(ABN 50 127 291 927)

ASX Codes: **EMU and EMUCA**

SUPPLEMENTARY PROSPECTUS

This is a supplementary document and must be read together with the prospectus (**Prospectus**) issued by Emu NL (**EMU** or **Company**) dated 23 September 2019.

This document is dated 3 October 2019 and was lodged with ASIC on that date. ASIC takes no responsibility as to the contents of this Supplementary Prospectus. Terms used in this document have the same meaning as those expressions have in the Prospectus.

Extension of Closing Date to 15 October 2019

The Closing Date has been extended to 15 October 2019, subject to the Timetable Proviso. The issue date is expected to fall (and the dispatch of holding statements is expected to occur) on or before the 5th business day following the Closing Date.

Additional detail regarding underwriting, fees and effect on control

This supplementary prospectus discloses additional detail addressing new developments and information in respect of the underwriting (which has now become unconditional) of the Offer, fees and effects on control. To the extent of any inconsistency between the further disclosure provided herein and the Prospectus, the information herein prevails and the inconsistent information in the Prospectus is deemed amended accordingly.

Amendment to front cover of Prospectus

The front cover of the Prospectus is amended by deleting the words ", subject to a singular condition. If the singular condition is not met an announcement will be made via the ASX market announcements office on or about 1 October 2019" where they appear, so the paragraph from which it was deleted now reads:

> "The Offer is underwritten to the extent of ~ US$2,670,000. See section 1.7 for details."

Amendment to Prospectus section 1.7 - Underwriting

The text contained within Section 1.7 of the Prospectus is deleted and replaced with the following:

"Strategic Bank International Corp (**Underwriter** or **Strategic Bank**) has agreed to underwrite the Offer to the extent of US$2,670,000 (**Underwritten Amount**) and procure applications for the Shortfall to that extent subject to and upon the terms of an underwriting agreement with the Company concluded 20 September 2019 (which became unconditional on 30 September 2019). Based on the exchange rate as at 20 September 2019 of 0.7064 (applying the currency conversion principles espoused in the underwriting agreement which are to be applied at the time the Shortfall is applied for), the underwriter is exposed to subscribing for up to approximately 94,493,200 new Fully Paid Shares and 47,246,600 new Options).

Where the Shortfall is less than US$2,670,000, the Company agrees to accept an application(s) from the Underwriter/sub-underwriters for additional securities (**Additional Securities**) (same bundles and terms as offered under the Offer and such application(s) to be made at the same time as the Shortfall is applied for or, if no Shortfall, as when, had there been a Shortfall, it would have to have been applied for) to take the aggregate of the Shortfall and the amount subscribed for Additional Securities up to but not more than US$2,670,000 PROVIDED THAT the issue of the Shortfall and the Additional Securities must not result in any entity acquiring a relevant interest in greater than 19.9% of the voting power of issued Emu securities and does not otherwise result in the breach of any law.

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

1. 6% of the amount subscribed under the underwriting agreement; and
2. 4% of the amount raised from shareholders under the Offer under application forms bearing no broker stamp. In lieu of a stamp, a broker may provide proof of entitlement by evidencing in another manner acceptable to the Company (in its sole discretion) that the broker lodged the application and tendered funds in support thereof on behalf of the shareholder.

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

There is no minimum subscription. Accordingly, if the Offer results in the raising of an amount which is less than that which would have been raised had the Offer been fully subscribed, the Company will not treat that as a materially adverse change given the Offer is underwritten to the extent US$2.67M."

Amendment to Prospectus section 2.4 - Effect on control

The text contained within Section 2.4 of the Prospectus is deleted and replaced with the following:

"In scenarios following, numbers are subject to change as a consequence of currency fluctuations and, in any event, are inexact. In the scenarios, the currency conversion rate is as detailed in section 1.7.

As the Company is listed, any potential acquisition of Shares will be subject to the prohibitions set out in section 606 of the Corporations Act unless one or more exceptions apply. Therefore, unless the New Securities are placed pursuant to one of the exceptions set out in section 611 of the Corporations Act (such as approval by resolution of Shareholders, underwriting of the fundraising, or '3% creep every 6 months'), the Company will not be entitled to place the Shortfall to any person if it would cause that person's or someone else's voting power in the Company to increase from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.

Whilst Strategic Bank has yet to finally determine its strategy as to the distribution of the of the securities subscribed under the underwriting agreement (the **Underwriter Securities**, which shall include the Additional Securities if applicable; the Fully Paid Shares of which being the **Underwriter Shares** and the Options of which being the **Underwriter Options**), Strategic Bank plans (as at 3 October 2019) to cause the Underwriter Securities to be issued to two special purpose vehicle (**SPVs**) sub-underwriters. This plan may not materialise but, in its present contemplation, the intent of Strategic Bank is:

1. the SPVs (yet to be established) will hold Underwriter Securities, in effect, for the benefit of an as yet indeterminate number of parties (**TPs**) unrelated to Strategic Bank the identity of which parties is yet to be determined;
2. pending the disposal by the SPV(s) of the Underwriter Securities, it may be that votes attaching thereto will be exercised by the SPV(s) with or without reference back to the TPs for instruction.

Assuming no Entitlements are taken up, the aggregate voting power of the Underwriter/sub-underwriter(s)/nominee(s) in the Company acquired as a consequence of the issue of the Underwriter Securities could, before any other securities are issued by the Company, increase from 0% to approximately 33% and a 1% voting power held by a Shareholder at the Record Date will be diluted from 1% to ~ 0.67%.

Further, if the Underwriter/sub-underwriter(s) or their nominees exercise all the Underwriter Options and then pay up the resultant Contributing Shares in full (therefore becoming Fully Paid Shares), and assuming no other changes to the Company's issued capital structure, the aggregate voting power of the Underwriter/sub-underwriter(s)/ nominee(s) will be ~ 42% and a 1% voting power held by a Shareholder at the Record Date will be diluted from 1% to ~ 0.57%.

Assuming all Entitlements are taken up, and assuming the Underwriter/sub-underwriter(s) or nominee(s) subscribes for the Additional Securities, and then all Underwriter Options are exercised and the resultant Contributing Shares are all paid up in full (therefore becoming Fully Paid Shares), and assuming no other changes to the Company's issued capital structure, the aggregate voting power of the Underwriter/sub-underwriter(s)/nominee(s) will be ~29% and the voting power held by a Shareholder holding 1% of the voting power of the Company as at the Record Date will be diluted from 1% to ~0.68%.

Whilst the Underwriter Shares will be placed to the maximum extent permitted (under any exception applicable) under section 611 of the Corporations Act, depending on how the facts unfold, it is possible that the acquisition of all or some Contributing Shares issued upon the exercise of the Underwriter Options, or the payment of all or part of the unpaid capital in respect of all or some of such Contributing Shares (such exercise or paying up referred to as **Conversions**) could be prohibited (**Prohibition**) by the Corporations Act Section 606.

EMU will, if requested by Strategic Bank, seek Corporations Act Section 611 Item 7 shareholder approval exempting from the Prohibition acquisitions pursuant to Conversions (for clarity, including acquisitions arising consequent upon payments made pursuant to a call or, where made in accordance with the terms of the Contributing Shares, in advance of a call) and EMU will otherwise take action directed at allowing Conversions to be effected when the holder(s) of the relevant securities so desires, free of the limitation of the Prohibition."

Consent

Strategic Bank have given their written consent to be named in this supplementary prospectus in the form and context in which it appears.