

ASX:EMS

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24 April 2025

Up to A\$4,250,000 Capital Raising and Proposed Transaction**CAPITAL RAISINGS****Initial Placement**

Eastern Metals Limited (ASX: EMS, 'EMS', 'Eastern Metals' or 'the Company') is pleased to advise that it has received firm commitments pursuant to an initial placement (**'Initial Placement'**) from sophisticated and professional investors to raise A\$250,000 (before costs) through the issue of 25,000,000 fully paid ordinary shares in the capital of the Company (**'EMS Shares'**) at an issue price of A\$0.01 per EMS Share (**'Offer Price'**).

Subject to approval by the Company's shareholders for the purpose of ASX Listing Rule 7.1, Eastern Metals will also issue one (1) attaching unlisted option (**'New Options'**) for no additional consideration for every new EMS Share issued pursuant to the Initial Placement. The New Options will each be exercisable at A\$0.015 and have an expiry date three (3) years from the date of issue. For further details, refer to "Annexure A - Rights of the New Options" on page 6.

Funds raised in the Initial Placement will be used for financial and legal costs associated with the Proposed Transaction (see below), general working capital, and costs of the Initial Placement. For the avoidance of doubt, the Initial Placement is not conditional on the Proposed Transaction Proceeding. As such, investors are cautioned not to place undue reliance on the Proposed Transaction proceeding to completion in making an investment decision in respect of the Company.

The EMS Shares to be issued pursuant to the Initial Placement will be undertaken utilising the Company's available placement capacity pursuant to ASX Listing Rule 7.1 (being approximately 17.0 million Equity Securities (as defined in the ASX Listing Rules)) and 7.1A (being approximately 11.3 million Equity Securities).

Subsequent Placement

The Company further advises that it intends to undertake a subsequent placement (**'Subsequent Placement'**). The final quantum and pricing of the Subsequent Placement is yet-to-be determined, however, at this stage is envisaged to be to raise a minimum of A\$3,000,000 and a maximum of A\$4,000,000 (before costs) through the issue of between 300,000,000 EMS Shares (on a minimum subscription basis) and 400,000,000 EMS Shares (on a maximum subscription basis) at the Offer Price.

Pursuant to the Subsequent Placement, Eastern Metals intends to issue, on the same terms and conditions as under the Initial Placement, one (1) New Option (for no additional consideration) for every new EMS Share issued pursuant to the Subsequent Placement.

The Subsequent Placement and issue of New Options will be conditional on the receipt of all necessary shareholder approvals, including pursuant to Listing Rule 7.1.

The Initial Placement and Subsequent Placement are together described as the '**Placements**' or '**Offers**' below.

Funds raised in the Subsequent Placement are envisaged to be used for costs associated with the Subsequent Placement, the Proposed Transaction including associated exploration activities and general working capital.

Offer Price

The Offer Price of A\$0.01 represents the last traded price on Thursday 17 April 2025 and a 2% discount to the 15-day VWAP of A\$0.0102.

The EMS Shares to be issued pursuant to the Initial Placement are expected to be issued on or before Wednesday 30 April 2025.

PROPOSED TRANSACTION

Eastern Metals has entered into a non-binding commercial terms sheet ('**Term Sheet**') to acquire all of the issued capital in unlisted public copper exploration company, Raptor Resources Limited (ACN 142 901 442) ('**RRL**') which remains subject to several conditions, including due diligence, regulatory approvals, binding documentation ('**Binding Documentation**') being agreed and approval by the Company's shareholders. ('**Proposed Transaction**').

Key Terms of the Proposed Transaction

Consideration

Pursuant to the Proposed Transaction, the aggregate consideration payable by Eastern Metals is A\$5.5m worth of EMS equity securities issued pro-rata to RRL shareholders (assuming a minimum indicative issue price of A\$0.02 per EMS Share ('**RTO Price**')) comprised of the following:

Name of Equity Securities	Terms and Conditions of Equity Securities	Number of Equity Securities	Value of Equity Securities
Consideration Shares	EMS Shares at the RTO Price at completion of the Proposed Transaction (' Completion ').	100,000,000	A\$2,000,000
Tranche 1 Performance Rights	Performance rights (with a deemed issue price of the RTO Price) issued in EMS converting into EMS Shares upon the announcement by EMS of a combined Mineral Resource (as defined in	75,000,000	A\$1,500,000

Name of Equity Securities	Terms and Conditions of Equity Securities	Number of Equity Securities	Value of Equity Securities
	the JORC Code (2012 Edition) (or its successor)) of at least 10mt at a cut-off grade of equal to or over than 1% copper over the acquired RRL projects.		
Tranche 2 Performance Rights	Performance rights (with a deemed issue price of the RTO Price) issued in EMS converting into EMS Shares upon the announcement by EMS of a combined Mineral Resource of at least 15mt at a cut-off grade of equal to or over than 1% copper over the acquired RRL projects.	50,000,000	A\$1,000,000
Tranche 3 Performance Rights	Performance rights (with a deemed issue price of the RTO Price) issued in EMS converting into EMS Shares upon the announcement by EMS of a scoping study relating to the acquired RRL projects.	50,000,000	A\$1,000,000
Total Equity Securities (on a fully diluted basis)	-	275,000,000	A\$5,500,000

Conditions precedent

Completion will be conditional on the following conditions precedent:

- (a) satisfactory due diligence investigations by EMS and RRL;

- (b) parties agreeing the Binding Documentation on terms acceptable to them (in their respective discretion);
- (c) all necessary ASX waivers and approvals being provided to EMS to effect the Proposed Transaction, including (without limitation) a waiver from ASX Listing Rule 2.1, condition 2 to the extent necessary to enable the Company to issue securities at a price of less than \$0.20 per security (failing which, the RTO Price will need to be adjusted accordingly);
- (d) receipt of all necessary EMS shareholder and regulatory approvals;
- (e) EMS re-compliance with Chapters 1 & 2 of the ASX Listing Rules (including a minimum public offer raise of A\$4m (before costs) at an indicative issue price of the RTO Price);
- (f) conversion of all RRL convertible securities currently on issue;
- (g) receipt of all necessary RRL shareholder and regulatory approvals;
- (h) receipt of any required third-party approvals or consents; and
- (i) additional conditions precedent standard for transactions of this nature (e.g. no material adverse change).

RRL Board and Management Representation

Two nominee directors of RRL, currently proposed to be Messrs Brett Wallace (as Managing Director) and Adam Sierakowski (as Non-Executive Chair), being appointed to the board of EMS (on the assumption that there will be three EMS directors in total upon Completion and subject to and conditional upon successful good fame and character checks).

It is also proposed that Mr Gary Powell will be engaged by EMS as a technical consultant on standard commercial terms. Mr Powell is an experienced geologist and mining executive with more than 35 years of extensive experience in the mineral resources industry, ranging from grass roots exploration, feasibility studies and mining operations.

Warranties

The Binding Documentation will contain representations and warranties to be agreed by the parties at completion of due diligence but are to reflect those customary for agreements of this nature.

Escrow

The parties acknowledge that the EMS Shares and performance rights to be issued to RRL shareholders may be subject to ASX mandatory escrow in accordance with ASX Listing Rule 9.1 for a period of up to 24 months from the date of quotation.

Other Material Terms

The Binding Documentation will otherwise contain terms and conditions considered customary for an agreement of this nature.

Nature of Term Sheet

The Term Sheet is not binding upon the parties and nothing in the Term Sheet obliges a party to proceed with the Proposed Transaction until definitive agreements have been executed.

Voluntary Suspension

Eastern Metals intends to apply for voluntary suspension to the trading of its EMS Shares in parallel to the release of this announcement.

Eastern Metals anticipates that it will remain suspended until it re-complies with Chapters 1 and 2 of the ASX Listing Rules.

ENDS

Authorisation of Release

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.

Contacts

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ANNEXURE A - RIGHTS OF THE NEW OPTIONS

A summary of the significant rights and liabilities attaching to the New Options is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of New Option holders.

Entitlement: Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

Consideration: Each New Option will be granted for no additional consideration as they are being issued as free attaching options to the EMS Shares to be issued pursuant to the Initial Placement and Subsequent Placement.

Expiry Date: Each New Option will expire at 5.00pm (Sydney time) 3 years after the date the New Options are issued (**Expiry Date**). Any New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

Exercise Price: The amount payable upon exercise of each New Option will be A\$0.015 (**Exercise Price**) (subject to possible adjustments referred to below).

Exercise Notice: New Options may be exercised at any time before the Expiry Date by notice in writing to the Company and payment of the Exercise Price for each New Option being exercised in cleared funds by cheque or electronic funds transfer.

Ranking: All shares issued upon the exercise of New Options rank equally with all EMS Shares on issue.

Quotation: The Company will apply for Official Quotation by ASX of all EMS Shares issued upon exercise of the New Options.

Reconstruction of Capital: If at any time the issued capital of the Company is reconstructed, all rights of a holder of New Options ('**Optionholder**') are to be changed in a manner consistent with the *Corporations Act 2001* (Cth) and the ASX Listing Rules at the time of reconstruction.

Participation in New Issues: Holders of New Options cannot participate in new issues of capital offered by the Company to existing shareholders without first exercising the New Options and receiving Shares issued upon exercise of those New Options before the record date for determining entitlements to that Entitlement Issue in accordance with the ASX Listing Rules.

In new pro rata issues of capital offered by the Company (other than a bonus issue), the exercise price of New Options on issue will, subject to the ASX Listing Rules be reduced according to the following formula:

$$A = O - \frac{E[P - (S + D)]}{(N + 1)}$$

Where:

A = the new exercise price of the option;

O = the old exercise price of the option;

E = the number of Shares into which one option is exercisable;

P = the volume weighted average market price per security of the EMS Shares, calculated over the five trading days ending the day before the ex rights date or ex entitlements date;

S = the subscription price per EMS Share under the pro-rata issue;

D = the dividend due but not yet paid on existing underlying EMS Shares (except those to be issued under the pro rata issue); and

N = the number of EMS Shares with rights or entitlements that must be held to receive a right to one new Share