



# **Eagle Mountain Mining Limited**

**ACN 621 541 204**

## **Notice of General Meeting, Explanatory Statement and Proxy Form**

**General Meeting to be held at**

**Ground Floor, 22 Stirling Highway  
Nedlands, Western Australia 6009**

**On Thursday, 5<sup>th</sup> March 2020 at 3pm (WST)**

### **IMPORTANT NOTE**

The Notice of General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

## Important Information

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### Important dates

An indicative timetable of key proposed dates is set out below. These dates are indicative only and are subject to change.

Event	Date
Snapshot date for eligibility to vote	4:00 pm (WST) on Tuesday, 3 <sup>rd</sup> March 2020
Last day for receipt of Proxy Forms – Proxy Forms received after this time will be disregarded	3.00 pm (WST) on Tuesday, 3 <sup>rd</sup> March 2020
General Meeting	3.00 pm (WST) on Thursday, 5 <sup>th</sup> March 2020

### Defined terms

Capitalised terms used in this Notice of General Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary set out in the Explanatory Statement.

## Notice of General Meeting

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Notice is hereby given that the General Meeting of Eagle Mountain Mining Limited (ACN 621 541 204) (**Eagle Mountain** or **Company**) will be held at **Ground Floor, 22 Stirling Highway, Nedlands, Perth, Western Australia** at 3.00 pm (WST) on Thursday, 5<sup>th</sup> March 2020.

The Explanatory Statement, which accompanies and forms part of this Notice, describes the various matters to be considered.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the Glossary as set out in the Explanatory Statement.

## AGENDA

### Resolution 1: Ratification of Shares issued under Placement

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

*"That, for the purposes of Listing Rule 7.4 and all other purposes, Shareholders hereby ratify the issue of 7,000,006 Shares (**Placement Shares**) to sophisticated and professional non-Related Party investors of the Company (**Placement**), at an issue price of \$0.15 per Placement Share, to raise \$1,050,000 (before costs) under the Placement, in the manner and on the terms and conditions set out in the Explanatory Statement."*

### Resolution 2: Approval to issue Placement Shares to Silver Mountain Mining Nominee Pty Ltd

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

*"That, for the purposes of Listing Rule 10.11 and all other purposes, Shareholders hereby approve the issue of 5,000,000 Shares as part of the Placement to Silver Mountain Mining Nominee Pty Ltd (ACN 163 993 762), a Related Party of the Company (or its nominee), at an issue price of \$0.15 per Share, to raise \$750,000 (before costs), in the manner and on the terms and conditions set out in the Explanatory Statement."*

### Resolution 3: Approval of issue of Convertible Term Note to Vincere Resource Holdings LLC

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

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders hereby approve the issue of a Convertible Term Note to Vincere Resource Holdings LLC, to allow the Company to issue Shares to Vincere Resource Holdings LLC, on the conversion and repayment of the Seller Loan in the amount of up to US\$3,000,000, in the manner and on the terms and conditions set out in the Explanatory Statement."*

**By order of the Board**



**Mark Pitts**  
Company Secretary  
29 January 2020

## Voting Prohibitions and Exclusions

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### ASX voting exclusion statements

For the purposes of Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes cast in favour of the following Resolutions by or on behalf of the following persons or an Associate of those persons:

Resolution	Excluded Parties
Resolution 1	Any Placement Participant who participates in the Placement, or who will obtain a material benefit as a result of the Placement (except a benefit received solely by reason of being a Shareholder in the Company).
Resolution 2	Silver Mountain (or its nominee) and Charles Bass (or his nominees) and any Associate of Silver Mountain (or its nominee) and Charlie Bass (or his nominees) and any other person who will obtain a material benefit as a result of the issue of Placement Shares (except a benefit received solely by reason of being a Shareholder in the Company).
Resolution 3	Vincere Resource Holdings LLC (or its nominee) and any Associate of Vincere Resource Holdings LLC (or its nominee) and any other person who will obtain a material benefit as a result of the issue of the Convertible Term Note (except a benefit received solely by reason of being a Shareholder in the Company).

However, the Company need not disregard a vote on Resolutions 1 to 3 if it is cast by:

- a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## Proxy Appointment, Voting and Meeting Instructions

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### Lodgement of a Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) must be received at an address given below by 3.00 pm WST) on Tuesday, 3<sup>rd</sup> March 2020, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid. Proxy Forms may be lodged as follows:

<b>Online</b>	At <a href="http://www.investorvote.com.au">www.investorvote.com.au</a>
<b>By mail</b>	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
<b>By fax</b>	1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)
<b>By mobile</b>	Scan the QR Code on your proxy form and follow the prompts
<b>Custodian voting</b>	For Intermediary Online subscribers only (custodians) please visit <a href="http://www.intermediaryonline.com">www.intermediaryonline.com</a> to submit your voting intentions

For all enquiries call: (within Australia) 1300 850 505 / (outside Australia) +61 (03) 9415 4000

### Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

If you wish to appoint the Chairman as your proxy, mark the appropriate box on the Proxy Form. If the person you wish to appoint as your proxy is someone other than the Chairman, please write the name of that person in the space provided on the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman will be your proxy.

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll.

To appoint a second proxy you must, on each Proxy Form, state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

### Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

### Corporate representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry before the Meeting or at the registration desk on the day of the Meeting.

### Votes on Resolutions

You may direct your proxy how to vote by placing a mark in the 'FOR', 'AGAINST' or 'ABSTAIN' box opposite the Resolution. All your votes will be cast in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolution by inserting the percentage or number of Shares you wish to vote in the appropriate boxes. If you do not mark any of the boxes next

to a Resolution, your proxy may vote as he or she chooses. If you mark more than one box on the Resolution, your vote will be invalid.

**Voting restrictions that may affect your proxy appointment**

If you intend to appoint the Chairman, a Director or any of their Closely Related Parties as your proxy, you are encouraged to direct them how to vote on all the Resolutions.

**Chairman voting undirected proxies**

At the date of this Notice, the Chairman intends to vote all undirected proxies FOR each of the Resolutions. In exceptional cases the Chairman's intentions may change subsequently and in this event, the Company will make an announcement to the market.

**Voting entitlement (snapshot date)**

For the purposes of determining voting and attendance entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 4:00pm (WST) on Tuesday, 3<sup>rd</sup> March 2020. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

**Questions from Shareholders**

At the Meeting, the Chairperson will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company.

In addition to asking questions at the Meeting, written questions to the Board about the management of the Company may be submitted by no later than 5 pm (WST) on Friday, 28<sup>th</sup> February 2020 in the same manner as outlined above for lodgement of Proxy Forms.

Copies of written questions will be available at the Meeting.

## Explanatory Statement

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This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the General Meeting.

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

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

### 1. Resolution 1: Ratification of Shares issued under Placement

#### 1.1 Background

On 24 January 2020, the Company announced its intention to undertake a placement (**Placement**) of 12,000,006 Shares (**Placement Shares**) to professional and sophisticated investors (**Placement Participants**) and subject to Shareholder approval, to a Related Party, Silver Mountain Mining Nominees Pty Ltd (ACN 163 993 762) (**Silver Mountain**) (the subject of Resolution 2), at an issue price of \$0.15 per Placement Share to raise \$1,800,000 (before costs).

The Company engaged the services of Peloton Capital Pty Ltd (ACN 149 540 018) (**Peloton**) to manage the first tranche of the Placement of Placement Shares to the Placement Participants. For Peloton's services, the Company will pay a brokerage fee in cash of 1% of the total Placement value and a further 5% for the arrangement of the first tranche of the Placement to the Placement Participants.

The Placement will be conducted in two tranches. Under the first tranche 7,000,006 Placement Shares have been allotted to Placement Participants using the Company's additional 10% placement capacity under Listing Rule 7.1A.

Accordingly, Resolution 1 seeks Shareholder approval to ratify the issue of Placement Shares to Placement Participants under the Placement.

Under the second tranche of the Placement and subject to Shareholder approval of Resolution 2, the Company intends to issue 5,000,000 Placement Shares, on the same terms and conditions as Placement Shares issued to Placement Participants, to Silver Mountain, a company owned and controlled by Mr Charles Bass, the Company's Managing Director. Refer to Section 2.1 for further details.

#### 1.2 Applicable Listing Rules

Listing Rule 7.1A permits eligible entities that have obtained the approval of shareholders by special resolution at an annual general meeting, to issue an additional 10% of its issued capital, over a 12 month period. The 10% capacity under Listing Rule 7.1A is in addition to the Company's 15% issuing capacity under Listing Rule 7.1.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1A and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1A.

To this end, Resolution 1 seeks Shareholder approval for the Placement under and for the purposes of Listing Rule 7.4.

If approval is obtained for Resolution 1, the issue of Placement Shares will not be included in calculating the Company's additional 10% issuing capacity for the purposes of Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Placement.

If approval is not obtained for Resolution 1, the issue of Placement Shares will be included in calculating the Company's additional 10% issuing capacity for the purposes of Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Placement.

### 1.3 Listing Rule information requirements

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 1:

(a) **The names of the persons to whom the Placement Shares have been issued**

Placement Shares were issued to Placement Participants, being various professional and sophisticated investors identified by Peloton as lead manager to the Placement.

None of the Placement Participants are Related Parties of the Company, except for Silver Mountain in respect of the issue of 5,000,000 Placement Shares (the subject of Resolution 2).

Each Placement Participant is a sophisticated or professional investor for the purposes of the Corporations Act, being an investor to whom securities may be issued without a prospectus or other disclosure document.

(b) **The number of Placement Shares issued**

The Company has issued 7,000,006 Placement Shares to Placement Participants utilising its additional placement capacity under Listing Rule 7.1A.

(c) **The price at which the Placement Shares were issued**

Placement Shares were issued at an issue price of \$0.15 each to raise approximately \$1,050,000 (before costs).

(d) **The date on which the Company issued the Placement Shares**

Placement Shares, except those the subject of Resolution 2, were issued on Friday 31 January 2020 to Placement Participants.

(e) **The purpose, use or intended use of the funds raised**

The funds raised from the Placement will primarily be used to assess the potential for mineral resource extensions and new discoveries within and around the recently acquired Oracle Ridge Copper Project (refer to ASX announcement dated 29 November 2019). Specifically, the activities include airborne geophysics, resource modelling and hyperspectral surveys. Following these activities, the funds are also intended to be used for further surface mapping at the Company's Silver Mountain Project, maintenance costs at Oracle Ridge and general working capital requirements.

### 1.4 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

## 2. Resolution 2: Approval to issue Placement Shares to Silver Mountain Mining Nominee Pty Ltd under the Placement.

### 2.1 Background

Silver Mountain, a Related Party to the Company, has indicated its intention to participate in the Placement by subscribing for 5,000,000 Placement Shares as part of the second tranche of the Placement on the same terms and conditions as the Placement Participants.

Silver Mountain has loaned the Company \$750,000 (**Loan Amount**) pursuant to a loan agreement between the Company and Silver Mountain (**Silver Mountain Loan Agreement**). The Silver Mountain Loan Agreement is on terms whereby the Loan Amount may be used for the Company's working capital purposes, and the loan is unsecured and is not interest bearing. The Company may repay the



Loan Amount pursuant to the issue of Placement Shares at \$0.15 per Placement Share, subject to Shareholder approval of the issue of Placement Shares to Silver Mountain.

Silver Mountain is an entity controlled by the Company's Managing Director, Mr Charles Bass, and is therefore a Related Party to the Company for the purposes of the ASX Listing Rules.

Accordingly, Resolution 2 seeks Shareholder approval under Listing Rule 10.11 for the Company to issue 5,000,000 Placement Shares to Silver Mountain at an issue price of \$0.15 per Placement Share to repay the Loan Amount.

## **2.2 Listing Rule information requirements**

Listing Rule 10.11 provides that a company must not issue or agree to issue any equity securities (e.g. Shares), or other securities with rights of conversion to equity, to a related party without shareholder approval.

If Resolution 2 is approved, then approval is not required under Listing Rule 7.1, which sets a restriction on companies issuing equity securities where the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of Placement Shares to Silver Mountain and consequently, will remain liable to repay the Loan Amount in cash to Silver Mountain.

In accordance with the disclosure requirements of Listing Rule 10.13, the following information is provided in relation to Resolution 2:

**(a) Name of related party**

Silver Mountain Mining Nominee Pty Ltd (ACN 163 993 762)

**(b) Which category of Listing Rule 10.11.1 to 10.11.5 the person falls within**

Silver Mountain is an entity controlled by the Company's Managing Director, Mr Charles Bass and therefore Silver Mountain is a Related Party to the Company.

**(c) The maximum number of Securities to be issued**

Under the Placement, the Company proposes to issue 5,000,000 Placement Shares to Silver Mountain.

**(d) Terms of Placement Shares**

Placement Shares will be fully paid ordinary shares in the capital of the Company and will therefore rank equally in all respects with shares then on issue.

**(e) The date on which Securities will be issued**

If Resolution 2 is approved, Placement Shares will be issued as soon as practicable following the date of the Meeting, and in any event, within 1 month of the date of the Meeting (or such longer period that ASX may permit).

**(f) The issue price of Securities**

As outlined in Section 2.1(h), the issue price of the Placement Shares will be \$0.15 per Placement Share.

**(g) Remuneration details**

Mr Charles Bass is the Managing Director of the Company and is entitled to be remunerated by the Company at a rate of \$50,000 per annum (inclusive of superannuation).

(h) **Use or Intended use of funds**

The Company intends to use funds raised from the Loan Amount, repayment of which is to be satisfied by the issue of Placement Shares to Silver Mountain, for the same purposes as described in Section 1.3(e).

**2.3 Corporations Act exemption**

Placement Shares issued by the Company to Silver Mountain are on the same terms and conditions as those Placement Shares issued to non-related party Placement Participants described in Section 1.1 of this Notice.

The issue price of Placement Shares to Silver Mountain will be the same as the issue price of all other Placement Shares issued under the Placement, being \$0.15 per Placement Share. Accordingly, the issue price of the Placement Shares to be issued to Silver Mountain pursuant to Resolution 2 reflects the value agreed on commercial terms with arm's length parties.

The Directors (other than Mr Bass) consider that the Placement Shares will therefore be issued on arm's length terms for the purposes of section 210 of the Corporations Act and the Directors (other than Mr Bass) consider that Shareholder approval for the provision of a financial benefit to a related party under section 208 of the Corporations Act is not required.

**2.4 Directors' recommendations**

The Directors (other than Mr Bass) recommend that Shareholders vote in favour of Resolution 2.

**3. Resolution 3: Approval to issue Convertible Notes**

**3.1 Background**

On 29 October 2019, the Company announced its proposal to acquire, through its wholly owned subsidiary Wedgetail Holdings LLC (**Wedgetail Holdings**), an 80% interest in the Oracle Ridge Copper Mine (**Oracle Ridge**).

Oracle Ridge and all of its associated assets were held by Oracle Ridge Mining LLC prior to being subject to a receivership action and was controlled by a Receiver. On 21 November 2019, the Arizona Superior Court approved the Receivers motion to amend a previous sale order approving the sale of Oracle Ridge to Wedgetail Operations LLC (**Wedgetail Operations** or **Borrower**) from Vincere Resource Holdings LLC (**Vincere** or **Lender**) or its nominee.

Wedgetail Holdings (a wholly owned subsidiary of the Company) owns an 80% interest in Wedgetail Operations with the remaining 20% interest held by Vincere.

Wedgetail Holdings and Vincere have executed an Asset Purchase Agreement which details consideration payable for Oracle Ridge comprising of the following:

- (a) US\$500,000 cash payment to the Receiver of Oracle Ridge for the benefit of Vincere; and
- (b) a secured loan of US\$6,423,000 repayable to Vincere by Wedgetail Operations over a period of 10 years commencing from 27 November 2019 (**Seller Loan**).

Seller Loan repayment instalments of US\$1,500,000 will commence on the 5th anniversary of 27 November 2019 and on each anniversary thereafter, payable annually.

**3.2 Loan Agreement and Convertible Term Note**

Wedgetail Operations and Vincere have agreed to terms for a Loan and Security Agreement (**Loan Agreement**), details of which are set out in Schedule 1, and Convertible Term Notes for repayment of the Seller Loan.

The Convertible Term Note will enable Vincere to satisfy a portion of the Seller Loan, subject to the satisfaction of Milestone Events, by the conversion of up to an aggregate total amount of US\$3,000,000 of the Seller Loan into Shares of the Company (**Loan Conversion Shares**).

Upon the satisfaction of each Milestone Event, Vincere may convert up to a maximum of a US\$1,000,000 portion of the Seller Loan into Loan Conversion Shares of the Company based upon the following formula:

$$S = CA \times CP$$

where

S = Shares in the Company

CA = Conversion Amount

CP = Conversion Price

The Conversion Amount is the US dollar amount of the Convertible Term Note that Vincere elects to convert into Loan Conversion Shares up to a maximum of US\$1,000,000 for each Milestone Event.

The Conversion Price, being the issue price of Loan Conversion Shares will be calculated as 80% of the thirty (30) day volume weighted average price (**VWAP**) of Shares in the Company on which trades were recorded.

Loan Conversion Shares, subject to Shareholder approval of this Resolution, will be issued to Vincere or its nominee, upon their election, on the terms and conditions outlined in Section 3.3(e).

### 3.3 Listing Rule information requirements

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

If approval is obtained for Resolution 3, the issue of Convertible Term Notes will not be included in calculating the Company's 15% issuing capacity for the purposes of Listing Rule 7.1.

While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1.

To do this, the Company is seeking Shareholders approval for the issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 3 is passed, the issue can proceed without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 3 is not passed, the issue can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the Issue.

In accordance with the disclosure requirements of Listing Rule 7.3, the following information is provided in relation to Resolution 3:

(a) **The maximum number of Securities to be issued**

The Company proposes to issue a maximum of three (3) Convertible Term Notes to Vincere, which will enable Vincere to convert each Convertible Term Note into a maximum of up to US\$1,000,000 in Shares of the Company. Conversion for each note is conditional on the total cumulative amount of Shares in the Company issued to the Lender not exceeding ten percent (10%) of the Company's total issued capital.

Securities to be issued upon Milestone Event being satisfied		Example issue prices <sup>3</sup>		
		\$0.18 (market price)	\$0.27 (50% increase in the market price)	\$0.09 (50% decrease in the market price)
<b>Convertible Term Note 1</b>				
<b>1<sup>st</sup> Milestone Event</b>	Loan Conversion Shares Issued – (\$US1 million = approximately AUD\$1,481,262) <sup>1</sup>	8,229,233	5,486,156	16,458,467
	Issued capital after 1 <sup>st</sup> Milestone Event <sup>2</sup>	119,130,278	116,387,201	127,359,512
<b>Convertible Term Note 2</b>				
<b>2<sup>nd</sup> Milestone Event</b>	Loan Conversion Shares Issued – (\$US1 million = approximately AUD\$1,481,262) <sup>1</sup>	8,229,233	5,486,156	16,458,467
	Issued capital after 2 <sup>nd</sup> Milestone Event <sup>2</sup>	127,359,512	121,873,356	143,817,978
<b>Convertible Term Note 3</b>				
<b>3<sup>rd</sup> Milestone Event</b>	Loan Conversion Shares Issued – (\$US1 million = approximately AUD\$1,481,262) <sup>1</sup>	8,229,233	5,486,156	16,458,467
	Issued capital after 3 <sup>rd</sup> Milestone Event <sup>2</sup>	135,588,745	127,359,512	160,276,445

**Notes:**

1. AUD/USD exchange rate based on \$0.67.51 US dollars for every Australian dollar as of 29 January 2020.
2. Figures assume no further Shares in the Company are issued during the term of the Convertible Term Note.
3. Issue prices will be determined based on the formula described in Section 3.2 above.
4. The Company's current issued capital is 110,901,045 Shares.

If the market price of the Company's Shares falls significantly over the period from when the Convertible Term Notes are issued to when they are converted into Loan Conversion Shares, this could potentially result in a higher dilutive effect to the percentage holding of existing Shareholders.

(b) **The date on which Securities will be issued**

Convertible Term Notes will all be issued at the same time on one date within 3 months of the date of the Meeting or within such other time as may be permitted by the Listing Rules or any waiver of the Listing Rules granted by ASX.

(c) **The issue price of Securities**

Convertible Term Notes will have a face value of \$US1,000,000 per note which will entitle Vincere to convert each note into that value of Loan Conversion Shares.

As the issue price of Loan Conversion Shares will be calculated based on a 30 day VWAP of Shares traded in the Company at the time of conversion, the actual issue price of Loan Conversion Shares cannot be accurately determined.

See the table in Section 3.3(a) for examples of issue prices and maximum numbers of Loan Conversion Shares issued at those issue prices.

(d) **Names of persons whom Convertible Term Notes will be issued**

Convertible Term Notes will be issued to Vincere Resource Holdings LLC or its nominee.

(e) **Terms of Convertible Term Notes**

A summary of the key terms of the Convertible Term Notes is set out in the table below:

<b>Face value</b>	US\$6,423,000 for Convertible Term Note.
<b>Maturity Date</b>	27 November 2029
<b>Security</b>	Convertible Term Note is secured against Wedgetail Operations' collateral as described in the Loan Agreement.
<b>Conversion Price</b>	An amount equal to 80% of the VWAP price as at the Conversion Date.  VWAP means the volume weighted average price of Shares traded on ASX over the 30 Trading Days immediately after the Company's announcement of a milestone event.  Trading Day means a trading day (within the meaning of the Listing Rules) on which Shares are traded on ASX.
<b>Interest</b>	Convertible Term Note is not interest bearing.
<b>Conversion</b>	At the election of the Lender upon the trigger of a Milestone Event and prior to 60 days after the date on which the Borrower obtains third party financing for the Mortgaged Properties, the Lender may convert up to a total amount of US\$3,000,000 (comprising a maximum of three US\$1,000,000 blocks) into ordinary Shares of the Company.
<b>Milestone Event</b>	The three milestone events are as follows ( <b>Milestone Events</b> ):  (a) the completion by Wedgetail Operations of a preliminary feasibility study in connection with the mortgages, deeds to secure, deeds of trust, leasehold mortgages, leasehold deeds to secure, leasehold deeds of trust or other security documents and instruments which create a lien from time to time in, or covering any real property or mineral assets of the Borrower (together, Mortgaged Properties);  (b) the completion of a feasibility study in connection with the Mortgaged Properties leading to a decision to proceed with a bankable feasibility study; and  (c) the decision Wedgetail Operations to commission the financing for the Mortgaged Properties as evidenced by a feasibility study sufficient to obtain third-party financing for the Mortgaged Properties.

<b>Loan Conversion Shares</b>	<p>On achievement of each Milestone Event as described above, the Lender can convert that portion of the Seller Loan into a maximum number of shares calculated as follows:</p> $S = CA \times CP$ <p>where</p> <p>S = Shares in the Company</p> <p>CA = Conversion Amount</p> <p>CP = Conversion Price</p> <p>The Lender may elect to convert a Conversion Amount of up to \$US1,000,000 for each Milestone Event satisfied or less up to a maximum aggregate total of \$US3,000,000.</p> <p>Each Loan Conversion Share will rank equally in all respects with Shares in the Company then on issue.</p>
<b>Fractional Entitlements</b>	Any fractional ordinary Shares to be issued upon conversion of the Convertible Term Note shall be rounded down to the nearest whole unit, and that fractional amount remaining will be multiplied by the Conversion Price and paid in cash.
<b>Voluntary Escrow</b>	Shares issued by the Company to the Lender upon the occurrence of a Milestone Event will be subject to a voluntary escrow period restricting the transfer and on-sale of Shares for a period of six (6) months from the date of issue.
<b>Conditions precedent to issue of conversion Shares</b>	<p>Conditions precedent to the issue of Shares upon the satisfaction of a Milestone Event are:</p> <ul style="list-style-type: none"> <li>(a) The total cumulative amount of Shares in the Company issued to the Lender shall not exceed ten percent (10%) to the Company's total issued capital;</li> <li>(b) Subject to the Voluntary Escrow provision, the Lender shall execute all agreements and other documents necessary to impose an obligation of the Lender to notify the Company thirty (30) days prior to the sale of any of the Lender's Shares;</li> <li>(c) Neither the Borrower or Wedgetail Holdings have voluntarily or involuntarily conveyed substantially all of its equity interests and assets to the Lender;</li> <li>(d) Shareholder approval of this Resolution 3.</li> </ul>

(f) **Summary of material terms of Loan Agreement**

A summary of the material terms in respect of the Loan Agreement are set out in Schedule 1.

(g) **Purpose of the issue and Intended use of funds**

The Company is seeking Shareholder approval for the issue of Convertible Term Notes for the purpose set out in Section 3.1 above.

The Company will not raise any funds from the issue of Convertible Term Notes, however, if and when each Convertible Term Note is converted into Loan Conversion Shares, funds raised from the issue of those Shares, as determined by the issue price at that time, will be used for repayment of the unsecured loan.

### 3.4 Directors' recommendations

The Directors recommend that Shareholders vote in favour of Resolution 3.

## Glossary

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In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

<b>A\$ or \$</b>	Australian dollars.
<b>Associate</b>	Has the meaning given to that term in the Listing Rules.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange, as the context requires.
<b>Board</b>	The board of Directors of the Company.
<b>Borrower</b>	Wedgetail Operations LLC.
<b>Chairman</b>	The chairman of the General Meeting.
<b>Closely Related Party</b>	<p>Has same meaning given to that term in section 9 of the Corporations Act, being, in relation to a member of Key Management Personnel:</p> <ul style="list-style-type: none"><li>(a) a spouse or child of the member;</li><li>(b) a child of the member's spouse;</li><li>(c) a dependent of the member or the member's spouse;</li><li>(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;</li><li>(e) a company the member controls; or</li><li>(f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth) (currently none are prescribed).</li></ul>
<b>Company or Eagle Mountain</b>	Eagle Mountain Mining Limited (ACN 621 541 204).
<b>Company Secretary</b>	The company secretary of the Company at the time of the Meeting.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company.
<b>Equity Security</b>	<p>Has the meaning given to that term in ASX Listing Rule 19.12, being:</p> <ul style="list-style-type: none"><li>(a) a share;</li><li>(b) a unit;</li><li>(c) a right to a share or unit or option;</li><li>(d) an option over an issued or unissued security;</li><li>(e) a convertible security;</li><li>(f) any security that ASX decides to classify as an equity security;</li><li>(g) but not a security that ASX decides to classify as a debt security.</li></ul>
<b>Explanatory Statement</b>	This explanatory statement which accompanies and forms part of the Notice.
<b>General Meeting or Meeting</b>	The general meeting of Shareholders, or any adjournment thereof, convened by this Notice.
<b>Glossary</b>	This glossary of terms.
<b>Lender</b>	Vincere Resource Holdings LLC.
<b>Listing Rules</b>	The listing rules of ASX, as amended from time to time.
<b>Loan Agreement</b>	Loan and Security Agreement between Wedgetail Operations and Vincere.

<b>Loan Conversion Shares</b>	The satisfaction of a portion of the Seller Loan, subject to the satisfaction of Milestone Events, by the conversion of up to an aggregate total amount of US\$3,000,000 of the Seller Loan into Shares of the Company.
<b>Managing Director</b>	Mr Charles Bass.
<b>Milestone Events</b>	Events described in Section 3.3(e) enabling the Lender to convert portions of the Seller Loan into Loan Conversion Shares.
<b>Notice or Notice of Meeting</b>	The notice of General Meeting which accompanies this Explanatory Statement.
<b>Oracle Ridge</b>	Oracle Ridge Copper Mine.
<b>Peloton</b>	Peloton Capital Pty Ltd (ACN 149 540 018).
<b>Placement</b>	The placement of 7,000,006 Placement Shares to Placement Participants and 5,000,000 Placement Shares to Silver Mountain.
<b>Placement Participants</b>	Sophisticated and professional investors identified by the Company to participate in the Convertible Note Placement.
<b>Placement Shares</b>	Shares issued to Placement Participants and Silver Mountain under the Placement.
<b>Proxy Form</b>	The proxy form accompanying this Notice of Meeting.
<b>Related Party</b>	Has the meaning given to that term in section 228 of the Corporations Act.
<b>Resolution</b>	A resolution set out in the Notice.
<b>Seller Loan</b>	A secured loan of US\$6,423,000 repayable to Vincere by Wedgetail Operations over a period of 10 years commencing from the Closing Date.
<b>Share</b>	A fully paid ordinary share in the Company.
<b>Shareholder</b>	The holder of a Share.
<b>Silver Mountain</b>	Silver Mountain Mining Nominee Pty Ltd (ACN 163 993 762).
<b>Vincere</b>	Vincere Resource Holdings LLC.
<b>VWAP</b>	The volume weighted average market price as that term is defined in the Listing Rules.
<b>Wedgetail Holdings</b>	Wedgetail Holdings LLC.
<b>Wedgetail Operations</b>	Wedgetail Operations LLC.
<b>WST</b>	Australian Western Standard Time, being the time in Perth, Western Australia.



## Schedule 1 - Summary of Loan Agreement terms

<b>Parties</b>	Wedgetail Operations LLC as Borrower and Vincere Resource Holdings LLC as Lender.
<b>Loan Amount</b>	US\$6,423,000
<b>Maturity Date</b>	The Seller Loan term will commence at the Closing Date, being 27 November 2019 and terminate at the Maturity Date, being the date 10 years after the Closing Date.
<b>Interest</b>	Interest is payable on the outstanding Loan Amount at a rate per annum equal to the lesser of:  (a) 3.15% from the Closing Date until but excluding the fifth anniversary of the Loan Agreement; and  (b) 0% thereafter until the Maturity Date; or  (c) the maximum non-usurious rate of interest which the Lender is allowed to charge or receive in this transaction under applicable federal or state law from time to time.
<b>Repayment of Loan Amount</b>	Commencing on the fifth anniversary of the Closing Date ( <b>Initial Payment Date</b> ) and continuing on the same day of each succeeding calendar year until the Maturity Date, payment in instalments of US\$1,500,000 less any principal portion of the Seller Loan converted under the Convertible Term Note, will become due and payable in full to the Borrower including any accrued but unpaid interest.
<b>Prepayment</b>	The Borrower may, from the Initial Payment Date, prepay the Seller Loan in part or in full at any time, together with accrued interest on the principal by the provision of at least ten (10) days' notice to the Lender, specifying the amount and date of payment.  Prepayment of the Seller Loan in advance of the instalment payment date will be US\$1,500,000 less any applicable Conversion Amount.
<b>Collateral</b>	The Borrower pledges, assigns and grants to the Lender a continuing first priority security interest in all of the Borrower's right, title and interest in and to all of the Borrower's collateral.
<b>Borrower reporting requirements</b>	The Borrower shall provide to the Lender:  (a) within 120 days after the last day of each fiscal year, beginning with the fiscal year commencing June 30, 2020, internally prepared financial statements showing the financial position and results of operations of the Borrower for that year, including a certificate from an officer of the Borrower stating that the financial statements are a fair and accurate representation in all material respects. In addition, the Borrower shall provide a true and correct copy of their latest federal tax return to the Lender;  (b) within 45 days after the last day of each fiscal quarter, internally prepared consolidated financial statements, showing the financial position and results of operations of Borrower as of and for such fiscal quarter; and  (c) any additional information regarding the business, financial, legal or corporate affairs of the Borrower as the Lender may from time to time reasonably request.
<b>Insurance</b>	The Borrower will maintain appropriate insurances with a financially sound and reputable insurance companies in such amounts and covering such risks as is usually carried by corporations engaged in similar businesses and owning similar properties in the same general areas in which the Borrower operates. Each insurance policy covering collateral shall name the Lender as loss payee

	and insurance will not be cancelled or reduced without thirty (30) days' prior notice.
<b>Payment of debts</b>	The Borrower will pay or cause to be paid all of its debt prior to the date on which penalties attach (unless the Borrower has a good faith contest by appropriate proceedings).
<b>Taxes</b>	The Borrower will promptly pay or cause to be paid when due (for the account of the Lender, where appropriate) any and all taxes due by the Borrower.
<b>Maintenance of entities existence, assets and business</b>	<p>The Borrower will:</p> <ul style="list-style-type: none"> <li>(a) preserve and maintain its existence and all of its leases, licenses, permits, franchises, qualifications, and rights that are necessary or desirable in the ordinary conduct of its business;</li> <li>(b) conduct its business in an orderly and efficient manner in accordance with good business practices;</li> <li>(c) keep or cause to be kept all of their respective assets which are useful and necessary in their respective businesses in good repair, working order and condition, ordinary wear and tear excepted, and will make or cause to be made all necessary repairs, renewals and replacements as may be reasonably required; and</li> <li>(d) carry on and conduct its businesses in a manner substantially similar to how such business is now and has heretofore been carried on.</li> </ul>
<b>Mortgages</b>	<p>The Borrower shall:</p> <ul style="list-style-type: none"> <li>(a) grant to the Lender a lien on all mineral assets owned by the Borrower; and</li> <li>(b) make, execute, acknowledge and deliver, and will file and record in the proper filing and recording places in the United States, any state thereof and any other country, all such instruments and collateral agreements, and will take all such action as the Lender may reasonable deem to be necessary to perfect the Lender's security interest in such mineral assets.</li> </ul>
<b>Negative covenants</b>	<ul style="list-style-type: none"> <li>(a) Borrower will not, directly or indirectly, incur, create, assume, or permit to exist, any Debt, except: <ul style="list-style-type: none"> <li>• Debt to Lender;</li> <li>• Trade Debt incurred in the ordinary course of business; and</li> <li>• Extensions, renewals and replacements of any of the foregoing that do not increase the outstanding principal amount thereof except (i) by an amount equal to reasonable fees and expenses incurred to bona fide third parties in connection with such refinancing or (ii) by an amount equal to any existing commitments unutilized thereunder.</li> </ul> </li> <li>(b) Borrower will not directly or indirectly, assume, guarantee, endorse, contingently agree to purchase or otherwise become liable upon the obligation of any other person.</li> <li>(c) Borrower will not directly or indirectly, incur, create, assume, or permit to exist any Lien upon any of its property, assets, or revenues, whether now owned or hereafter acquired, except those permitted.</li> <li>(d) Borrower will not directly or indirectly become a party to a merger or consolidation, purchase or otherwise acquire all or substantially all of the assets or shares of any person, or business line or division from any person, form or acquire a new subsidiary, or wind-up, dissolve, or liquidate.</li> <li>(e) Borrower will not directly or indirectly, make any advance, loan, extension of credit, or capital contribution to or investment in, or purchase, any stock, bonds, notes, debentures, or other securities of, any Person, except those permitted by the Loan Agreement.</li> </ul>

	<p>(f) Borrower will not directly or indirectly, sell, lease, assign, transfer, or otherwise dispose of any of its assets, whether now owned or hereafter acquired, except for (a) sales (other than sales of equity interests in subsidiaries) done in the ordinary course of Borrower's business, for fair value and solely for cash consideration which does not exceed, in the aggregate, \$400,000.00 in any other fiscal year, or (b) pursuant to Borrower's reasonable discretion dispositions, for fair value, of worn-out, unused, surplus or obsolete equipment not necessary for the conduct of its business.</p> <p>(g) Borrower will not directly or indirectly, engage in any business other than the permitted businesses.</p>
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