

17 March 2020

## Letter to Shareholders

Dear Shareholder

I would like to take this opportunity to thank you for your ongoing support of EMU NL (**ASX: EMU**) and provide an update following receipt of our exploration results at the Elevado Project in Chile and to advise activities planned for the coming months.

Given the rapidly unfolding events to do with COVID19 and the growing concern and severe impact on financial markets, EMU has decided to immediately minimise all expenditure and thus institute a cost review to reduce all but critical expenditures during this uncertain period. This comes as we finalise our exploration work at Elevado Project.

We are steadfastly optimistic about the future of EMU given the global turmoil we are all witnessing. The work and activities that companies such as EMU perform, are intrinsically linked to our future and prosperity. The turbulence in the markets will pass as will the need for drastic action directed at COVID19. The world will return to normal as will the demand for resources and precious metals. Our exploration work and efforts are focussed on shareholder interests and we relentlessly seek ways to unlock value for all our stakeholders; for now preservation is paramount.

EMU will vigorously explore and consider new opportunities that may precipitate from the current crisis. A pipeline of project opportunities continues to be evaluated. It is anticipated at least some of these may be offered on much more favourable terms, given the current financial markets situation, than was the case as little as a few weeks ago.

### Exploration Progress and the Elevado Project

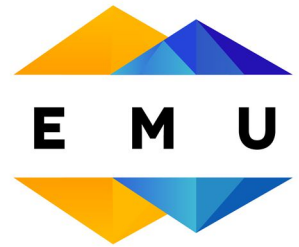
EMU commenced exploring the Elevado project, in Chile in late 2017. EMU was attracted to this project and the surrounding Maricunga district because of its pedigree (very large, often high-grade, deposits) and the unexplained presence of significant (high-grade) rock chip values at the Vidalita prospect. In 2019, EMU reported a significant intersection at Vidalita (24m @ 5g/t gold and 28g/t silver from 20m within a wider interval of 48m @ 2.8g/t gold and 19g/t silver, see ASX Announcement 8 March 2019). Off the back of this hole, reported as the “discovery hole,” EMU developed a comprehensive air core drilling programme to test for repeat intersections and to extend the zone of mineralisation.

In the 2019/2020 season, EMU planned and completed a deep diamond drill hole into an IP chargeability anomaly to test depth extensions of the mineralisation beneath the discovery hole. A second, deep diamond hole was also drilled at NE Plains, testing a similar but larger anomaly.

EMU commenced a significant review of its database following the 2018/2019 season work at Elevado. World experts in the geoscience area, credentialed in High Sulphidisation Epithermal and Porphyry gold, silver systems were engaged to collaborate with our in-house geologists to refine current and define new drill targets within the Elevado Project area for the 2019/2020 season. The reinterpretation of geophysics data, review of drill core and geochemical re analysis was completed and a defined list of targets for drilling was produced and drilling was undertaken.

The comprehensive regional exploration programme in 2019/2020, including rock chip and soil sampling, stream sediment surveys and extensive groundwork, confirmed and identified all possible target zones the Company could identify within the Elevado Project (and the company is confident it did an excellent job in leaving no stone unturned). EMU was able to successfully access all areas of the project. New targets were identified, and drilling was planned and completed within these prospects.

Assay results from previous seasons’ air core drilling and those from this season’s diamond and RC drilling programmes have, unfortunately, failed to produce results sufficiently significant to justify any further follow up.



EMU has comprehensively explored and drilled all identified targets within the Elevado Project. EMU's geologists and the geoscience support teams that have been involved with this project have provided a significant body of work and technical knowledge to allow EMU to be confident that the Elevado Project warrants no further exploration work or expenditure.

The board has decided, in light of the foregoing and COVID19, that the order of the day is now to preserve shareholders' funds. Accordingly, EMU will exit the Elevado Project in Chile with immediate effect. EMU will undertake the exit to minimise cost whilst complying with its legal and good corporate citizen obligations. This will result in significant savings from the 2020 exploration budget.

### **Project Generation**

EMU continuously seeks to identify and review resource and exploration projects both within Australia and overseas with a view to acquiring assets that may have the potential to add significant financial value and returns for its shareholders. Since the end of 2019 season EMU has evaluated numerous projects in Chile, Australia and in other global jurisdictions, including Canada, and other Latin American countries besides Chile. A number of these projects are still being followed up and remain under evaluation. EMU maintains a strict criterion in its evaluation of these projects.

The focus of evaluation of opportunities is not limited to greenfield exploration. EMU's evaluation criteria include projects that have the potential to be value-accretive and demonstrate significant upside at any stage in the project life cycle, including greenfield exploration, late-stage exploration and near-term cash flow.

EMU's CEO and Senior Geologist recently attended the 2020 PDAC conference held in Toronto, Canada and returned with a long list of highly desirable projects to add to current projects under evaluation. The PDAC Conference highlighted many opportunities and many quality exploration projects that are available globally. All long-listed projects are being assessed utilising EMU's highly refined selection tools, and a definitive short list of projects will be produced shortly for the board to consider. Following final selection and ensuing negotiations, EMU is optimistic and confident that it will be able to announce to the market a project or projects that meet shareholder expectations at the appropriate time.

Thank You.

### **Peter Thomas**

Non-Executive Chairman

Mobile: 0412 759 409

Office: 08 9481 2522

Email: [info@emunl.com.au](mailto:info@emunl.com.au)

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***PS: So we can better serve and inform you, we would request that you update your electronic contact and reporting options by visiting the Share Registry's website at <https://investor.automic.com.au>***

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