



ACN 127 291 927

NOTICE OF GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

6 April 2021

Time of Meeting

5:00 pm

Place of Meeting

10 Walker Avenue
WEST PERTH WA 6005

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

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Notice is hereby given that a general meeting (**Meeting**) of Emu NL (**EMU** or **Company**) will be held at 10 Walker Avenue, West Perth, Western Australia on 6 April 2021 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 otherwise requires, have the same meaning as given to them in the Glossary.

AGENDA

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

RESOLUTION 1 – RATIFICATION OF ISSUE OF GRACELAND-VIPER SHARES

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

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,000,000 fully paid Shares to Avenger 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 or on behalf of a person (and any associates of such a person) who participated in the issue. However, this does not apply to a vote cast in favour of a resolution by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 2 – APPROVAL FOR ISSUE OF AVENGER PERFORMANCE SHARES

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

“That, for the purpose of Listing Rule 7.1, section 246B of the Corporations Act and for all other purposes, Shareholders approve the issue of 25,000,000 Avenger Performance Shares to Avenger 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 or on behalf of a person (and any associates of such a person) who may participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely in the capacity of a holder of Shares). However, this does not apply to a vote cast in favour of a resolution by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Note: Resolution 2 is a **special resolution**. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

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RESOLUTION 3 – APPROVAL FOR ISSUE OF SUNFIRE SHARES

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

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 10,000,000 fully paid Shares to Avenger 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 or on behalf of a person (and any associates of such a person) who may participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely in the capacity of a holder of Shares). However, this does not apply to a vote cast in favour of a resolution by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 4 – APPROVAL FOR ISSUE OF GNOWS NEST COMPLETION SHARES

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

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 22,857,142 fully paid Shares 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 or on behalf of a person (and any associates of such a person) who may participate in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed. However, this does not apply to a vote cast in favour of a resolution by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 5 – APPROVAL FOR ISSUE OF GNOWS NEST PERFORMANCE RIGHTS

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

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 48,571,429 Performance Rights 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 or on behalf of a person (and any associates of such a person) who may participate in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed. However, this does not apply to a vote cast in favour of a resolution by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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RESOLUTIONS 6(A) AND 6(B) – RATIFICATION OF PRIOR ISSUES – PLACEMENT SHARES AND OPTIONS

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of:

- (a) 38,625,953 Options issued on 23 February 2021 under the Company’s placement capacity under ASX Listing Rule 7.1; and*
- (b) 27,251,906 Shares issued on 23 February 2021 under the Company’s placement capacity under ASX Listing Rule 7.1A.*

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

PROXIES

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

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint 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 4 April 2021 by:

1. post to Automic Pty Ltd, GPO Box 5193, Sydney, NSW 2001;
2. facsimile to Automic Pty Ltd at (02) 8583 3040 (International: +61 8 8583 3040); or
3. email at meetings@automicgroup.com.au.

In the alternative, you may vote online at <https://investor.automicgroup.com.au/#/loginsah>

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

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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 4 April 2021 will be entitled to attend and vote at the General Meeting.

CORPORATIONS

A corporation may elect to appoint a representative (other than as proxy via completion and lodgement of a Proxy Form – see above) 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.

REVOCAION OF PROXIES

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

VOTING OF PROXIES

The Proxy Form accompanying this Notice confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice 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 are advised that if no voting instructions are indicated on the appointment of the Chair by a Proxy Form, the Chair intends to vote the proxy in favour of the Resolutions (other than Resolution 2 where the Chair intends to abstain from voting the proxy). In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

By order of the Board.

Damien Kelly
Company Secretary
Date: 5 March 2021

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EXPLANATORY STATEMENT TO NOTICE OF GENERAL MEETING

This Explanatory Statement accompanies and comprises part of the notice (**Notice**) convening the General Meeting (**Meeting**) of Shareholders of Emu NL to be held on 6 April 2021 at 5:00 pm (AWST).

1. BACKGROUND TO RESOLUTIONS

1.1 General

This notice predominantly relates to matters arising from three (of the four) announcements made by the Company on 28 September 2020, headed:

- (a) *EMU secures highly prospective exploration portfolio in WA.*
- (b) *EMU secures historic high grade Gnows Nest gold project WA.*
- (c) *Emu transforms into WA focused exploration and production.*

These announcements, which should be referred to for their full effect, disclosed that EMU had entered agreements to acquire a number of tenements in WA being the:

- (a) **Avenger Projects** comprising:
 - (i) **Graceland Project** which covered an untested prominent magnetic anomaly prospective for Ni-Cu-PGE mineralisation and is located near Lake Grace. The project covers granted exploration license application E 70/5146 (**Graceland Tenement**);
 - (ii) **Viper Project**, which extends over underexplored trend hosting historic copper workings (located near Jerramungup) the subject of granted exploration license application E 70/5155 (**Viper Tenement**); and
 - (iii) **Sunfire Project** which covers multiple trends hosting mafic-ultramafic intrusives prospective for nickel-copper-platinum group element (Ni-Cu-PGE) mineralisation located near Bridgetown. The project comprises exploration license application E 70/5507 (**Sunfire Tenement**); and
- (b) **Gnows Nest Project** which is a near-term production opportunity covering the historic high-grade Gnows Nest Gold Mine located near Yalgoo, Western Australia.

1.2 Avenger Projects

The acquisition of the Graceland, Viper, and Sunfire Tenement (together the **Avenger Projects**) is under a sale and purchase agreement (**Avenger SPA**) dated 24 September 2020 between Emu Resources Pty Ltd (a wholly owned subsidiary of EMU) and the vendors. None of the vendors is a related party or associate of any related party of EMU (so far as EMU is award). The vendors are Avenger Projects Limited (**Avenger**), Rango Pty Ltd, Cyntia Lima Sylva and Christopher Moorhouse (together the **Avenger Projects Vendors**).

Under the Avenger SPA, Emu Resources agreed (subject to certain conditions and, where applicable, agreed to procure EMU) to:

- (a) pay \$100,000 and issue 20,000,000 Shares (**Graceland-Viper Shares**) as part consideration for the acquisition of the Graceland and Viper Tenements. This acquisition completed on 28 October 2020 (**Graceland-Viper Completion**). Resolution 1 seeks Shareholder approval to ratify the issue of the Graceland-Viper Shares to Avenger;
- (b) issue 25,000,000 Performance Shares, on the terms set out in Annexure A, as part consideration for the Avenger Projects (**Avenger Performance Shares**). The Avenger Performance Shares will convert into 25,000,000 Shares upon EMU completing, by 24 September 2025, a Pre-feasibility Study (as defined by JORC) which recommends that a Feasibility Study (as defined by JORC) be undertaken with respect to a deposit within the Avenger Projects Area (**Avenger Milestone**). Resolution 2 seeks Shareholder approval for the issue of 25,000,000 Avenger Performance Shares to Avenger. If Shareholders do not approve Resolution 2, the Avenger Projects Vendors have agreed

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that the Avenger Performance Shares will not be issued and that this will not affect EMU's acquisition of the Graceland-Viper Tenements, which has already taken place, or the acquisition of the Sunfire Tenement;

- (c) pay \$50,000 and issue 10,000,000 Shares (**Sunfire Shares**) to acquire the Sunfire Tenement. Resolution 3 seeks Shareholder approval to the issue of the Sunfire Share to Avenger. Completion of the Sunfire Tenement (**Sunfire Completion**) is conditional on Shareholder approval for the issue of the Sunfire Shares, the Sunfire Tenement (which is currently an application) being granted and all other regulatory consents being obtained. These conditions must be satisfied (unless waived by EMU) by 24 September 2021 (unless EMU demonstrates it has used reasonable endeavours to cause the conditions to be satisfied, in which case the conditions satisfaction date is 24 September 2022 or such later date as the parties agree) failing which either party may terminate the Avenger SPA in respect of the Sunfire Project. Sunfire Completion is to occur 10 Business Days after the conditions are satisfied or waived; and
- (d) pay Avenger a 1% gross revenue royalty on minerals produced and sold by EMU from the Avenger Projects.

11,250,000 of the Graceland-Viper Shares are subject to voluntary escrow until 23 March 2021, after which 250,000 Graceland-Viper Shares will remain subject to voluntary escrow until 24 September 2021. The Sunfire Shares, once issued, will be subject to voluntary escrow until 24 September 2021, as will any Shares issued if the Avenger Performance Shares convert prior to that date.

The Avenger Projects Vendors have a 5 day first pre-emptive right to purchase any of the Avenger Project tenements which EMU wishes to dispose of. In the event EMU wishes to voluntarily surrender any of the Avenger Projects or any parts thereof, it is required to first provide to the Avenger Projects Vendors the opportunity to acquire each such tenement (or part thereof) for \$1.00.

1.3 Gnows Nest Project

The acquisition of the Gnows Nest Project is under an agreement dated 19 September 2020 (**Coruscant Agreement**) between EMU, Coruscant Minerals Pty Ltd (**Coruscant**) and the vendors (none of whom is a related party or associate of any related party of EMU so far as EMU is aware), being Sportking Pty Ltd, Orlando Drilling Pty Ltd, Appolo Pty Ltd, 79 Pty Ltd ATF Geovet Family Trust and Corrine Rachel Panzich ATF the Corrine and Damir Panzich Family Trust (**Gnows Nest Vendors**), being agreement for the sale and purchase of the issued capital of Coruscant, which holds tenements comprising part of the Gnows Nest Project.

The consideration for the acquisition by EMU of Coruscant, subject to shareholder approval, is \$3,200,000 to be satisfied through Shares and cash as follows:

- (a) \$200,000 (non-refundable) cash which was paid on 10 February 2021;
- (b) \$1,000,000 cash payable at completion of the acquisition of Coruscant (**Gnows Nest Completion**);
- (c) \$640,000 to be satisfied through the issue of 22,857,142 Shares (**Gnows Nest Completion Shares**) at a deemed issue price of \$0.028 each (being the price at which Shares traded on the ASX on 20 August 2020) to be issued at Gnows Nest Completion. Resolution 4 seeks Shareholder approval for the issue of the Gnows Nest Completion Shares; and
- (d) \$1,360,000 in future, performance based consideration (**Future Consideration**) to be satisfied by the grant at Gnows Nest Completion of 48,571,429 Performance Rights (being that number calculated by dividing the Future Consideration by \$0.028, the price at which Purchaser Shares traded on the ASX on 20 August 2020) (**Gnows Nest Performance Rights**). The Performance Rights will vest and convert into 48,571,429 Shares conditional upon EMU (or Coruscant) announcing in relation to the Gnows Nest Project by 22 September 2025 either (i) an Indicated Mineral Resource (as that term

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is used in the JORC Code) which includes in the grade tonnage curve at least 50,000 ounces of gold at a grade of at least 3.5gpt or (ii) a Reserve (as that term is used in the JORC Code) of at least 34,000 ounces of excluding the gold Current Resource Inventory (**Gnows Nest JORC Milestone**). The Gnows Nest Performance Rights will also vest and convert if the Gnows Nest JORC Milestone is not met by 21 September 2025 and less than \$1 million in exploration and development expenditure has been spent after 23 September 2020 on the Gnows Nest Project by EMU/Coruscant. The Gnows Nest Performance Rights will otherwise be on the terms and conditions set out in Annexure B. Resolution 5 seeks Shareholder approval for the issue of 48,571,429 Gnows Nest Performance Rights.

Until the conversion or lapsing of all the Gnows Nest Performance Rights, EMU may not dispose of any interest in Coruscant shares, and Coruscant may not dispose of any interest in the Gnows Nest Project, unless it has first received the written consent (not to be unreasonably withheld) of the Gnows Nest Vendors. If a proposed assignee is not a company admitted to the official list of the ASX, the Gnows Nest Vendors, acting reasonably, may withhold consent until such time as all the Gnows Nest Performance Rights have been converted or lapsed.

EMU has until 31 March 2021 (or such later date as agreed by EMU and Coruscant acting reasonably) to obtain all necessary Shareholder and regulatory approvals to complete the Gnows Nest acquisition failing which, unless EMU waives these requirements, the Coruscant Agreement will terminate, the \$200,000 already paid will be lost to EMU as will its interest in, to and under the key tenements at the Gnows Nest Project. Gnows Nest Completion will occur within 90 days (on a date determined by EMU) of these conditions being either satisfied or waived.

The Gnows Nest Completion Shares, and any Shares issued on conversion of the Gnows Nest Performance Rights) are to be escrowed for 12 months from their respective dates of issue.

1.4 Placement

This Notice of Meeting seeks Shareholder ratification of the issue, on 23 February 2021, of Shares (**Placement Shares**) and unlisted Options (exercisable at \$0.15 each on or before 23 August 2021) (**Placement Options**) as part of a placement that raised ~\$3 million. The placement funds are to be used to assist meet the \$1 million payable at Gnows Nest Completion, progress EMU's other exploration projects and for working capital.

1.5 Pro forma Capital Structure following Meeting

The Company's capital structure following this Meeting (assuming all Equity Securities issues proposed at the meeting are effected following the Meeting and subject to the further assumptions below) will be as follows:

Equity Securities	Number
Fully Paid Ordinary Shares	
Currently on issue	433,657,342
Sunfire Shares (Resolution 3)	10,000,000
Gnows Nest Completion Shares (Resolution 4)	22,857,142
Total	466,514,484
Party paid contributing Shares	
Ordinary Partly Paid Contributing Shares paid to \$0.03 each and having a total of \$0.03 payable (no call to be made before 31.12.2023)	40,485,069

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Performance Shares	
Avenger Performance Shares (Resolution 2)	25,000,000
Total	25,000,000
Performance Rights	
Gnows Nest Performance Rights (Resolution 5)	48,571,429
Total	48,571,429
Options	
Unquoted Options to acquire Partly Paid Ordinary Shares (exercisable at \$0.03 on or before 21.12.2021)	22,000,000
Unquoted Options to acquire Fully Paid Ordinary Shares (exercisable at \$0.15 on or before 17.08.2021)	38,625,953
Total	60,625,953
Total Shares on a fully diluted basis	641,196,935

The above table assumes that there are no conversions from partly paid shares to fully paid shares, and no options are exercised into either fully paid or partly paid shares before the Meeting. The table assumes all partly paid shares become fully paid up in determining Shares on issue on a fully diluted basis.

1.6 ASX Listing Rule Confirmations and Waivers

Certain ASX Listing Rules (**ASXLR**) impact the issue of securities under the Avenger SPA and the Coruscant Agreement including ASXLR 6.1 (which deals with the rights and obligations that must be attached to securities of a listed entity) and ASXLR 7.1 (which deals with entities changing their capital).

The acquisition of the Sunfire Tenement and the shares in Coruscant (the holder of the Gnows Nest Tenements) are conditional upon (amongst other matters) certain Shareholder approvals under the Listing Rules and therefore may not proceed if Shareholder approval is not obtained.

The Company obtained the following waivers and confirmations from ASX (subject to certain conditions imposed under ASXLR 18.1) by letter dated 20 November 2020 (**ASX Decision Letter**).

- (a) ASXLR 6.1: ASX confirmation that the terms of the Avenger Performance Shares to be issued as part of the consideration under the Avenger SPA are appropriate and equitable subject to (amongst other matters) Shareholder approval for their issue and the Notice seeking that approval containing the information disclosed in item 3.5 of this explanatory statement;
- (b) ASXLR 7.3.4: a waiver to permit the Company in its notice of meeting seeking shareholder approval for the issue of the Sunfire Shares more than 3 months after the date of the Meeting, subject to (amongst other matters) the Notice seeking that approval containing the information disclosed in item 4.4 of this explanatory statement; and
- (c) ASXLR 6.1: ASX confirmation that the terms under which the 48,571,429 Gnows Nest Performance Rights are to be issued as part of the consideration under the Coruscant Agreement are appropriate and equitable, subject to (amongst other matters) Shareholder approval for their issue and the Notice seeking that approval containing the information disclosed in item 6.4 of this explanatory statement.

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2. RESOLUTION 1 – RATIFICATION OF ISSUE OF GRACELAND-VIPER SHARES

2.1 General

As detailed in item 1.2 above, on 28 October 2020 the Company issued 20,000,000 Shares (the Graceland-Viper Shares) to Avenger as part consideration for the acquisition of the Graceland-Viper Tenements in accordance with the Avenger SPA.

2.2 ASXLRs 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, ASXLR 7.1 provides that a company may, without shareholder approval, issue or agree to issue that number of Equity Securities that total up to 15% of the number of fully paid, ordinary securities on issue 12 months before the issue or agreement to issue plus the number of fully paid, ordinary securities issued by the company in that 12 month period with shareholder approval or under an exception to ASXLR 7.1.

A company's capacity to issue securities under ASXLR 7.1 is often referred to as its "**15% capacity**" or "**15% placement capacity**" and the limit in that rule is often referred to and the "**15% limit**".

The issue of the 20,000,000 Graceland-Viper Shares does not fit within any of the exceptions to ASXLR 7.1 and reduced the Company's 15% placement capacity under ASXLR 7.1 for a period of 12 months from the issue date of those Shares (being 28 October 2020).

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of Equity Securities that has reduced the listed company's 15% placement capacity under ASXLR 7.1. If Shareholders approve the issue under ASXLR 7.4, the issue is taken to have been approved under ASXLR 7.1 and ceases to reduce the Company's 15% placement capacity under that rule.

To this end, Resolution 1 seeks Shareholder approval under ASXLR 7.4 for the 20,000,000 Graceland-Viper Shares issued under the Company's 15% placement capacity.

If Resolution 1 is passed, the 20,000,000 Graceland-Viper Shares will be no longer reduce the Company's 15% placement capacity under ASXLR 7.1. In addition, the 20,000,000 Graceland-Viper Shares will be counted in Variable A under ASXLR 7.1, which is the base number of Shares on which the 15% and 10% placement capacities under ASXLRs 7.1 and 7.1A, are based. This will effectively increase the number of Equity Securities that can be issued without Shareholder approval under the 15% and 10% placement capacities under those rules.

If Resolution 1 is not passed, the 20,000,000 Graceland-Viper Shares will continue to reduce the Company's 15% limit in ASXLR 7.1 until 12 months after the issue date of those Shares (being 28 October 2020) unless approved by Shareholders before that date. In addition, the 20,000,000 Graceland-Viper Shares will not be counted in Variable A until 12 months after their issue date unless approved by Shareholders before that date.

2.3 Information required by ASXLR 7.5 (Graceland-Viper Shares)

ASXLR 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of ASXLR 7.4 and the following information is included in this Explanatory Statement for this purpose:

- (a) the Shares were issued to Avenger Projects Limited (**Avenger**) as nominee of the Avenger Projects Vendors, none of whom is a related party, Key Management Personnel, substantial holder, advisor to the Company or its associates (so far as EMU is aware);
- (b) a total of 20,000,000 Shares were issued as fully paid ordinary Shares (ASX:EMU) on the same terms and, from their date of issue, ranked equally with all other fully paid, ordinary Shares, albeit a number are subject to voluntary escrow until 24 September 2021 as detailed in item 1.2 above;
- (c) the Shares were issued on 28 October 2020;

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- (d) the Shares were issued as part of the consideration for the purchase of the Graceland-Viper Tenements;
- (e) the purpose of the issue was to acquire the Graceland and Viper Tenements under the Avenger SPA - no funds were raised from the issue;
- (f) the Shares were issued in accordance with the Avenger SPA, the material terms of which are summarised in item 1.2 above; and
- (g) a voting exclusion statement is included in the Notice.

3. RESOLUTION 2 – APPROVAL TO ISSUE AVENGER PERFORMANCE SHARES

3.1 General

As detailed in Item 1.2, under the Avenger SPA the Company has agreed, subject to obtaining Shareholder approval, to issue 25,000,000 Performance Shares (**Avenger Performance Shares**) to Avenger in part consideration for the acquisition of the Avenger Projects.

3.2 Corporations Act s246B

The Avenger Performance Shares are a new class of security. Section 246C(5) of the Corporations Act provides that, if a company with only one class of shares issues a new class of shares, the issue of the new class of shares is taken to vary the rights attached to shares in the existing class if:

- (a) the rights attaching to the new class of shares are not the same as the rights attached to the existing class of shares; and
- (b) the rights attaching to the new class of shares are not provided for in:
 - (i) the company's constitution (if any); or
 - (ii) a notice, document or resolution that is lodged with ASIC.

The Company currently has only one class of shares on issue, being Shares (some of which are partly paid only). The terms of the Avenger Performance Shares will not be the same as the Shares and the rights attaching to the Avenger Performance Shares are not provided for in the Constitution. Accordingly, the issue of the Avenger Performance Shares will be deemed to vary the rights attaching to Shares.

Section 246B of the Corporations Act provides that, if a company's constitution sets out the procedure for varying the rights attached to shares in a class of shares, those rights may only be varied in accordance with the procedure.

Section 7.1 of the Constitution provides that the rights attaching to a class of shares may only be varied:

- (a) with the written consent of the holders of 75% of the issued shares of the affected class; or
- (b) by special resolution passed at a meeting of the holders of the issued shares of the affected class.

Accordingly, the Company seeks Shareholder approval by special resolution at the Meeting for the creation of a new class of securities known as the Avenger Performance Shares. A resolution is only passed as a special resolution if at least 75% of eligible votes cast by Shareholders (present in person or by proxy) are cast in favour for Resolution 2.

3.3 ASXLR 7.1

A summary of Listing Rule 7.1 (to the extent relevant) is contained in item 2.2.

The issue of the 25,000,000 Avenger Performance Shares does not fit within any of the exceptions to ASXLR 7.1. The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this,

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the Company is asking Shareholders to approve the issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

To this end, Resolution 2 seeks Shareholder approval to the issue under and for the purposes of ASXLR 7.1.

If Resolution 2 is passed and the Avenger Performance Shares are issued, that issue will be disregarded for the purpose of calculating EMU's 15% limit, thus not adversely impacting the number of equity securities EMU can issue without shareholder approval over the 12 month period following the issue date of the Avenger Performance Shares.

If Resolution 2 is not passed, EMU will not be able to issue the Avenger Performance Shares (as approval is required under section 246B of the Corporations Act as noted above for them to be issued). This will not affect the acquisition of the Graceland-Viper Tenements, which has completed, or the acquisition of the Sunfire Tenement.

3.4 Information required by ASXLR 7.3 (Avenger Performance Shares)

The following information is provided to Shareholders for the purposes of ASXLR 7.3 in relation to the proposed issue of the Avenger Performance Shares:

- (a) the Avenger Performance Shares will be issued to Avenger as nominee of the Avenger Projects Vendors, none of whom is a related party, Key Management Personnel, substantial holder, or advisor to the Company or its associates (so far as EMU is aware);
- (b) 25,000,000 Avenger Performance Shares will be issued, convertible into 25,000,000 Shares if the Avenger Milestone is met (the latest date for which is 24 September 2025). If fully converted, existing Shareholders will be diluted by approximately 5.0% (assuming no other Shares are issued after the date of this meeting and prior to conversion);
- (c) the terms of the Avenger Performance Shares are detailed in Annexure A. The Shares issued on conversion of the Avenger Performance Shares will be fully paid, ordinary Shares (ASX:EMU) on the same terms and ranked equally with all other existing fully paid, ordinary Shares from their date of issue save they will be subject to voluntary escrow until 24 September 2021 as detailed in item 1.2;
- (d) the Company will issue the Avenger Performance Shares within 3 months of the date of the Meeting or such later date as may be approved by ASX;
- (e) the Avenger Performance Shares will be issued as part consideration for the purchase of the Avenger Projects (even if the sale of the Sunfire Tenement is not effected);
- (f) no funds will be raised from the issue, the purpose of the issue being part consideration for the acquisition of the Avenger Projects; and
- (g) the material terms of the Avenger SPA under which the Avenger Performance Shares are being issued are summarised in item 1.2.

3.5 ASXLR 6.1 (Avenger Performance Shares)

The ASX has confirmed that the terms of the Avenger Performance Shares are appropriate and equitable for the purposes of ASXLR 6.1 subject to (amongst other conditions) Shareholders approving their issue and the Notice seeking that approval containing the information appearing below, namely:

- (a) 25,000,000 Avenger Performance Shares will be issued to Avenger;
- (b) there is no relationship between EMU on the one hand and any of Avenger Projects Vendors or (insofar as is known to EMU) their respective related parties or associates save for the relationship(s) arising under the Avenger SPA;
- (c) with regard to the proposed issue of the Avenger Performance Shares:

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- (i) they are to be issued in part consideration for the acquisition of the Avenger Projects;
 - (ii) the issue of the Avenger Performance Shares was agreed to by the Company in order to reduce the upfront costs to the Company and avoid dilution of Shareholders unless and until the Avenger Projects meet the Avenger Milestone. 25,000,000 Shares, if issued up front, would have been materially dilutive having regard to the then capital structure of EMU and the then known state of the Avenger Projects;
 - (iii) details of the Avenger Projects are set out in item 1.1 of this Explanatory Statement and in the Company's relevant announcement to ASX ("EMU Secures Highly Prospective Exploration Portfolio in WA") made on 28 September 2020;
 - (iv) the vendors of the Avenger Projects are:
 - 1. Graceland-Viper Tenements - Cyntia Liam Silva; and
 - 2. Sunfire Tenement - Christopher James Moorhouse;
 - (v) the number of Avenger Performance Shares was agreed between the parties to the Avenger SPA through arms-length commercial negotiations. Neither the Company nor any Board member has had any past dealings or relationship with any of the vendors. EMU considered the number of Avenger Performance Shares to be appropriate and equitable not only because it was the product of arms-length commercial negotiations but also based on the Board's view of the potential value of the Avenger Projects if the Avenger Milestone is achieved versus the value of the 25,000,000 Shares the Avenger Performance Shares will convert into upon the Avenger Milestone being met, being approximately \$700,000 based on the market price of Shares on the ASX at the time the agreement was being negotiated, relative to the likely issued capital of EMU at the date the Avenger Milestone is likely to be met (if ever);
 - (vi) the Avenger Performance Shares are to be issued to Avenger, the nominee of the Avenger Projects Vendors. Avenger does not have any direct interest in the Avenger Projects. Avenger is a related body corporate of Rango Pty Ltd. Rango, under the Avenger SPA, agreed to terminate a farmin agreement it had with Silva in relation to the Graceland Tenements (owned by Silva). The Company considers that the Avenger Performance Shares being issued to Avenger, rather than directly to the Avenger Projects Vendors, is appropriate and equitable because Avenger was nominated by the Avenger Projects Vendors to receive the Avenger Performance Shares;
- (d) the Avenger Performance Shares will convert into 25,000,000 Shares (ASX:EMU) if the Avenger Milestone is met by 24 September 2025, failing which they convert into a single Share. If converted at the date of this Notice, this would equate to 5.1% of the Company's Shares (including both fully and partly paid shares) on issue as expanded by that issue. The actual impact the issue of Shares on conversion of the Avenger Performance Shares will depend on the number of Shares as at the time of issue, which may be as late as 24 September 2025 (by which time EMU anticipates it will have issued many Shares in addition to those contemplated by Table in Item 1.5 resulting in the issue of the subject Shares being less dilutive to existing Shareholders than the percentage given above); and
- (e) the full terms and conditions of the Avenger Performance Shares are set out in Annexure A.

4. RESOLUTION 3 – APPROVAL FOR ISSUE OF SUNFIRE SHARES

4.1 General

Under the Avenger SPA, the Company has agreed, subject to required Shareholder approval, to issue 10,000,000 Shares (**Sunfire Shares**) to Avenger as part consideration for the acquisition of the Sunfire Tenement.

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4.2 ASXLR 7.1

A summary of Listing Rule 7.1 is contained in item 2.2.

The issue of the Sunfire Shares does not fit within any of the exceptions to ASXLR 7.1. The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

To this end, Resolution 3 seeks Shareholder approval to the issue under and for the purposes of Listing Rule 7.1.

If Resolution 3 is passed and the Sunfire Shares are issued, that issue will be disregarded for the purpose of calculating EMU's 15% limit, thus not adversely impacting the number of equity securities EMU can issue without shareholder approval over the 12 month period following the issue date of the Sunfire Shares.

If Resolution 3 is not passed, the Company will not be permitted to issue the Sunfire Shares and will be unable to complete the acquisition of the Sunfire Tenement.

4.3 Information required by ASXLR 7.3 (Sunfire Shares)

Under ASXLR 7.3, the following information is provided in relation to the Sunfire Shares:

- (a) the Shares will be issued to Avenger, as the nominee of the Avenger Projects Vendors, none of whom is a related party, Key Management Personnel, substantial holders, advisors to the Company or their associates (so far as EMU is aware);
- (b) 10,000,000 Shares will be issued;
- (c) each Share will be issued as a fully paid, ordinary Share (ASX:EMU), on the same terms and, from their date of issue, ranking equally with all other fully paid, ordinary Shares, save they will be subject to voluntary escrow until 24 September 2021 (if issued before that date) as detailed in item 1.2;
- (d) the Shares will be issued at Sunfire Completion, being within 12 months from the date of the Meeting or such later date as may be approved by ASX;
- (e) the Shares will be issued as part consideration for the acquisition of a 100% unencumbered interest in the Sunfire Tenement;
- (f) no funds will be raised from the issue, the purpose of the issue being part consideration for acquisition of the Sunfire Tenement in accordance with the Avenger SPA; and
- (g) the material terms of the Avenger SPA (under which the Shares are being issued) are summarised in item 1.2.

4.4 Waiver of ASXLR 7.3.4 (Sunfire Shares)

ASX granted the Company a waiver from ASXLR 7.3.4 in relation to the issue of the Sunfire Shares to enable the Company to issue the Sunfire Shares more than 3 months after the date of the Meeting subject to a number of conditions as set out in the ASX Decision Letter.

5. RESOLUTION 4 – APPROVAL TO ISSUE THE GNOWS NEST COMPLETION SHARES

5.1 General

As detailed in Item 1.3, under the Coruscant Agreement, the Company has agreed, subject to obtaining Shareholder approval, to issue 22,857,142 Shares (the **Gnows Nest Completion Shares**) to the Gnows Nest Vendors as part consideration for the acquisition of Coruscant.

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5.2 ASXLR 7.1

A summary of Listing Rule 7.1 (to the extent relevant) is contained in item 2.2.

The issue of the Gnows Nest Completion Shares does not fit within any of the exceptions to ASXLR 7.1. The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

To this end, Resolution 4 seeks Shareholder approval to the issue under and for the purposes of ASXLR 7.1.

If Resolution 4 is passed and the Gnows Nest Completion Shares issued, the issue will be disregarded for the purpose of calculating EMU's 15% limit, thus not adversely impacting the number of equity securities EMU can issue without shareholder approval over the 12 month period following the issue date of the Gnows Nest Completion Shares.

If Resolution 4 is not passed, the Company will not be permitted to issue the Gnows Nest Completion Shares and will be unable to complete the acquisition of Coruscant, the holder of key tenements at the Gnows Nest Project.

5.3 Information required by ASXLR 7.3 (Gnows Nest Completion Shares)

Under ASXLR 7.3, the following information is provided in relation to the proposal to issue the Gnows Nest Completion Shares:

- (a) the Shares will be issued to the Gnows Nest Vendors, none of whom is a related party, Key Management Personnel, substantial holders, advisors to the Company or their associates (so far as EMU is aware);
- (b) 22,857,142 Shares will be issued;
- (c) each Share will be issued as a fully paid ordinary Share (ASX:EMU) on the same terms and, from their date of issue, they shall rank equally with all other existing fully paid, ordinary Shares save they will be subject to voluntary escrow for a period of 12 months from the date of they are issued as detailed in item 1.3;
- (d) the Shares will be issued at Gnows Nest Completion which is required to be within 3 months of the date of the Meeting or such later date as may be approved by ASX;
- (e) the Shares will be issued as part consideration for the acquisition of Coruscant, the holder of key tenements comprising the Gnows Nest Project;
- (f) no funds will be raised from the issue, the purpose of the issue being part consideration for the acquisition of Coruscant in accordance with the Coruscant Agreement; and
- (g) the material terms of the Coruscant Agreement are summarised in item 1.3 **Error! Reference source not found.** above.

6. RESOLUTION 5 – APPROVAL FOR ISSUE OF GNOWS NEST PERFORMANCE RIGHTS

6.1 General

As detailed in Item 1.3, under the Coruscant Agreement, the Company has agreed, subject to obtaining Shareholder approval, to issue 48,571,429 Performance Rights (the Gnows Nest Performance Rights) to the Gnows Nest Vendors as the deferred and conditional part of the consideration for the acquisition of Coruscant.

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6.2 ASXLR 7.1

A summary of Listing Rule 7.1 (to the extent relevant) is contained in item 2.2.

The issue of the Gnows Nest Performance Rights does not fit within any of the exceptions to ASXLR 7.1. The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

To this end, Resolution 5 seeks Shareholder approval to the issue under and for the purposes of ASXLR 7.1.

If Resolution 5 is passed and the Gnows Nest Performance Rights are issued, that issue will be disregarded for the purpose of calculating EMU's 15% limit, thus not adversely impacting the number of equity securities EMU can issue without shareholder approval over the 12 month period following the issue date of the Gnows Nest Performance Rights.

If Resolution 5 is not passed, the Company will not be permitted to issue the Gnows Nest Performance Rights and will be unable to complete the acquisition of Coruscant.

6.3 Information required by ASXLR 7.3 (Gnows Nest Performance Rights)

The following information is provided to Shareholders for the purposes of ASXLR 7.3 in relation to the proposed issue of the Gnows Nest Performance Rights:

- (a) the Gnows Nest Performance Rights will be issued to the Gnows Nest Vendors, none of whom is a related party, Key Management Personnel, substantial holders, advisors to the Company or their associates (so far as EMU is aware);
- (b) 48,571,429 Gnows Nest Performance Rights will be issued, convertible into 48,571,429 Shares upon the Gnows Nest JORC Milestone being met by 22 September 2025 and as otherwise detailed in item 1.3. If fully converted, existing Shareholders will be diluted by approximately 9.3% (assuming no further Shares are issued);
- (c) the terms of the Gnows Nest Performance Rights are detailed in Annexure B. The Shares issued on conversion of the Gnows Nest Performance Rights will be fully paid, ordinary Shares (ASX:EMU) on the same terms and, from their date of issue, rank equally with all other existing fully paid, ordinary Shares save they will be subject to voluntary escrow for 12 months as detailed in item 1.3;
- (d) the Company will issue the Gnows Nest Performance Rights within 3 months of the date of the Meeting or such later date as may be approved by ASX;
- (e) the Gnows Nest Performance Rights will be issued in part consideration for the acquisition of Coruscant;
- (f) no funds will be raised by the issue of the Gnows Nest Performance Rights, the purpose of the issue being part consideration for the acquisition of Coruscant; and
- (g) the material terms of the Coruscant Agreement under which the Gnows Nest Performance Rights are to be issued are summarised in item 1.3.

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6.4 ASXLR 6.1 (Gnows Nest Performance Rights)

The ASX has confirmed that the terms of the Gnows Nest Performance Rights are appropriate and equitable for the purposes of ASXLR 6.1 subject to (amongst other conditions) Shareholders approving their issue and the Notice seeking that approval containing the information appearing below, namely:

- (a) 48,571,429 Gnows Nest Performance Rights will be issued to the Gnows Nest Vendors in the following proportions:

Gnows Nest Vendor	Gnows Nest Performance Rights	%
79 Pty Ltd	12,157,411	25.03%
Corrine Rachel Panzich	12,157,411	25.03%
Orlando Drilling Pty Ltd	12,128,303	24.97%
Sportking Pty Ltd	9,702,643	19.98%
Appolo Pty Ltd	2,425,661	4.99%
Total	48,571,429	100.0%

- (b) there is no relationship between EMU on the one hand and any of the Gnows Nest Vendors or (insofar at least as EMU is aware) their respective related parties or associates save for the relationship(s) arising under the Coruscant Agreement;
- (c) with respect to the proposed issue of the Gnows Nest Performance Rights:
- (i) they are to be issued in part consideration for the acquisition of Coruscant;
 - (ii) the issue of the Gnows Nest Performance Rights was agreed to by the Company in order to reduce the upfront costs to the Company and avoid dilution of Shareholders unless and until the Gnows Nest Project meets the Gnows Nest JORC Milestone. 48,571,429 Shares, if issued up front, would be materially dilutive having regard to the then known state of the Gnows Nest Project;
 - (iii) details of the Gnows Nest Project are set out in item 1.1 of this explanatory statement and in the Company's relevant announcement to ASX ("EMU Secures Historic High Grade Gnows Nest Gold Project WA") made on 28 September 2020;
 - (iv) the Gnows Nest Vendors (and their respective proportionate shareholdings in Coruscant) are detailed in the table above;
 - (v) the number of Gnows Nest Performance Rights was agreed between the parties to the Coruscant Agreement through arms-length commercial negotiations. Neither the Company nor any Board member has had any past dealings or relationship with any of the Gnows Nest Vendors. Emu considered the number of Gnows Nest Performance Rights to be appropriate and equitable not only because it was the product of arms-length commercial negotiations but also based on the Board's view of the potential value of the Gnow Nest Project if the Gnows Nest JORC Milestone is achieved versus the value of the 48,571,429 Shares the Gnows Nest Performance Rights would convert into upon the Gnows Nest JORC Milestone being met, being approximately \$2 million based on the market price of Shares on the ASX (\$0.042) at the time the agreement was being negotiated on 20 August 2020 and the potential value of the market re-rating of EMU consequent upon the announcement of the acquisition and the meeting of the Gnows Nest JORC Milestone;
 - (vi) the Gnows Nest Performance Rights are being issued to the shareholders of Coruscant in proportion to their Coruscant shareholdings, as detailed in the above;
- (d) the Gnows Nest Performance Rights will convert into 48,571,429 Shares (ASX:EMU) if the Gnows Nest JORC Milestone is achieved by 22 September 2025 and as otherwise detailed in item 1.3, failing

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which they shall lapse. If converted at the date of this Notice, this would equate to 9.3% of the Company's Shares (including both fully and partly paid shares) on issue as expanded by that issue. The actual impact the issue of Shares on conversion of the Gnows Nest Performance Rights will depend on the number of Shares as at the time of issue, which may be as late as 22 September 2025 (by which time EMU anticipates it will have issued many Shares in addition to those contemplated by Table in Item 1.5 resulting in the issue of the subject Shares being less dilutive to existing Shareholders than the percentage given above); and

- (e) the full terms and conditions of the Gnows Nest Performance Rights are set out in Annexure B.

7. RESOLUTIONS 6(A) AND 6(B) – RATIFICATION OF PRIOR ISSUES – PLACEMENT SHARES AND OPTIONS

7.1 Background

As announced to the ASX, on 23 February 2021, the Company completed placements to sophisticated and professional investors of a total of 77,251,906 Shares at an issue price of \$0.042 per Share (**Placement Shares**) to raise approximately \$3,244,580 before costs, with a total of 38,625,953 free attaching unquoted options (exercisable at \$0.15 each on or before 23 August 2021) (**Placement Options**) issued on the basis of 1 Placement Option for every 2 Placement Shares issued (**Placement**).

50,000,000 Placement Shares were issued with Shareholder approval obtained at the Company's AGM on 30 November 2020. The remaining 27,251,906 Placement Shares were issued under the Company's placement capacity afforded under ASXLR 7.1A. The Placement Options were issued under the Company's ASXLR 7.1A capacity.

7.2 ASXLRs 7.1 and 7.4

A summary of ASXLR 7.1 and ASXLR 7.4 is provided in Item 2.2.

The issue of the 38,625,953 Placement Options does not fit within any of the exceptions to ASXLR 7.1 so has reduced the Company's 15% placement capacity under ASXLR 7.1 for a period of 12 months from the issue date of those Placement Options (being 23 February 2021).

To this end, Resolution 6(A) seeks Shareholder approval under ASXLR 7.4 for the Placement Options issued under the Company's 15% placement capacity.

If Resolution 6(A) is passed, the 38,625,953 Placement Options will be no longer reduce the Company's 15% placement capacity under ASXLR 7.1.

If Resolution 6(A) is not passed, the 38,625,953 Placement Options will continue to reduce the Company's 15% limit in ASXLR 7.1 until 12 months after the issue date of those Placement Options (being 23 February 2021) unless approved by Shareholders before that date.

7.3 ASXLRs 7.1A and 7.4

ASXLR 7.1A provides that, in addition to the 15% placement capacity permitted without prior shareholder approval under ASXLR 7.1, an entity that is eligible and obtains shareholder approval under ASXLR 7.1A may issue or agree to issue, during the period the approval is valid, a number of quoted Equity Securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period as adjusted in accordance with the formula in ASXLR 7.1.

The Company obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its previous annual general meeting held on 30 November 2020.

The issue on 23 February 2021 of the 27,251,906 Placement Shares reduced the Company's 10% limit in ASXLR 7.1A by a total of 27,251,906.

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of Equity Securities that has reduced the listed company's 10% placement capacity under ASXLR 7.1A. If Shareholders approve

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the issue under ASXLR 7.4, the issue is taken to have been approved under ASXLR 7.1 and ceases to reduce the Company's 10% placement capacity under ASXLR 7.1A.

To this end, Resolution 6(B) seeks Shareholder approval under ASXLR 7.4 for the issue of the 27,251,906 Placement Shares on 23 February 2021 under the Company's 10% placement capacity.

If Resolution 6(B) is passed, the 27,251,906 Placement Shares will no longer reduce the Company's 10% limit in ASXLR 7.1A. In addition, the 25,857,143 Placement Shares will be counted in Variable A under ASXLR 7.1, which is the base number of Shares on which the 15% and 10% placement capacities under, ASXLRs 7.1 and 7.1A, are, respectively, based. This will effectively increase the number of Equity Securities that can be issued without Shareholder approval under the 15% and 10% placement capacities under those rules.

If Resolution 6(B) is not passed, the 27,251,906 Placement Shares will continue to reduce the Company's 10% limit in ASXLR 7.1A until 12 months after the issue date of those Placement Shares (being 23 February 2021) unless approved by Shareholders before that date. In addition, the 27,251,906 Placement Shares will not be counted in Variable A until 12 months after their issue date (unless subsequently approved by Shareholders before that date).

7.4 Information required by ASXLR 7.5

ASXLR 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of ASXLR 7.4 and the following information is included in this Explanatory Statement for this purpose:

- (a) the Placement Shares and Placement Options were issued to sophisticated and professional investors as announced to the ASX. The investors were chosen on the basis of providing an opportunity to invest in the Company to long-term, supportive Shareholders and investors known to be supportive of the Company's prospects and interested in investing. None of the subscribers were related parties of the Company or their associates, and no members of the Key Management Personnel, Substantial Holders, advisors to the Company or their associates (so far as EMU is aware) were individually issued Shares totaling more than 1% of the Company's Shares on issue at the date of this Notice;
- (b) a total of 27,251,906 Placement Shares were issued, and a total of 38,625,953 Placement Options were issued free attaching on a 1 for 2 basis to the 77,251,906 Placement Shares (inclusive of the 27,251,906 Placement Shares);
- (c) all of the Placement Shares issued were fully paid ordinary shares which were on the same terms and ranked equally with all other existing Shares from their date of issue. All of the Placement Options were issued on the terms set out in Annexure C;
- (d) the Placement Shares and Placement Options were issued on 23 February 2021;
- (e) the Placement Shares were issued for cash consideration of \$0.042 per Share to raise \$1,144,580 before costs. The Placement Options were issued for nil cash consideration as they were "free attaching" to the Placement Options;
- (f) the purpose of the issue of the Shares and Options was to raise additional funds for the Company, with the funds proposed to be used to assist meet the \$1 million payable at Gnows Nest Completion, progress the Company's other exploration projects and for working capital (as announced to the ASX); and
- (g) a voting exclusion statement is included in the Notice.

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GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

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

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

ASXLR or **ASX Listing Rules** means the Listing Rules of ASX.

Avenger means Avenger Projects Limited (ACN 161 170 467).

Avenger Performance Shares means 25 million performance shares in the capital of the Company, the terms of which are set out in Annexure A.

Avenger Projects has the meaning ascribed in item 1.1 of this explanatory statement.

Avenger Projects Vendors has the meaning given in section 1.2 of this explanatory statement.

Avenger Milestone has the meaning ascribed in item 1.1 of this explanatory statement.

Avenger SPA has the meaning ascribed in item 1.1 of this explanatory statement.

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

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company or **Emu** means EMU NL (ACN 127 291 927).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Coruscant Agreement has the meaning ascribed in item 1.1 of this explanatory statement.

Coruscant means Coruscant Minerals Pty Ltd (ACN 612 277 424).

Current Resource Inventory means the current indicated and inferred JORC Compliant (2012) Resource (113,400t at 3.78g/t Au for 13,777oz Au) already existing on the Gnows Nest Project Tenements being acquired.

Directors means the current directors of the Company.

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

Explanatory Statement means the explanatory statement accompanying the Notice.

Fully Paid Shares means a fully paid ordinary share in the capital of the Company.

General Meeting or **Meeting** means the meeting convened by the Notice.

Gnows Nest Completion Shares has the meaning ascribed in item 1.3 of this explanatory statement.

Gnows Nest Performance Rights has the meaning ascribed in item 1.3 of this explanatory statement.

Gnows Nest JORC Milestone has the meaning ascribed in item 1.3 of this explanatory statement.

Gnows Nest Project means the exploration and mineral resources projects known as Gnows Nest and covered by the Gnows Nest Tenements, described in item 1.1 of this explanatory statement and held by Coruscant;

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Gnows Nest Tenements means:

- a) E59/2315 (granted 2/7/19);
- b) conversion application in respect of part of E59/2315, MLA59/0763;
- c) M59/0739 (granted 1/10/10) and, where the context permits, the expression Tenement includes the tenement granted pursuant to this application;
- d) renewals of any of the above, modifications thereto, substitutions therefor, or additions thereto and all classes of and all interests of any nature in all classes of tenements, leases, licences, authorities and claims or other rights or privileges to mine or explore and all purposes related or appurtenances to any of the foregoing;
- e) rights to mine and other privileges appurtenant to any of the above specified tenements and all ore and other mineral-bearing material, sand, slimes, tailings and residues of whatsoever nature located on and under such tenements; and
- f) information, maps, plans, data, core samples, chips, and other matters and things of whatsoever nature and description derived from pertaining to or in any way howsoever relating to the Tenements.

Gnows Nest Vendors means either or all of (as the context requires) Sportking Pty Ltd, Orlando Drilling Pty Ltd, Appollo Pty Ltd, 79 Pty Ltd and Corrine Rachel Panzich.

Graceland Tenement has the meaning ascribed in item 1.1 of this explanatory statement, as well as any relevant Successor Tenements.

Graceland-Viper Completion has the meaning ascribed in item 1.1 of this explanatory statement.

Graceland-Viper Shares has the meaning ascribed in item 1.2 of this explanatory statement.

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

Option means an option to acquire a Share.

Performance Shares means the Avenger Performance Shares.

Placement has the meaning given in item 7.1 of this explanatory statement.

Placement Options has the meaning given in item 7.1 of this explanatory statement.

Placement Shares has the meaning given in item 7.1 of this explanatory statement.

Proxy Form means the proxy form accompanying the Notice.

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

Share means an ordinary share in the capital of the Company (whether fully or partly paid).

Shareholder means a holder of a Share.

Sunfire Completion has the meaning ascribed in item 1.1 of this explanatory statement.

Sunfire Conditions has the meaning ascribed in item 1.2 of this explanatory statement.

Sunfire Shares has the meaning ascribed in item 1.2 of this explanatory statement.

Sunfire Tenement has the meaning ascribed in item 1.1 of this explanatory statement, as well as any relevant Successor Tenements.

Viper Tenement has the meaning ascribed in item 1.1 of this explanatory statement, as well as any relevant Successor Tenements.

Successor Tenements means and includes any mining tenement or tenements granted or applied for by

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the purchaser in conversion, substitution, variation or extension (of term) over the whole or any part of the ground of the tenements limited however to the extent of the ground of the tenement as existing at the relevant completion. For the sake of clarity, this definition operates at any time the purchaser holds the ground of the tenements.

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ANNEXURE A

AVENGER PERFORMANCE SHARES

1. The Performance Share is a share in the capital of Emu NL (“**EMU**” or the “**Company**”).
2. The Performance Shares are not transferable.
3. Subject to clauses 4 and 15, the 25 million Performance Shares convert to 25 million ordinary fully paid EMU shares (each a **Share**) on the announcement by EMU that a pre-feasibility study (within the meaning of JORC 2012) undertaken in respect of a deposit on any Tenement has concluded that the undertaking of a feasibility study (within the meaning of JORC 2012) with respect to that deposit is justified. Each Share issued on conversion of the Performance Share will, as and from 5.00pm (WST) on the date of issue, rank equally with and confer rights identical with all other ordinary fully paid Emu shares (**Shares**) then on issue and application will be made by EMU to ASX for official quotation of the Shares issued upon conversion.
4. If the Performance Share has not converted into Shares within five years from the date of issue the Performance Share will convert into one Share.
5. The Performance Share shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of EMU that are circulated to Shareholders. The Holder has the right to attend general meetings of EMU.
6. The Performance Share does not entitle the Holder to vote on any resolutions proposed at a general meeting of EMU, subject to any voting rights under the Corporations Act 2001 (Cth) (“**Corporations Act**”) or the ASX Listing Rules where such rights cannot be excluded by these terms.
7. The Performance Share does not entitle the Holder to any dividends.
8. A Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
9. Upon the winding up of EMU, the Performance Share confers no right to be paid cash for the Performance Share and will not participate in the surplus profits or assets of EMU.
10. In the event that the issued capital of EMU is reconstructed, all rights of the Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of re-organisation provided that, subject to compliance with the ASX Listing Rules, following such re-organisation the economic and other rights of the Holder are not diminished or terminated.
11. The Performance Share will not be quoted on ASX. Upon conversion of the Performance Share into Shares in accordance with these terms, EMU must within seven (7) days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion. Shares issued on conversion of the Performance Share must be free from all encumbrances, securities and third party interests. The Company must ensure that Shares issued on conversion of the Performance Share are freely tradeable, without being subject to on-sale restrictions under section 707 of the Corporations Act, on and from their date of issue.
12. Subject always to the rights under clause 10, the Holder will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
13. The terms of the Performance Share may be amended as necessary by the EMU board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
14. The Performance Share gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
15. If the conversion of the Performance Share into the Shares would result in contravention of section 606(1) of the Corporations Act, then the conversion of Performance Share shall be into such number of Shares that would cause the contravention will be deferred until such time or times thereafter the conversion would not result in such a breach.
16. The Holder shall give notification to the Company in writing if the conversion of Performance Share may result in the contravention of section 606(1) failing which the Company shall assume that the conversion of Performance Share will not result in any person being in contravention of section 606(1).
17. The Company may (but is not obliged to) by written notice request the Holder to give notification to the Company in writing within seven (7) days as to whether it considers that the conversion of Performance Share may result in the contravention of section 606(1). If the Holder does not give notification to the Company within seven (7) days that it considers the conversion of Performance Share may result in the contravention of section 606(1) then the Company shall assume that the conversion of Performance Share will not result in any person being in contravention of section 606(1).

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ANNEXURE B

GNOWS NEST PERFORMANCE RIGHTS

1. Each Performance Right will automatically convert, upon vesting, at nil cost, into one Share.
2. The Performance Rights will expire at 5.00pm (WST) on 22 September 2025 (**Expiry Date**). Any Performance Right not converted before the Expiry Date will automatically lapse on the Expiry Date.
3. The Performance Rights will vest:
 - (a) upon the Company (or Coruscant) announcing (in relation to an ore body on the Gnows Nest Tenements) either:
 - (i) an Indicated Mineral Resource (as that term is used in the JORC Code) which includes in the grade tonnage curve at least 50,000 ounces of gold at a grade of at least 3.5gpt which, for the sake of avoiding all doubt, shall include the Current Resource Inventory; or
 - (ii) a Reserve (as that term is used in the JORC Code) of at least 34,000 ounces of gold; or
 - (b) on the day prior to the Expiry Date where at that time:
 - (i) the Performance Rights have not vested under clause 3(a); but
 - (ii) a minimum of \$1,000,000 in Expenditure has not been incurred.
4. All Shares issued upon conversion of Performance Rights will rank equally in all respects with other Shares then on issue.
5. The Performance Rights will not be quoted on ASX. If admitted to the official list of the ASX at the time the Performance Rights vest and convert, the Company will apply for and use its best endeavours to obtain the official quotation on ASX of all Shares in accordance with the ASX Listing Rules. The Company must ensure that Shares issued on conversion of the Performance Rights are freely tradeable, without being subject to on-sale restrictions under section 707 of the Corporations Act, on and from their date of issue.
6. There are no participation rights or entitlements inherent in the Performance Rights.
7. A holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Rights.
8. A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.
9. If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules (if applicable) at the time of the reorganisation.
10. The Performance Rights are not transferable.
11. If and for so long as the Company is at any time listed on a stock exchange, the terms and conditions applicable to a Performance Right will include any such terms required by the stock exchange rules (in such form as the Company's Board acting reasonably may determine).
12. The terms of the Performance Rights may be amended as necessary by the Company's board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated.
13. The Performance Rights gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
14. If the conversion of the Performance Rights into the Shares would result in contravention of section 606(1) of the Corporations Act, then the conversion of Performance Rights shall be into such number of Shares that would cause the contravention will be deferred until such time or times thereafter the conversion would not result in such a breach.
15. The holder shall give notification to the Company in writing if the conversion of Performance Rights may result in the contravention of section 606(1) failing which the Company shall assume that the conversion of Performance Rights will not result in any person being in contravention of section 606(1).
16. The Company may (but is not obliged to) by written notice request the holder to give notification to the Company in writing within seven (7) days as to whether it considers that the conversion of Performance Rights may result in the contravention of section 606(1). If the holder does not give notification to the Company within seven (7) days that it considers the conversion of Performance Rights may result in the contravention of section 606(1) then the Company shall assume that the conversion of Performance Rights will not result in any person being in contravention of section 606(1).

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ANNEXURE C

PLACEMENT OPTION TERMS

The Options are issued on the following terms:

1. Each Option may be exercised by giving notice in that regard together with payment of the amount of \$0.15 (**Exercise Price**).
2. Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) in EMU NL ACN 127 291 927 (**Company**) upon the payment of the Exercise Price per Share subscribed for.
3. The Options will lapse at 5:00 pm WST on 23 August 2021 (**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 closing date to exercise the Options.
7. Subject to any requirements of the Corporations Act and ASX Listing Rules, the Options do not confer the right to a change in exercise price or the number of securities over which the Option can be exercised.
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. Unless approved otherwise by the Company on a case-by-case basis (with no obligation on the Company to do so), 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. The Company does not undertake to apply for quotation of the Options on ASX.