MINING EXPLORATION ENTITY QUARTERLY REPORT

APPENDIX 5B

Name of entity:

Emu Nickel NL

ABN:	Quarter ended ("current quarter")
50 127 291 927	31/12/2008

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $AUD'000	Year to date (6 months) $AUD'000
1.1	Receipts from product sales, related debtors, GST Credits	32	153
1.2	Payments for:		
	(a) exploration and evaluation	(283)	(462)
	(b) development		
	(c) production		
	(d) administration	(197)	(353)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	151	315
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(297)	(347)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	(4)	(4)
	(b) equity investments		
	(c) other fixed assets	(2)	(16)
1.9	Proceeds from sale of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans advanced by/repaid to other entities		
1.12	Other (Loan repayments to associated company)		
	Net investing cash flows	(6)	(20)
1.13	Total operating and investing cash flows (carried forward)	(303)	(367)

1.13	Total operating and investing cash flows (brought forward)	(303)	(367)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material) – Share issue expenses		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(303)	(367)
1.20	Cash at beginning of quarter/year to date	8,279	8,343
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	7,976	7,976

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

		Current quarter $AUD'000
1.23	Aggregate amount of payments to the parties included in item 1.2	110
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

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

N/A

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

N/A

Financing facilities available

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

Estimated cash outflows for next quarter

		$AUD'000
4.1	Exploration and evaluation	300
4.2	Development	
4.3	Administration	120
	Total	**420**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $AUD'000	Previous quarter $AUD'000
5.1	Cash on hand and at bank	130	181
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details) – Short Term Deposit	7,846	8,098
	Total: cash at end of quarter (item 1.22)	7,976	8,279

Changes in interests in mining tenements

		Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	E30/287	Relinquished	90%	0%
6.2	Interests in mining tenements acquired or increased	E28/1899	Application	0%	100%

Issued and quoted securities at end of current quarter

		Total number	Number quoted	Issue price per security (cents)	Amount paid-up per security (cents)
7.1	**Preference securities**	N/A			
7.2	Issued during quarter	N/A			
7.3	**Ordinary securities** Fully paid Partly paid	59,828,940	55,369,877	$0.50	$0.50
7.4	Issued during quarter Fully paid bonus shares Fully paid Partly paid bonus shares				
7.5	**Convertible debt securities**	N/A			
7.6	Issued during quarter	N/A			
7.7	**Options**	10,000,000	Not Quoted	*Exercise price* $0.50	*Expiry date* 27/2/2013
7.8	Issued during quarter	Nil			
7.9	Exercised during quarter	Nil			
7.10	Expired during quarter	Nil			
7.11	**Debentures**	N/A			
7.12	**Unsecured notes**	N/A			

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

George Sakalidis
Managing Director
Date: 30 January 2009