

Emu NL (**ASX:EMU**) (**EMU** or the **Company**) is pleased to announce that it has entered into an underwriting agreement in respect of the 65,759,750 unquoted options to convert into ordinary partly paid shares (**ASX:EMUCA**) (paid as to 3 cents with 3 cents to pay on call with no call to be made before 31 December 2023), exercisable at \$0.02 each, with an expiry date of 21 December 2020 (**Options**) with Oceanic Capital Pty Ltd (**Underwriter**) up to an amount of \$1,315,195 (**Underwriting Agreement**).

The Underwriting Agreement contains indemnities and warranties usual for an agreement of this nature with material terms and conditions set out below.

In accordance with ASX Listing Rule 3.11.3, the Company advises that Oceanic Capital Pty Ltd is not a related party of the Company. The Underwriter will be paid a fee of \$80,000 (being 6% rounded of the underwritten amount) in the event the shortfall is fully subscribed. Any shortfall shares to be issued to the Underwriter are expected to be issued in accordance with ASX Listing Rule 7.2 (Exception 10) and therefore shareholder approval will not be sought.

The Underwriting Agreement is subject to the following material terms:

1. in the event the shortfall is fully subscribed, the Company has agreed to pay the Underwriter an underwriting fee of \$80,000, being 6% rounded of the underwritten amount;
2. the Underwriter may procure such sophisticated or professional investors to sub-underwrite this transaction as the Underwriter in its sole and absolute discretion; and
3. the events of default are outlined below.

Events of default

The obligation of the Underwriter to underwrite this transaction is subject to certain events of termination. Subject to the material adverse effect qualification described below, the Underwriter may terminate its obligations under the Underwriting Agreement if one or more of the following occurs:

1. (**Indices fall**): any of the indices operated by S&P in conjunction with ASX at any time after the date of this Underwriting Agreement fall 5% or more below the respective level as at the close of business on the date of this Underwriting Agreement;
2. (**Currency**): at any time after the date of this Underwriting Agreement the value of the Australian Dollar compared to that of the United States Dollar varies by an amount of 5% or more as reported in the Australian Financial Review publication;
3. (**Gold**): at any time after the date of this Underwriting Agreement the price of gold, as quoted on bloomberg.com trades below A\$2,500 per ounce below US\$1,860 per ounce;
4. (**Party Paid Share Price**) if at any time after the date of the Underwriting Agreement the VWAP of the EMUCAs, as traded on ASX, not is equal to or greater than \$0.04 per share for a period of at least 5 consecutive trading days;

5. **(Default):** the Company be or have been in default or breach under this Underwriting Agreement of any term, condition, covenant or undertaking herein; and
6. **(Sub underwriting)** if the Underwriter is unable to secure sufficient sub underwriting terms acceptable to, and at the absolute discretion of the Underwriter.

EMU agrees that if the number of Shortfall Shares exceeds 25,000,000 EMU will not make any call in respect of the ASX:EMUCA securities prior to 31 December 2025.

RELEASE AUTHORISED BY DOUG GREWAR, CEO