



EMU NL
ACN 127 291 927

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting
Friday 30 November 2018

Time of Meeting
5:00 pm

Place of Meeting
10 Walker Avenue
WEST PERTH WA 6005

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

*The **2018 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 2018 annual general meeting (**Meeting**) of Emu NL (**Company**) will be held at 10 Walker Avenue, West Perth, Western Australia on Friday 30 November 2018 at 5:00 pm (AWST).

The Explanatory Statement to this Notice provides information on matters to be considered at the meeting. The Explanatory Statement and the Proxy Form are part of this Notice.

Capitalised terms and abbreviations used in this Notice and Explanatory Statement will, unless the context requires, have the same meaning as given to them in the Glossary.

AGENDA

2018 FINANCIAL STATEMENTS AND REPORTS

To receive the Financial Report, together with the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2018.

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 purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2018 Annual Report be and is hereby adopted."

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

Voting Prohibition: A vote must not be cast (in any capacity) on Resolution 1 by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such a member. However, such a person may cast a vote on the Resolution if the vote is not cast on behalf of such a person and the person:

- (a) is appointed as a proxy by writing that specifies the way the proxy is to vote; or
- (b) is the Chair of the meeting and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

A vote cast in contravention of this prohibition will be taken not to have been cast.

RESOLUTION 2 – RE-ELECTION OF MR GREGORY STEEMSON AS A DIRECTOR

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

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

RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

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

"That approval is given for the Company to have the additional capacity (ie, 10% Placement Capacity) to issue Equity Securities under Listing Rule 7.1A, for the period specified in Listing Rule 7.1A.1 (ie, 10% Placement Period) and in accordance with the formula prescribed in Listing Rule 7.1A.2."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by a person who is expected to participate in, 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). However, the Company will not disregard a vote cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 4 – APPROVAL OF ISSUE OF SHARES

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 7.1 and for all other purposes, Shareholders approve the issue of up to 20,000,000 Shares at an issue price being the greater of \$0.04 and 80% of the prevailing volume weighted average market price (further explained in the Explanatory Statement) and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by a person who is expected to participate in, 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). However, the Company will not disregard a vote cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

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 representative (a **proxy**) to vote in their place.

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 two proxies and 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 28 November 2018 by:

1. post to Security Transfer Australia Pty Ltd, PO Box 52, Collins Street West VIC 8007;
2. facsimile to Security Transfer Australia Pty Limited at (08) 9315 2233 (International: +61 8 9315 2233);
3. email at registrar@securitytransfer.com.au; or
4. online at www.securitytransfer.com.au.

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy 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 5:00 pm (AWST) on 28 November 2018 will be entitled to attend and vote at the Annual General 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 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.

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 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 appointment of 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: 26 October 2018

EXPLANATORY STATEMENT

This Explanatory Statement accompanies and comprises part of the notice (**Notice**) convening the Annual General Meeting (**Meeting**) of Shareholders of Emu NL to be held 30 November 2018.

Capitalised terms in this Explanatory Statement are defined in the Glossary.

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 2018.

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 AGM,

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

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

Section 250R of the Corporations Act requires the Company to put the Remuneration Report to members for adoption. 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. 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.

The vote of the members is advisory only and does not bind the Directors of the Company.

Following consideration of the Remuneration Report, members will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

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

Resolution 2 – Re-election of Mr Gregory Steemson as a Director

2.1 Introduction

Mr Steemson was appointed as a Director on 4 April 2012. He retires in accordance with the Listing Rules and the Company's Constitution and, being eligible, offers himself for re-election.

Mr Steemson is a graduate of the University of Queensland and the University of Utah and is a qualified geologist and geophysicist. He has 40 years of experience over a wide range of geographies and commodities including gold, base metals, iron ore, diamonds, coal, mineral sands, phosphate, uranium and rare earth elements. He has operated in many different jurisdictions throughout the world and at most levels of the mineral industry from green-fields exploration to resource and project development through to mining.

Further details in relation to Mr Steemson's background, experience, remuneration, interests in and services to the Company are set out in the Annual Report. The Board considers Mr Steemson to be an independent Director.

2.2 Directors' Recommendation

The Directors, except Mr Steemson, who has an interest in this Resolution, recommend Shareholders vote in favour of Resolution 2.

The Chair intends to exercise all undirected proxies in favour of Resolution 2.

RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

3.1 General

Under Listing Rule 7.1, subject to certain exceptions, a listed entity must not, without the approval of holders of ordinary securities, issue or agree to issue more Equity Securities than the number calculated according to the formula set out in that rule. The formula generally has the effect that, in addition to the exceptions provided, every listed entity has the ability over any 12 month period to issue Equity Securities equal to 15% of its issued capital at the commencement of the a 12 month period.

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to a further 10% of its issued share capital through placements over a 12 month period after the AGM (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1 and must be approved by a special resolution of shareholders to be enlivened.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Capacity. The exact number of Equity Securities that may be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3.2(c) below).

3.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Capacity is subject to shareholder approval by way of a special resolution at an AGM.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, being listed Shares, listed Contributing Shares and unlisted Options (at exercise prices varying between \$0.10 to \$0.25 each; all of which expire on 20 December 2018).

(c) Formula for calculating 10% Placement Capacity – Listing Rule 7.1A.2

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;

(iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4;

(iv) less the number of fully paid shares cancelled in the 12 months.

D is 10%;

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 90,999,728 Shares. Assuming Resolutions 3 to 5 are passed, and the Company's Shares on issue do not change) the Company has capacity to issue:

(i) 13,649,959 Equity Securities under Listing Rule 7.1; and

(ii) 9,099,972 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3.2(c) above). Assuming Resolution 4 is passed and the maximum Shares are issued under the authority that would be granted by that Resolution, the Company will have the capacity to issue an additional 3,000,000 Equity Securities (for a total of 16,649,959 Equity Securities) under Listing Rule 7.1 and an additional 2,000,000 Equity Securities (for a total of 11,099,972 Equity Securities) under Listing Rule 7.1A.

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price (VWAP) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that 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 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period – Listing Rule 7.1A.1

Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

(i) the date that is 12 months after the date of the AGM at which the approval is obtained; or

(ii) the date of the approval by 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).

3.3 Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without impacting the Company's 15% placement capacity under Listing Rule 7.1.

3.4 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 Capacity as follows:

(a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price (VWAP) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that 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 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, 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 Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

The table below shows the potential 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 fully paid ordinary securities the Company has on issue. The number of fully paid ordinary securities on issue may increase as a result of future issues of fully paid ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer, partly paid shares paid up to become fully paid shares, or exercises of certain options) or future specific placements under Listing Rule 7.1 that are approved at a Shareholders' meeting or those already approved (as at the date of this Notice, the Company is authorised to issue up to 12,500,000 Shares as consideration in respect of Emu's option to acquire its Chilean gold project – refer to page 5 of the Annual Report under the heading "Review of Operations" and sub-heading "ASX Waiver – Approval to Issue Shares" for further details); and
- (ii) two examples where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.023 50% decrease in Issue Price	\$0.046 Issue Price	\$0.092 100% increase in Issue Price
Current Variable A (Shares) 90,999,728 Shares	10% dilution	9,099,972 Shares		
	Funds raised	\$209,299	\$418,598	\$837,197
50% increase in Variable A (Shares) 136,499,592 Shares	10% dilution	13,649,959 Shares		
	Funds raised	\$313,949	\$627,898	\$1,255,796
100% increase in Variable A (Shares) 181,999,456 Shares	10% dilution	18,199,945 Shares		
	Funds raised	\$418,598	\$837,197	\$1,674,395

The table has been prepared on the following assumptions:

- (i) *The Company issues, in a single allotment, the maximum number of Equity Securities available under the 10% Placement Capacity.*
- (ii) *No Convertible Securities (including any Convertible Securities issued under the 10% Placement Capacity) are converted into Shares before the date of the issue of the Equity Securities.*
- (iii) *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 Capacity, based on the Shareholder's holding at the date of the Meeting.*
- (iv) *The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.*
- (v) *The use of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities 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*
- (vi) *The assumed issue price is \$0.046, being the closing price of Shares on the ASX on 25 October 2018.*
- (c) The Company will only issue and allot Equity Securities under the 10% Placement Capacity (if approved) during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) for cash consideration, in which case the Company may use the funds raised towards 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; or
 - (ii) non-cash consideration for the acquisition of (or securing the right to make acquisitions of) new projects and investments or to further its existing projects. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.
- (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 Capacity. 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).
- (g) The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates (as defined in section 11 and sections 13 to 17 of the Corporations Act) of a related party of the Company.
- (h) The Company obtained Shareholder approval under ASX Listing Rule 7.1A at its annual general meeting held on 9 November 2017.

In accordance with Listing Rule 7.3A.6, the total number of Equity Securities issued in the 12 months preceding the date of this Notice of Meeting (or expected to be issued before the Meeting) is 26,229,341, representing 24.39% of the Equity Securities on issue at the commencement of the 12 month period. The

Company has issued the following equity securities in the 12 months preceding the date of this Notice of Meeting:

Date of Issue	Number of Securities	Class	Issue Price	Discount to market price on date of issue	Total Consideration	Basis of allotment
Securities issued with Shareholder approval or under an exception to Listing Rule 7.1						
15/12/2017	4,000,000	Ordinary Fully Paid Shares	\$0.15	0%	\$600,000	Placement to sophisticated and/or professional investors
15/12/2017	4,000,000	Ordinary Fully Paid Shares	\$0.00	N/A	\$Nil	Issued to Acuity Capital in consideration of a Controlled Placement Agreement
22/12/2017	370,000	Ordinary Partly Paid Shares	\$0.03	N/A	\$11,100	Exercise of options
15/2/2018	270,000	Ordinary Partly Paid Shares	\$0.03	N/A	\$8,100	Exercise of options
16/3/2018	83,334	Ordinary Partly Paid Shares	\$0.03	N/A	\$2,500	Exercise of options
2/5/2018	416,666	Ordinary Partly Paid Shares	\$0.03	N/A	\$12,500	Exercise of options
3/5/2018	200,000	Unlisted options, (\$0.10, expiring 20 Dec 2018)	\$0.00	N/A	\$0 Note: Not valued at current date as not considered to have any material value	Issue of options to employee at no cost
5/6/2018	4,051,843	Ordinary Fully Paid Shares	\$0.03	N/A	\$121,555	Payment of outstanding call (\$0.03) on partly paid Contributing Shares
18/7/2018	4,894,330	Ordinary Fully Paid Shares	\$0.048	36%	\$234,928	Placement to sophisticated and/or professional investors
30/8/2018	8,143,168	Ordinary Fully Paid Shares	\$0.048	13%	\$390,872	Placement to sophisticated and/or professional investors
Securities issued without Shareholder approval and not under an exception to Listing Rule 7.1						
16/10/2017 ⁴	2,000,000	Unlisted options, (\$0.11, expiring 20 Dec 2018)	-	N/A	\$0	To reward and incentivise employee
Shares issued under Listing Rule 7.1A 10% Placement Capacity						
N/A						
TOTALS						
Ordinary Fully Paid Shares	25,089,341				\$1,381,555	
Ordinary Partly Paid Shares	1,140,000				\$34,200	
Options	2,200,000				\$0	

- (i) In respect of the issues of Equity Securities over the last 12 months that were issued for cash, the fifth bullet point of Listing Rule 7.3A.6(b) requires the Company to disclose in this Notice "the total cash consideration, the amount of that cash that has been spent, what it was spent on, and what is the intended use for the remaining amount of that cash (if any)". Whilst the total cash consideration received was mingled with the funds then on hand, on the basis of accounting for funds spent on a first in first out method, approximately \$1.05 million of the \$1.3 million total cash raised over the past 12 months has been spent. Therefore, on the basis of first in first out, all of the funds raised from the issues on 15 December 2017 through to 18 July 2018 have been spent, and approximately \$140,000 of the amounts raised from the issue on 30 August 2018 has been spent. These funds were spent predominantly on exploration and the pursuit of the Company's rights in relation to its Chile gold project, on evaluation of potential new mineral exploration, development and mining opportunities and to pay corporate expenses. The balance of funds remaining are intended to be spend on continuing the Company exploration activities in Chile and on necessary corporate expenses.

- (j) 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 under Listing Rule 7.1A. Therefore, no existing Shareholder's votes will be excluded under the voting exclusion in the Notice.

3.5 Directors' Recommendation

Based on the information available, including the information contained in this Explanatory Statement, all of the Directors consider that Resolution 3 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 3. 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 3 will increase the Directors' ability to issue new Shares permitted by the Listing Rules without requiring Shareholder approval.

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

RESOLUTION 4 – ISSUE OF SHARES

4.1 General

Emu continues to search for new mineral exploration, development and mining opportunities within Australia and at various overseas jurisdictions. The purpose of this resolution is to provide the Company with flexibility to raise funds in order to enable the Company take advantage of opportunities as they arise (such as new projects), to further its existing Chilean gold projects, and to pay for corporate expenses.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that number which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (adjusted for certain events over that 12 month period).

The effect of Resolution 4 will be to authorise the Directors to issue a limited number of Shares (subject to the specified pricing constraint being met and within 3 months of the Meeting or such later date as approved by ASX) without using the Company's 15% placement capacity under Listing Rule 7.1 or its 10% Placement Capacity under Listing Rule 7.1A. The Company will not be obligated to utilize this authority.

4.2 Resolution 4 - Information required by ASX Listing Rule 7.3

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

- (a) the Company will issue up to 20,000,000 fully paid ordinary Shares;
- (b) the Company will issue shares (and the issue date will be) within 3 months of the date of the Meeting or such later date as may be approved by ASX and it is intended that the issue of the Shares will occur progressively;
- (c) the *minimum* issue price will be the greater of \$0.04 per Share and 80% of the volume weighted average market price of the Shares on ASX over the last 5 days on which sales in the Shares were recorded before:
 - (i) the date on which the issue is made; or
 - (ii) if there is a prospectus relating to the issue, the date of the prospectus; or
 - (iii) the date on which the price at which the Shares are to be issued is agreed, provided that the Shares are issued within 5 Trading Days of that date;

(the actual issue price, if any, may be higher – and the Directors will endeavor procure this);
- (d) the Shares will be fully paid ordinary shares and rank equally with all other Shares on issue;
- (e) subject to the Corporations Act and Listing Rules, the Shares will be issued at the discretion of the Directors to persons who have not been identified as at the date of this Notice but who will not be related parties of the Company;

- (f) the funds raised are intended to be applied towards further exploration work on Emu's Chilean gold projects, to pay for corporate expenses, and possibly to take advantage of new opportunities as they arise (such as new projects); and, 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. Therefore, no existing Shareholder's votes will be excluded under the voting exclusion in the Notice.

4.3 Resolution 4 – Additional Information required by ASX

The following information is provided to Shareholders as requested by ASX:

1. the Company currently has approximately \$160k in cash and cash equivalents together with a further \$80k in listed securities which could be realised if required;
2. the Company requires funds to fulfill its obligations to meet option payment commitments pursuant to agreements entered into with tenement vendors and to advance its exploration programme in Chile – the ability to raise additional capital in this proposed placement will enable the Company to accelerate its exploration activities if analysis of current exploration activities so warrants;
3. the Company is not currently negotiating or discussing any potential transaction with another party for which the proposed issue of shares or funds raised from such an issue could be used;
4. as is common to many listed exploration companies, EMU is in continuous discussion with its brokers to discuss capital raising strategies but at this time has not entered into any arrangements to place securities to raise cash;
5. if the proposed issue of Shares are approved and subsequently issued in accordance with that approval, the potential dilution of existing Shareholders calculated using an issue price of \$0.04 and based on the current number of ordinary securities will be a factor of 18%;
6. the Company's Shares have ranged from a high of \$0.175 to a low of \$0.045 over the last 52 weeks.

GLOSSARY

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

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 3.1 of the Explanatory Statement.

10% Placement Period has the meaning given in Section 3.2(f) of the Explanatory Statement.

AGM, Annual General Meeting or Meeting means the meeting convened by the Notice.

Annual Report means the Directors' Report, the Financial Report and Auditor's report in respect of the financial year ended 30 June 2018 (copies of which have been sent to Shareholders who have made an election to receive it and copies of which are available on the Company's web site www.emunl.com.au).

ASX means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.

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

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the board of Directors.

Chair means Mr Peter Thomas, or (if Mr Thomas is absent) such other person appointed to chair the Meeting in accordance with the Constitution.

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)*.

Company or Emu means Emu NL ACN 127 291 927.

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

Contributing Share means partly paid ordinary shares issued by the Company.

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

Corporations Act means the *Corporations Act 2001 (Cth)*.

Director means a director of the Company.

Director's 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 this information attached to the Notice.

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

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.

Listing Rules means the listing rules of ASX.

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

Notice or Notice of Meeting or Notice of Annual General Meeting means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying to this Notice.

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

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

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

«EFT_REFERENCE_NUMBER»

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EMU NL

ACN: 127 291 927



«Post_zone»
«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

REGISTERED OFFICE:

LEVEL 2,
35 OUTRAM STREET
WEST PERTH WA 6005

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

EMU

Holder Number:

«HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE
ONLINE

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 5:00pm WST on Friday 30 November 2018 at 10 Walker Avenue, WEST PERTH WA 6005 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. Adoption of Remuneration Report

For

☐

Against

☐

Abstain*

☐

2. Re-election of Mr Gregory Steemson as a Director

☐☐☐

3. Approval of 10% Placement Capacity

☐☐☐

4. Approval of Issue Of Shares

☐☐☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 5:00pm WST on Wednesday 28 November 2018.

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EMU

EMUPX2301118

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My/Our contact details in case of enquiries are:

Name:

Number:

()

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

5. 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 of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online www.securitytransfer.com.au

Postal Address PO BOX 52
Collins Street West VIC 8007

Street Address Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000

Telephone 1300 992 916

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

