

Renounceable Entitlement Offer of New Shares and Options to raise up to approximately \$4.57 million

Eagle Mountain Mining Limited (ASX:EM2) ("**Eagle Mountain**" or "**the Company**") is pleased to announce a renounceable entitlement offer to eligible shareholders of new shares to raise up to approximately \$4,574,000 (before costs).

The offer is one new share for every 4 shares held at an issue price of \$0.06 per share, together with a free attaching option for every new share taken up.

The entitlement offer follows the approval by the Board to proceed with a scoping study on the Company's Oracle Ridge Copper Project.

Summary of the Entitlement Offer

Eagle Mountain advises it will be conducting a renounceable entitlement offer of approximately 76.2 million new shares at an issue price of \$0.06 per share ("**New Shares**") to registered shareholders with an address in Australia, New Zealand, or the United Kingdom, on the basis of 1 New Share for every 4 fully paid ordinary shares held at the record date, to raise up to approximately \$4,574,000 (before costs) ("**Entitlement Offer**").

In addition, for every New Share issued in the Entitlement Offer, an attaching Option will be issued ("**New Options**"). The New Options will have a three-year term and be exercisable by payment of \$0.20 each.

The Entitlement Offer is partially underwritten up to \$1,250,000. The underwriter, Shadow Mountain Mining Pty Ltd, is an entity associated with Managing Director, Mr Charles Bass. In addition to the underwriting support, Directors Messrs Crabb and Port, together with the Chief Executive Officer Mr Mason have committed to taking up their full entitlement.

Eligible shareholders and the general public will also be entitled to apply for any shortfall in applications for the Entitlement Offer ("**Shortfall Offer**").

The Entitlement Offer and Shortfall Offer ("**Offers**") will be made pursuant to a prospectus to be issued by the Company.

Eligible Shareholders

Shareholders with registered addresses inside Australia, New Zealand and the United Kingdom who hold fully paid ordinary shares in the Company ("**Existing Shares**") as at the record date for determining entitlements ("**Eligible Shareholders**") will be entitled to participate in the Entitlement Offer.

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Use of Funds

The Company intends to apply the funds raised under the Offers in the following manner.

- Undertake a scoping study to assess the technical and financial development for Oracle Ridge (Scoping Study). The study will also consider a simplified processing flowsheet that avoids smelting and refining beyond the mine gate.
- Undertake field exploration activities at both the Oracle Ridge and Silver Mountain Projects. The field exploration activities will assist mapping of key structural features, identification of alteration zones and outcropping mineralisation which may assist future geophysical or drill targeting.
- In addition, the use of an ambient noise tomography survey at Oracle Ridge is being investigated, with the aim to image unidentified porphyry(s) at depth, deep faults acting as important feeder systems, as well as main lithological contacts between the Leatherwood intrusive and prospective sediments/older formations. This information will assist targeting of future drilling programs with the aim to build and upgrade existing resources, along with the discovery of new mineralisation.

The Company will also apply funds raised from the Offers towards the costs of the Offers and general working capital purposes.

Key Terms

Key terms of the Entitlement Offer are set out in the following table.

Nature of Offer	Renounceable Entitlement Offer of New Shares and Options
New Share issue price	A\$0.06 per New Share The issue price represents a discount of approximately 19% to the volume weighted average price (VWAP) of Eagle Mountain's shares for the 15 trading days before the announcement of \$0.074.
Offer ratio	1 New Share for every 4 Existing Shares held on the Record Date
Number of New Shares to be issued	Up to 76,241,715 New Shares (subject to rounding)
Amount to be raised under the Offers	Up to \$4.57 million before costs of the Entitlement Offer
Attaching Options	1 New Option for every New Share taken up equating to 76,241,715 Options (subject to rounding). Each attaching New Option is exercisable at exercise price of \$0.20 each on or before 31 March 2027.



Proposed Timetable

The Company expects to lodge the Prospectus later today Monday, 29 January 2024. Full details of the Offers, including the timetable, will be announced by the Company when the prospectus is lodged.

Further details of the Offers, including details on how to accept and key risks associated with investment, will be set out in the Prospectus, which is expected to be dispatched to Eligible Shareholders on 7 February 2024.

Capital Structure on Completion of the Entitlement Offer

The exact number of new securities to be issued may vary and will be dependent on the number of Eligible Shareholders and their entitlements, and the level of acceptances under the Offers.

The following table shows the proposed capital structure of the Company on completion of the Entitlement Offer, based on full subscription.

Issued Capital	Ordinary Shares	Options ⁱⁱ	Performance Rights ⁱⁱ
Existing Securities at the date of this announcement	304,966,863	11,100,000	300,000
Maximum number of New Shares to be issued under the Entitlement Offer (full subscription) ⁱ	76,241,715		
Attaching New Options on the basis of 1 New Option for every 1 New Share taken up ⁱ		76,241,715	
Maximum number of securities on issue after the Entitlement Offer	381,208,578	87,341,715	300,000

ⁱ Assumes full subscription, subject to rounding

ⁱⁱ Existing unlisted options and performance rights have various terms and vesting conditions

Shortfall

To the extent of any shortfall following completion of the Offers, the Directors reserve the right to place the shortfall at their absolute discretion (subject to the ASX Listing Rules) to meet the minimum requirements of the Company.

Underwriting

The Company has entered into an underwriting agreement with Shadow Mountain Mining Pty Ltd ("**Underwriter**"), an entity associated with Mr Charles Bass, for the partial underwriting of the Entitlement Offer.

The following are the key terms of the underwriting agreement:

- the underwriting commitment is for up to 20,833,333 New Shares and 20,833,333 New Options for an amount not exceeding \$1.25 million;
- eligible shareholders and other investors will be able to apply for Shortfall and the Company will allocate the Shortfall in preference to the Underwriter;
- the Underwriter will NOT be paid an underwriting fee; and
- the Underwriter may terminate the underwriting agreement under certain circumstances including regulatory breach or material adverse change.



Unsecured Loan

In order to progress the Scoping Study and related expenditures the Company has entered into a loan facility agreement with the Underwriter for provision of an unsecured loan facility of up to \$1.25 million to the Company.

The key material terms of the loan facility agreement are as follows:

- the loan is for a principal amount of \$1.25 million (Principal); it is intended that the full amount of the loan facility will be advanced to the Company before the closing date of the Entitlement Offer;
- the Company may use loan funds for planned exploration at its Oracle Ridge and Silver Mountain Project's and for general working capital;
- in the event the Underwriter is required to underwrite subscription for new securities to the extent of any shortfall to the Offers, the Underwriter may satisfy payment to the Company of some or all of the Subscription Amount by giving the Company written notice under the Loan Agreement directing the Company to repay some or all of the Outstanding Amount owed by the Company to the Lender under the Loan Agreement.
- the loan has a maturity date of 30 June 2024 (Maturity Date); and
- the loan is interest free if the loan is repaid on or before the Maturity Date. To the extent any amount of Principal advanced to the Company is not repaid on or before the Maturity Date, the outstanding amount attracts interest at the rate of 10% per annum calculated from the Maturity Date to the date repayment, with interest capitalised.

This ASX announcement was authorised for release by the Board of Eagle Mountain Mining Limited.

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ABOUT EAGLE MOUNTAIN MINING

Eagle Mountain is a copper-gold explorer focused on the strategic exploration and development of the Oracle Ridge Copper Mine and the highly prospective greenfields Silver Mountain Project, both located in Arizona, USA. Arizona is at the heart of America's mining industry and home to some of the world's largest copper discoveries such as Bagdad, Miami and Resolution, one of the largest undeveloped copper deposits in the world.

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