

Annual General Meeting 2024 – Chairman’s Address

Before proceeding with the formal business of this Annual General Meeting, I will first make some comments on Eagle Mountain Mining’s progress and recent strategic decisions, following the announcements made on the ASX on Monday this week.

The past year, and especially the last week, has marked a period of significant transformation for Eagle Mountain. The Board has made several material decisions after a comprehensive review process, negotiations with landholders, and consultations with advisors.

One of the most important decisions we’ve made is not to exercise our right to extend the mineral rights at Oracle Ridge. This follows nearly a year of negotiations, and a rigorous six-month effort led by Argonaut PCF Corporate Finance to secure a strategic partner. However, it is important to understand that we continue to hold all other land and projects outside of the immediate mine area, including the tailings dam and private/patented claims which would be beneficial for future restart interests at the Oracle Ridge mine.

When Eagle Mountain acquired Oracle Ridge from the administrators, we inherited several agreements, one of which included an extension option payment to the previous landowners. The option for an extension of the mineral rights to 2040 would have cost around A\$7 million, due in February 2025. This obligation was based on assumptions made by a prior exploration company that expected to mine the project by now, ultimately intending to return the land before reaching this point.

We first acquired the project in late 2019 at a low cost, just US\$500,000 upfront, effectively securing a low-cost option with deferred payments. Some may wonder why these terms weren’t renegotiated at the time of acquisition. While renegotiation was considered, it would have required substantial funding at that time, and our priority was to focus on exploration and drilling to expand the resource base and improve the project’s viability.

This year we initiated a comprehensive strategic review process to address the project’s substantial funding requirements, approaching over 30 companies. However, the extension clause limiting mineral rights to 2040 was generally seen as a major obstacle to securing a large-scale partner for future operations. In the background, we had sought to renegotiate the terms with the landowners, to arrive at a viable pathway to perpetual ownership of mineral rights. Unfortunately, the financial expectations of the landowners in our view were excessive and uncommercial, making it not sufficiently attractive for the parties evaluating the project. In summary, the mining companies confirmed our own view that the landowner expectations were not in line with market expectations, given the project’s parameters and the state of the copper market.



While we are disappointed in not reaching an agreement with the landowners, we remain open to future negotiations that would bring value to our shareholders. In the meantime, with the surrounding Wedgetail Project landholding, we are positioned to maintain exposure to any potential development of Oracle Ridge without the ongoing financial burden.

Looking ahead, our focus has shifted to our exploration efforts at the Silver Mountain and Wedgetail Projects, where we see significant potential. Please refer to the Company's separate announcements made on 25 November for details on these projects.

While the broader market has been unsupportive of junior copper explorers, we recognize that our share price performance has been significantly impacted by recent events.

We are implementing various cost-cutting measures across the business to align with our current position. These measures are in addition to the significant cost reductions that we have implemented over the past year. We will provide further updates on these actions in due course.

Finally, I would like to express my sincere gratitude to all our shareholders for their continued support. While the current market conditions present challenges, we remain confident in the long-term outlook for copper and the strength of our portfolio.

Our recent strategic decisions were made after thorough reviews and market consultations, intended to ensure that we are in the best possible position to move forward. As we continue our exploration efforts and work to preserve and enhance the assets we hold, we remain committed to creating value for our shareholders.

Rick Crabb
Chairman, Eagle Mountain Mining Limited

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

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