20 July 2021

Letter to Shareholders

Dear Shareholder

Thank you for your ongoing support of EMU NL (**ASX: EMU**). Here is an update on exploration progress at our projects in Western Australia, including activities planned for the coming months.

After focussing our strategy on Western Australia in mid-2020, we announced the acquisition of a suite of exploration projects in September 2020. The quality of these exploration projects has been demonstrated in our recent news flow and market updates, and we anticipate further positive updates as we progress our planned evaluation programmes.

In a short time, our in-house team has progressed each project with activities ranging from land access discussions with landholders, through to the completion of a highly successful maiden drilling programme at our flagship Gnows Nest gold project at Yalgoo WA.

Budgets and field programmes for the next 12 months have been approved and our team is currently active in the field. The schedule includes field work at all our projects which are variously prospective for gold, copper and nickel.

GOLD

Gnows Nest – Yalgoo WA

In 2020, EMU acquired the historic high-grade Gnows Nest gold project near Yalgoo, Western Australia, with a then Indicated and Inferred Resource of 13,777 oz gold[1]. Adjoining tenements were also acquired along the same host structure to the northwest, which included the Monte Cristo prospect[2]. In early 2021, EMU completed its highly successful maiden ~11,000m RC drilling programme, which intersected high-grade gold at both Gnows Nest and Monte Cristo. Significant intercepts reported included[3]:

Gnows Nest

- **4m at 20.40g/t gold** from 51m including;
  - **1m at 57.41g/t gold** from 52m and
  - **1m at 16.86g/t gold** from 54m
- **4m at 18.32g/t gold** from 95m including;
  - **1m at 17.53g/t gold** from 95m; and
  - **1m at 51.66g/t gold** from 96m
- **3m at 42.18g/t gold** from 77m including;
  - **1m at 89.57g/t gold** from 78m; and
  - **1m at 32.64g/t gold** from 79m

[1] Refer to ASX Announcement "EMU Secures Historic High Grade Gnows Nest Gold Project near Yalgoo WA" dated 28 September 2020
[2] Refer to ASX Announcement "Strategic Acquisition at Gnows Nest" dated 25 November 2020
[3] Refer to ASX Announcement "EMU's Maiden Drilling Programme Confirms High Grade Gold" dated 22 February 2021

- **2m at 26.88g/t gold** from 60m including:
  - **1m at 53.05g/t gold** from 60m
- **6m at 6.42g/t gold** from 116m including;
  - **1m at 30.19g/t gold** from 118m; and
- **1m at 47.12g/t gold** from 63m

Monte Cristo

- **3m at 13.35g/t gold** from 67m including;
  - **1m at 19.90g/t gold** from 68m
- **6m at 6.51g/t gold** from 120m including;
  - **1m at 22.77g/t gold** from 121
- **4m at 3.29g/t gold** from 120m including;
  - **1m at 5.97g/t gold** from 121m

EMU completed a gradient array IP geophysics survey over the general Gnows Nest area and is in the field conducting mapping and soil geochemistry in advance of the second phase of RC drilling scheduled to commence in August 2021.

This ~6,500m drilling programme will test to depths of up to 300m for extensions of the two high-grade gold shoots defined at Gnows Nest. In addition, the gold lode identified in the first drill campaign at Monte Cristo will be tested for strike and depth extensions. A maiden Mineral Resource estimate for the Monte Cristo prospect is in preparation, following the success of the initial drilling programme.

It is anticipated that the August drilling programme will build on the prospectivity of these two projects. The 2 interpreted side by side gold-bearing host structures at Gnows Nest extend for more than 6km in length and have a total end-on-end extent of approximately 10km. EMU plans to focus its exploration efforts along the full length of these structures, encouraged by the presence of historic workings and anomalies interpreted from the recent geophysics and geochemistry programmes. The August RC drilling programme will test several priority targets on these mineralised structures.

As EMU grows its inventory of gold ounces at Gnows Nest and Monte Cristo, it will continue to progress approvals for mining. The approvals process has been advanced since acquisition and EMU continues to evaluate economics and timing of a modest mining operation in relation to the existing deposits.

COPPER, NICKEL and PLATINUM GROUP ELEMENTS

Viper, Graceland, 8 Mile Dam, Sunfire

EMU's COVID responsive refocus led to the acquisition of several prospective copper, nickel and, potentially, PGE exploration projects within one day's drive of Perth, WA. Each of these projects had distinct targets and EMU's work since acquisition has demonstrated upside and added value to the assets.

Viper – Jerramungup WA

The historic high-grade Netty copper mine is hosted within an interpreted Proterozoic dyke system which is circa 4km in extent. Recent auger drilling identified significant copper anomalies along this system to the west of the mine.

The auger drilling identified another (parallel) circa 2km of interpreted Proterozoic dyke, approximately 500m south of above dyke, also shown by the drilling to have associated significant anomalous copper geochemistry.

EMU also reported visual copper occurrences sighted in rock float during the auger programme with several rock samples collected exhibiting malachite (copper carbonate) associated with the granite host and ultramafic intrusive material[4]. In addition, a gold anomaly, detected on the eastern margin of the Netty dyke system, requires evaluation.

Encouraged by the results of its maiden geochemistry work at Viper, EMU is planning infill auger drilling and a ground EM geophysics programme. The EM survey will detect variations in electrical conductivity, down to several hundred metres underground, to establish whether sulphide conductors might be present and if so, lead to targeting for a future drilling programme. The primary focus of the EM survey will be the historic Netty mine and to further evaluate the anomalous zones along the Netty dyke systems.

Graceland – Hyden WA

A broad-spaced auger drilling programme was completed by EMU over an extensive, concealed magnetic anomaly during the first quarter of 2021. The target is substantial and has not been subject to any modern-day exploration.

As a first pass, EMU's geochemistry programme was designed to test for potential nickel and copper mineralisation. Whilst results are being finalised and reviewed, preliminary observations indicate copper and nickel potential confined to the southern margin of the magnetic feature.

EMU is preparing further infill auger drilling, ground magnetics and EM geophysical surveys in advance of possible RC drilling.

8 Mile Dam – Menzies WA

An auger drilling programme was undertaken at 8 Mile Dam in the first quarter of 2021. EMU planned the programme following a reconnaissance field trip by its team, which identified the possibility of ultramafic intrusives within the largely granitic terrain. Evidence of ultramafic rock types was discovered in cuttings from a historic drilling programme searching for diamonds in the area.

Recent auger drilling provided quality soil samples, with multi-element assay results confirming the presence of greenstone within the granite. Whilst results are still being evaluated in detail, preliminary observations

[4] Refer to ASX Announcement "Significant Visual Copper Occurrences at Viper Project" dated 15 March 2021

indicate likely copper and nickel zones within the auger programme areas. EMU is preparing to return to 8 Mile Dam to complete an infill auger drilling programme and a ground magnetics survey.

Sunfire – Bridgetown WA

This project sits alongside and adjacent to the Chalice Gold Mines, (ASX: CHN), Venture Minerals (ASX: VMS) JV tenements where recent EM surveys have reported new anomalism along the Thor target – a "Julimar lookalike" magnetic feature.

Historic drilling and exploration at Sunfire outlined a significant nickel anomaly of approximately 1.0km in length, as well as a substantial adjacent copper anomaly[5].

EMU is eager to commence field work at Sunfire and is proposing to confirm extensions of the copper and nickel anomalous zones with a soil geochemistry programme as well as conducting an EM geophysical survey over the anomalies. This work is scheduled to commence in October 2021.

Project Generation

Whilst EMU maintains focus on and is driven to accrete value to shareholders from its existing projects, the Company, consistent with its public position, continues to monitor and review new opportunities that may drive a step change to Company value; presently mainly within Australia. As the country comes to terms with the pandemic and borders open up, projects outside of Western Australia and minerals outside of EMU's current portfolio mix will be considered.

The board appreciates the support of its shareholders and looks forward to providing ongoing updates on its relentless focus to grow shareholder value in the near future.

Yours faithfully,

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ASX Compliance Statement:

In accordance with ASX Listing Rule 5.23.2, EMU confirms that it is not aware of any new information or data that materially affects the information contained in previous announcements and included as references in this market announcement.

[5] Refer to ASX Announcement "EMU Secures Highly Prospective Exploration Portfolio in WA" dated 28 September 2020