



(ABN 50 127 291 927)

ASX Codes: **EMU and EMUCA**

PROSPECTUS

For a pro rata non-renounceable rights issue of fully paid ordinary shares at \$0.035 each on the basis of three (3) shares offered for every four (4) shares held at the Record Date, plus one option for every two new shares applied for under this prospectus with one cent (\$0.01) to pay on application and exercisable at two cents (\$0.02) each option (to acquire a partly paid share with three cents (\$0.03) unpaid), raising up to approximately \$6,259,511 (before the expenses of the Offer and exercise of the options).

The Offer is underwritten to the extent of ~ US\$2,670,000, subject to a singular condition. If the singular condition is not met an announcement will be made via the ASX market announcements office on or about 1 October 2019. See section 1.7 for details.

INDICATIVE TIMETABLE*

Date of this prospectus (and lodgement with ASIC)	23 September 2019
“Ex” Date	25 September 2019
Record Date	26 September 2019
Closing date for acceptances (5:00pm AWST)	10 October 2019
Issue date, dispatch of holding statements	17 October 2019

** Subject to the Timetable Proviso described in section 5.2 of this prospectus.*

IMPORTANT INFORMATION

Definitions & interpretation – Definitions (usually with the first letter capitalised) appear both throughout the body of this prospectus (refer bolded terms) as well as in section 6.

Speculative investment, read the whole prospectus & take advice – An investment in the securities offered pursuant to this prospectus is speculative and involves inherent risks. It is important that you read the whole of this prospectus. The Company recommends you consult with your professional advisors before deciding whether or not to apply for securities pursuant to this prospectus.

Distribution of complete and unaltered copy of this prospectus – If you provide a copy of this prospectus to another person you should only do so if you ensure that it is in a complete and unaltered form failing which you may be guilty of a criminal offence.

Jurisdiction of Offer – If you are an Overseas Applicant or if this prospectus has been or is intended to be provided, dispatched to, or accessed electronically outside Australia, please refer to section 5.5. No action has been taken by the Company to ensure the offer of securities under this prospectus is compliant in any jurisdiction other than Australia.

1. DETAILS OF THE OFFER

1.1 Amount to be raised

This prospectus is for the non-renounceable offer (**Offer**) of new Fully Paid Shares, at an issue price of \$0.035 per share, and one new Option for every two new Fully Paid Shares applied for under the prospectus with one cent (\$0.01) per Option to pay on application (payable as a non-refundable partial prepayment of capital for the security into which the option is converted if the Option is exercised), pursuant to a pro rata non-renounceable rights issue (including any shortfall) on the basis of three (3) new Fully Paid Shares for every four (4) Shares held at the Record Date. As at the date of this prospectus and assuming no additional Shares are issued before the Record Date, up to approximately 156,487,779 new Fully Paid Shares and 78,243,890 new Options may be issued pursuant to the Offer, raising up to approximately \$6,259,511 (before the expenses of the Offer).

If any Entitlements are not taken up, the New Securities comprising the shortfall (**Shortfall**) may be placed by the Directors in their absolute discretion and such placement will form part of the Offer.

1.2 Stock exchange listing

The Company has or will, within 7 days after the date of this prospectus, apply for the new Fully Paid Shares issued pursuant to the Offer to be quoted on ASX.

The Company gives no warranties or assurances that the new Options will be quoted on ASX and no person should apply for securities pursuant to the Offer on the basis that the new Options will be quoted on ASX. However, the Company reserves the right to apply for the new Options to be quoted on ASX.

1.3 No minimum subscription

There is no minimum amount that must be raised or minimum number of New Securities which must be applied for pursuant to the Offer before the New Securities will be issued. See also section 1.7 regarding underwriting of the Offer.

1.4 Acting on your Entitlement and applying for the Shortfall

Your Entitlement is indicated on the *Entitlement and Acceptance Form* accompanying this prospectus. As a holder of Shares at the Record Date, you may participate in the Offer (or not) as follows:

- a) accept your Entitlement in whole or in part (if in part, you will receive no benefit from the part of your Entitlement not accepted) by:
 - i) completing the *Entitlement and Acceptance Form* and forwarding the completed form, together with payment for the amount due in respect of New Securities applied for; or
 - ii) paying the amount due in respect of New Securities applied for, calculated at \$0.035 per new Fully Paid Share plus \$0.01 per new Option, by BPAY®,

in accordance with the instructions set out on the *Entitlement and Acceptance Form* (unless alternative arrangements are made and agreed to by the Company) **so that it is received by the Company's Share Registrars no later than the Closing Date (note that your financial institution may have cut off times for the processing of BPAY payments); and**
- b) if you wish to apply for New Securities comprising all or part of the Shortfall, and provided you are accepting your Entitlement in full, complete the section of the *Entitlement and Acceptance Form* entitled "Additional New Securities" and follow the instructions for (a)(i) & (ii) above, also in accordance with the instructions set out on the *Entitlement and Acceptance Form*; or
- c) do nothing, in which case you will receive no benefit from your Entitlement.

1.5 Issue of Securities

Subject to applicable laws and the Listing Rules, the Company will, in its absolute discretion, accept and/or reject any application in whole or in part.

If your application is accepted, in whole or in part, the Company will issue New Securities (to the extent accepted) pursuant to your application and dispatch either an issuer sponsored holding statement or a CHESSE statement (together with any excess application monies) to you as soon as practicable after the Closing Date (required under the Listing Rules to be within 5 business days of the Closing Date unless ASX agrees otherwise). It is your responsibility to ascertain your allocation (if any).

1.6 Application monies

Application monies will be held in trust in a separate bank account on behalf of applicants until the New Securities offered under this prospectus are issued. If your application is rejected in whole or in part, the amount tendered in respect of New Securities that are not issued pursuant to your application will be repaid to you, without interest.

The banking of application monies does not constitute either processing or acceptance of your application.

1.7 Underwriting

Strategic Bank International Corp (**Underwriter** or **Strategic Bank**) has agreed, subject to its right to undertake due diligence with respect to the structuring of its participation to determine and implement a mechanism whereby the Underwriter can discharge its duties hereunder in a lawful manner (the **Condition**), to underwrite the Offer to the extent of US\$2,670,000 (**Underwritten Amount**) and procure applications for Shortfall Securities to that extent subject to and upon the terms of an underwriting agreement with the Company dated 20 September 2019. Based on the exchange rate as at 20 September 2019 of 0.7064 (applying the currency conversion principles espoused in the underwriting agreement which are to be applied at the time the shortfall is applied for), the underwriter is exposed to subscribing for up to approximately 94,493,200 new Fully Paid Shares and 47,246,600 new Options).

Where the Shortfall is less than US\$2,670,000, the Company agrees to accept an application(s) from the Underwriter/sub-underwriters for additional securities (same bundles and terms as offered under the Offer and such application(s) to be made at the same time as the Shortfall is applied for) to take the aggregate of the Shortfall and the amount subscribed for additional securities up to but not more than US\$2,670,000 PROVIDED ONLY THAT the issue of the Shortfall and the additional securities does not result in any entity acquiring a relevant interest in greater than 19.9% of the voting power of issued Emu securities and does not otherwise result in the breach of any law.

In consideration for the underwriting, the Company will pay the Underwriter a fee (**Underwriting Fee**) equal to the aggregate of:

1. 6% of the amount subscribed under the underwriting agreement; and
2. 4% of the amount raised from shareholders under the Offer under application forms bearing no broker stamp.

The Underwriter will complete its due diligence investigation and advise the Company of the result thereof (i.e. whether the Condition is satisfied) no later than 30 September 2019.

If no other Shareholders accept their Entitlement, Strategic Bank's voting power in the Company may, on the facts that exist at the date of this prospectus, increase from 0% to approximately 31%.

Based on the circumstances prevailing at the date of this prospectus, if the Condition (to the underwriting agreement) is satisfied (refer to section 1.7 for further details), the Company does not consider there to be any materially adverse consequences if the Offer is not fully subscribed, other than not increasing cash reserves by the amount of the Shortfall, potentially resulting in less active pursuit of growth of existing activities and the forsaking of additional opportunities which leverage the Company's strengths and advantages. If the Condition is not satisfied and alternative arrangements are not made to raise approximately A\$3.5 million (the estimated outgoings for the next field season in Chile to April 2020) on materially similar or more favourable terms to the Company than the Offer, the Company would treat this as a material adverse event and would deal with applications in accordance with the Corporations Act (including a return of application monies and/or offering applicants one month to withdraw their applications).

2. PURPOSE AND EFFECT OF OFFER

2.1 Purpose of the Offer

The primary purpose of the Offer is to (and the funds raised from the Offer are intended to be used to) provide the Company with additional funding to continue drilling the Vidalita epithermal discovery, initiate drill testing of other prospects in the Elevado Project, undertake geochemical sampling for prospect evaluation, assess, and if applicable, acquire further prospects and provide working capital. The Company reserves the right to raise additional equity capital at any time.

2.2 Effect on financial position

Assuming the Offer is fully subscribed and no further Shares are issued prior to the Record Date, the Company's cash reserves, contributed equity, total assets and net assets will increase by approximately \$5,838,940, which is the amount that would be raised pursuant to the Offer (approximately \$6,259,511) less the estimated expenses of the Offer which comprises total brokerage of up to approximately \$375,571 (includes the Underwriting Fee referred to in Section 1.7) and other related costs totalling \$45,000.

The Company intends to offer to pay an Australian broking house a fee of 2% of the amount raised from Shareholders accepting their Entitlement and an additional 4% to any broker whose stamp is affixed to an *Entitlement and Acceptance Form* duly completed, received and accepted. The maximum aggregate fee(s) payable on any subscription (including but not limited to the Underwriting Fee) will not exceed 6% excluding GST.

If the Offer is not fully subscribed, the aforementioned effect on the Company's cash reserves, contributed equity, total assets and net assets will be reduced by the amount of the ultimate shortfall.

2.2.1. Pro forma statement of financial position

The Company's latest reviewed, consolidated balance sheet (as at 31 December 2018) is set out on page 13 of its Interim Financial Report for the half year ended 31 December 2018. The following pro forma statements of financial position assumes that the Offer is fully subscribed, and reflects the effect on financial position described above.

	Historical as at 31 December 2018	Pro-Forma as at 30 June 2019	Pro-Forma Effect of Offer 30 June 2019
	Consolidated Reviewed (\$)	Consolidated Unaudited (\$)	Consolidated Unaudited (\$)
Current Assets			
Cash and cash equivalents	1,158,368	274,205	6,113,145
Trade and other receivables	3,926	10,630	10,630
Other assets	22,537	3,720	3,720
Total Current Assets	1,184,831	288,555	6,127,495
Non-Current Assets			
Financial assets	63,700	52,800	52,800
Plant and equipment	38,978	31,392	31,392
Total Non-Current Assets	102,678	84,192	84,192
TOTAL ASSETS	1,287,509	372,747	6,211,687
Current Liabilities			
Trade and other payables	95,654	84,829	84,829
Provisions	4,742	-	-
Total Current Liabilities	100,396	84,829	84,829
TOTAL LIABILITIES	100,396	84,829	84,829
NET ASSETS	1,187,113	287,918	6,126,858
Equity			
Contributed equity	16,886,789	18,058,713	23,897,653
Reserves	-	201,420	201,420
Accumulated losses	(15,699,676)	(17,972,215)	(17,972,215)
TOTAL EQUITY	1,187,113	287,918	6,126,858

2.3 Effect on capital structure

The capital structure of the Company following Completion of the Offer (assuming the Offer is fully subscribed) is summarised below.

	Number of Shares
Fully paid ordinary Shares (ASX:EMU)	331,469,327
Partly paid ordinary Contributing Shares (ASX:EMUCA)	33,668,824
Shares on issue upon Completion of the Offer¹	365,138,151
	Number of Options
Options to acquire Contributing Shares, exercisable at \$0.03 each; expiring 28 February 2020 with an additional \$0.03 per share payable on call once exercised	6,000,000
Options to acquire Contributing Shares, exercisable at \$0.02 each; expiring 21 December 2020 with an additional \$0.03 per share payable on call once exercised ²	86,698,357
Options to acquire fully paid Shares, exercisable at \$0.20; expiring 15 February 2021	84,355,000
Options to acquire fully paid Shares, exercisable at \$0.20; expiring 16 February 2021	8,454,468
Options on issue upon Completion of the Offer¹	185,507,825

¹ If the Offer is not fully subscribed, the Shares and Options on issue following Completion of the Offer will be reduced by the under subscribed amount. Further, if the Shortfall is less than the US\$2,670,000 underwritten amount, then note the second paragraph of section 1.7.

² Approximated assuming 174,981,548 Fully Paid Shares and 33,668,824 Contributing Shares are on issue as at the Record Date. The actual number of Shares to be issued may be greater or less than this amount.

2.4 Effect on control

If all Shareholders take up their Entitlements in full, the Offer is not expected to have a material effect on the control of the Company.

If some Eligible Shareholders do not take up or are not issued their full Entitlements under the Offer, then their percentage shareholding in the Company will be diluted by new Fully Paid Shares issued under the Offer. For example, if the Offer is fully subscribed and a Shareholder with approximately 1% of the Company pre-Offer does not take up any of their Entitlements then their Shareholding in the Company will reduce to approximately 0.55%. This would be further reduced to 0.50% if the new Options were also exercised. If the Offer is fully subscribed and the Company makes a subsequent placement to Strategic Bank or its nominees for the same amount as the underwriting, the same Shareholder's Shareholding in the Company would reduce to approximately 0.43% (and further reduced to 0.38% if the additional Options were also exercised).

Should no Eligible Shareholders take up any of their Entitlements, the Directors will (as stated in section 1.1) be entitled to place the Shortfall in their absolute discretion, which could, subject to any limitations set out in the Corporations Act, be issued to as few as one person if the Directors' so determined. This could immediately give that person (or those persons as the case may be) a minimum 42.86% relevant interest in the Company's Shares, and possibly a 52.94% interest if the Options are exercised. As the Company is listed, any potential acquisition of Shares will be subject to the prohibitions set out in section 606 of the Corporations Act. Therefore, unless the New Securities are placed pursuant to one of the exceptions set out in section 611 of the Corporations Act (such as approval by resolution of Shareholders or '3% creep in 6 months'), the Company will not be entitled to place the Shortfall to any person if it would cause that person's or someone else's voting power in the Company to increase from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.

Refer details in section 1.7 - if the Shortfall equals or exceeds the converted equivalent of USD\$2,670,000, Strategic Bank could conceivably end up with a holding representing approximately 31% of the voting Shares. Should the Offer be fully subscribed and the Company makes the placement of additional securities to Strategic Bank of USD\$2,670,000 (refer to section 1.7), then Strategic Bank it will hold approximately 21% of the voting Shares.

3. INTERESTS, FEES AND BENEFITS

Other than as set out below or as is disclosed elsewhere in this prospectus, no: (a) director of the Company; or (b) person named in this prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation and distribution of this prospectus; or (c) promoter of the Company; or (d) underwriter to, or Australian financial services licensee named in this prospectus as an Australian financial services licensee involved in, the offer of securities under this prospectus; has or had within 2 years before lodgement of this prospectus with ASIC any interest in: (i) the formation or promotion of the Company; or (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of securities under this prospectus; or (iii) the offer of securities under this prospectus; and no amounts have been paid or agreed to be paid and no amounts have been given or agreed to be given to any of those persons as an inducement to become or to qualify as a director of the Company or for services rendered in connection with the formation or promotion of the Company or the offer of securities under this prospectus.

3.1 Directors holdings

As at the date of this prospectus the relevant interests of each Director in the securities of the Company were as follows:¹

	Shares - Fully Paid	Shares - Partly Paid Contributing	Options ²
Mr PS Thomas	7,782,967	9,420,651	2,000,000
Mr GA Rutherford	2,486,365	1,884,281	2,000,000
Mr TE Streeter	-	-	2,000,000

1. The table shows those securities held directly and indirectly.

2. Unlisted options to acquire partly paid Contributing Shares, exercisable at \$0.03 each; expiring 28 February 2020.

3.2 Director fees and benefits

The Directors are currently remunerated in their capacity as Directors at annual rates of \$48,180 (including statutory 9.5% superannuation) for Peter Thomas, \$36,000 for Gavin Rutherford (including statutory 9.5% superannuation) and \$36,000 to an entity associated with Terence Streeter (for their services as non-executive chairman, non-executive director and non-executive director respectively).

Details of remuneration

Details of the remuneration of the Directors of the Company for each of the years ended 30 June 2018 and 2019 respectively are set out in the following table.

	Short-Term	Post-Employment	Share-based Payments*	Total
	Salary & Fees	Superannuation		
	\$	\$	\$	\$
Peter Thomas				
2019	44,000	4,180	8,000	56,180
2018	44,000	4,180	-	48,180
Gavin Rutherford				
2019	40,182	3,818	8,000	52,000
2018	22,000	2,090	-	24,090
Terence Streeter				
2019	24,000	-	8,000	32,000
2018	-	-	-	-
Total				
2019	108,182	7,998	24,000	140,180
2018	66,000	6,270	-	72,270

*Denotes the value of 2,000,000 options issued to each director during the year ended 30 June 2019 as share-based payments, valued independently in accordance with Australian Accounting Standards.

3.3 Interests of other named persons

Strategic Bank will be paid an Underwriting Fee as detailed in Section 1.7.

4. CONSTITUTION AND TERMS OF SECURITIES

4.1 Constitution and rights attaching to Shares

All Shares to be issued pursuant to this prospectus will be issued as fully paid ordinary shares in the capital of the Company and will rank equally with existing fully paid ordinary shares currently on issue.

Further details of the rights and obligations attaching to Shares are set out in the Company's Constitution, which can be obtained from the Company's website (<https://emunl.com.au>) or its registered office at no cost, or from ASIC.

A constitution has the effect of a contract between the Company and each member, between the Company and each Director and company secretary, and between a member and each other member under which each of those persons agrees to observe and perform the provisions of the constitution as far as those provisions apply to that person. A company's constitution can only be altered by a special resolution (being a resolution passed by at least 75% of the votes cast by members entitled to vote on the resolution).

The Constitution deals with such matters as the rights conferred and obligations imposed by shares, issues of shares, transfer of shares, alterations of share capital, share buy-backs, disposal of small shareholdings (being parcels of shareholdings with a market value less than that an amount prescribed under the Listing Rules - \$500 as at the date of this prospectus), variation of class rights, meetings of shareholders, voting, polls, appointment and removal of Directors, remuneration of Directors, dividends, winding up and the Listing Rules.

4.2 Rights attaching to new Options

Following are the material terms of the new Options being offered pursuant to this prospectus:

1. Each Option may be exercised by giving notice in that regard together with payment of the amount of two (2) cents (**Exercise Price**).
2. Each Option entitles the holder to subscribe for one partly paid ordinary share (**Contributing Share**) in Emu NL ACN 127 291 927 (**EMU** or the **Company**) upon the payment of the Exercise Price per Share subscribed for. The one (1) cent paid on application for each option in this class will be applied as a non-refundable prepayment against the capital of the partly paid share into which the option may be converted so that upon exercise of the option, three (3) cents will have been paid on the partly paid share and that partly paid share shall rank *pari passu* with the existing class of EMUCA.
3. The Options will lapse at 5:00 pm on 21 December 2020 (**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 500,000, except where the total Options held by the holder is less than 500,000 (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 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 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. A notice may, without limitation, be given by the Company to any Option holder in the same manner as a notice may be given by the Company to any Shareholder.
14. The Company is not required to apply for quotation of the Options.

4.3 Rights attaching to Contributing Shares

Following are the material terms of the Contributing Shares over which the new Options are exercisable:

Partly paid ordinary shares (**Contributing Shares**, currently quoted ASX:EMUCA) in the capital of Emu NL (**Company**) rank equally with fully paid ordinary shares (**Fully Paid Shares**, currently quoted ASX:EMU) in the capital of the Company subject to the following terms:

Amounts paid & unpaid:

Each Contributing Share (quoted as **EMUCA** on ASX as at 1 September 2019): (a) has a paid-up capital of \$0.03; and (b) has an unpaid amount of a further \$0.03.

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 unless the day on which the call is made falls after 31 December 2023 or such later date or dates as determined by the Board from time to time in its absolute discretion.

Capital re-organisation:

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):

- a) the number of Contributing Shares must be reorganised in the same proportion as all other classes of shares on issue; and
- b) the re-organisation must not involve a cancellation or reduction of the total amount payable and unpaid by holders of Contributing Shares.

Rights:

Irrespective of whether the Company has made a Call for the payment of all or any of the unpaid amount, each Contributing Share:

- a) 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;
- b) 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;
- c) 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;
- d) is freely transferable;
- e) upon being paid up in full shall rank equally in all respects with (ordinary fully paid) 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:

A Holder may pay up the whole of the amount remaining unpaid at any time PROVIDED THAT they may only do so in parcels:

- a) of not less than 50,000; or
- b) of less than 50,000 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.

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:

- a) the rights attaching to the Contributing Share will not change (including the amounts paid and unpaid); and

- b) 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:

For so long as the Company is admitted to the official list of ASX, the following paramount provisions will apply:

- a) 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;
- b) nothing contained in these terms of issue prevent an act being done that the Existing Rules require to be done;
- c) 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;
- d) 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;
- e) 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
- f) 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.

5. ADDITIONAL INFORMATION AND DISCLAIMERS

5.1 Transaction specific prospectus

This prospectus has been prepared in accordance with the special content rules for continuously quoted securities in section 713 of the Corporations Act, which sets out an alternative general disclosure test for an offer of continuously quoted securities or options to acquire such securities. The alternative disclosure test allows the issue of a prospectus with a specified limited content (compared to a “full disclosure” prospectus), commonly referred to as a “transaction-specific” prospectus. To qualify as “continuously quoted securities” the securities must, amongst other matters, be securities of a “disclosing entity” for the purposes of the Corporations Act. In preparing this prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers.

5.2 Timetable Proviso

Other than the date of this prospectus and any historical dates or time periods prior to the date of this prospectus, the date(s) mentioned in this prospectus is(are) indicative only. Further, notwithstanding any provision of this prospectus and to the fullest extent permitted by law and the Listing Rules, the Company may, from time to time and without giving any notice, abridge or further abridge, extend or further extend any period or vary or further vary any date or time period referred to in this prospectus to such earlier or later date or for such period as the Directors thinks fit whether or not the date to be varied has passed or the period to be extended has expired.

5.3 Document available for inspection

As a “disclosing entity”, the Company is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Company may be obtained from or inspected at an office of ASIC.

Any person has the right to obtain a copy of the following documents and the Company will provide a copy of each of the following documents, free of charge, to any person who asks for it during the application period for this prospectus:

- a) the annual financial report of the Company for the year ended 30 June 2018;
- b) the half-yearly financial report of the Company for the six months ended 31 December 2018; and
- c) all documents used to notify ASX of the information relating to the Company under the Listing Rules since the lodgement of the financial report referred to in (a) above. Prior to the date of this prospectus, the only such documents were:

Date	Description
1/10/2018	Annual report to shareholders
1/10/2018	Appendix 4G and corporate governance statement
5/10/2018	Investor presentation
26/10/2018	Notice of annual general meeting
26/10/2018	Share purchase plan offer
26/10/2018	Notice under ASIC class order 09/425
26/10/2018	Share purchase plan
26/10/2018	Share purchase plan to fund Vidalita drilling
29/10/2018	Share purchase plan amended record date
31/10/2018	Quarterly activities and cash flow reports
6/11/2018	Board changes

Date	Description
15/3/2019	Half-yearly report
25/3/2019	Results of meeting
27/3/2019	IP survey identifies further high-grade potential Vidalita
8/4/2019	Appendix 3B
9/4/2019	Change of directors' interest notices x 3
9/4/2019	Issue of options
10/4/2019	Emu confirms potential for multiple mineralised system
30/4/2019	Quarterly activities and cash flow reports
1/5/2019	Trading halt
1/5/2019	Appendix 3B
3/5/2019	Placement

7/11/2018	Final directors' interest notice
7/11/2018	Geological consultant's review supports Vidalita interpretation
12/11/2018	Initial director's interest notice
15/11/2018	Well supported share purchase plan closes successfully
20/11/2018	Appendix 3B
30/11/2018	Launch of 2019 season field work
30/11/2018	AGM presentation
30/11/2018	Results of meeting
7/12/2018	Trading halt
11/12/2018	Placement
18/12/2018	Placement completed
18/12/2018	Appendix 3B
18/12/2018	Pause in trading
18/12/2018	Vidalita potential for high-grade gold
21/12/2018	Expiry of unlisted options
21/12/2018	Change of directors' interests x 3
21/1/2019	Drilling at Vidalita project progressing
31/1/2019	Quarterly activities and cash flow reports
5/2/2019	Emu shareholder presentation
21/2/2019	Vidalita drilling update
22/2/2019	Appendix 3B
22/2/2019	Cleansing notice Section 708A
22/2/2019	Notice of general meeting
5/3/2019	Trading halt, suspension from official quotation
8/3/2019	Discovery hole at Vidalita

3/5/2019	Cleansing notice Section 708A
6/5/2019	Response to Appendix 3B query
15/5/2019	Placement completed
15/5/2019	Appendix 3B
16/5/2019	Corporate presentation
24/5/2019	Appendix 3B
28/5/2019	Transaction Specific Prospectus
6/6/2019	Emu completes aircore drill programme at Vidalita
11/6/2019	Notice of general meeting and proxy form
19/6/2019	Trading halt
21/6/2019	Suspension from official quotation
24/6/2019	Emu secures 3 year extension to Vidalita option agreement
24/6/2019	Reinstatement to official quotation
3/7/2019	Change in substantial holdings
10/7/2019	Results of meeting
12/7/2019	Appendix 3B
16/7/2019	Elevado Project Chile 2019 drilling and exploration update
31/7/2019	Quarterly activities report
31/7/2019	Quarterly cashflow report
7/8/2019	Response to Appendix 3B query
9/8/2019	Letter to shareholders
27/8/2019	Placement
2/9/2019	Placement completed
2/9/2019	Appendix 3B
20/9/2019	\$6.2M Non-Renounceable Rights Issue

5.4 Consents

Strategic Bank have given and have not, prior to the lodgement of this prospectus with ASIC, withdrawn their written consent to be named in this prospectus (as Underwriter to the Offer) in the form and context in which it appears.

Other than as disclosed above or elsewhere in this prospectus, Strategic Bank has not been involved in the preparation, or authorised or caused the issue, of this prospectus and, to the maximum extent permitted by law:

- a) expressly disclaims and takes no responsibility for any part of (or any matter included in or omitted from) this prospectus;
- b) makes no representation or warranty (either expressly or impliedly) with respect to the completeness or accuracy of information contained in this prospectus;
- c) disclaims liability to any person in respect of any statement included in or omitted from this prospectus.

5.5 Overseas Applicants and distribution

This prospectus does not constitute an offer or invitation:

- a) in any jurisdiction where, or to any person to whom, it would be unlawful to issue this prospectus; or
- b) to any person to whom, it would not be lawful to make such an offer or invitation.

Where this prospectus is received or accessed in any such jurisdiction or by any such person, it is provided for information purposes only. No action has been taken to register or qualify the New Securities, or the Offer, or otherwise to permit the public offering of the New Securities, in any jurisdiction outside Australia.

The distribution of this prospectus within jurisdictions outside Australia may be restricted by law and persons into whose possession this prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. It is the responsibility of any Overseas Applicant to ensure compliance with all laws of any country relevant to his or her application, or country of receipt of this prospectus, and to obtain all necessary approvals so that they may legally subscribe for (and be issued) securities pursuant to the Offer.

In making an application you represent and warrant for the Company's benefit and for the benefit of the Company's officers, employees, agents and advisers (and, to the maximum extent permitted by law, indemnify the Company, and the Company's officers, employees, agents and advisers for any loss or damage caused if such representation or warranty proves to be inaccurate) that there has been no breach of any law by reason of that application being made, that all necessary approvals and consents to the making of that application have been obtained and that the Company may legally offer and issue securities to the applicant pursuant to this prospectus. Overseas Applicants must consult with their professional advisors as to whether any formalities need to be observed (either by themselves or the Company) to enable them to subscribe for the securities being offered pursuant to this prospectus.

Specifically, in New Zealand, the Shares and Options are not being offered or sold to the public other than to existing Shareholders with registered addresses in New Zealand and to whom the Offer is being made in reliance on relevant securities legislation. This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand), although the Company reserves the right to do so.

5.6 Privacy Act

By completing an application form accompanying this prospectus, you will be providing personal information to the Company (and its Share Registrar). The *Privacy Act 1988* (Cth) governs the use of your personal information and sets out principles governing the ways in which organisations should treat that information. The personal information to be collected on an application form accompanying this prospectus will be used to evaluate applications for New Securities and, if your application is successful, to administer your security holdings, provide services to you and otherwise effect appropriate administration for security holders. If the Company is obliged to do so by law, personal information will also be passed on to other parties.

In making an application, you agree that the Company may use the information provided on your application form for the purposes here disclosed and may disclose it for those purposes to the Company's Share Registrar, related bodies corporate, agents, contractors, employees, servants, and third party service providers, including without limitation, mailing houses, professional advisers, ASX, other Shareholders and regulatory authorities.

The Corporations Act requires the Company to include information about security holders (including name, address and details of securities held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a security holder. Information contained in the Company's public register is also used to facilitate distribution payments and corporate communications (including financial results, annual reports and other information that the Company may elect to utilise to communicate with its security holders) and compliance by the Company for legal and regulatory requirements. For instance, in certain circumstances details of security holder's names and holdings must be disclosed by the Company in its annual reports.

An applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under the law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

5.7 ASIC and ASX take no responsibility

ASIC and ASX take no responsibility for the contents of this prospectus, a copy of which has been lodged with ASIC.

5.8 Prospectus Expiry Date

No securities will be issued on the basis of this prospectus after its expiry date, being 13 months after the date of this prospectus.

6. DEFINITIONS

In this prospectus, unless the context otherwise requires:

“**AS\$**” and “**\$**” means Australian dollars, unless otherwise stated.

“**ASIC**” means Australian Securities and Investments Commission.

“**ASX**” means ASX Limited (ACN 008 624 691).

“**AWST**” means Australian Western Standard Time, Perth, Australia.

“**Board**” of Directors of the Company as constituted from time to time

“**Closing Date**” means 5:00pm AWST on 10 October 2019, subject to the Timetable Proviso.

“**Company**” or “**EMU**” means Emu NL (ABN 50 127 291 927).

“**Completion of the Offer**” means the issue of any securities offered pursuant to this prospectus.

“**Condition**” has the meaning ascribed in section 1.7.

“**Constitution**” means the constitution of the Company.

“**Contributing Share**” means a partly paid ordinary share in the capital of the Company, which is subject to a call of \$0.03 per share, which call will not be made before 31 December 2023 and otherwise on the terms set out in section 4.3.

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

“**Director**” means a director of the Company.

“**Eligible Shareholder**” means a holder of a Share registered as a Shareholder on the Record Date.

“**Entitlement**” means the entitlement of an Eligible Shareholder of Shares to New Securities under the Offer. Fractional entitlements will be rounded up to the nearest whole number.

“**Fully Paid Share**” means a fully paid ordinary share in the capital of the Company.

“**Listing Rules**” means the official listing rules of ASX, as amended or waived by ASX from time to time.

“**New Securities**” means the new Fully Paid Shares and new Options being offered pursuant to this prospectus.

“**Overseas Applicant**” means a person applying for securities pursuant to the Offer from outside Australia or New Zealand.

“**Offer**” means the invitation to apply for New Securities as described in section 1.1.

“**Option**” means option to acquire a Share. The terms and conditions of the new Options being offered pursuant to this prospectus are set out in section 4.2.

“**Optionholder**” means the person or persons registered as the holder of one or more Options from time to time.

“**Record Date**” means 26 September 2019, subject to the Timetable Proviso.

“**Share Registrar**” means Security Transfer Australia Pty Ltd.

“**Share**” means a Fully Paid Share or a Contributing Share or both as the context requires.

“**Shareholder**” means a holder of Shares in the capital of the Company.

“**Shortfall**” means the shortfall described in section 1.1.

“**Timetable Proviso**” means the proviso regarding dates and time periods as described in section 5.2.

“**Underwriter**” or “**Strategic Bank**” means Strategic Bank International Corp, a corporation registered under the laws of Puerto Rico with registered office being Calle San Francisco #151, Suite #200, San Juan, PR 00901-1607, company register number 386956.

“**US\$**” or “**USD**” means United States dollars, unless otherwise stated.