

RENOUNCEABLE ENTITLEMENT ISSUE TO RAISE A\$6.4 MILLION

- Eagle Mountain Mining Limited is pivoting its activities towards exploration.
- The Company is to undertake a Renounceable Entitlement Issue to raise up to a total of A\$6.4 million to reduce debt, review new opportunities and fund exploration activities.
- The Renounceable Entitlement Issue is to be underwritten to A\$5.77 million being 90% of the total issue being made available to the Company's circa 2,000 shareholders.
- The Offer is strongly supported by the Managing Director and major shareholder Charles Bass committing A\$3.0m of subordinated sub-underwriting, Non-Executive Chairman Rick Crabb committing \$150,000 of general sub-underwriting and Non-Executive Director Roger Port committing to take up his full entitlement.
- Board and Management changes to reflect the pivot to exploration with Mr Fabio Vergara taking on the role of Executive Director, effective 31 January 2025. All current Directors will waive their Director fees commencing 1 December 2024 until further notice to ensure that the Company runs leanly with its exploration focus.

Eagle Mountain Mining Limited (ASX: EM2, "**Eagle Mountain**" or the "**Company**") is pleased to announce that it is to undertake a partially underwritten, renounceable entitlement issue of two (2) new fully paid ordinary shares in the Company (**New Shares**) for every one (1) existing share held by Eligible Shareholders (defined below) at an issue price of A\$0.008 per New Share to raise approximately A\$6.4 million (before costs) (**Entitlement Issue** or the **Offer**). The Offer will include one (1) free unlisted attaching option for every four (4) New Shares subscribed for, exercisable at A\$0.016 on or before the date that is 30 months from the date of the issue (**Attaching Options**). The Entitlement Issue will be made under a Prospectus proposed to be lodged with ASIC on or about Friday, 20 December 2024.

The issue price represents a 46.7% discount to the Company's last closing price of A\$0.015 on 11 December 2024 and a 22.6% discount to the Company's theoretical ex-rights price ("**TERP**") of A\$0.0103.

Managing Director and major shareholder, Mr Charles Bass through Silver Mountain Mining Nominee Pty Ltd (an entity associated with Mr Bass), has committed to enter into a subordinated sub-underwriting agreement in the amount of A\$3.0 million, sufficient to effectively offset against the A\$3.0 million loan owed by the Company, as referenced in ASX announcements dated 8 May 2023 and 12 September 2024 (**Loan Facility**). It is proposed that any shortfall amount received on the subordinated sub-underwriting may be applied to the Loan Facility (i.e., effectively converting the outstanding debt to equity).

Non-Executive Chairman, Rick Crabb has committed to \$150,000 of general sub-underwriting of the Offer.

Leeuwin Wealth Pty Ltd will act as Lead Manager (**Lead Manager**) to the Offer and priority sub-underwriter to the issue via an underwriting agreement with ShareX Pty Ltd (**Underwriter**). Alto Capital will act as Co-Manager to the Offer (**Co-Manager**).



Charles Bass, Managing Director, commented:

"I'd like to provide you with some background so that you might better appreciate what brought us to our current position.

Whilst successfully exploring our Silver Mountain Project under the guidance of our then Chief Geologist, Fabio Vergara, who will soon join us as Executive Director, we came across the opportunity of taking the Oracle Ridge Project out of 4 years of administration. During 2019, we negotiated with the sole secured creditor, Vincere Resource Holdings LLC, to take on the project, assuming the prior company's debt to Vincere as well as the other obligations of the prior company. To settle with Vincere, we paid them \$US500,000 for an effective 5-year option before repayment of their debt became payable over a subsequent 5-year period. Our recent negotiations with Vincere together with a payment of US\$250,000 have enabled the deferral of the first repayment of \$US1,500,000 and the subsequent repayments. There is also the possibility of significantly reducing the overall debt by early repayment, but this will take substantial future investment.

In addition to the above, there were annual payments to the owner for surface access, which was now over \$US200,000 per annum. More importantly, there was the option to extend the mineral rights from 2025 to 2040 for the payment of now circa \$US4,500,000.

Under the leadership of our CEO, Tim Mason and his incredible team in both Australia and the US, we set about extending and improving the resource at the mine by almost 3-fold. We also realised that to be bankable, we would need a significant amount of resource in the measured and indicated resource categories, enough for the roughly first 5 years of production. We achieved this with extensive surface and underground drilling, mapping and sampling. We also recognised the prospectivity of surrounding ground at OREX which could be considerably larger than the mine, and with possibly better grade based on surface sampling. We also started targeting other mineralisation at Golden Eagle. Even without the mine, these other areas would prove an excellent exploration project in their own right.

As inflation took hold and the copper price did not increase as expected, the Oracle Ridge Mine looked quite marginal. However, in the expectation of increasing copper prices we started negotiation about 12 months ago with the surface and mineral rights owner to acquire both. However, unfortunately their expectations for payout proved unrealistic. Our view of value was validated through a review undertaken by Argonaut and by a potential international joint venture party who would have made a substantial investment into Eagle Mountain as well as taking a majority position in the project. They recently walked away due to this impasse.

We recently made the tough but necessary decision to not pay the high price to extend the mineral rights over the Oracle Ridge Mine area. I am strongly of the view that for now our funds are better deployed exploring the exciting Silver Mountain Project, as well as targets in the Wedgetail Project, which has a strategic position adjacent to the Oracle Ridge Mine. We will also be carefully evaluating other potential exploration or development projects. There is also the potential for commercial value to be realised from a repurposing of the existing tailings for use in the construction industry, should a study currently underway prove successful.

In addition, Silver Mountain's history of high-grade copper and gold mining, combined with strong geological evidence supporting the presence of significant porphyry systems, is guiding our exploration efforts at the project. Our strategic goal is to fully realize the potential of this project, situated in a world-class jurisdiction renowned for its large deposits.

The Entitlement Issue is appropriately being made to all shareholders to reposition the Company so that we can focus on and conduct exploration activity that can create value for shareholders moving forward. The Chairman and I in acting as sub-underwriters for 49% of the Offer encourage shareholders to review the Company's Investor Presentation and the Prospectus that will be lodged in the near future when considering their options.



Recapitalising the Company to fund exploration activities, reduce debt and appropriately attend to the obligations associated with the Wedgetail assets materially de-risks the Company.

I know from my many years in this business, it is only from a fearless, yet disciplined approach will the opportunity emerge to positively change the fortunes of a company. I invite all shareholders to join me in participating in this Entitlement Issue, to enable Eagle Mountain to pursue its copper exploration focus."

Overview of the Entitlement Issue

Shareholders with a registered address in Australia, New Zealand, Malaysia, Singapore and the United Kingdom as at 5pm (AWST) on Friday 3 January 2025 (**Record Date**) will be eligible to participate in the Entitlement Issue (**Eligible Shareholders**). The Entitlement Issue is expected to open on or about Wednesday, 8 January 2025.

The right to subscribe for the New Shares under the Entitlement Issue will be renounceable (meaning rights to acquire the New Shares will be tradeable on the ASX and are otherwise able to be sold or transferred). All New Shares issued will rank equally with the Company's existing shares on issue and the Company will apply for quotation of the New Shares in accordance with the indicative timetable below.

The Entitlement Issue is expected to close at 5pm (AWST) on Friday, 31 January 2025. Valid applications must be received before that time.

Lead Manager and Underwriter

The A\$6.4 million Entitlement Issue is being underwritten to 90%, being A\$5.77 million with A\$2.77 million of general sub-underwriting and A\$3.0 million of subordinated sub-underwriting being provided by Mr Charles Bass.

Further details of the terms and conditions of the proposed Underwriting Agreement and the underwriting and sub-underwriting commitments will be contained in the Prospectus which will be despatched to Eligible Shareholders in accordance with the indicative timetable below.

Use of Funds

Funds raised from the Entitlement Issue are to be used to fund the below:

Uses of Funds	Minimum (A\$5.8m)	Maximum (A\$6.4m)
Satisfaction of loan owing	3.0	3.0
Wedgetail payments (Cochise property, Vincere loan)	0.7	0.7
Exploration at Silver Mountain and Wedgetail Projects	1.0	1.0
Business development / new opportunities	1.0	1.2
General working capital	1.2	1.5
Cost of the offer	0.5	0.6
Total	7.4	8.0

The use of funds outlined is based on the cash balance at 30 September 2024 of A\$1.6 million (refer ASX announcement dated 28 October 2024) plus the minimum and maximum offer proceeds of A\$5.8 million and \$6.4 million respectively. In addition, in order to maintain working capital and meet ongoing obligations and commitments the Company has entered into an unsecured loan to with a director related entity for A\$500,000.



Refer later in this announcement for further details. These funds are a short-term facility which will be repaid from funds received from the proceeds of the Entitlement Issue.

New opportunities

The Company is actively pursuing new opportunities to complement the existing portfolio of assets. Interested parties are encouraged to submit relevant projects at info@eaglemountain.com.au.

Wedgetail Project

Independent testing has demonstrated the potential for the historical tailings hosted within the Wedgetail Project to be processed into marketable products for use as additives and fillers, making them suitable for a range of construction applications due to their high carbonate content. Preliminary market research has identified eight potential buyers for these products, and a third-phase study is currently underway to produce test material and finalize product pricing, with results expected by Q2 2025. Transportation costs are considered critical for the viability of this project.

The Company also considers the Wedgetail Project to be a strategic asset for any future development of the nearby Oracle Ridge mine due to its location on the access road to the mine and potential to host critical mine infrastructure (such as the tailings dam).

The Wedgetail Project encompasses multiple target zones, including OREX, Golden Eagle, and Red Hawk, briefly described below. The Company is assessing further exploration activities in each of these prospects.

OREX is interpreted as a copper-dominated skarn system, supported by high-grade rock chip samples that demonstrate significant mineralization potential. Key results from these samples include up to 9.15% Cu, 192g/t Ag, and 0.15g/t Au, as well as 8.08% Cu, 30.9g/t Ag, and 0.23g/t Au (refer ASX announcements dated 16 April 2021 and 12 October 2020).

The Golden Eagle Prospect has delivered promising drill results, including 8 meters at 3.80g/t Au, highlighting strong potential for gold mineralization in the area. These results add to the growing confidence in the project's gold prospects (refer ASX announcement dated 28 October 2021).

The Red Hawk Prospect was identified through versatile time-domain electromagnetic (VTEM) surveys. These surveys have highlighted conductive targets, and the Company plans follow-up sampling and mapping to further investigate the area's potential (refer ASX announcement dated 25 November 2024).

Silver Mountain Exploration Project

Exploration efforts at Silver Mountain have uncovered significant outcrops of high-grade mineralization, as well as porphyry-style targets, which points to the presence of a large, mineralized systems. New results include up to 445g/t Ag, 64g/t Au, and 15% Pb (refer ASX announcements dated 29 February 2024 and 31 July 2024).

The company is open to exploring joint venture opportunities for drill-ready targets at Silver Mountain (refer ASX announcement dated 31 July 2024).

Overall, both the Wedgetail and Silver Mountain Projects offer strong exploration opportunities, with ongoing efforts aimed at expanding known mineralized zones, confirming high-value targets, and generating revenue through strategic asset development.



Indicative Timetable*

Summary of Key Dates	Date/Time (Perth time)
Trading Halt	Thursday, 12 December 2024
ASX Announcement / Resume Trading	Monday, 16 December 2024
Lodgment of Prospectus with ASX and ASIC	Friday, 20 December 2024
Ex-Date and Rights trading commences on deferred settlement basis	Thursday, 2 January 2025
Record Date for Entitlement Issue (5pm AWST)	Friday, 3 January 2025
Prospectus and Entitlement and Acceptance Form dispatched to Eligible Shareholders	Wednesday, 8 January 2025
Indicative Opening Date of the Entitlement Issue	Wednesday, 8 January 2025
Rights trading ends at close of trading	Thursday, 23 January 2025
Securities quotes on a deferred settlement basis from market open	Friday, 24 January 2025
Last day to extend the Entitlement Issue Closing Date	Tuesday, 28 January 2025
Indicative Closing Date of the Entitlement Issue	Friday, 31 January 2025
Notification of Shortfall	Wednesday, 5 February 2025
Anticipated DvP Settlement of New Shares under the Shortfall	Thursday, 6 February 2025
Expected date of Quotation of Shortfall Shares	Friday, 7 February 2025
Anticipated date of dispatch of holding statements of New Shares	Monday, 10 February 2025

*Timetable is indicative and subject to change. All times in AWST.

Unsecured Loan to the Company by Director Related Entity

The Company advises that Quartz Mountain Pty Ltd, an entity associated with Mr Charles Bass, has agreed terms for an unsecured loan facility of up to \$500,000 to Eagle Mountain. The loan is a short-term facility to support working capital until proceeds from the entitlement issue are received. The facility is necessary due to the timing of large payments, primarily the Purchase of Cochise property (US\$200,000) and the first obligation commitment to Vincere Resource Holdings LLC (US\$250,000). Key terms of the loan are outlined below:

- The loan is unsecured;
- Drawdown will occur following the lodgment of the Prospectus for the entitlement issue with ASIC;



- The maturity date is the earlier of 10 business days after completion of the Entitlement Offer and 30 June 2025; and
- The loan principal does not attract interest prior to the maturity date.

The independent Directors wish to thank Mr Bass for his ongoing financial support of Eagle Mountain through the provision of this loan.

Board and Management Changes

The Company also wishes to advise of a series of changes to the Board and management team as Eagle Mountain increases its focus towards exploration. These changes include:

- Mr Tim Mason to resign as Chief Executive Officer, effective 28 February 2025, after 5 years in the role;
- Mr Fabio Vergara will take the role of Executive Director, effective 28 January 2025; and
- All current Directors will forego their entitlement to Director fees from 1 December 2024 until further notice.

Chairman, Rick Crabb, commented:

"The Company has recently refocused its efforts on exploration following the decision not to exercise the option to extend the mineral rights at Oracle Ridge. After extensive consultation and negotiation, it became clear that the terms set by the landowners were not commercially viable. In the end, this decision was the best course of action for our shareholders given the circumstances. Looking ahead, the Company is concentrating its resources on exploration at our Wedgetail and Silver Mountain projects, while also maintaining a strategic landholding around the Oracle Ridge mine.

Following the transition to exploration, Tim Mason, with his strong operational background, has decided to pursue other opportunities. On behalf of the Board, I would like to express our sincere gratitude to Tim for his leadership over the past five years, and we wish him every success in his future endeavours.

We would like to welcome Fabio Vergara on his return to the Company. Fabio will bring his deep knowledge of both the Silver Mountain and Wedgetail projects to his new role as Executive Director. Fabio will provide a pivotal role in the successful development of the Company through this next phase. "

Background

As the Company shifts its focus towards high-grade copper skarn exploration at Wedgetail and large porphyry-style targets at Silver Mountain, various changes to the Board and management team have been made.

Mr Tim Mason has informed the Company of his intention to step down from his role of Chief Executive Officer effective 28 February 2025. Mr Mason joined the Company in 2020 following the acquisition of the Oracle Ridge Copper Project, and worked diligently to successfully increase the mineral resource base and commence technical studies work to restart mining operations. Following the recent decision to not exercise the option to extend the mineral rights at the mine, ownership of the project will shortly lapse. The CEO position will not be replaced.

Mr Fabio Vergara will join the Board as an Executive Director effective 31 January 2025.

Mr Vergara is an MSc-qualified geologist with 15 years of experience in the mining industry primarily in exploration and consulting roles across Australia, North America, Africa and Europe. He has been involved at management level with listed and unlisted entities including with the Bass Group family office and at Eagle Mountain. Mr Vergara is the Director of Leontopodium Pty Ltd, a project generation business with a focus on missed opportunities in established jurisdictions and prospects with world-class potential in emerging regions.



Leontopodium also acts as a facilitator in the divestment/acquisition of mineral assets and provides technical advisory to boards. Mr Vergara is based in Perth, Western Australia.

The ongoing implementation of cost-saving measures will enable the Company to significantly reduce its expenditures, ensuring that resources are effectively allocated to exploration and the continued development of high-potential projects.

Effective 1 December 2024, all current Directors (non-executive and executive) have voluntarily agreed to waive their Director fees until further notice. This decision reflects the Board's commitment to the Company's financial prudence and aligns with its ongoing efforts to optimise resources during a period of strategic focus and cost management. By foregoing these fees, the Directors are assisting available funds to be directed towards exploration and evaluation of the tailings repurposing studies. The waiver of fees will remain in place until further updates are provided by the Board.

The Company remains committed to ensuring it has the optimal leadership in place to drive its strategic objectives and deliver value to shareholders. As part of this commitment, the Board is actively reviewing its composition to ensure it encompasses an appropriate skill set to reflect the Company's future growth priorities and ensuring strong governance practices are upheld. We will update shareholders as this process evolves.

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 Wedgetail and Silver Mountain Projects, 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.

Follow the Company's developments through our website and social media channels:



LinkedIn



Twitter



EM2 Website

PREVIOUSLY REPORTED INFORMATION ON EXPLORATION RESULTS

Where the Company references previous announcements and information relating to exploration results in this announcement, it notes that the relevant JORC disclosures are available in the original announcement which are available on the Company's website at <https://eaglemountain.com.au/investor-centre/#ANNOUNCEMENTS>. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.



TERMS OF PROPOSED EXECUTIVE DIRECTOR APPOINTMENT

Mr Vergara will be engaged as an Executive Director under a consulting agreement with Leontopodium Pty Ltd, that either party may terminate with one month's written notice.

An hourly rate of \$160 and total maximum daily rate of \$1,600 will be paid under the consulting agreement with a 10-day minimum of services in any calendar month, or as required to effectively manage the Company's operations.

Mr Vergara will receive Director fees of \$35,000 per annum.

Additionally, as part of the proposed remuneration arrangements with the Company, Mr Vergara (and/or his nominee(s)) will, subject to shareholder approval if required, be granted 10,000,000 unlisted incentive options vesting 31 January 2026, exercisable at \$0.016 each, expiry 30 June 2027.