



24 September 2019

Dear Shareholder

\$6.2M NON-RENOUNCEABLE RIGHTS ISSUE

Emu NL (**Company**) (**ASX:EMU and EMUCA**) is pleased to provide you with the following information about 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 the 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) (**the Offer**).

The primary purpose of the Offer is (and the funds raised from the issue 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 therefore encourages you to be ready (and is sending you this notice in advance) so that your acceptance is validly received by the 10 October 2019 closing date should you wish to accept. Shareholders may apply for additional fully paid shares and options (i.e. above their entitlement) subject to the conditions of the Offer as set out in the prospectus.

Please let us have your email address and mobile telephone contact details immediately (send to info@emunl.com.au) so that we may better serve you.

The Company's shares will be quoted on an 'ex' basis from 25 September 2019. Any shares bought on market on and after this date will not be entitled to participate in the rights issue.

The prospectus is available to download from both the ASX website (www.asx.com.au) and the Company's website (www.emunl.com.au), and will be mailed to eligible shareholders with personalised Entitlement and Acceptance Forms on or about 1 October 2019. See the prospectus and the form for further details on accepting the offer.

An indicative timetable for the Offer is set out below:*

"Ex" date	25 September 2019
Record Date	26 September 2019
Dispatch of entitlement and acceptance form and prospectus	1 October 2019
Closing date for acceptances (5:00pm AWST)	10 October 2019
Issue date	17 October 2019

** The above dates are indicative only. Notwithstanding any provision of this notice (or any offer document or announcement), and to the fullest extent permitted by law, 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 letter to such earlier or later date or for such period as the Company thinks fit whether or not the date to be varied has passed or the time period has expired*

As at the date of the 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 and exercise of the options).

Strategic Bank International Corp (SBIC) has underwritten the issue to the extent of ~AU\$4M (being the current approximate value equivalent to EMU of US\$2.67M which is the currency and amount of the underwriting exposure). There is one singular condition to the underwriting commitment, namely, the underwriting is conditional upon SBIC satisfying itself (on or before 30 September 2019) that it can structure, implement and discharge its duties in a lawful manner. If the condition is not met, an announcement will be made via the ASX market announcements office on or about 1 October 2019.

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 Company intends to offer to pay an Australian broking house a fee of 2% of the amount raised from Shareholders accepting their Entitlement pursuant to an acceptance form bearing a broker's stamp 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.

The Offer will be available to each shareholder registered on the Company's register of members at the Record Date except those with a registered address outside of Australia and New Zealand. Fractions of shares will be rounded up to the nearest whole number.

It is intended that new shares issued as a result of entitlements taken up will be quoted on ASX and that the new shares will rank equally with existing issued ordinary shares of the Company. The new options are not intended to be listed on ASX. The rights issue does not require shareholder approval.

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'P. Thomas'.

Peter S Thomas
Chairman