



EMU NL

ACN 127 291 927

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

Monday 31 January 2022

Time of Meeting

5:00pm AWST

Place of Meeting

10 Walker Avenue
WEST PERTH WA 6005

*This Notice of Annual General Meeting should be read in its entirety.
If Shareholders are in doubt as to how they should vote, they should seek advice from their
accountant, solicitor or other professional adviser prior to voting.*

*The **2021 Annual Report** may be viewed on the Company's website at www.emunl.com.au*

EMU NL
ACN 127 291 927
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2021 annual general meeting of Emu NL (**Company**) will be held at 10 Walker Avenue, West Perth, Western Australia on Monday 31 January 2022 at 5:00pm AWST (**Meeting**) for the purpose of transacting the following business, in each case, as more particularly described in the Explanatory Statement accompanying this Notice.

Capitalised terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

All Resolutions will be conducted by poll.

As a result of the uncertainty and potential health risks created by the corona virus (COVID-19) pandemic, it may become necessary or appropriate to make alternative arrangements for holding or conducting the Meeting (for example in the case of a lockdown, where the meeting format could be changed to being wholly-virtual) and if so required, the Company will make further information available through the ASX website at asx.com.au (code: EMU) and on its website at www.emunl.com.au.

2021 FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Report, together with the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2021.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2021 Annual Report be adopted."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting prohibition: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1:

- (a) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- (b) by a person who is a member of the Key Management Personnel at the date of the Meeting, or their Closely Related Parties, as a proxy.

However, the Company will not disregard a vote if the vote is cast as a proxy for a person entitled to vote on Resolution 1:

- (a) in accordance with a direction as to how to vote on the Proxy Form; or
- (b) by the Chair pursuant to an express authorisation to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

RESOLUTION 2 – RE-ELECTION OF TERENCE STREETER AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of article 73.1 of the Constitution and for all other purposes, Mr Terence Streeter retires by rotation as a Director, and being eligible and having offered himself for re-election, is re-elected as a Director."

RESOLUTION 3 – APPROVAL TO RATIFY ISSUE OF SHARES USING 15% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue (on the terms and conditions set out in the Explanatory Statement) of 83,300,000 fully paid ordinary Shares and 33,320,000 options to acquire fully paid ordinary shares .”

Voting exclusion: For the purposes of Listing Rule 7.5, the Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue; or an associate of that person excluded from voting.

However, this does not apply to a vote cast in favour of a resolution by (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

Voting exclusion: For the purposes of Listing Rule 7.3A, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who may participate in the 10% Placement Facility, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting.

However, this does not apply to a vote cast in favour of a resolution by (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 5 – APPROVAL TO GRANT OF OPTIONS TO MR PETER THOMAS

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, members hereby approve the issue to Mr Peter Thomas, or his nominee/s, of 5,000,000 Options to acquire Partly-paid Shares, exercisable at \$0.0001 per Option, expiring on 15 November 2022 and otherwise on the terms and conditions outlined in the Explanatory Statement (including Annexure A) and further resolve that this constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.”

Voting exclusion: For the purposes of Listing Rule 7.3, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Peter Thomas and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting.

However, this does not apply to a vote cast in favour of a resolution by: (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 6 – APPROVAL TO GRANT OF OPTIONS TO MR GAVIN RUTHERFORD

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

“That, for the purpose of Listing Rule 10.11 of the Listing Rules, and for all other purposes, members hereby approve the issue to Mr Gavin Rutherford, or his nominee/s of 5,000,000 Options to acquire Partly-paid Shares, exercisable at \$0.0001 per Option, expiring on 15 November 2022 and otherwise on the terms and conditions outlined in the Explanatory Statement (including Annexure A) and further resolve that this constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.”

Voting exclusion: For the purposes of Listing Rule 7.3, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Gavin Rutherford and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting.

However, this does not apply to a vote cast in favour of a resolution by: (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 7 – APPROVAL TO GRANT OF OPTIONS TO MR TERENCE STREETER

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

“That, for the purpose of Listing Rule 10.11 of the Listing Rules, and for all other purposes, members hereby approve the issue to Mr Terence Streeter, or his nominee/s of 5,000,000 Options to acquire Partly-paid Shares, exercisable at \$0.0001 per Option, expiring on 15 November 2022 and otherwise on the terms and conditions outlined in the Explanatory Statement (including Annexure A) and further resolve that this constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.”

Voting exclusion: For the purposes of Listing Rule 7.3, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Terence Streeter and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting.

However, this does not apply to a vote cast in favour of a resolution by: (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 8 – APPROVAL TO GRANT OF OPTIONS TO MR TIM STAERMOSE

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

“That, for the purpose of Listing Rule 10.11 of the Listing Rules, and for all other purposes, members hereby approve the issue to Mr Tim Staermose, or his nominee/s, of 5,000,000 Options to acquire Partly-paid Shares, exercisable at \$0.0001 per Option, expiring on 15 November 2022 and otherwise on the terms and conditions outlined in the Explanatory Statement (including Annexure A) and further resolve that this constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.”

Voting exclusion: For the purposes of Listing Rule 7.3, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Tim Staermose and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting.

However, this does not apply to a vote cast in favour of a resolution by: (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other

fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 9 – APPROVAL TO GRANT OF OPTIONS TO OTHER KEY PERSONNEL

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue (on the terms and conditions outlined in the Explanatory Statement) of up to 15,000,000 Options to acquire Partly-paid Shares (exercisable at \$0.0001 each, expiring 15 November 2022) to selected employees/contractors on the terms and conditions outlined in the Explanatory Statement, in Annexure A.”

Voting exclusion: For the purposes of Listing Rule 7.5, the Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved; or an associate of that person excluded from voting.

However, this does not apply to a vote cast in favour of a resolution by (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act.

PROXIES

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a proxy to vote on their behalf. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on the form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint one or two proxies and if appointing two may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

If you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please date and execute the accompanying Proxy Form and return it in accordance with its instructions prior to 5:00pm AWST on Saturday 29 January 2022 by:

1. post to GPO Box 5193, Sydney NSW 2001;
2. email at meetings@automicgroup.com.au; or
3. online at <https://investor.automic.com.au/#/loginsah>.

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the Proxy Form or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 5:00pm AWST on Saturday 29 January 2022 will be entitled to attend and vote at the Meeting.

CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company, before the Meeting.

ELECTRONIC COMMUNICATION

All Shareholders may, and are encouraged to, elect to receive communications from the Company's share registry electronically. To provide or update your email address, please contact the Company's share registry.

REVOCATION OF PROXIES

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chair on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

VOTING OF PROXIES

The Proxy Form accompanying this Notice confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the time of printing this Notice, management knows of no such amendment, variation or other matter.

Shareholders must mark the boxes directing its proxy how to vote. If no voting instructions are indicated on the Proxy Form, the proxy will be voted as recommended by management or as the proxyholder sees fit (in the latter case, if management is not appointed as proxy).

By Order of the Board.

Damien Kelly

Company Secretary

Date: 27 December 2021

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the Shareholders of the Company in connection with the business to be conducted at the annual general meeting of the Company to be held at 10 Walker Avenue, West Perth WA 6005, on Monday 31 January 2022 commencing at 5:00pm AWST and any adjournment thereof.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company that is material to a decision on how to vote on the Resolutions in the accompanying Notice.

This Explanatory Statement should be read in conjunction with the Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary.

All Resolutions will be conducted by poll.

As a result of the uncertainty and potential health risks created by the corona virus (COVID-19) pandemic, it may become necessary or appropriate to make alternative arrangements for holding or conducting the Meeting (for example in the case of a lockdown, where the meeting format could be changed to being wholly-virtual) and if so required, the Company will make further information available through the ASX website at asx.com.au (code: EMU) and on its website at www.emunl.com.au.

FINANCIAL STATEMENTS AND REPORTS

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2021.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered a reasonable opportunity to:

- (a) discuss the Annual Report which is available online from the Company's website www.emunl.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Company's auditor if the question is relevant to:

- (a) the content of the Auditor's Report; or
- (b) the conduct of the audit of the Annual Report to be considered at the Meeting,

may be submitted no later than 5 business days before the Meeting at the Company's office or emailed to www.info@emunl.com.au.

1 RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the Key Management Personnel.

The Remuneration Report has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's share registry or visiting the Company's web site www.emunl.com.au.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report. However, Shareholders will have the opportunity to remove the whole Board (except a managing director) if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive AGM's.

Where a resolution on the Remuneration Report receives a Strike at two consecutive AGM's, the Company will be required to put to Shareholders at the second AGM a resolution (**Spill Resolution**) on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2020 AGM. If the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2022 AGM, this may result in a Board spill.

The Chair will allow a reasonable opportunity for Shareholders to ask about, or make comments on, the Remuneration Report.

Resolution 1 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

1.2 Voting on the Remuneration Report

Please refer to the voting prohibition set out in the Notice for the persons who are not entitled to vote on Resolution 1.

The Chair intends to exercise all available proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

1.3 Directors' recommendation

The Directors recommend that Shareholders vote in favour of adopting the Remuneration Report.

2 RESOLUTION 2 – RE-ELECTION OF TERENCE STREETER AS A DIRECTOR

2.1 General

Mr Terence Streeter was appointed as a non-executive Director on 5 November 2018.

In accordance with Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Company's directors must retire at each AGM. Accordingly, Mr Streeter will retire by rotation, and being eligible, offers himself for re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

2.2 Director's biography and experience

Mr Streeter has extensive experience in funding, listing and overseeing junior explorers in all exploration and economic cycles and has served in various roles in the nickel sulphide industry for over 30 years. He was a director of West Australian nickel explorer and miner, Jubilee Mines NL from 1993 to May 2004 and was a founding shareholder of Western Areas NL (ASX:WSA) in 1999, which went on to discover and develop two high-grade nickel sulphide mines in the Forrestania region of Western Australia. He served as a non-executive director of Western Areas NL from 1999, and non-executive chairman from 2007 to November 2013. He has also been the non-executive chairman of unlisted Fox Resources Ltd (since June 2005), served as a non-

executive director of Midas Resources Ltd (from June 2001 to April 2013), non-executive chairman of Alto Metals Ltd (from December 2016 to 8 November 2018) and served as a non-executive director of Minera IRL (from April 2007 to 2011). In 2010, Mr Streeter founded Riverbank Resources Mineracao Ltda, a private company incorporated in Brazil which is engaged in the exploration and development of iron, titanium, vanadium, base metal and gold projects throughout Brazil. Riverbank is actively exploring 100% owned iron and iron-titanium-vanadium projects in north-eastern Brazil. He is also non-executive chairman of ASX listed Corazon Mining Limited (from 18 September 2019) and Moho Resources Limited (from 6 July 2018).

2.3 Directors' recommendation

All the Directors consider that Resolution 2 is in the best interests of the Company, as Mr Streeter's skills, knowledge and experience of mining and exploration geology is valuable to the Company. All the Directors, except Mr Streeter, who has an interest in this Resolution, recommend that Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – APPROVAL TO RATIFY ISSUE OF SHARES USING 15% PLACEMENT CAPACITY

3.1 General

- (a) On 11 November 2021, the Company announced that it had completed a placement of shares to raise \$2,082,500 before costs, to professional and sophisticated investors, with the proceeds being applied to continuing exploration activities and related drilling at EMU's West Australian exploration projects, to assess, and if applicable, acquire further projects, and for working capital;
- (b) A total of 83,300,000 fully paid ordinary Shares and 33,320,000 free attaching options to acquire fully paid Shares were subsequently issued to sophisticated and professional investors on that same date, with the placement being made at \$0.025 per Share;
- (c) The Placement was made as to 36,648,552 fully paid Shares and 33,320,000 options to acquire fully paid Shares within the Company's existing Listing Rule 7.1 15% placement capacity, and 46,651,448 fully paid Shares within its' existing Listing Rule 7.1A 10% placement capacity;
- (d) Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period;
- (e) The Placement does not fit within any of these exceptions and, as it has not yet been approved by EMU's shareholders, it effectively uses up almost all of the 15% limit in Listing Rule 7.1 and all of the 10% limit in Listing Rule 7.1A, reducing EMU's capacity to issue further equity securities without shareholder approval under Listing Rules 7.1 and 7.1A for the 12 month period following the Placement issue Date;
- (f) Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rules 7.1 and 7.1A, and so does not reduce the company's capacity to issue further equity securities without shareholder approval under those rules;
- (g) EMU wishes to retain as much flexibility as possible to issue additional equity securities without having to obtain shareholder approval for such issues under Listing Rule 7.1 and Listing Rule 7.1A;
- (h) To this end, Resolution 3 seeks shareholder approval to the Placement under and for the purposes of Listing Rule 7.4;
- (i) If Resolution 3 is passed, the Placement will be excluded in calculating EMU's 15% limit in Listing Rule 7.1, and in calculating EMU's 10% limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Placement issue Date;
- (j) If Resolution 3 is not passed, the Placement will be included in calculating EMU's 15% limit in Listing Rule 7.1, and in calculating EMU's 10% limit in Listing Rule 7.1A, effectively decreasing the number

of equity securities it can issue without shareholder approval over the 12 month period following the Placement issue date;

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

3.2 Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.5:

- (a) the Shares were agreed to be issued to sophisticated and professional investors in a placement managed by Euroz Hartley Limited;
- (b) 36,648,552 fully paid Shares and 33,320,000 options to acquire fully paid Shares were allotted and issued by the Company within the Company's Listing Rule 7.1 capacity on 15 November 2021, and 46,651,448 fully paid Shares were issued by the Company within the Company's Listing Rule 7.1A capacity on the same day;
- (c) the Shares were fully paid ordinary Shares which rank equally with all other fully paid ordinary Shares on issue and currently quoted as ASX:EMU, and the options are options to acquire fully paid Shares at an exercise price of \$0.075 each, on or before 15 March 2023 upon terms and conditions outlined in Annexure B, and on the basis that the Company will seek quotation of these options on ASX if ASX Listing Rules conditions are met;
- (d) the Shares and Options were issued on 15 November 2021 with none of the issuees being a related party of EMU, a member of EMU's key management personnel, a substantial holder, an advisor or an associate of any of the foregoing;
- (e) the Shares were issued at \$0.025 each with the Options being issued as free attaching options for no consideration;
- (f) the funds raised are to be applied to continuing exploration activities and related drilling at EMU's West Australian exploration projects, to assess, and if applicable, acquire further projects, and for working capital;
- (g) a voting exclusion statement is included in the Notice.

3.3 Directors Recommendation

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the Resolution.

The Chair intends to exercise all undirected proxies in favour of Resolution 3.

4 RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

4.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of the period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its AGM, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes as at the date of this Notice. If, on the date of the Meeting, the Company is not an eligible entity under the Listing Rules for the purposes of Listing Rule 7.1A, then Resolution 4 will be withdrawn.

Resolution 4 seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder

approval. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

4.2 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows.

- (a) Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained, and expires on the first to occur of the following:
 - (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
 - (ii) the time and date of EMU's next annual general meeting; or
 - (iii) the time and date of the approval by EMU's shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

The Company will only issue and allot the Equity Securities pursuant to the 10% Placement Facility during the 10% Placement Period.

- (b) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the relevant class of the Company's Equity Securities over the 15 Trading Days in which trades in the class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The Company may seek to issue the Equity Securities to raise funds for making (or to securing the right to make) one or more acquisitions and/or to further its existing projects; and/or general working capital; so that the Company has the necessary working capital and flexibility to consider, and if thought fit, to put it in a stronger position to make (or to secure the right to make) one or more acquisitions and/or to further its existing projects.
- (d) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the relevant class of the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (i) two examples where variable “A” has increased by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- (ii) two examples: one where the issue price of ordinary securities is decreased by 50% and the other where the issue price of ordinary securities is increased by 100% relative to the current market price.

Variable “A” in Listing Rule 7.1A.2		Dilution		
		\$0.0085 50% decrease in Issue Price	\$0.017 Issue Price (current share price)	\$0.034 100% increase in Issue Price
Current Variable A 549,814,484 Shares	10% voting dilution	54,981,448 Shares		
	Funds raised	\$467,342	\$934,684	\$1,869,3692
50% increase in current Variable A 824,721,726 Shares	10% voting dilution	82,472,172 Shares		
	Funds raised	\$701,013	\$1,402,026	\$2,804,0538
100% increase in current Variable A 1,099,628,968 Shares	10% voting dilution	109,962,896 Shares		
	Funds raised	\$934,684	\$1,869,369	\$3,738,738

The table has been prepared on the following assumptions:

- (i) Shareholders approve Resolution 4.
- (ii) The Company issues, in a single allotment, the maximum number of Equity Securities available under the 10% Placement Facility.
- (iii) No existing Convertible Securities (including any Convertible Securities issued under the 10% Placement Facility) are converted into Shares before the date of the issue of the Equity Securities.
- (iv) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (v) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder’s holding at the date of this Meeting.
- (vi) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities under the 10% Placement Facility includes Convertible Securities, it

is assumed that those Convertible Securities are converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

- (viii) The issue price is \$0.017 being the closing price of Shares on the ASX on 24 December 2021.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an Associate of a related party of the Company.

- (g) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2020 AGM held on 30 November 2020.

In accordance with Listing Rule 7.3A.6, as at the date of this Notice, the Company has issued the following Equity Securities under Listing Rule 7.1A (representing 20.9% of the Equity Securities on issue at the commencement of the 12 month period) in the 12 months preceding the date of the Meeting but note that of that percentage, 7.7% was ratified by Shareholders at the EGM held 6 April 2021:

Date of agreement to issue	Number of Securities	Class	Issue Price	Discount to closing price on date of agreement to issue	Total Consideration	Issued to
16/2/2021	27,251,906	FP Ord	\$0.042	22.2%	1,144,580	Professional and sophisticated investors introduced by Euroz Hartleys Ltd NOTE: Ratified at EGM held 6.4.2021
15/11/2021	46,651,448	FP Ord	\$0.025	7.4%	1,166,286	Professional and sophisticated investors introduced by Euroz Hartleys Ltd
TOTAL	73,903,354				\$2,310,866	

The net funds raised from the 16.2.2021 raising was expended on the final acquisition settlement of EMU's Gnows' Nest tenements. The net funds raised from the 15.11.2021 raising have not been expended.

- (h) A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

4.3 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement, all the Directors consider that Resolution 4 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 4. The Directors have formed this view as the passing of this Resolution will provide greater flexibility when considering future capital raising opportunities. The passing of Resolution 4 will increase the Directors' ability to issue new Shares permitted by the Listing Rules without requiring Shareholder approval. Application of this additional placement capacity has historically been utilised by the Company in a very judicious manner (or not at all) and has, at all times, been cognisant of Shareholder dilution.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chair intends to exercise all undirected proxies in favour of Resolution 4.

5 RESOLUTIONS 5, 6, 7 AND 8 – RATIFICATION OF AGREEMENT TO GRANT OPTIONS TO DIRECTORS

5.1 General

The Company has entered into a Deed Poll with each director whereby, subject to Shareholder approval and otherwise upon the terms set out in Annexure A to this Explanatory Statement, the Company has agreed to issue to each of the directors of the Company (or their nominee/s) 5,000,000 Options to acquire Partly-paid Shares (**Options**), exercisable at \$0.0001 each on or before 15 November 2022. Upon payment of the exercise price, the resultant Partly-paid Shares shall each be unpaid as to, and subject to calls totalling \$0.04 (4 cents), with no calls being made before 31 December 2025, after which subject to and upon payment of the call(s), they will be converted into fully paid Shares ranking equally with the Shares currently quoted as ASX:EMU. If a call is not paid when due the Partly-paid Shares will be subject to the threat of forfeiture. There is no obligation to pay a call.

In the event that the issue of the Options to a Director is not approved by Shareholders, the Company is obliged by the Deed Poll to pay the affected Director the sum of \$2,000.

Whilst the Directors are entitled, under the Constitution, to be paid for special exertion, in practice only very rarely has a claim for special exertion been paid. The Directors consider that the grant of the Options will be a cost effective and efficient means for the Company to provide an incentive and motivate the contribution of special exertion without routine claims to be paid in cash for the same.

\$2,000 will be raised by the Company upon and in the event all the Options are exercised and a further \$800,000 if all the Partly-paid Shares issued upon exercise are paid up in full.

Resolutions 5, 6, 7 and 8 are ordinary resolutions, requiring them to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

5.2 Chapter 2E of the Corporations Act – related party transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

Each of Resolutions 5, 6, 7 and 8 provides for the grant of Options to related parties which is a financial benefit requiring Shareholder approval unless an exemption from the requirement for such approval applies. For the purpose of Chapter 2E of the Corporations Act the following information is provided.

The related party to whom the proposed Resolutions would permit the financial benefit to be given

Subject to Shareholder approval, the Options the subject of Resolutions 5, 6, 7 and 8 will be granted to Messrs Thomas, Rutherford, Streeter and Staermose (or their nominee/s), within one month of the passing of the Resolutions. Messrs Thomas, Rutherford, Streeter and Staermose are Directors of the Company and are therefore classified as related parties.

The nature of, reasons for, and basis for the financial benefit

The proposed financial benefits are the grant of 5,000,000 Options to Mr Thomas, 5,000,000 Options to Mr Rutherford, 5,000,000 Options to Mr Streeter and 5,000,000 Options to Mr Staermose or their nominee/s, for no issue price. Each Option will allow Messrs Thomas, Rutherford, Streeter and Staermose to subscribe for one Partly-paid Share in the Company. The Options will have an exercise price of \$0.0001 per share and will expire on 15 November 2022.

The Options will form part of Messrs Thomas', Rutherford's, Streeter's and Staermose's remuneration for service as directors of the Company and constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.

Options are considered to be an appropriate incentive given the Company's current size and stage of development, being an exploration company with limited cash reserves. If Messrs Thomas, Rutherford, Streeter and Staermose are to derive any intrinsic value from the exercise of the Options, the market price of EMU Shares must be in excess of \$0.0401 per share, being a total of the amount payable upon exercise and the amount to be called before being converted into fully paid Shares. The Options represent an incentive to Messrs Thomas, Rutherford, Streeter and Staermose to get the fully paid ASX:EMU share price up, not just to the level of the exercise and call prices but well above that price in order that the Options will be deep in the money so that they can realise a significant gain from the disposal of their interests in the Options, thus aligning their personal interests with those of other Shareholders.

Directors' recommendation

All Directors, except Mr Thomas, recommend Shareholders vote in favour of Resolution 6. Mr Thomas does not make a recommendation about Resolution 5 as he will receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

All Directors, except Mr Rutherford, recommend Shareholders vote in favour of Resolution 7. Mr Rutherford does not make a recommendation about Resolution 6 as he will receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

All directors, except Mr Streeter, recommend Shareholders vote in favour of Resolution 8. Mr Streeter does not make a recommendation about Resolution 7 as he will receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

All directors, except Mr Staermose, recommend Shareholders vote in favour of Resolution 9. Mr Staermose does not make a recommendation about Resolution 8 as he will receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers

- (a) Resolutions 5, 6, 7 and 8, if passed, will have the effect of giving power to the Directors to grant 5,000,000 Options respectively to each of Messrs Thomas, Rutherford, Streeter and Staermose, or their respective nominee/s and the Option issue will be excluded in calculating EMU's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Option issue Date.

- (b) If Resolutions 5, 6, 7 and 8 are not passed, the Company is obliged by the Deed Poll to pay the affected Director the sum of \$2,000.
- (c) The exercise of the Options is subject to the terms and conditions as set out in Annexure A to this Explanatory Statement and as otherwise mentioned above.
- (d) The Directors have obtained an independent valuation of the Options from Provisio Corporate, a firm which specialises in corporate risk management and share security valuation services.
- (e) The total (indicative) value of the Options is outlined in Table 1. If Options granted to Messrs Thomas, Rutherford, Streeter and Staermose, or their nominees, are exercised, the effect would be to dilute the Shareholdings of the other Shareholders.

Table 1 - Details of Director Options

Name Relationship	Number of options	Exercise price per option	Expiry date	Vesting	Value as determined by Provisio Corporate See Note (i) below
Peter Thomas Director	5,000,000	\$0.0001	15.11.2022	At date of issue	\$18,000
Gavin Rutherford Director	5,000,000	\$0.0001	15.11.2022	At date of issue	\$18,000
Terence Streeter Director	5,000,000	\$0.0001	15.11.2022	At date of issue	\$18,000
Tim Staermose Director	5,000,000	\$0.0001	15.11.2022	At date of issue	\$18,000

Note (i) - Option Valuation Inputs

Details	Input
Share price for underlying fully paid ordinary Shares – closing price on 21 December 2021	\$0.016
Exercise price	\$0.0001
Outstanding call on Partly-paid Shares (Contribution Shares) upon exercise of Option	\$0.04
Risk free rate *	0.48%
Volatility *	65%
Start date	21 December 2021
Expiry date	15 November 2022
Value per Option	\$0.0036

* These inputs were extracted from an independent valuation report provided by Provisio Corporate dated 23 December 2021 which contained the following details:

“VALUATION METHODOLOGY

Modelling Option Valuation based on Market Conditions:

Monte Carlo simulation models: The simplest way to assess the probabilities associated with complex interrelationships is to construct appropriately structured Monte Carlo simulation model. We used a model to generate 1000 random price paths over the course of the currency of the option and used each of the 1000 randomised price paths to determine a theoretical value at the time and price which can be used as an input to the valuation model.

Whilst these are Options to acquire Contributing Shares, in many respects the call nature of the contribution means the valuation models should be based upon a binomial lattice as it provides the necessary flexibility to accommodate various possible outcomes conditions such as the likelihood of share price volatilities varying over the term of the life of the Contributing Share, the likelihood of the holder not paying the contribution when called and/or forfeiting the right to pay up the Contributing Shares in the event of leaving employment – except in the event of the employee leaving when, if the Contributing Shares are in-the-money at that point, it is assumed that the Contribution Shares are paid up upon their leaving.

Notwithstanding the foregoing, it is worth noting that all other things are the same (i.e. single fixed values for volatility and the risk-free rate, and excluding more complex conditions, etc.), then the results produced by the binomial model will converge to give a similar value as the Black-Scholes model as each time interval used in the binomial lattice gets smaller and smaller (i.e. as one creates a greater and greater number of nodes to value within a given option’s life). As such we used the end price of each of the 1000 random price paths as the input to a Black-Scholes model to determine a valuation and then used the average of the 1000 iterations to calculate a fair and reasonable valuation.

Volatility

The volatility used in the modelling is critical to the value assigned as volatility, even of whole markets, is a measure which can fluctuate considerably over time – though it is also generally acknowledged to have the property of tending to regress towards the mean (i.e. move towards its long term average value). This characteristic is perceived to hold true for not only individual securities but for whole markets. When assessing the measures of volatility we used a GARCH analysis model – which provides a forecast which is essentially an exponentially weighted average value with the added refinement of incorporating regression, over time, towards the mean of the historical trend line.

In our valuation models we modelled a range of implied volatilities derived from Emu’s historical share price. However, the historical volatilities derived using the Company’s share price are higher than the ASX average market volatilities which reflect the fact that share price can move substantially in a short timeframe should there be a significant announcement. For the valuation we have settled upon an implied volatility of 65%. It is recognized that this volatility is slightly lower than the overall ASX market implied volatility and reflects the fact that the options will likely not be listed nor traded on the ASX and there will be no call made for a three-year period.

Share price: *We used the underlying ASX:EMU share price in the valuation including the last trading closing share price at the Valuation Date which was the date the Deed Poll was entered into, namely 21 December 2021.*

Time to expiry: *Expiry is 15 November 2022.*

Risk free rate: *Though with interest rates trading near historical lows, it is arguable that the government bond rate is the correct rate to use, it is nonetheless the required input. Given that rates may move from the current historical low over the life of the life of the Contribution Share a ‘risk free’ rate assumption of 0.48% was used.*

Dividend yield: *We have assumed that it is highly unlikely that the company will pay a dividend during the life of the Contribution Shares.*

Valuation

Based on the above methodology, we place a fair and reasonable valuation of \$0.0036 per Option to acquire a Contributing Share."

This valuation may not be the final value for accounting purposes but is based on assumptions detailed above and subject to audit by the Company's auditors.

Applying the valuation methodology prescribed by the employee share scheme provisions of the Income Tax Assessment Act, the Options have minimal value. The Company believes that the employee share scheme provisions of Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) will be applicable to the Options.

- (f) As at the date of this Notice, the issued capital of the Company comprised 549,814,484 fully paid Shares and 40,485,069 partly-paid Shares. If all Options granted as proposed above are exercised, and assuming no other equity issues, the effect will be to dilute the Shareholding of existing Partly-paid Shareholders as per the table below:

Current Partly-Paid Shares on issue	40,485,069
Proposed issue of Partly-paid Shares upon exercising of Options to be granted to Directors	20,000,000
Expanded Partly-paid Shares	60,485,069
Dilutionary effect	49.4%

The current relevant interest of each Director in securities of the Company is:

Director	Shares	Partly-paid Shares
Mr Thomas	8,790,473	9,420,651
Mr Rutherford	4,118,871	1,884,281
Mr Streeter	1,000,000	Nil
Mr Staermose	10,627,387	750,000

- (g) Whilst the fully paid ordinary Shares of the Company are traded on ASX, there is no agreement to list the Options on ASX.
- (h) The Options to acquire Partly Paid Shares can be converted to Partly-paid Shares by the payment of 0.01 cents (\$0.0001) each. The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. It is probable that the Options will only be exercised if the price at which FP Shares are trading exceeds four cents.
- (i) Mr Thomas currently receives annual director fees of \$44,000, plus statutory superannuation entitlements. Mr Rutherford currently receives annual director fees of \$32,877, plus statutory superannuation entitlements. Mr Streeter receives annual director fees of \$36,000 with no statutory superannuation entitlements. Mr Staermose receives annual director fees of \$36,000 with no statutory superannuation entitlements.
- (j) The Options will be issued as remuneration for the provision of the Directors' services as Directors.
- (k) Under the Australian equivalent of IFRS, the Company is required to expense the value of the Options in its profit or loss for the current financial year. Other than as disclosed in this Explanatory Statement, the Directors do not consider, from an economic and commercial point of view, there are any costs or detriments, including taxation consequences for the Company or benefits foregone by the Company, in granting the Options to Messrs Thomas, Rutherford, Streeter and Staermose or

their nominees pursuant to Resolutions 6, 7, 8 and 9 EXCEPT FOR the cost of foregoing the opportunity to issue the Options for cash and the downstream potential to dilute the capital structure of the Company.

- (l) Save as set out herein, neither the Company nor any of the Directors is aware of any other information that would be reasonably required by Shareholders for them to make a decision in relation to the financial benefits contemplated by this Resolutions 6, 7, 8 and 9.

5.3 ASXLR 10.11 and 10.13

Unless an exception detailed in ASXLR 10.12 applies, the Company must not issue or agree to issue equity securities to any persons as detailed in ASXLR 10.11.1 to 10.11.5 inclusive without the approval of the holders of its ordinary securities. No such exception applies and EMU has agreed to issue Options to its directors (being related parties, and to associates, as defined) subject to receiving Shareholder approval.

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 and is detailed hereunder:

- (a) the Options will be issued to Messrs Thomas, Rutherford, Streeter and Staermose (or their nominee/s).
- (b) the issues will be made to a related party or an associate of that person;
- (c) the maximum number of Options to be issued is 20,000,000 (5,000,000 Options to Mr Thomas, 5,000,000 Options to Mr Rutherford, 5,000,000 Options to Mr Streeter and 5,000,000 Options to Mr Staermose);
- (d) the Options are to acquire Partly-paid Shares with \$0.0001 each being payable upon exercise and they expire on 15 November 2022 and otherwise on the terms and conditions outlined in Annexure A;
- (e) the Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (f) the Options will be issued for no consideration;
- (g) the purpose of the issue to Directors is a cost effective and efficient means for the Company to provide an incentive and motivate the contribution of special exertion without routine claims to be paid in cash for the same;
- (h) the persons to be issued with the Options are directors and therefore classified as related parties under ASXLR 10.13.8 and/or associates of that person as defined in ASXLR 10.11.4 or 10.14.5;
- (i) the Options will be issued pursuant to a Deed Poll agreement entered into as detailed in 5.1 above; and
- (j) a voting exclusion statement is included in the Notice.

RESOLUTION 9 – RATIFICATION OF ISSUE OF OPTIONS TO EMPLOYEES/CONTRACTORS

6.1 General

The Board has agreed to issue up to 15,000,000 options to acquire Partly-paid Shares upon the terms set out in Annexure A to this Explanatory Statement, exercisable at \$0.0001 each on or before 15 November 2022, as it considers that offering incentive options is appropriate to attract and retain the right calibre of professionals to the Company with the appropriate mindset for a junior explorer. Equity-based incentives/remuneration help align the interests of employees/contractors with shareholders in that the employees/contractors thereby have a vested interest in seeing the delivery of value to shareholders through share price appreciation.

Upon payment of the exercise price, the resultant Partly-paid Shares shall each be unpaid as to, and subject to calls totalling \$0.04 (4 cents), with no calls being made before 31 December 2025, after which and upon

payment of the calls, they will be converted into fully paid Shares ranking equally with the Shares currently quoted as ASX:EMU.

The issue will be made within the Company's existing Listing Rule 7.1 15% placement capacity.

The effect of Resolution 9 will be to authorise the Directors to issue the Options without using the Company's 15% placement capacity under Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Options does not fit within any of these exceptions and, as it has not yet been approved by EMU's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing EMU's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the Option issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

EMU wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 9 seeks shareholder approval to the Option issue under and for the purposes of Listing Rule 7.4.

If Resolution 9 is passed, the Option issue will be excluded in calculating EMU's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Option issue Date.

If Resolution 9 is not passed, the Option issue will be included in calculating EMU's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Option issue date.

Resolution 9 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

6.2 Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.5:

- (a) the Options were agreed to be issued to employees/contractors selected by the Board (including 5,000,000 Options which were issued to Astrial Pty Ltd, a business consulting to the mining and exploration industry which provides CEO services to EMU), none of whom are excluded from being issued the Options by virtue of ASX Listing Rule 10.11;
- (b) A total of up to 15,000,000 Options have been agreed to be issued by the Company;
- (c) the Options are exercisable at \$0.0001 each on or before 15 November 2022, entitle the holder to acquire Partly-paid Shares upon the terms and conditions outlined in Annexure A and rank equally with all other Options issued with the same terms and conditions;
- (d) the Options have not yet been issued, and subject to this Resolution being passed, will be issued no later than 3 months after the date of this meeting;
- (e) the purpose of the issue is to remunerate selected employees/contractors with equity-based incentives for rendering of services and no funds will be raised from the issue;
- (f) the Options will be issued under agreements entered into with selected employees/contractors;

(g) a voting exclusion statement is included in the Notice.

6.3 Directors Recommendation

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the Resolution.

7. PRO FORMA CAPITAL STRUCTURE FOLLOWING MEETING

The Company's capital structure following this Meeting (assuming the maximum issue of Equity Securities pursuant to approvals given under Resolutions 6, 7, 8, and 9 but excluding the issuance of any Shares approved by Resolution 4 Additional 10% Placement Capacity) will be as follows:

Shares	Number
Fully Paid Shares	
Current (includes the issues ratified in Resolution 3)	549,814,484
Total FP Shares following the Meeting	549,814,484
Partly Paid Shares subject to future calls totalling \$0.03	40,485,069
Options to Acquire Partly-paid Shares (unquoted)	
Current (See Resolution 3)	33,320,000
Issued pursuant to Resolutions 5, 6, 7, 8 and 9	35,000,000
Total Unquoted Options following the Meeting	78,320,000

OTHER BUSINESS

The Company is not aware of any other business to come before the Meeting other than as set forth in the accompanying Notice.

GLOSSARY

In this Explanatory Statement and the Notice, the following terms have the following meanings unless the context otherwise requires:

10% Placement Facility has the meaning given in Section 4.1 of the Explanatory Statement;

10% Placement Period has the meaning given in Section 4.2 of the Explanatory Statement;

AGM means an annual general meeting;

Annual Report means the Directors' Report, the Financial Report and Auditor's Report, in respect of the financial year ended 30 June 2021;

Associate has the same meaning as defined in section 11 and section 13 to 17 of the Corporations Act;

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

ASX Listing Rules or **Listing Rules** means the listing rules of the ASX;

Auditor's Report means the auditor's report on the Financial Report;

AWST means Australian Western Standard Time;

Board means the board of Directors;

Business Day has the meaning as defined in the Listing Rules;

Chair means the person appointed to chair the Meeting, or any part of the Meeting;

Closely Related Party of a member of the Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the *Corporations Regulations 2001 (Cth)*;

Convertible Security means a security of the Company which is convertible into Shares;

Company means Emu NL ABN 50 127 291 927 ;

Constitution means the Company's constitution, as amended from time to time;

Corporations Act means *Corporations Act 2001 (Cth)*;

Director means a director of the Company;

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

Equity Securities has the same meaning as in the Listing Rules;

Explanatory Statement means the explanatory statement accompanying the Notice;

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

FP Share means a fully paid Share in the capital of the Company

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning,

directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company;

Meeting has the meaning in the introductory paragraph of the Notice;

Notice means this notice of annual general meeting;

Option means an option to acquire a Share;

Partly-paid Share means a partly-paid Share in the capital of the Company;

Proxy Form means the proxy form attached to this Notice;

Remuneration Report means the section of the Directors' Report contained in the Annual Report entitled 'remuneration report';

Resolution means a resolution contained in this Notice;

Section means a section of the Explanatory Statement;

Share means an ordinary share in the capital of the Company;

Shareholder means the holder of a Share;

Spill Resolution has the meaning set out in Section 1.1 of the Explanatory Statement;

Strike has the meaning set out in Section 1.1 of the Explanatory Statement;

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

ANNEXURE A

EMU NL

ACN 127 291 927

(Emu or the Company)

TERMS AND CONDITIONS

DIRECTORS AND EMPLOYEE/CONTRACTORS OPTIONS EXPIRING 15 NOVEMBER 2022

The Options are issued on the following terms:

1. Each Option may be exercised by giving notice in that regard together with payment of the amount of \$0.0001 (**Exercise Price**).
2. Each Option entitles the holder to subscribe for a partly paid ordinary share (**Share**) in EMU NL ACN 127 291 927 (**Company**) upon the payment of the Exercise Price per Share subscribed for. The resultant partly paid shares (the terms of which are set out in Annexure C) shall be unpaid as to, and subject to calls totalling 4 cents each, with no calls being made before 31 December 2025, after which, subject to and upon payment of the call(s), they will be converted into fully paid shares.
3. The Options will lapse at 5:00 pm on 15 November 2022 (**Expiry Date**).
4. The Options are transferable at any time in accordance with the Corporations Act 2001 and any applicable rules of ASX.
5. There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled (as a consequence of holding Option) to participate in new issues of capital that may be offered to shareholders during the currency of the Options.
6. The Option holder has the right to exercise Options prior to the date for determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be afforded a period of at least 3 business days before the relevant closing date to exercise the Options.
7. Subject to any requirements of the Corporations Act and ASX Listing Rules, the Options do not confer the right to a change in exercise price or the number of securities over which the Option can be exercised.
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. Unless approved otherwise by the Company on a case-by-case basis (with no obligation on the Company to do so), an Optionholder may only exercise all the Options held by the holder and then the holder must bear (up front) the costs of filing with ASX in connection with the exercise. Subject to ASX listing rules, the Company shall not be obliged to issue Shares in response to an exercise of Options more frequently than once per calendar quarter. The Company may, in its discretion, waive this clause or any part of it and such a waiver may be subject to conditions or further limitations.
10. Subject to clause 9, the Options shall be exercisable at any time during the period (**Exercise Period**) ending on the Expiry Date by: (a) the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by cleared funds for the subscription monies for the Shares; or (b) such other form and method as may be approved by the Company from time to time. The Notice and cleared funds must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it PROVIDED THAT if the remaining number be less than 500,000 those Options shall ipso facto lapse.
11. If the Company has entered into an agreement to underwrite the exercise of the Options and any Options remain unexercised at the Expiry Date, then the holder of those unexercised Options immediately, unconditionally and irrevocably appoints the Company as the Option holder's agent to transfer (for no consideration to that holder) the unexercised Options to the relevant underwriter and, despite clause 10, that underwriter is entitled to exercise the unexercised Options within 14 calendar days (or such fewer days as the Company may determine in its absolute discretion) of the Expiry Date.
12. Subject to clause 9, the Company shall endeavour to allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
13. The Company may but does not undertake to apply for quotation of the Options on ASX.

ANNEXURE B

**EMU NL
ACN 127 291 927
(Emu or the Company)
TERMS AND CONDITIONS
PLACEE OPTIONS EXPIRING 15 MARCH 2023**

The Options are issued on the following terms:

1. Each Option may be exercised by giving notice in that regard together with payment of the amount of seven point five (7.5) cents (**Exercise Price**).
2. Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) in EMU NL ACN 127 291 927 (**Company**) upon the payment of the Exercise Price per Share subscribed for.
3. The Options will lapse at 5:00 pm on 15 March 2023 (**Expiry Date**).
4. The Options are transferable at any time in accordance with the Corporations Act 2001 and any applicable rules of ASX.
5. There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled (as a consequence of holding Option) to participate in new issues of capital that may be offered to shareholders during the currency of the Options.
6. The Option holder has the right to exercise Options prior to the date for determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 3 business days before the relevant record date to exercise the Options.
7. Subject to any requirements of the Corporations Act and ASX Listing Rules, the Options do not confer the right to a change in exercise price or the number of securities over which the Option can be exercised.
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. Unless approved otherwise by the Company on a case-by-case basis (with no obligation on the Company to do so), Options can only be exercised in parcels of not less than 1,000,000, except where the total Options held by the holder is less than 1,000,000 (in which case, all Options held by the holder must be exercised and the costs of filing with ASX in connection with the exercise to be borne up front by the Optionholder). Subject to ASX listing rules, the Company shall not be obliged to issue Shares in response to an exercise of Options more frequently than once per calendar quarter. The Company may, in its discretion, waive this clause or any part of it and such a waiver may be subject to conditions or further limitations.
10. Subject to clause 9, the Options shall be exercisable at any time during the period (**Exercise Period**) ending on the Expiry Date by: (a) the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by cleared funds for the subscription monies for the Shares; or (b) such other form and method as may be approved by the Company from time to time. The Notice and cleared funds must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it PROVIDED THAT if the remaining number be less than 1,000,000 those Options shall ipso facto lapse.
11. If the Company has entered into an agreement to underwrite the exercise of the Options and any Options remain unexercised at the Expiry Date, then the holder of those unexercised Options immediately, unconditionally and irrevocably appoints the Company as the Optionholder's agent to transfer (for no consideration to that holder) the unexercised Options to the relevant underwriter and, despite clause 10, that underwriter is entitled to exercise the unexercised Options within 14 calendar days (or such fewer days as the Company may determine in its absolute discretion) of the Expiry Date.
12. Subject to clause 9, the Company shall endeavour to allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
13. The Company undertakes to apply for quotation of the Options on ASX if ASX Listing Rules can be met.

ANNEXURE C

EMU NL

ACN 127 291 927

(Emu or the Company)

TERMS AND CONDITIONS

PARTLY PAID (“CONTRIBUTING SHARES”) TO BE ISSUED UPON EXERCISE OF THE OPTIONS DESCRIBED IN ANNEXURE A

Amounts paid & unpaid:	<p>Each Contributing Share:</p> <ul style="list-style-type: none"> • is paid up to \$0.0001; and • has an unpaid amount of a further \$0.04.
No liability:	Holders have no obligation to meet a call (“ Call ”) made by the Company for the payment of any of the unpaid amount; however, non-payment of a properly made Call will result in the forfeiture of the relevant Contributing Shares.
Earliest Call:	The Company shall not make a Call before 31 December 2025 or such later date or dates as determined by the Board from time to time in its absolute discretion.
Capital re-organisation:	<p>If there is a re-organisation of the issued capital of the Company (including, but not limited to, a consolidation, subdivision, cancellation, reduction or return of capital):</p> <ul style="list-style-type: none"> • the number of Contributing Shares must be reorganised in the same proportion as all other classes of shares on issue; and • the re-organisation must not involve a cancellation or reduction of the total amount payable and unpaid by holders of Contributing Shares.
Rights:	<p>Irrespective of whether the Company has made a Call for the payment of all or any of the unpaid amount, each Contributing Share:</p> <ul style="list-style-type: none"> • carries the right to participate in new issues (except bonus issues) of securities made to holders of Shares as if the Contributing Shares were fully paid Shares; • carries the right to participate in bonus issues of securities in the proportion which the amount paid (or, if applicable, aggregate of amounts paid) (not credited) bears to the total of the amounts paid and payable and each holder (“Holder”) of a Contributing Share will be notified by the Company of any proposed bonus issue of securities at least 7 days prior to the record date for any such issue; • entitles the Holder to (i) exercise voting rights on a pro-rata basis in the proportion which the amount (or, if applicable, aggregate of amounts) paid bears to the total of the amounts paid and payable; and (ii) fully participate in dividends as if the Contributing Shares were a fully paid Share; • is freely transferable; • upon being paid up in full shall rank equally in all respects with Shares then on issue and the Company shall promptly apply for them to be listed on the ASX (and each or any other exchange on which shares of the Company are traded).
Payment before a Call:	<p>A Holder may pay up the whole of the amount remaining unpaid at any time PROVIDED THAT they may only do so in parcels:</p> <ul style="list-style-type: none"> • of not less than 500,000; or

	<ul style="list-style-type: none"> • of less than 500,000 if the parcel has been held by the holder since its issue, it represents the Holder's entire holding of Contributing Shares and the Holder has not previously paid up any Contributing Shares; • otherwise no amount unpaid may be paid in advance of a Call without the leave of the Board (which leave may be granted with or without reason and either with or without conditions) - the Board shall have no obligation to consider any application for leave. The Company shall not be obliged to process payments without a Call more than once every three months.
	<p>Subject to the foregoing, if a Holder tenders all or part of the amount remaining unpaid on a Contributing Share other than in satisfaction of a Call:</p> <ul style="list-style-type: none"> • the rights attaching to the Contributing Share will not change (including the amounts paid and unpaid); and • the amount tendered will, at the election of the Company, either be returned or retained as a non-interest bearing loan repayable only upon and to the extent of a Call being made then the repayment shall be made by the Company to itself in satisfaction of the Call to that extent.
Compliance with Listing Rules:	<p>For so long as the Company is admitted to the official list of ASX, the following paramount provisions will apply:</p> <ul style="list-style-type: none"> • notwithstanding anything contained in these terms of issue, if the ASX listing rules (in the form and context in which they exist as at the date the first Contributing Share is issued) ("Existing Rules") prohibit an act from being done, the act shall not be done; • nothing contained in these terms of issue prevent an act being done that the Existing Rules require to be done; • if the Existing Rules require an act to be done or not be done, authority is given for that act to be done or not done as the case may be; • if the Existing Rules require these terms of issue to contain a provision and it does not contain such a provision, these terms of issue are deemed to contain such a provision; • if the Existing Rules require these terms of issue not to contain a provision and it contains such a provision, these terms of issue are deemed not to contain that provision; and <p>if any provision of these terms of issue is inconsistent with the Existing Rules, these terms of issue are deemed not to contain that provision to the extent of the inconsistency.</p>
Amounts paid & unpaid:	<p>Each Contributing Share:</p> <ul style="list-style-type: none"> • is paid up to \$0.0001; and • has an unpaid amount of a further \$0.04.
No liability:	<p>Holders have no obligation to meet a call ("Call") made by the Company for the payment of any of the unpaid amount; however, non-payment of a properly made Call will result in the forfeiture of the relevant Contributing Shares.</p>



Emu NL | ACN 127 291 927

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **5:00pm (AWST) on Saturday, 29 January 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote i



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.



Contact	Return your completed form		All enquiries to Automic	
	BY MAIL Automic GPO Box 5193 Sydney NSW 2001	IN PERSON Automic Level 5, 126 Phillip Street Sydney NSW 2000	BY EMAIL meetings@automicgroup.com.au BY FACSIMILE +61 2 8583 3040	PHONE 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

[illegible]

Resolutions		For	Against	Abstain	Resolutions		For	Against	Abstain
1.	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6.	Approval to Grant of Options to Mr Gavin Rutherford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Re-Election of Terence Streeter as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.	Approval to Grant of Options to Mr Terence Streeter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Approval to Ratify Issue of Shares Using 15% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8.	Approval to Grant of Options to Mr Tim Staermose	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9.	Approval to Grant of Options to Other Key Personnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Approval to Grant of Options to Mr Peter Thomas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

[illegible]