



ACN 127 291 927

**NOTICE OF GENERAL MEETING
to consider consolidating the capital of the Company**

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

Thursday 11 April 2024

Time of Meeting

5:00pm AWST

Place of Meeting

**Celtic Club
48 Ord Street
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.*



EMU NL
ACN 127 291 927
NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Emu NL (**Company**) will be held at the Celtic Club 48 Ord Street, West Perth, Western Australia on Thursday 11 April 2024 at 5:00pm AWST (**Meeting**) for the purpose of transacting the following business, in each case, as more particularly described in the Explanatory Statement accompanying this Notice.

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

Voting on this Resolution will be conducted by poll.

RESOLUTION 1 – APPROVAL TO CONSOLIDATE SHARE CAPITAL

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

“That, pursuant to and in accordance with section 254H of the Corporations Act and for all other purposes, with effect from 22 April 2024, the Share capital of the Company will be consolidated on the basis that:

- (a) every 30 Shares will be consolidated into one Share; and*
- (b) where the number of Shares held by a Shareholder of the Company as a result of the consolidation effected by paragraph (a) of this Resolution includes any fraction of a Share, that fraction of a Share be rounded up to the next whole number of Shares.”*

OTHER BUSINESS

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

PROXIES

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

Please note that:

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

NOTICE OF MEETING Thursday 11 April 2024

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 Tuesday 9 April 2024 by:

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

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

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 5:00pm AWST on Tuesday 9 April 2024 will be entitled to attend and vote at the Meeting.

CORPORATIONS

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

ELECTRONIC COMMUNICATION

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

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 on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

VOTING OF PROXIES

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

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

By Order of the Board.

Damien Kelly

Company Secretary

Date: 13 March 2024

EMU NL
EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the Shareholders of the Company in connection with the business to be conducted at the general meeting of the Company to be held at the Celtic Club 48 Ord Street, West Perth WA 6005, on Thursday 11 April 2024 commencing at 5:00pm AWST and any adjournment thereof.

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

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

Voting on the Resolution will be conducted by poll.

RESOLUTION 1 – APPROVAL TO CONSOLIDATE SHARE CAPITAL

1.1 The Proposal

This agenda item proposes the consolidation of the Company’s Share capital through the conversion of every 30 Shares into one Share. Under section 254H of the Corporations Act, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting.

If the consolidation is approved, the consolidation will take effect on 22 April 2024. The following is an indicative timetable (subject to change) of the key events:

Key Event	Indicative Date
General Meeting	11 April 2024
Effective Date	22 April 2024
Last day for trading in pre-consolidated securities	23 April 2024
Trading in consolidated securities on a deferred settlement basis commences ¹	24 April 2024
Record date ²	26 April 2024
First day to update register and send new holding statements	29 April 2024
Last day to update register and send new holding statements.	3 May 2024
Deferred settlement trading ends ³	
Normal trading starts ⁴	6 May 2024
First settlement date for trades made on post-consolidation basis ⁴	7 May 2024

Notes:

- If agreed by the ASX.*
- Last day to register transfers on a pre-consolidation basis.*
- Provided the register update takes place before noon (Sydney time), deferred settlement trading ends at close of trading on this day.*
- Providing the update of the register takes place before noon (Sydney time).*

Where the consolidation of a Shareholder’s holding results in an entitlement to a fraction of a share, the fraction will be rounded up to the nearest whole number of Shares.

Resolution 1 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

1.2 Reasons for the consolidation

The Company has a very large number of Shares on issue. The number of Shares on issue is approximately 2.0 billion, the effect of which is that price per share as traded on the ASX (the result of market capitalisation divided by the number of shares on issue) is so low that it is adversely impacting the Company’s equity funding options to the detriment of the Company and its shareholders.

The effect of the Listing Rules is that the Company’s capacity to and manner in which it can undertake a meaningful equity raising is seriously and detrimentally hampered by the current price at which the Company’s shares are trading on the ASX; the proposed consolidation will address this.

The Company is likely to propose the issue of further securities in the near future, so the capital is expected to be expanded virtually immediately following the consolidation.

Your board believes that, as a matter of good corporate practice and in the best interests of the Company and its shareholders, the proposed consolidation should be put to shareholders for their imprimatur.

1.3 Effect of the consolidation

If Shareholders approve the proposed Share consolidation, the number of Shares currently on issue will be reduced from approximately 2.0 billion to approximately 67.5 million.

As the consolidation applies equally to all of the Company's Shareholders, individual Shareholdings (in terms of absolute numbers) will be reduced in the same ratio as the total number of the Company's Shares (subject only to the rounding up of fractions). It follows that the consolidation will have no effect on the percentage interest of each individual Shareholder in the Company. Therefore, if a Shareholder currently has 2,024,771 Shares, representing approximately 0.1% of the Company's issued capital, then if the Share consolidation is approved and implemented, the Shareholder will have 67,492 Shares following the consolidation, still representing the same 0.1% of the Company's issued capital.

Similarly, the enterprise value of the Company should (theoretically) not change as a result of the Share consolidation alone. As a matter of plain math, the price per Share, should increase in inverse ratio to the consolidation (to reflect the reduced number of Shares on issue). In practice, however, the immediate post consolidation price per Share may be equal to, more or less than the mathematical result. The risk of the market capitalisation of the Company diminishing in immediate response to the consolidation is real. Equally, it is important to recognise that (the Directors believe) the market is telling us that the Company is a shell as reflected by its market capitalisation. Accordingly, the Directors believe it is reasonable to speculate that fundamentals should not see a serious (or indeed any) decline in market value simply because of the consolidation. Whilst some shareholders are opposed to the consolidation, it may well be that a consolidation will be viewed positively as reflecting good corporate management as it will expand the scope as to the manner in which capital raisings can be effected under the ASX Listing Rules. Whilst the Board has, for some time, respected (and still respects) the wishes of those shareholders opposed to its capital being consolidated it is no longer tenable for the Board to refrain from proposing a consolidation without adversely impacting the interests of the Company (and therefore current shareholders as a whole).

For example, the scope for pricing a new Share issue would likely be a barrier to a raising on preferential terms in the best interests of the Company. Bearing in mind the Company's FP Shares last traded on-market at 0.1 cents and the minimum bid permitted under the ASX Operating Rules is 0.1 cents, the Company and potential investors would face the following constraints:

- (a) (Listing Rules constraint): the issue price under any pro rata issue would be prohibited (because of ASX Listing Rule 7.11.2) from being less than 0.1 cents per Share; and
- (b) (Liquidity constraints for exiting investors): Suppose a Shareholder wishes to exit their investment. If potential bidders on market are unwilling to make bids at or above 0.1 cents, it creates liquidity constraints. In other words, a lack of demand at or above this price point would make it challenging for investors to sell their shares on market. This liquidity concern could hinder the Company's ability to raise capital on preferential terms.

1.4 Tax implications for Australian resident shareholders

The Share consolidation will be undertaken in accordance with section 254H of the Corporations Act. Subject only to rounding, there will be no change to the proportionate interests held by each Shareholder in the Company as a result of the consolidation.

The Share consolidation will occur through the conversion of every 30 Shares in the Company into one Share in the Company. No capital gains tax event will occur as a result of the Company's Share consolidation and therefore there should be no taxation implications arising for the Company's Australian resident Shareholders.

EMU NL
EXPLANATORY STATEMENT

The summary in this section is general in nature. Accordingly, Shareholders are encouraged to seek and rely only on their own professional advice in relation to their tax position. Neither the Company nor any of its officers, employees or advisors assumes any liability or responsibility for advising Shareholders about the tax consequences for them from the proposed Share consolidation.

1.5 Effect of the consolidation on the Company's Convertible Securities

Partly Paid Shares

As at the date of this Explanatory Statement, the Company has on issue partly-paid shares which are subject to payment of calls before being convertible into fully paid Shares.

Listing Rule 7.21 states that in a consolidation of capital, the number of convertible securities is reorganised so that the holder of the convertible security will not receive a benefit that holders of ordinary securities do not receive.

Therefore, in accordance with Listing Rule 7.21, if Shareholders approve the proposed consolidation, the convertible securities on issue are expected to be adjusted as follows:

Partly Paid Share Class	Current		Adjusted	
	Number	Calls Payable	Approximate Number	Calls Payable
EMUCA	40,485,069	\$0.03	1,349,502	\$0.90
EMUAR	35,000,000	\$0.04	1,166,667	\$1.20

The figures in the "Approximate number" column in the table above are subject to rounding, because each class of Partly-paid share were issued for the benefit of more than one Partly-paid shareholder, and there may be minor rounding adjustments when each individual parcel is adjusted in accordance with the principles set out above.

Options

Listing Rule 7.22.1 states that in a consolidation of capital, the number of options must be consolidated in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio. Where the consolidation of an Option holder's holding results in an entitlement to a fraction of an Option, the fraction will be rounded up to the nearest whole number of Options.

Therefore, in accordance with Listing Rule 7.22.1, if Shareholders approve the proposed consolidation, the Options on issue (or agreed to be issued) are expected to be adjusted as follows:

Option Class	Current		Adjusted	
	Number	Exercise price	Approximate Number	Exercise Price
Expiry 7.10.2024	172,453,621	\$0.01	5,748,454	\$0.30
Expiry 31.12.2026	317,375,004	\$0.003	10,579,167	\$0.09

The figures in the "Approximate number" column in the table above are subject to rounding, because each class of Option were issued for the benefit of more than one Option holder, and there may be minor rounding adjustments when each individual parcel is adjusted in accordance with the principles set out above.

1.6 Directors' recommendation

Whilst recognising the inherent risk that the market capitalisation of the Company may drop in response to a consolidation and that there is an aversion to consolidations in the minds of many well-informed EMU shareholders, on balance, all the Directors consider that Resolution 1 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 1.

Each Director has indicated that he intends to vote the Shares he owns or controls in favour of Resolution 1. The Chair intends to vote all available proxies in favour of the Resolution.

2 PRO FORMA CAPITAL STRUCTURE FOLLOWING MEETING

The Company's capital structure following this Meeting will be as follows:

Shares	Number Pre-Consolidation	Number Post-Consolidation
Fully Paid Shares	2,024,771,286	67,492,376
Partly Paid Shares subject to future calls totalling a revised \$0.90 post consolidation	40,485,069	1,349,502
Partly Paid Shares subject to future calls totalling a revised \$1.20 post consolidation	35,000,000	1,166,667
Total PP Shares	75,485,069	2,516,169
Options to FP Shares	489,828,625	16,327,621
Performance Rights (PR)	48,571,429	1,619,048

OTHER BUSINESS

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

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

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

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

ASX Operating Rules or **Operating Rules** means the operating rules of the ASX;

AWST means Australian Western Standard Time;

Board means the board of Directors;

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

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

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

Company means Emu NL ABN 50 127 291 927 ;

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

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

Director means a director of the Company;

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

Explanatory Statement means the explanatory statement accompanying the Notice;

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

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

Notice means this notice of general meeting;

Option means an option to acquire a Share;

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

Proxy Form means the proxy form attached to this Notice;

Resolution means a resolution contained in this Notice;

Section means a section of the Explanatory Statement;

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

Shareholder means the holder of a Share;

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