



9 August 2019

## 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 overview of our activities planned for the coming months.

We are excited to be preparing for our next phase of exploration at Elevado and trust you will continue to support EMU as we work to unlock the potential, both from this project and new opportunities.

### Discovery & Exploration Progress

EMU continues to focus on exploring for world-class ore bodies within its mineral interests in the Maricunga Belt in Chile. During the past six months, we made steady exploration progress including making our discovery at the Vidalita prospect, where we returned a result of 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 Release dated 8 March 2019).

### Lease Extension

We have secured a three-year extension to our option over the concession hosting the Vidalita discovery, which provides EMU with more time to establish the significance of our discovery and undertake further exploration across other prospects.

### Technology & Specialist Review

We have engaged world-class geophysics and geochemistry experts to independently review our results, specifically with a view to providing vectors and targets for our drilling programme. This will include a review of our drilling samples and core at our new Copiapo premises.

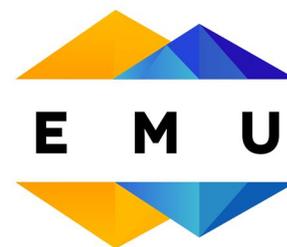
EMU continues to look for and deploy low-cost, leading edge incisive technologies with a view to delivering high-value outcomes.

### Budget & Look Ahead

We have set a budget of US\$2.0 million (at current FX rates ~A\$3.0 million) for exploration activities at Elevado over the coming exploration season. This program will include:

- A review of the Elevado Project, by world-class geophysicists and geochemists, which is underway, including interrogation of our internal interpretation of the mineralised system and controls thereon - specifically to provide vectors for the diamond drilling programme following up the discovery as well as to identify new target zones;
- Re-logging of core at EMU's new base in Copiapo, Chile to assist in the identification of alteration minerals and clays and to provide vectors to mineral zones and heat sources in the high-sulphidation epithermal mineral model;
- A regional prospecting programme, including rock chip and soil sampling - planned to commence in October;
- Diamond drilling of drill-ready targets, including further drilling of the Vidalita prospect to target depth extensions of the identified mineralisation – planned to commence mid-October;
- Aircore drilling of other drill-ready, but as yet untested targets, as well as other targets determined by our upcoming regional exploration programme – planned to commence January 2020.

Access and site works, ahead of the commencement of drilling, is planned to be underway soon. Some drill pads have already been prepared. EMU's geological team has returned to Chile to prepare logistics and mobilisation of the camp, drilling equipment and other resources for the programme.



### **Low Cost, Expense Saving Permanent Base in Copiapo, Chile**

EMU has leased fit-for-purpose premises, previously Exeter's headquarters, which includes accommodation, lay-down yard and core storage.

### **Drilling**

EMU is poised to appoint a competent Australian drilling contractor. Drilling will be on a 24/7 basis to deliver efficiencies and general overhead savings. The drilling contractor has secured an as-new multi-purpose 8x8 truck mounted rig specifically for EMU's drill programme (rig 1,180 hours / truck 3,000 miles). This rig is planned to be mobilised to site in October.

EMU expects the diamond drilling at the Vidalita prospect to be complete by the end of the year, however this may change on the basis of initial results from the programme. The aircore drilling will follow once diamond drilling is complete.

Steps have been taken to expedite the return of assay results.

### **Project Generation**

EMU continues to assess other exploration and exploitation concessions in Maricunga. Concurrently, other opportunities consistent with EMU's objectives are being reviewed, especially in Australia.

Thank You.

**Peter Thomas**

Non-Executive Chairman