

24 June 2024

THOMSON PROJECT SOLD FOR \$200,000 PLUS 1.5% NET SMELTER ROYALTY

Divestment of non-core asset will streamline Eastern Metals' asset portfolio, enabling it to focus on exploration of its high-potential Cobar and Arunta projects

HIGHLIGHTS

- Eastern Metals has finalised a binding agreement to sell its Thomson Project in NSW to Legacy Minerals Holdings Ltd (ASX:LGM) for \$200,000 in cash plus a 1.5% royalty.
- The cash sale allows Eastern Metals to focus its funds and human resources on the exploration of the Cobar and Arunta Projects.
- Approvals process is underway to drill newly identified high-priority targets at the Cobar Project in NSW, with work programs also progressing at the Arunta Project in the NT following the recent award of a co-funding grant from the NTGS¹.

Eastern Metals Ltd (**ASX: EMS**) ("**Eastern Metals**" or "the **Company**") is pleased to announce that it has signed a binding Heads of Agreement ("**HoA**") for the sale of the Thomson Project in New South Wales to Legacy Minerals Holdings Ltd (ASX: LGM, "**Legacy Minerals**") for \$200,000 in cash and a 1.5% Net Smelter Royalty ("**NSR**").

The sale will streamline Eastern Metals' asset portfolio, enabling the Company to focus its funds and resources on the high-potential, advanced base metals Cobar Project in New South Wales and Arunta Project in the Northern Territory.

Eastern Metals' Chief Executive Officer Ley Kingdom said: *"The sale of the Thomson Project to Legacy Minerals represents a great outcome for Eastern Metals, providing the Company with an all-cash consideration of \$200,000 plus a 1.5% NSR, while enabling us to prioritise our efforts on the more advanced assets within our portfolio.*

"The prioritisation of time and funds is vital for successful exploration companies. With our prospective portfolio of tenements, we are constantly evaluating which projects have the best potential for exploration success and shareholder growth. In the near future, this includes continuing to progress Browns Reef and Home of Bullion through target generation and drilling. We wish Legacy Minerals all

¹ Eastern Metals Ltd (ASX: EMS) ASX Announcement 11 June 2024, 'Successful NTGS Co-Funding Collaboration Grant'

the best with the acquisition, which represents a complementary land position to their existing projects in NSW where they are actively exploring on a number of fronts."

Details of the transaction

The total consideration is:

- \$200,000 cash payable to EMS, with \$50,000 payable within seven days of the HoA execution date, and \$150,000 payable on completion; and
- A 1.5% NSR, on all minerals produced with a buy-back option for:
 - (i) Half of the NSR (0.75%) for \$2M at any time; and
 - (ii) The remaining half of the NSR (0.75%), for \$4M at any time.

Upon completion, Legacy Minerals will hold a 100% unencumbered interest in the two Thomson Project tenements, EL9190 and EL9194.

Completion will be subject to a number of standard conditions precedent (if required), including any approvals required by the ASX, Ministerial consent and other conditions precedent usual for this type of transaction.

Authorisation for this Announcement

This announcement has been authorised for release by the Company's Disclosure Officers in accordance with its Disclosure and Communications Policy which is available on the Company's website, www.easternmetals.com.au.

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