native Title Claims
Emu Lake JV Tenements (Image holds transfers of 10 of 300 shares in these tenements in addition to the 90 of 300 shares shown below)											
Emu Lake	E27/0084	Sir Samuel Mines NL, Image Resources NL, Skryne Hill Pty Ltd	180 90 30	05-Dec-91	04-Dec-05	27.94 km^2	$3,985.52	$100,000	A, B, C,	1, 2, 3, 4, 5, 6, 7, 8, 9,	WC99/030 Central East Goldfields, ARB13 Goldfields
Emu Lake	E27/0168	Sir Samuel Mines NL, Image Resources NL, Skryne Hill Pty Ltd	180 90 30	06-Nov-97	05-Nov-05	17 sub-blocks	$7,483.74	$70,000	A, D, E, F	3, 4, 5, 6, 10, 11, 12, 13, 14, 15, 62	WC99/030 Central East Goldfields, ARB13 Goldfields
Emu Lake	ELA27/0353	Sir Samuel Mines NL, Image Resources NL, Skryne Hill Pty Ltd	180 90 30	(01-Feb-07)	NA	7 sub-blocks	NA	Not yet required	Nil	15	WC99/030 Central East Goldfields, ARB13 Goldfields
Emu Lake	ELA27/0354	Sir Samuel Mines NL, Image Resources NL, Skryne Hill Pty Ltd	180 90 30	(01-Feb-07)	NA	2 sub-blocks	NA	Not yet required	Nil	15	WC99/030 Central East Goldfields, ARB13 Goldfields
Emu Lake	MLA27/0457	Sir Samuel Mines NL, Image Resources NL, Skryne Hill Pty Ltd	180 90 30	(25-Oct-05)	NA	910 hectares	NA	Not yet required	Nil	9	WC99/030 Central East Goldfields, ARB13 Goldfields
Emu Lake	MLA27/0458	Sir Samuel Mines NL, Image Resources NL, Skryne Hill Pty Ltd	180 90 30	(25-Oct-05)	NA	896 hectares	NA	Not yet required	Nil	9	WC99/030 Central East Goldfields, ARB13 Goldfields
Emu Lake	MLA27/0459	Sir Samuel Mines NL, Image Resources NL, Skryne Hill Pty Ltd	180 90 30	(25-Oct-05)	NA	358 hectares	NA	Not yet required	Nil	9	WC99/030 Central East Goldfields, ARB13 Goldfields
Emu Lake	MLA27/0460	Sir Samuel Mines NL, Image Resources NL, Skryne Hill Pty Ltd	180 90 30	(25-Oct-05)	NA	632 hectares	NA	Not yet required	Nil	9	WC99/030 Central East Goldfields, ARB13 Goldfields
Emu Lake	MLA27/0461	Sir Samuel Mines NL, Image Resources NL, Skryne Hill Pty Ltd	180 90 30	(25-Oct-05)	NA	593 hectares	NA	Not yet required	Nil	14, 15	WC99/030 Central East Goldfields, ARB13 Goldfields
Emu Lake	MLA27/0462	Sir Samuel Mines NL, Image Resources NL, Skryne Hill Pty Ltd	180 90 30	(25-Oct-05)	NA	593 hectares	NA	Not yet required	Nil	14, 15	WC99/030 Central East Goldfields, ARB13 Goldfields
Emu Lake	MLA27/0463	Sir Samuel Mines NL, Image Resources NL, Skryne Hill Pty Ltd	180 90 30	(25-Oct-05)	NA	889 hectares	NA	Not yet required	Nil	14, 15	WC99/030 Central East Goldfields, ARB13 Goldfields

Project	Tenement	Holders	Shares	Grant Date or (Application Date)	Expiry Date	Area Size	Annual Rent (Next Rental Year)	Minimum Annual Expenditure	Encumbrances	Notes	Native Title Claims
Emu Lake	MLA27/0464	Sir Samuel Mines NL, Image Resources NL, Skryne Hill Pty Ltd	180 90 30	(25-Oct-05)	NA	593 hectares	NA	Not yet required	Nil	14, 15	WC99/030 Central East Goldfields, ARB13 Goldfields
Emu Lake	PLA27/1750	Sir Samuel Mines NL, Image Resources NL, Skryne Hill Pty Ltd	180 90 30	(01-Feb-07)	NA	195.0584 hectares	NA	Not yet required	Nil	15	WC99/030 Central East Goldfields, ARB13 Goldfields
Emu Lake	PLA27/1751	Sir Samuel Mines NL, Image Resources NL, Skryne Hill Pty Ltd	180 90 30	(01-Feb-07)	NA	23.8596 hectares	NA	Not yet required	Nil	15	WC99/030 Central East Goldfields, ARB13 Goldfields
Emu Lake	PLA27/1752	Sir Samuel Mines NL, Image Resources NL, Skryne Hill Pty Ltd	180 90 30	(01-Feb-07)	NA	27.3016 hectares	NA	Not yet required	Nil	15	WC99/030 Central East Goldfields, ARB13 Goldfields
Kambalda West JV Tenements											
Woolgangie South	E15/0883	Image Resources NL,	100	30-Jan-06	29-Jan-11	68 sub-blocks	$7,487.48	$68,000	I	3, 4, 5, 6, 10, 16, 17, 18, 19, 20, 21, 22, 23	WC95/027 Gubrun (Deregistered) ARB13 Goldfields
Yilmia 1	E15/0884	Image Resources NL,	100	30-Jan-06	29-Jan-11	11 sub-blocks	$1,211.21	$20,000	J	3, 4, 5, 6, 10, 16, 24	WC95/027 Gubrun (Deregistered) ARB13 Goldfields
Queen Vic Rocks	E15/0885	Image Resources NL,	100	30-Jan-06	29-Jan-11	18 sub-blocks	$1,981.98	$20,000	K	3, 4, 5, 6, 10, 16, 17, 18, 19, 20, 22, 25	WC95/027 Gubrun (Deregistered) ARB13 Goldfields
Burra Rock	E15/0886	Image Resources NL,	100	30-Jan-06	29-Jan-11	7 sub-blocks	$770.77	$20,000	L	3, 4, 5, 6, 10, 16, 26	WC95/027 Gubrun (Deregistered) ARB13 Goldfields
Banks Rock	E15/0887	Image Resources NL,	100	30-Jan-06	29-Jan-11	27 sub-blocks	$2,972.97	$27,000	M	3, 4, 5, 6, 10, 16, 27	WC99/002 Ngadju WC95/027 Gubrun (Deregistered) ARB13 Goldfields
Cave Hill West	E15/0888	Image Resources NL,	100	26-Apr-06	25-Apr-11	13 sub-blocks	$1,431.43	$20,000	Nil	3, 4, 5, 6, 10, 16,	WC99/002 Ngadju WC95/027 Gubrun (Deregistered) ARB13 Goldfields

Project	Tenement	Holders	Shares	Grant Date or (Application Date)	Expiry Date	Area Size	Annual Rent (Next Rental Year)	Minimum Annual Expenditure	Encumbrances	Notes	Native Title Claims
Cave Hill	E15/0889	Image Resources NL,	100	26-Apr-06	25-Apr-11	11 sub-blocks	$1,211.21	$20,000	Nil	3, 4, 5, 6, 10, 16,	WC99/002 Ngadju WC95/027 Gubrun (Deregistered) ARB13 Goldfields
Yilmia 2	E15/0890	Image Resources NL,	100	12-May-06	11-May-11	50 sub-blocks	$5,505.50	$50,000	Nil	3, 4, 5, 6, 10, 16, 28, 29, 30	WC98/027 Widji WC95/027 Gubrun (Deregistered) ARB13 Goldfields
Taylor Rock	E63/0977	Image Resources NL,	100	09-Mar-06	08-Mar-11	46 sub-blocks	$5,065.06	$46,000	Nil	3, 4, 5, 6, 10, 16, 31	WC99/002 Ngadju ARB13 Goldfields
Sunday Soak	E63/0978	Image Resources NL,	100	09-Mar-06	08-Mar-11	18 sub-blocks	$1,981.98	$20,000	Nil	3, 4, 5, 6, 10, 16, 32	WC99/002 Ngadju WC95/027 Gubrun (Deregistered) ARB13 Goldfields
Ward Springs JV											
Ward Springs JV	E30/0287	Image Resources NL, Samuel Lucian Warne	90 10	16-Sep-05	15-Sep-10	41 sub-blocks	$4,514.51	$41,000	G	3, 4, 5, 6, 10, 16, 20, 33, 34, 35, 36, 37, 38, 39, 66	WC99/010 Wutha ARB13 Goldfields
Tenements Image 100% Interest – no third party interests											
Dingo Dam	ELA15/0958	Image Resources NL,	100	(04-Dec-06)	NA	32 sub-blocks	NA	Not yet required	Nil		WC99/002 Ngadju WC95/027 Gubrun (Deregistered) ARB13 Goldfields
Gnamma Hole	E30/0310	Image Resources NL,	100	31-Mar-06	30-Mar-11	33 sub-blocks	$3,633.63	$33,000	Nil	3, 4, 5, 6, 10, 16, 40, 63	WC95/027 Gubrun (Deregistered) ARB13 Goldfields
Lookout Well	E37/0787	Image Resources NL,	100	29-Aug-05	28-Aug-10	16 sub-blocks	$2,740.32	$20,000	Nil	3, 4, 5, 6, 10, 12, 13, 16, 41	WC95/001 Koara (Deregistered) WC99/001 Wongatha (Dismissed in Federal Court) ARB13 Goldfields
Beetle Lake	ELA63/1098	Image Resources NL,	100	(01-Dec-06)	NA	40 sub-blocks	NA	Not yet required	Nil	nil	WC99/002 Ngadju ARB13 Goldfields
Bronzite	ELA63/1099	Image Resources NL,	100	(01-Dec-06)	NA	8 sub-blocks	NA	Not yet required	Nil	nil	WC99/002 Ngadju ARB13 Goldfields

Project	Tenement	Holders	Shares	Grant Date or (Application Date)	Expiry Date	Area Size	Annual Rent (Next Rental Year)	Minimum Annual Expenditure	Encumbrances	Notes	Native Title Claims
Woongaring	E77/1144	Image Resources NL,	100	05-May-04	04-May-09	16 sub-blocks	$2,740.32	$30,000	H	3, 4, 5, 6, 10, 43, 44, 65	ARB15 Southwest
Woongaring	E77/1172	Image Resources NL,	100	14-Jun-05	13-Jun-10	67 sub-blocks	$11,475.09	$67,000	Nil	3, 4, 5, 6, 10, 16, 64	ARB15 Southwest
Woongaring	E77/1179	Image Resources NL,	100	09-Dec-05	08-Dec-10	27 sub-blocks	$2,972.97	$27,000	Nil	3, 4, 5, 6, 10, 45, 46, 47, 48	ARB15 Southwest
Woongaring	E77/1222	Image Resources NL,	100	25-Jul-06	24-Jul-11	23 sub-blocks	$2,532.53	$23,000	Nil	3, 4, 5, 6, 10, 16, 67	ARB15 Southwest
Woongaring	E77/1260	Image Resources NL,	100	04-May-07	03-May-12	65 sub-blocks	$7,157.15	$65,000	Nil	3, 4, 5, 6, 10, 16	ARB15 Southwest
Woongaring	E77/1261	Image Resources NL,	100	04-May-07	03-May-12	53 sub-blocks	$5,835.83	$53,000	Nil	3, 4, 5, 6, 10, 16	ARB15 Southwest
Woongaring	E77/1266	Image Resources NL,	100	10-Jul-07	09-Jul-12	70 sub-blocks	$7,707.70	$70,000	Nil	3, 4, 5, 6, 10, 16	ARB13 Goldfields ARB15 Southwest
Koolyanobbing	E77/1212	Image Resources NL,	100	05-Oct-06	04-Oct-11	32 sub-blocks	$3,523.52	$32,000	Nil	3, 4, 5, 6, 10, 12, 13, 16, 20, 37, 38, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58,	WC95/027 Gubrun (Deregistered) ARB15 Southwest
Moorine Rocks	E77/1284	Image Resources NL,	100	24-Jan-07	23-Jan-12	45 sub-blocks	$4,954.95	$45,000	Nil	3, 4, 5, 6, 10, 16, 59, 60, 61	WC95/027 Gubrun (Deregistered) ARB15 Southwest
Boodarding	ELA77/1288	Image Resources NL,	100	(10-May-05)	NA	30 sub-blocks	NA	Not yet required	Nil	nil	WC95/027 Gubrun (Deregistered) ARB15 Southwest

The following abbreviations are referred to in the Schedule.

E means Exploration Licence
ELA means Exploration Licence Application
MLA means Mining Lease Application
PLA means Prospecting Licence Application

Encumbrances

A. Agreement 80H/967 - Agreement (Heads) Mining Resources (WA) Pty Ltd, Fodina Minerals Pty Ltd, Outokumpu Exploration Ventures Pty Ltd and Croesus Mining NL. registered 10:00 AM 30 Oct 1996
B. Caveat (Absolute Caveat) 274405 - by Sir Samuel Mines NL in respect to 20/300ths shares in the name of Skryne Hill Pty Ltd Recorded 6 September 2007
C. Caveat - 657H/045 by Sir Samuel Mines NL in respect to 30/100ths shares in the name of Image Resources NL recorded 9:10 AM 23 May 2005
D. Caveat (Absolute Caveat) 274402 - by Sir Samuel Mines NL in respect to 30/100ths shares in the name of Skryne Hill Pty Ltd Recorded 6 September 2007
E. Caveat - 659H/045 - by Sir Samuel Mines NL in respect to 30/100ths shares in the name of Image Resources NL recorded 9:10 AM 23 May 2005
F. Caveat (Absolute Caveat) 1548H/056 pursuant to Section 122A(1)(a) by Inco Resources (Australia) Pty Ltd in respect to 60/100ths shares in the name of Sir Samuel Mines NL, 10/100ths shares in the name of Skryne Hill Pty Ltd, 30/100ths shares in the name of Image Resources NL recorded 11:55 AM 13 Apr 2006
G. Fines-273347 - Penalty of $2,434 imposed pursuant to section 96A(5) for non-compliance with the minimum expenditure requirement. Date Due: 26 Sep 2007 Date Paid: 4 Sep 2007
H. Bond - PE9426 For $12,000 recorded 04 Jul 2004
I. Fines - 276423 Penalty of $3,803 imposed pursuant to section 96A(5) for non-compliance with the minimum expenditure requirement. Date Due: 14 Nov 2007 Date Paid: 13 Nov 2007
J. Fines - 276424 Penalty of $828 imposed pursuant to section 96A(5) for non-compliance with the minimum expenditure requirement. Date Due: 14 Nov 2007 Date Paid: 13 Nov 2007
K. Fines - 276426 Penalty of $1,637 imposed pursuant to section 96A(5) for non-compliance with the minimum expenditure requirement. Date Due: 14 Nov 2007 Date Paid: 13 Nov 2007
L. Fines - 276427 Penalty of $1,823 imposed pursuant to section 96A(5) for non-compliance with the minimum expenditure requirement. Date Due: 14 Nov 2007 Date Paid: 13 Nov 2007
M. Fines - 276428 Penalty of $1,970 imposed pursuant to section 96A(5) for non-compliance with the minimum expenditure requirement. Date Due: 14 Nov 2007 Date Paid: 13 Nov 2007

Notes

1. The land the subject of this licence does not include land the subject of Prospecting Licence 27/1192 and rights of ingress and egress are to be preserved at all times to the licensee.
2. Compliance with the provisions of the Aboriginal Heritage Act 1972 to ensure that no action is taken which would interfere with or damage any Aboriginal site.
3. All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe after completion.
4. All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, DIR). Backfilling and

rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DIR.

5. All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration programme.
6. Unless the written approval of the Environmental Officer, DIR is first obtained, the use of scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
7. Mining on a strip of land 20 metres wide with any pipeline as the centreline being confined to below a depth of 31 metres from the natural surface and no mining material being deposited upon such a strip.
8. Rights of ingress to and egress from any pipeline being at all times preserved to the owners thereof.
9. MLA27/457-460 are Section 67 conversions of E27/84. E27/84 remains in force pending the determination of the MLA's.
10. The licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972.
11. Pursuant to the Savings and Transitional Provisions of the Mining Amendment Act 1990 all land surrendered, forfeited (other than forfeiture by plaint action) or expiring from a non-graticular exploration licence will automatically be included into a graticular exploration licence, provided the surrender, forfeiture or expiry occurred after the grant of the graticular licence.
12. The licensee notifying the holder of any underlying pastoral lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs, water carting equipment or other mechanised equipment.
13. The licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:-
    - the grant of the licence; or
    - registration of a transfer introducing a new licensee;

    advise, by registered post, the holder of any underlying pastoral lease details of the grant or transfer.
14. MLA27/461-464 are Section 67 conversions of E27/168. E27/168 remains in force pending the determination of the MLA's or the tenements detailed in Note 15.
15. ELA27/353-354 and PLA27/1750-1752 are Section 120AA reversions of MLA27/461-464 and E27/168.
16. The licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
17. Prior to any activity involving disturbance to vegetation and soils including:
    - exploration access; and/or
    - exploration sampling;

    the licensee preparing a detailed program for each phase of proposed exploration for written approval of the Director, Environment, DIR. The Director, Environment, DIR to consult with the Regional/District Manager, Department of Conservation and Land Management or the Department of Environmental Protection or other government agency (as relevant) prior to approval. This program to describe the environmental impacts and programs for their management and is to include:-
    - maps and/or aerial photographs showing the proposed locations of all ground activities and disturbances;
    - the purpose, specifications and extent of each activity and disturbance;
    - descriptions of all vegetation types (in general terms), land forms, and unusual features likely to be disturbed by such proposed disturbances;

- details on proposals that may disturb sensitive terrestrial habitats including any declared rare flora and fauna if applicable;
- procedures to protect the integrity of special ecosystems such as wetland systems, mangal communities and rainforest areas (and/or associated rainforest monitoring sites) if applicable;
- techniques, prescriptions, and timetable for rehabilitation of all proposed disturbances;
- undertaking for corrective measures for failed rehabilitation;
- details of water requirements from within the designated area;
- details of refuse disposal; and
- proposals for instruction and supervision of personnel and contractors in respect to environmental conditions.

18. Access to and from and the movement of vehicles within the licence area being restricted to ground or seasonal conditions and routes approved under the program or otherwise agreed by the Environmental Officer, DIR.
19. At agreed intervals, not greater than 12 monthly, the licensee providing a brief report to the Director, Environment, DIR outlining the progress of the operation and rehabilitation program and the proposed operations and rehabilitation programs for the next 12 months.
20. Prior to the cessation of the exploration/prospecting activity in the designated area, the licensee notifying the Environmental Officer, DIR and arranging an inspection as required.
21. The prior written consent of the Minister for State Development being obtained before commencing mining on National Park 46126.
22. Prior to accessing the licence area, the licensee shall consult with the Environmental Officer, DIR, and ensure that where required, all vehicles and equipment entering the designated area are washed down to remove soil and plant propagules and adhering to such conditions specified for the prevention of the spread of soil-borne diseases.
23. Exemption from expenditure CO334/067 for the year ending 28th January 2007 refused 4th July 2007.
24. Exemption from expenditure CO333/067 for the year ending 28th January 2007 refused 4th July 2007.
25. Exemption from expenditure CO335/067 for the year ending 28th January 2007 refused 4th July 2007.
26. Exemption from expenditure CO336/067 for the year ending 28th January 2007 refused 4th July 2007.
27. Exemption from expenditure CO337/067 for the year ending 28th January 2007 refused 4th July 2007.
28. No interference with Geodetic Survey Station SSM - R 463 and SSM - R 463T and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
29. The prior written consent of the Minister responsible for the Mining Act being obtained before commencing mining on Scahill Timber Reserve 19621.
30. In respect of the area covered by this licence if the Central West Goldfields People (being the applicants in Federal Court Application No/s. WAD 65 of 1998 (WC99/29) send a request by pre-paid post to the licensee's or agent's address, not more than ninety days after the grant of this licence, the licensee shall within thirty days of the request execute in favour of Central West Goldfields People the Regional Standard Heritage Agreement (RSHA) endorsed by peak industry groups and the Goldfields Land and Sea Council.
31. Exemption from expenditure NO167/067 for the year ending 8th March 2007 refused 27th August 2007.
32. Exemption from expenditure NO168/067 for the year ending 8th March 2007 refused 27th August 2007.
33. The licensee's attention is drawn to the provisions of:
    - Water and Rivers Commission Act 1995 and any Regulations thereunder; and

- Identification of environmental sensitive wetlands listed within the RAMSAR Convention 1971, ANCA's Directory of important wetlands, the National Estates Register and the Environmental Protection Policies 1999.

34. The prior written consent of the Minister for State Development being obtained before commencing mining on Trigonometrical Station Reserve 7207.
35. All Mining Act tenement activities prohibited within 200 metres of RAMSAR or ANCA listed wetlands unless written permission of Department of Conservation and Land Management, in consultation with the Department of Environment, is first obtained.
36. All Mining Act tenement activities prohibited within 200 metres of "Conservation" and "Resource Enhancement" Category wetlands unless written permission of the Department of Environment is first obtained.
37. Prior to any ground-disturbing activity, as defined by the Director, Environment, DIR the licensee preparing a detailed program for each phase of proposed exploration for approval of the Director, Environment, DIR. The program to include:
    - maps and/or aerial photographs showing all proposed routes, construction and upgrading of tracks, camps, drill sites and any other disturbances;
    - the purpose, specifications and life of all proposed disturbances;
    - proposals which may disturb any declared rare or geographically restricted flora and fauna; and
    - techniques, prescriptions and timetable for the rehabilitation of all proposed disturbances.
38. The licensee, at his expense, rehabilitating all areas cleared, explored or otherwise disturbed during the term of the licence to the satisfaction of the Director, Environment, DIR. Such rehabilitation as is appropriate and may include:
    - stockpiling and return of topsoil;
    - backfilling all holes, trenches and costeans;
    - ripping;
    - contouring to the original landform;
    - revegetation with seed; and
    - capping and backfilling of all drill holes.
39. Exemption from expenditure KA297/067 for the year ending 15th September 2007 refused 1st May 2007.
40. No interference with Geodetic Survey Station SSM-Kalgoorlie 145 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
41. No mining operations being carried out on Peak Hill Stock Route Reserve 9699 which restrict the use of the reserve.
42. The grant of this licence does not include the land the subject of prior Exploration Licence 77/1023. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".
43. The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled:
    - "Ground Disturbance Approval Application - Exploration on E77/1144" dated 13 May 2004 and signed by Mr Barrie Dance - Technical Officer and retained on Department of Industry and Resources File No. 11747/2002.
    - Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.
44. The licensee arranging lodgement of an Unconditional Performance Bond executed by a Bank or other approved financial institution in favour of the Minister for State Development for due compliance with the environmental conditions of the lease in the sum of: $12,000.
45. The land the subject of this licence affects a Rare Flora site/s (including Rare Flora Site/s DRF/20101) declared under the Wildlife Conservation Act 1950. The licensee is advised to contact the Department of Conservation and Land Management for

detailed information on the management of Declared Rare Flora present within the tenement area.

46. Mining on a strip of land 30 metres wide with the Rabbit Proof Fence or the Vermin Proof Fence as the centre-line being restricted to below a depth of 15 metres from the natural surface.
47. Mining on any road, road verge or road reserve being confined to below a depth of 15 metres from the natural surface.
48. The prior written consent of the Minister for State Development being obtained before commencing mining on "A" Class Reserve Crown Reserve 36936 (Conservation of Flora and Fauna).
49. The grant of this licence does not include the land the subject of prior Exploration Licence 77/1004. If the prior licence expires, is surrendered or forfeited, that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".
50. The rights of ingress to and egress from Miscellaneous Licence 77/184 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
51. No mining within 30 metres of either side and to a depth of 15 metres of the Rail Corridor Land (RCL16) as shown in TENGRAPH without the prior written approval of the Minister responsible for the Mining Act.
52. No surface excavation approaching closer to the boundary of the Safety Zone established by Condition (8) hereof than a distance equal to three times the depth of the excavation without the prior written approval of the State Mining Engineer, DoCEP.
53. Mining below 15 metres from the natural surface of the land in the Safety Zone established in Condition (8) hereof being approved by the State Mining Engineer, DoCEP in consultation with the operator of the railway on corridor land.
54. No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone established by Condition (8) hereof without the prior approval of the operator of the railway on corridor land.
55. The licensee not excavating, drilling, installing, erecting, depositing or permitting to be excavated, drilled, installed, erected or deposited within the Safety Zone established in Condition (8) hereof, any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of the State Mining Engineer, DoCEP.
56. No explosives being used or stored within one hundred and fifty (150) metres of the rail corridor land without the prior written consent of the Director, Dangerous Goods Safety Branch, DoCEP.
57. The rights of ingress to and egress from the rail corridor land being at all times preserved to the employees, contractors and agents of the operator of the railway on corridor land, and the Public Transport Authority of WA.
58. Such further conditions as may from time to time be imposed by the Minister responsible for the Mining Act for the purpose of protecting the rail corridor land.
59. The land the subject of this licence affects a Rare Flora site (including Rare Flora Site DRF/4155) declared under the Wildlife Conservation Act 1950. The licensee is advised to contact the Department of Conservation and Land Management for detailed information on the management of Declared Rare Flora present within the tenement area.
60. No interference with Geodetic Survey Station Southern Cross 14 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
61. Any private land referred to in Section 29(2) of the Mining Act except that below 30 metres from the natural surface of the land is excluded from grant.
62. The Annual rent of $7,834.74 for the period ending 5 November 2008 is due within 30 days of 5 November 2007.
63. Exemption from expenditure KA778/067 for the year ending 30th March 2007 refused 15th October 2007.

64. Exemption from expenditure 271832 for the year ending 13th June 2007 is currently pending.
65. Exemption from expenditure 269250 for the year ending 4th May 2007 is currently pending.
66. Exemption from expenditure 276726 for the year ending 15th September 2007 is currently pending.
67. Exemption from expenditure 274903 for the year ending 24th July 2007 is currently pending.

SUMMARY OF MATERIAL AGREEMENTS

Emu Nickel has entered into various agreements (collectively **Material Agreements**) which the directors regard as being material and required to be disclosed or as being of sufficient interest to potential investors to justify disclosure in this prospectus. Particulars of Material agreements follow to the extent that adequate disclosure is not set out elsewhere (see specifically sections *Additional Information - Interests, Fees and Benefits,* as well as *Details of the Offer - Fees & Expenses*).

A person or entity subscribing for securities offered by this prospectus will be deemed to have approved Emu Nickel being a party to and being bound by each of the Material Agreements. Details of the Material Agreements (to the extent material for disclosure purposes and not otherwise disclosed in this prospectus) are set out below.

Emu Nickel Joint Venture Agreement

By agreement (**Emu Nickel JVA**) between Image and Emu Nickel dated 16 November 2007, Image and Emu Nickel recorded their agreement for Emu Nickel to farm into Image's interests in the Tenements and the Kambalda West JVA and the Emu Lake JVA.

Image holds or (upon grant) will, subject to Emu Nickel's claims, hold the interests in each of the Tenements as is disclosed in the Report on Tenements. The Tenements were subjected to the Emu Nickel JVA on a where is, as is basis insofar as the following issues are concerned, namely: (a) the extent to which any of the Tenements might be affected by native title, Aboriginal heritage or other indigenous persons issues; (b) the third party joint venture agreements detailed in the Summary of Material Agreements (namely the Kambalda West JVA and the Emu Lake JVA); and (c) the matter of expenditure having been incurred in relation to exploring the Tenements in order to comply with the prescribed expenditure conditions applicable thereto – that is Image does not represent that the prescribed expenditure conditions have been complied with on a pro-rata basis in respect of time (because such expenditure commitments are annual commitments and can be satisfied on the last day of the tenement year) or at all.

Within one year of the Listing Date and before Emu Nickel may withdraw from the Emu Nickel JVA, it must incur **Expenditure** (being expenditure incurred in respect of exploring, developing, mining and maintaining the Tenements, acquiring land and additional tenements relevant to the potential commercialisation of any of the Tenements and generally in relation to the operations and conduct of the Joint Venture established between Image and Emu Nickel under the Emu Nickel JVA) in an amount of no less than $1 million.

Emu Nickel may earn an 80% interest in **Image's Interest** (Image's Interest being its interest in the Tenements as disclosed in the Report on Tenements and the Third Party Agreements) by expending the sum of $2 million on Expenditure (which includes the sum the $1 million referred to above) within the period of 24 months of the Listing Date.

In the event of Emu Nickel earning an 80% interest in the Tenements, Emu Nickel may elect to earn the remaining 20% interest in the Tenements by expending a further $1 million on Expenditure prior to the expiration of 3 years from the Listing Date.

In the event of Emu Nickel earning an 80% interest in Image's Interest, the parties shall be obliged to contribute to Expenditure in proportion to their respective interests (Emu Nickel 80%: Image 20%) as from and if any of the following events occurs:

(a) Emu Nickel does not elect to earn a 100% interest in Image's Interest; or

(b) Emu Nickel having elected to earn a 100% interest in Image's Interest either:

    (i) gives notice to Image abandoning the right to so earn; or

(ii) fails to do so (including because it fails to incur the requisite amount on Expenditure prior to the exploration of 3 years from the Listing Date);

with failure to contribute thereafter resulting in the non-contributing party's interest being diluted in accordance with an industry standard formula.

If Emu Nickel earns a 100% interest in Image's Interest then Image shall be entitled to a 1% gross overriding royalty in respect of production to which Emu Nickel (or any successor of Emu Nickel) is entitled by virtue of Image's Interest. Emu Nickel may purchase the gross overriding royalty at anytime on payment of $200,000.

Applications for tenements cannot be transferred until after grant, an exploration licence cannot be transferred during the first year of its term without Ministerial approval and mining leases may only be transferred with Ministerial approval.

The Emu Nickel JVA is subject to and conditional upon all registrations, approvals, and consents required by the Mining Act of Western Australia (to enable the Tenements to be dealt with in the manner contemplated by that agreement) being effected, granted or forthcoming provided that while that agreement remains subject to that condition, the obligations of the parties as between themselves shall not be suspended except to the extent where performance of those obligations would be an illegal act or would result in any tenement being withdrawn or surrendered.

Emu Lake (Image 33⅓%)

By agreement dated 6 December 2002 as varied by deeds dated 12 and 18 December 2002 respectively (collectively the **Skryne JVA**) Image entered an agreement with Skryne Hill Pty Ltd (**Skryne**) whereby, to the extent presently relevant:

(a) Image purchased a 90% interest in the Emu Lake Tenements;

(b) Image agreed to pay Skryne a royalty of 1.75% (**Skryne Royalty**) out of which Skryne agreed to bear the burden of another royalty (**Croesus Royalty**) payable to Croesus Mining NL (**Croesus**) pursuant to the Croesus Agreement (detailed below). The Skryne Royalty is calculated on the same basis as the Croesus Royalty (except the Skryne Royalty is 1.75% whereas the Croesus Royalty is 1%).

The Croesus Royalty is payable pursuant to an agreement (**Croesus Agreement**) dated 2 September 1996 between Croesus, Mining Resources (WA) Pty Ltd, Fodina Minerals Pty Ltd and Outokumpu Exploration Ventures Pty Ltd.

The Croesus Royalty is 1% of the:

(a) net proceeds of the sale of nickel, copper, platinum group metals and other metals (excluding gold and silver) metals received after refining/smelting on a dry basis dispatched from the mine less cost associated with transporting the product from the mine gate;

(b) value of gold and silver;

produced from the area the subject of the tenements stipulated in that agreement (or successor tenements), being E27/84, 31/144 and 27/168

By agreement (**Emu Lake JVA**) with Sir Samuel Mines NL and Skryne Hill Pty Ltd evidenced by various instruments (comprising the Skryne JVA, a deed of assignment and assumption dated 28 July 2003 between Image, Skryne and Sir Samuel Mines NL (**SSM**), and a letter agreement dated 10 August 2007) the basis on which Image farmed out a part of its interest in the Emu Lake Tenements to SSM and the subsequent sale to SSM and Image from Skryne of its residual 10% interest in those tenements is recorded.

To the extent presently relevant and material, the effect of the Emu Lake JVA is that:

(a) Image has a 33⅓% interest and SSM has a 66⅔% in the Emu Lake Tenements;

(b) SSM must, between 14 August 2007 and November 2010, sole fund $3.25 million on the Emu Lake Tenements at the rate of at least $1 million per annum failing which SSM must transfer its 66⅔% interest in the Emu Lake Tenements to Image;

(c) decisions in relation to programmes and budgets pending SSM meeting the above expenditure requirement shall be made by SSM and subsequent to that date decisions will be made by simple majority vote with each party having a vote in proportion to its interest in the Emu Lake JVA;

(d) upon SSM meeting the foregoing expenditure requirement, each of Image and SSM must each contribute to the costs of the joint venture in proportion to its interest or its interest will dilute in accordance with common industry practice;

(e) Image/SSM must bear the cost of the Skryne Royalty in proportion to their respective interests from time to time under the Emu Lake JVA (and Skryne's obligation to indemnify Image and SSM from and against all obligations and liabilities arising in terms of the Croesus Royalty is confirmed with SSM and Image having the right to pay the Croesus Royalty to Croesus and deduct that amount from the Skryne Royalty).

Deed of Consent – Emu Lake

By deed dated 30 November 2007, SSM consented to Image assigning all or part of its interest in the Emu Lake Tenements and under the Emu Lake JVA subject to and on the terms of the Emu Nickel JVA and Emu Nickel covenants to be bound by the terms of the Emu Lake JVA to the extent that the obligations and liabilities thereunder are applicable to the interests assigned to it from time to time.

Kambalda West (Image 100%, diluting)

Image is the sole registered holder of the Kambalda West tenements which are the subject of a joint venture agreement dated 27 November 2006 with nickel miner Mincor Resources NL. Mincor may earn a 51% interest in those tenements by incurring expenditure of $750,000 between the date of that joint venture agreement and 26 May 2010. Further, Mincor may elect to increase this by a further 19% interest by incurring an additional $750,000 expenditure within a further two years i.e. to take its interest to 70% by total expenditure of $1.5 million. Mincor may elect to withdraw from the joint venture agreement at any time. Mincor has spent approximately $292,000 up to 31 October 2007 on joint venture expenditures.

Deed of Consent – Kambalda West

By deed dated 30 November 2007, Mincor consented to Image assigning all or part of its interest in the Kambalda West Tenements and under the Kambalda West JVA subject to and on the terms of the Emu Nickel JVA and subject to and conditional upon Emu Nickel covenanting at the time of assignment to be bound by the terms of the Kambalda West JVA to the extent that the obligations and liabilities thereunder are applicable to the interests assigned to it from time to time.

Ward Springs (Image 90%)

By letter from Image dated 26 October 2007 and countersigned by SL Warne on 1 November 2007, it was recorded that Warne's 10% interest in the Ward Springs tenement is to be free carried until Image (or assignee) makes a decision to mine that tenement. As from a decision to mine being made, Warne must contribute his 10% share of all costs when called or sell his interest within 60 days of such call. Image (or assignee) has the right to abandon the tenement after first offering to transfer it to Warne.

Heritage Protection Agreements

Image, as Emu Nickel's potential predecessor in title to the Tenements, is party to the following aboriginal heritage protection agreements, namely an agreement between Image of the one part and:

(a) Goldfields Land Council Aboriginal Corporation on behalf of the Ngadju Native Title Claim (No. WC99/002) Group of the other part affecting E15/887 and dated 5 July 2005;

(b) Goldfields Land & Sea Council on behalf of the Ngadju Native Title Claim (No. WC99/002) Group of the other part affecting E15/889 and dated 10 May 2006;

(c) Goldfields Land & Sea Council on behalf of the Ngadju Native Title Claim (No. WC99/002) Group of the other part affecting E15/888 and dated 10 May 2006;

(d) Goldfields Land Council Aboriginal Corporation on behalf of the Wongatha Native Title Claim (No. WC99/001) Group of the other part affecting E37/787 and dated 25 May 2005;

(e) Goldfields Land & Sea Council on behalf of the Ngadju Native Title Claim (No. WC99/002) Group of the other part affecting E63/978 and dated 5 July 2005;

(f) Goldfields Land & Sea Council on behalf of the Ngadju Native Title Claim (No. WC99/002) Group of the other part affecting E63/977 and dated 16 February 2005;

(g) Goldfields Land Council Aboriginal Corporation on behalf of the Wutha Native Title Claim (No. WC99/10) Group of the other part affecting E30/287 and dated 16 February 2005;

(h) Cedric Anderson, Reg Hayden, Alan Jones, Winnie McHenry, Ricky Nelson, Doug Nelson, Robert Riley, Tim Riley, Dianne Taylor, Reg Yarran, Saul Yarran for and on behalf of themselves and the members of the Ballardong People of the second part and South West Aboriginal Land and Sea Council Aboriginal Corporation of the third part affecting E77/1144, E77/1172 and E77/1179 and dated 31 March 2005

The heritage agreements are not all on identical terms but each is directed at protecting Aboriginal sites (being places) of the kind referred to in section 5 of the Aboriginal Heritage Act (WA). Procedures for surveying areas to be explored are established. The explorer bears the cost of such surveys. The requirement for such surveys potentially entails significant, if not permanent, delays in the undertaking of exploration programmes. Under some of the agreements, the holder of the affected tenement(s) forsakes its rights to rely upon reports prepared consequent upon surveys for the purposes of resisting the native title party's claim to native title.

None of the agreements confers the right upon the holder of the tenement from time to time to convert the tenement the subject of the agreement to a tenement of a different status. That is, each native title party has reserved the right to object to the grant of a mining lease (for instance) in the case of an application being made to convert an exploration licence to a mining lease. Thus, there is no assurance that, in the event that a discovery is made on an exploration licence, the licence can be converted to a mining lease to enable that discovery to be mined.

Emu Nickel (or any other assignee) will be required to assume the obligations of Image under the heritage agreements to the extent applicable to its interest in the Tenements from time to time.

Deeds of Indemnity, Insurance and Access

The Company has entered into Deeds with each of its directors to:

(a) indemnify (to the maximum extent permitted by law) each director against certain liabilities (including costs, damages and expenses) incurred in the capacity of a director of the Company;

(b) maintain directors' and officers' insurance in favour of each director whilst he is a director of the Company and for a period of seven (7) years after he ceases to be a director of the Company; and

(c) allow each director to inspect and, if necessary, make copies of all Company records that are in any way relevant to the director's holding of office as a director of the Company or any proceedings to which the director is involved because he is, or was, an officer of the Company.

Consultant Agreements

Pursuant to two separate (but similar) agreements (**Consultant Agreements**) the Company has engaged George Sakalidis and Roger Thomson (via their respective nominated associated entities) to provide certain services to the Company. Terms common to each of the agreements are as follows:

(a) the consultant will be paid for each hour's service at the all inclusive rate of $135 per hour (net of GST) subject to review/adjustment annually on 1 July;

(b) the consultant (and his entity) must indemnify the Company from and against all statutory impost which might otherwise arise were the consultancy documented as and as if it were in fact an employee/employer relationship;

(c) the consultant will provide such services as are within his capability to the Company as and when agreed between the Company and the consultant;

(d) the Company acknowledges that the consultant provides services to (and is a director of) other entities and acquiesces to that state of affairs continuing on the condition that the consultant must avoid conflicts of interest;

(e) the consultant is entitled to be reimbursed for reasonable out of pocket expenses; and

(f) the consultant gives no guarantee to the Company as to his availability – the terms of the agreement simply specify the basis upon which any services (not being services provided in the capacity as director) will be provided.

Lead Manager's Agreement

By agreement dated 30 November 2007 between Emu Nickel and Bell Potter Securities Limited, Emu Nickel appointed Bell Potter to act as lead manager to the Offer for a fee of 5%

of the amount raised pursuant to the Offer. In addition, Emu Nickel is to pay Bell Potter's legal fees to a limit of $8,000. Emu Nickel is to pay GST in addition. Under the agreement, Bell Potter is to use all reasonable endeavours to procure subscriptions for all the Shares offered by this prospectus and Emu Nickel is obliged to indemnify Bell Potter other than in respect of loss or liability arising as a consequence of gross negligence or wilful misconduct on the part of Bell Potter.

Listing Support Agreement

By agreement dated 16 November 2007 between Emu Nickel and Image, Emu Nickel will pay a fee equal to 6% of the funds raised under the Offer to Image in consideration for Image using, without obligation, reasonable efforts to support Emu in its endeavour to raise $20 million and to be admitted (**Listing**) to the official lists of the ASX and those endeavours (**Endeavour**) will extend but not be limited to:

(g) paying (without any right of recovery) Emu Nickel's expenses of and in relation to the Endeavour other than the following expenses which, if funded by Image, shall be recoverable by Image (from Emu upon the Listing) ASX listing fees, Share Registry costs, Bell Potter legal fees (max $8,000 + GST) provided that to the fullest extent possible Image shall be at liberty to defer the payment of expenses leaving it to Emu to pay the same following the Listing;

(h) assisting Emu with respect to the preparation of an initial public offering prospectus to be issued by Emu for the purpose of raising up to $20 million and supporting the Listing;

(i) assisting Emu in relation to co-ordinating the preparation of agreements required as a prelude to the Listing.

Serviced Offices Agreement

By agreement between Image and Emu Nickel dated 16 November 2007, Image agreed to provide Emu Nickel with serviced offices (on a non-exclusive basis to be shared with Image and Meteoric) and one half of the time of one secretary engaged for not less than 30 hours per week) for a fixed fee of $4,000 per month plus GST. The offices to be provided must be adequate to house Messrs Sakalidis, Thomson and said secretary for so long as they are engaged in Emu Nickel business and to provide each of them with all ancillary facilities necessary for the fulfilment of their duties to Emu Nickel. The agreement commences on the Listing Date and is terminable at will by either party on one month's notice commencing on the Listing Date.

ADDITIONAL INFORMATION

Interests, Fees and Benefits

Other than as set out below or as is disclosed elsewhere in this prospectus, no: (a) director of the Company; or (b) person named in this prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation and distribution of this prospectus; or (c) promoter of the Company; or (d) stockbroker or underwriter to the offer of securities under this prospectus; has or had within 2 years before lodgement of this prospectus with ASIC any interest in: (i) the formation or promotion of the Company; or (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of securities under this prospectus; or (iii) the offer of securities under this prospectus; and no amounts have been paid or agreed to be paid and no amounts have been given or agreed to be given to any of those persons as an inducement to become or to qualify as a director of the Company or for services rendered in connection with the formation or promotion of the Company or the offer of securities under this prospectus.

(a) Image has entered into various agreements with Emu Nickel or third parties which have an effect on Emu Nickel, further details of which are set out in the *Summary of Material Agreements*.

(b) Messrs Thomas, Sakalidis and Thomson (&/or their respective nominees &/or associates) will be entitled to the following securities in Emu Nickel at the time of Completion of the Offer:

Director	***Relevant interests Image Securities***		***Emu Nickel Shares***	***Emu Nickel Options***
	Shares	***Options***	***Bonus Issue***	***Incentive to Directors***
P Thomas	958,640	1,000,000	479,319	2,000,000
G Sakalidis	6,289,106	2,409,164	3,292,490	2,000,000
R Thomson	1,731,386	2,305,440	865,693	2,000,000

(c) The directors may also participate in the Offer.

(d) Each director will, as from the Listing Date, initially receive directors fees of $50,000 per annum plus statutory superannuation (in addition to any consultancy fees, including under the consultancy agreements detailed in the section *Summary of Material Agreements*).

(e) Rules 88.1 and 88.3 of each of the proposed Ltd and NL constitutions (whichever such constitution is in force or relevant from time to time being referred to as the Constitution) provide that the remuneration of the directors shall be $250,000 per annum to be divided amongst them equally unless they agree or it is resolved otherwise.

(f) For the purposes of the above rules, the Board has resolved that no director's fees will be payable in respect of any period prior to the Listing Date and as from that date, until further resolution, each director shall be entitled to director's fees of $50,000 per annum (together with an allowance sufficient to meet statutory superannuation obligations in relation thereto). Each director has evidenced his consent to his fees for his services as director to Emu being as above provided.

(g) Messrs Sakalidis and Thomson will receive fees for services provided by them as consultants to the company on terms set out in the *Summary of Material Agreements* section.

(h) Mr Thomas is the sole proprietor of Smyth & Thomas. On instructions from Image, Smyth & Thomas has prepared various agreements and the *Summary of Material Agreements* section, provided compliance advice in relation to this prospectus, participated in the due diligence process and provided other professional services in relation to this prospectus, the listing of the Company and other services not related to the Offer. In so acting, Smyth & Thomas' client was Image, not Emu Nickel and Emu Nickel has acknowledged and accepted this state of affairs.

(i) As from the Listing Date, where a director provides input to the affairs of the Company by way of extra effort or special exertion and which is beyond his ordinary duties as a director, then that director is entitled to be paid for the same in addition to ordinary directors fees except to the extent he is otherwise remunerated for the same. As at the date of this prospectus, none of the directors have received any director's fees (nor are any outstanding).

(j) TPT Nominees Pty Ltd will be paid a fee of approximately $50,000 (exclusive of GST) and has been granted 600,000 Options for acting as Float Co-ordinator and for providing other professional services in relation to the Offer and the listing of the Company.

(k) Corvidae Pty Ltd as Trustee for Ravensgate Unit Trust Trading as Ravensgate has been (or will be) paid a fee (including disbursements) of up to approximately $22,500 (exclusive of GST) for preparing the *Independent Geologist's Report* section of this prospectus.

(l) Somes & Cooke has been (or will be) paid a fee of approximately $6,000 (exclusive of GST) for preparing the *Independent Accountant's Report* section of this prospectus. The Company has agreed to indemnify Somes & Cooke from all claims arising in respect of their involvement in preparing the report for inclusion in this prospectus to the extent that liability arises as a consequence of any information being provided by or on behalf of the Company to Somes & Cooke being misleading, deceptive or false or to the extent that the Company fails to disclose information which is reasonable in all the circumstances to expect would have been disclosed to Somes & Cooke to enable them to prepare the report.

(m) McMahon Mining Title Services Pty Ltd has been (or will be) paid a fee of up to approximately $5,500 (exclusive of GST) for preparing the *Report on Tenements* section of this prospectus;

(n) Bell Potter Securities Limited is entitled to fees as detailed in *Details of the Offer - Fees & Expenses*.

The 2 million Options held by each of the directors (or nominee or associate) and the 600,000 Options held by TPT Nominees Pty Ltd will be subject to restriction agreements. They were independently assessed on 6 September 2007 to have a value at the time of their grant of between $0.001 and $0.003. Individual directors may have no relevant interest (within the meaning of the Corporations Act) in Options at the Listing Date.

Change from proprietary limited to no liability company

Emu Nickel was incorporated as a proprietary limited company on 29 August 2007. By resolutions of the shareholders of Emu Nickel in general meetings held in October 2007 it was resolved to change Emu Nickel from a proprietary limited company to a public no liability (with it to become a public company limited by shares as an interim step to that result).

Before those resolutions take statutory effect, an advertising period in respect of each change must elapse. That period, absent any objection under the Corporations Act, will end 30 November 2007 in the case of the change to public limited liability and is expected to end in early January 2008 in the case of the change to public no liability.

Accordingly, it is anticipated that as at the Listing Date, Emu Nickel will be a public limited liability company with it changing shortly after that date to a public no liability company.

The constitution of Emu Nickel will change upon it becoming a public limited liability company and it will change again upon it becoming a public no liability company.

A no liability company has the following distinguishing characteristics:

(a) a holder of shares in a no liability company has (as the name suggests) no liability to pay any of the share capital, either while the company is a going concern or in its winding up;

(b) a shareholder can elect to pay a call. If a shareholder does not pay a call as and when made, the shares will be forfeited;

(c) only a company whose constitution states that its sole objects are mining purposes can be a no liability type of company. “Mining purposes” are defined to include the following: (1) prospecting for ores, metals or minerals; (2) obtaining, by any mode or method, ores, metals or minerals; (3) the sale or other disposal of ores, metals, minerals or other products of mining; and (4) the carrying on of any business or activity necessary for, or incidental to, any of the foregoing purposes. Quarrying operations for the sole purpose of obtaining stone for building, road making or similar purposes are specifically excluded from the definition.

Constitution

Emu Nickel has lodged 2 constitutions at ASIC, one is to apply for the short period that Emu Nickel is a public company limited by shares (the **Ltd Company Constitution**) and the other is to apply as from the date that Emu Nickel becomes a no liability company (the **NL Constitution**).

Each of those constitutions is deemed to be incorporated by reference into this prospectus in accordance with section 712 of the Corporations Act. A copy of these constitutions can be obtained from the Company’s registered office, at no cost, or from ASIC.

A constitution has the effect of a contract between the company and each member, between the company and each director and company secretary, and between a member and each other member under which each of those persons agrees to observe and perform the provisions of the constitution as far as those provisions apply to that person. A company's constitution can only be altered by a special resolution. Each applicant for Shares under the Offer agrees, by force of the application, to be bound by the Ltd Company Constitution or the NL Constitution (as and when in force – the **Relevant Constitution**).

Both of the Relevant Constitutions deal with matters such as the rights conferred and obligations imposed by shares, transfer of shares, alterations of share capital, share buy-backs, disposal of less than a marketable parcel, variation of class rights, meetings of share-holders, polls, appointment and removal of directors, remuneration of directors and the Listing Rules.

Rights Attaching to Shares

All Shares being offered pursuant to this prospectus will be issued as fully paid ordinary shares in the capital of the Company and will rank equally with existing fully paid ordinary shares on issue. Further details as to the rights and liabilities attaching to the Shares are set out in the Relevant Constitution.

Following is a broad (non exhaustive) summary of the rights, privileges, and restrictions attaching to all shares in Emu Nickel and is prepared on the basis that, **the Company hereby commits not to issue any partly paid shares and not to pay any dividends before it changes to a no liability company pursuant to the resolutions referred to in the section** *Additional Information* under the heading *Change from proprietary limited to no liability company*.

Voting - Subject to any special rights or restrictions for the time being attached to any class or classes of shares (at present there are none), at a general meeting every shareholder present in person or by proxy, representative or attorney has:

(a) on a show of hands, one vote; and

(b) (as no partly paid shares will be will be issued by Emu Nickel before it changes to a no liability company, this paragraph relates to the provisions of the NL Constitution only) on a poll, one vote for each fully paid share held and in respect of a partly paid share, a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price.

Calls – As no partly paid shares will be issued by Emu Nickel before it changes to a no liability company, this paragraph relates to the provisions of the NL Constitution only. Where shares are issued as partly paid, directors may, subject to the terms of issue, make calls upon holders of those shares to pay the whole of or a portion of the balance of the issue price. If a shareholder fails to pay a call or instalment of a call, then subject to the Corporations Act, ASX Listing Rules, the Constitution, and the terms on which the shares were issued, the shares the subject of the call will be forfeited but the shareholder cannot be made to pay the call.

Dividends - As no dividends will be paid by Emu Nickel before it changes to a no liability company, this paragraph relates to the provisions of the NL Constitution only. Subject to the rights of shares issued with any special or preferential rights (at present there are none), any profits of Emu Nickel, which Emu Nickel from time to time distributes by way of dividend, will be divisible amongst the shareholders in proportion to the shares held by them respectively, irrespective of the amounts paid up or credited as paid up on those shares.

Return of Capital on Winding up - Subject to the rights of shareholders with shares with special rights in a winding up (at present there are none), on a winding up of Emu Nickel, all assets which may be legally distributed amongst the shareholders will be distributed in proportion to the shares held by them, irrespective of the amount paid up or credited as paid up on a share.

Transfer of Shares - Subject to some limited restrictions contained in the Constitution, the ASX Listing Rules, the SCH Business Rules, and the Corporations Act, shares in the Company are freely transferable.

Variation of Rights Attaching to Shares - Where shares of different classes are issued, the rights attaching to the shares of a class can thereafter only be varied by a special resolution passed at a general meeting of holders of the shares of that class, or with the written consent of holders of at least three quarters of the issued shares of that class.

Notices - Each shareholder is entitled to receive notice of and to attend and vote in person or by proxy, representative or attorney at general meetings of Emu Nickel and to receive all notices, accounts and other documents required to be furnished to shareholders under the Relevant Constitution or the Corporations Act. In the pursuit of efficiencies in terms of timing, minimising environmental impact and costs to the Company, shareholders are encouraged to not elect to receive physical copies of communications from the Company.

Terms of the Options

The Options entitle the holder to subscribe for and to be issued Shares as follows:

(i) each Option entitles the holder to subscribe for and be issued with one fully paid ordinary share upon payment of an amount per Option equal to the issue price (**exercise price**) of ordinary shares under the IPO to be issued as a prelude to the listing of the Company on ASX;

(ii) the Options shall lapse at 5.00pm Western Standard Time on the date (**expiry date**) being the fifth anniversary of the date (**Listing Date**) the Company lists on ASX;

(iii) the Options shall be exercisable wholly or in part by notice in writing to the directors of the Company at any time until the expiry date on payment of the exercise price per Option;

(iv) the Options will not be subject to any restrictions on transferability;

(v) the Option-holders will not be entitled (by reason of being holders of the Options) to participate in new issues of capital which may be offered to shareholders during the currency of the Option;

(vi) Option holders have the right to exercise their Options prior to the date for determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be given notice as required by the Listing Rules before the date for determining entitlements to enable the exercise the Options;

(vii) within the period stipulated by the Listing Rules, following receipt of a properly executed Option notice and the required application monies, the requisite Shares will be issued;

(viii) shares issued on the exercise of the Options will rank pari-passu with the then existing issued ordinary fully paid shares. The Company will, if and for so long as it is listed, apply for Official Quotation by ASX of all shares issued upon exercise of the Options within such period as the Listing Rules stipulate;

(ix) in the event of any reorganisation (including reconstruction, consolidation, subdivision, reduction or return) of the issued capital of the company, the Options will be reorganised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged;

(x) in the event of a bonus issue to the holders of Shares, the number of Shares over which each Option is exercisable shall be increased by the number of Shares which the Holder would have received if the Option had been exercised before the record date for the bonus issue. The bonus issue must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the bonus issue and rank equally in all respects with other shares of that class at the date of issue of the bonus shares;

(xi) other than as set out, the Options do not confer any of the rights set out in ASX Listing Rule 6.22.

Dividend Policy

The Company does not yet have a dividend policy save as detailed in section *Additional Information* under the heading *Rights Attaching to Shares*. The Company currently has no intention to declare or distribute dividends. The payment of any future dividends will depend upon the future success of the Company's exploration, development and mining activities, profitability and financial position.

Consents

The following persons have given their written consent to be named in this prospectus and for the inclusion of statements made by those persons (as described below), and have not withdrawn such consent before lodgement of this prospectus with ASIC.

(a) TPT Nominees Pty Ltd has consented to being named as Float Co-ordinator and has been involved in the preparation of this prospectus and the due diligence process.

(b) Smyth & Thomas has consented to being named in this prospectus and to the inclusion of the *Summary of Material Agreements* (which was prepared by Smyth & Thomas) in the form and context in which that naming and summary appear in this prospectus.

(c) Corvidae Pty Ltd as Trustee for Ravensgate Unit Trust Trading as Ravensgate has consented to being named as Independent Geologist to the Company and the inclusion of its *Independent* Geologist's Report in this prospectus (in the form and context in which it appears).

(d) Somes & Cooke has consented to being named as Auditor & Independent Accountant to the Company and the inclusion of its *Independent Accountant's Report* in this prospectus (in the form and context in which it appears).

(e) McMahon Mining Title Services Pty Ltd has consented to being named as Tenement Consultant to the Company and the inclusion of its *Report on Tenements* in this prospectus (in the form and context in which it appears);

(f) Bell Potter Securities Limited has consented to being named as Lead Manager to the Offer (in the form and context in which it appears).

Other than as disclosed above or elsewhere in this prospectus, none of the abovementioned persons have been involved in the preparation, or authorised or caused the issue, of this prospectus. To the maximum extent permitted by law, each of the persons referred to above:

(a) expressly disclaims and takes no responsibility for any part of (or any matter included in or omitted from) this prospectus;

(b) makes no representation or warranty (either expressly or impliedly) with respect to the completeness or accuracy of information contained in this prospectus;

(c) disclaims liability to any person in respect of any statement included in or omitted from this prospectus;

other than as disclosed above.

Corporate Governance Policy

The Board monitors the business affairs of the Company on behalf of shareholders and has formally adopted a corporate governance policy (see www.emunickel.com.au) that is designed to encourage the Board to focus its attention on a wide range of corporate issues.

Such issues include remuneration and performance appraisal, management and employees, accountability, strategic planning, risk assessment and management, trading in the Company's securities by the Board and management, information disclosure and ethical conduct.

The corporate governance policy was prepared in accordance with the "Principles of Good Corporate Governance and Best Practice Recommendations" released by the ASX and, to the extent that the Board considered them to be consistent with the objectives and structure of the Company, those principles were adopted.

Heritage Surveys

The Company is aware of 2 very limited heritage surveys having been conducted in relation to 2 project areas (affecting 5 Tenements) – nothing of consequence was revealed thereby.

GLOSSARY AND INTERPRETATION

ASIC	Australian Securities & Investments Commission.
ASTC	ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).
ASX	Australian Securities Exchange Limited (ABN 98 008 624 691).
Bell Potter	Bell Potter Securities Limited (ABN 25 006 390 772) (AFSL 243480)
Board	Board of directors of the Company as constituted from time to time.
Bonus Issue	A pro rata bonus issue of 39,822,047 Shares to holders of shares in Image as at 19 November 2007.
CHESS	Clearing House Electronic Subregister System.
Company	Emu Nickel Pty Ltd (ABN 50 127 291 927) (which will change to a public company limited by shares on about 3 December 2007 and on about 11 January 2008 will become a no liability company).
Completion of the Offer (and similar phrases)	The issue of Shares pursuant to the Offer.
Constitution	Constitution of the Company as amended or replaced from time to time.
Corporations Act	Corporations Act 2001.
Emu Lake tenements	E27/84, E27/168, ELA27/353 & 354, MLA27/457-464, PLA27/1750-1752
Emu Nickel	Emu Nickel Pty Ltd (ABN 50 127 291 927)(which will change to a public company limited by shares on about 3 December 2007 and on or about 11 January 2008 will become a no liability company).
Emu Nickel JVA	The joint venture agreement between Image and Emu Nickel detailed in the *Summary of Material Agreements - Emu Nickel Joint Venture* Agreement
Exposure Period	The period applicable to this prospectus in terms of the Corporations Act section 727(3).
g/t	Grams per tonne.
Image	Image Resources NL (ABN 57 063 977 579).
JORC	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code).
Kambalda West tenements	E15/883-890 and E63/977 & 978.
Listing Date	Date of commencement of official quotation of the Shares on ASX.

Listing Rules	Listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Moz	Million ounces.
Overseas Applicants	Persons making an application for Shares pursuant to the Offer from outside Australia.
Offer	Offer of between 20 million and 40 million Shares made under this prospectus.
Official List	Official list of entities that ASX has admitted and not removed.
Options	Up to 10,000,000 Options to subscribe for Shares – see *Details of the Offer* - *Fees & Expenses* and *Additional Information* - *Terms of the Options*
Relevant Constitution	Bears the meaning given in section *Additional Information* under the heading *Constitution*
Share	A fully paid ordinary share in the capital of the Company.
t	Tonnes.
Tenements	the Tenements listed in the section headed *Report on Tenements.*
Ward Springs tenement	E30/287.
WST	Western Summer Time or Western Standard Time, Perth, Western Australia, as applicable.

Please refer to *Independent Geologist's Report - Glossary* for additional definitions with respect to geological terms and abbreviations contained in this prospectus.

In this Prospectus unless the context otherwise unambiguously requires the same, general statements followed by an example or a list of examples are not limited to or by that example or list.

APPLICATION FORM - PUBLIC OFFER

Applicants should read this prospectus in its entirety before completing this application form. A person who gives to another person access to this application form must, at the same time and by the same means, give that person access to the prospectus.

No of Shares applied for	IDENTIFYING STAMP ONLY
APPLICATION MONIES AT 50 CENTS PER SHARE:	

TITLE GIVEN NAMES/COMPANY NAME SURNAME/ACN

JOINT APPLICANTS OR ACCOUNT DESIGNATION

POSTAL ADDRESS

CITY/TOWN STATE POSTCODE

EMAIL ADDRESS

CONTACT NAME DAYTIME CONTACT NO.

CHESS DETAILS PID HIN

TAX FILE NO/EXEMPTION CATEGORY APPLICANT 2 APPLICANT 3

DRAWER	BANK	BRANCH	AMOUNT
			$
			$

DECLARATION

By lodging this application form and a cheque for the application money the applicant hereby:

a) applies for the number of Shares specified in the application form or such lesser number as may be allocated by the Board;
b) agrees to be bound by the Constitution (of the Company from time to time);
c) authorises the Board to complete or amend this application form where necessary to correct any errors or omissions; and
d) declares that the prospectus has been received in full by the applicant and has been read and fully understood in its entirety.

NOTES

Enter the number of Shares you wish to apply for. Except in the case of an application under a Conditional Priority, applications must be for a minimum of 4,000 Shares and thereafter in multiples of 1,000 Shares.

(a) Enter the total amount of application monies payable. To calculate this amount, multiply the number of Shares you are applying for by the issue price for each Share.

(b) Enter the full name(s) of all legal entities that are to be recorded as the registered holders.

(c) Enter the postal address for all communications from the Company.

(d) Enter the name and telephone number of the person who should be contacted if there are any questions with respect to this application form.

(e) If you are CHESS sponsored, enter your Participant Identification Number (**PID**) and Holder Identification Number (**HIN**) in the CHESS HIN box, otherwise leave this box blank and a Shareholder Reference Number (**SRN**) will be allocated to you on issue.

(f) Enter the tax file number(s) of the applicant(s) - this is not mandatory.

(g) Unless otherwise agreed by the Company, payment must be made to ***"Emu Nickel"*** by cheque drawn or payable on a bank within Australia, crossed ***"Not Negotiable"*** and be in Australian dollars. Receipt of payment will not be acknowledged.

(h) This application form does not need to be signed. Return of this application form with the required application monies will constitute a valid application for that number of Shares stated on this form.

If you have received an application form without a complete and unaltered copy of this prospectus, please contact the Company who will send you, free of charge, either a printed or an electronic version of this prospectus (or both).

Please note that if an application form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Board as to whether to accept an application form, and how to construe, amend or complete it, shall be final. An application form will not be treated as having offered to subscribe for more Shares than is indicated by the amount of the accompanying cheque.

Please deliver the completed application form (accompanied by a cheque for the application monies) at any time prior to the closing date to the Company's Share Registry:

Delivery:
770 Canning Highway
Applecross WA 6153

Post:
PO Box 535
West Perth WA 6953

Please telephone the Company's Share Registry on (08) 9315 2333 if you have any questions with respect to this application form. Applications are for Shares as detailed in the prospectus dated 30 November 2007, which expires 13 months after that date.

CORRECT FORMS OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Application forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full name and a surname is required for each natural person. Application forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below:

Type of Investor	Correct Form of Registrable Title
Trusts	Mr John David Brown <John David Brown A/C>
Deceased Estates	Mr John David Brown < Est John David Brown A/C>
Partnerships	Mr John David Brown and Mr Michael James Brown
Clubs/Unincorporated Bodies	Mr John David Brown <ABC Tennis Association A/C>
Super Funds	John Brown <Super Fund A/C>