

# Eagle Mountain Mining Limited

ACN 621 541 204

## Supplementary Prospectus

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### 1. Important Notices

This supplementary prospectus is dated 10 October 2018 (**Supplementary Prospectus**) and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus supplements the prospectus dated 3 September 2018 (**Prospectus**) issued by Eagle Mountain Mining Limited (ACN 621 541 204) (**Eagle Mountain**).

This Supplementary Prospectus must be read together with the Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, the Supplementary Prospectus will prevail.

Unless otherwise defined, a term with a defined meaning in the Prospectus has the same meaning in this Supplementary Prospectus.

### 2. Reasons for this Supplementary Prospectus

The purpose of this Supplementary Prospectus is to provide an update to investors in relation to the Offers made under the Prospectus (being the Rights Offer, Shortfall Offer and Piggy Back Options Offer).

### 3. Update on Rights Offer and Shortfall Offer

The Company is pleased to advise that, in accordance with the indicative timetable contained in the Prospectus, on 2 October 2018 the Rights Offer and Shortfall Offer closed fully subscribed and on 9 October 2018 a total of 23,125,000 New Options were issued as follows:

- (a) 16,202,351 New Options were issued to Related Parties and non-Related Parties of the Company under the Rights Offer as an exception to Listing Rule 7.1 (being Listing Rule 7.2 (exception 1)); and
- (b) 6,922,649 New Options were issued to non-Related Parties of the Company under the Shortfall Offer as an exception to Listing Rule 7.1 (being Listing Rule 7.2 (exception 3)).

### 4. Update on Piggy Back Options Offer

#### 4.1 Shareholder approval condition

As stated in the Prospectus:

- (a) the Piggy Back Options Offer opened on Tuesday, 11 September 2018, and will close at 5:00pm (WST) on Saturday, 15 December 2018 (unless closed early); and
- (b) the Piggy Back Options Offer is conditional upon Shareholder approval being obtained at the General Meeting to issue the Piggy Back Options for the purposes of Listing Rule 7.1

The Company is proposing to hold the General Meeting on or about Friday, 16 November 2018, at which it will seek Shareholder approval for the following (amongst other matters):

- (a) the issue of up to 18,140,000 Piggy Back Options for nil cash consideration under the Piggy Back Options Offer to non-Related Party holders of New Options; and
- (b) the issue of up to 4,985,000 Piggy Back Options to Related Party holders of New Options as follows:

**The Supplementary Prospectus must be read together with the Prospectus dated 3 September 2018.**

- (i) 4,581,250 Piggy Back Options to Silver Mountain as trustee for the Silver Mountain Trust (or its nominee) – Silver Mountain is an entity controlled by the spouse of Mr Charles Bass (the Managing Director and Chief Executive Officer of the Company) and the beneficiaries of the Silver Mountain Trust include children of Mr Bass;
- (ii) 145,000 Piggy Back Options to Mr Rick Crabb and Mrs Carol Jean Crabb as trustees for the Intermax Account (or their nominee) – Mr Crabb is the Chairman of the Company;
- (iii) 100,000 Piggy Back Options to Leptiptidium Pty Ltd (ACN 609 615 143) as trustee for the Maitland No.2 Trust – an entity controlled by Mr Roger Port, a non-executive Director of the Company, and Mr Port is a beneficiary of the Maitland No.2 Trust (or its nominee);
- (iv) 32,500 Piggy Back Options to Mr Matthew Bass – the son of Mr Charles Bass (or his nominee);
- (v) 32,500 Piggy Back Options to Mr Samuel Bass – the son of Mr Charles Bass (or his nominee); and
- (vi) 93,750 Piggy Back Options to Mrs Ilean Doidge – the mother of Mr Charles Bass (or her nominee).

The Piggy Back Options Offer is conditional upon Shareholders approving the proposed issue of each of the above Piggy Back Options. If any of the above proposed issues are not approved, the Piggy Back Options Offer will not proceed and no Piggy Back Options will be issued on exercise of New Options.

If the above Shareholder approvals are obtained, each holder of a New Option will be issued 1 Piggy Back Option for every 1 New Option exercised. Exercise of New Options will constitute an application for the number of Piggy Back Options that is equivalent to the number of New Options exercised. Refer to section 5 of this Supplementary Prospectus for further details of how to apply for Piggy Back Options.

The New Options are exercisable at \$0.40 each on or before 15 December 2018. If the market price of Shares traded on ASX does not exceed this exercise price prior to the expiry date of the New Options, some or all of the New Options may not be exercised. In these circumstances, some or all of the Piggy Back Options may not be issued, notwithstanding that the issue of these Piggy Back Options may have been approved by Shareholders at the General Meeting.

#### 4.2 Indicative timetable for Piggy Back Options Offer

Event	Target Date
Opening Date of Piggy Back Options Offer	Tuesday, 11 September 2018
New Options issued under the Rights Offer and Shortfall Offer	Tuesday, 9 October 2018
General Meeting	Friday, 16 November 2018
Issue of Piggy Back Options	Ongoing basis as New Options are exercised
Despatch of Holding Statements for Piggy Back Options	Ongoing basis as New Options are exercised
Closing Date of the Piggy Back Options Offer	Saturday, 15 December 2018

**Note:** The above dates are indicative only and may be subject to change. The Directors may vary these dates subject to any applicable requirements of the Corporations Act or the Listing Rules.

**The Supplementary Prospectus must be read together with the Prospectus dated 3 September 2018.**

## **5. Applications for Piggy Back Options**

### **5.1 Form of Application**

If you wish to exercise some or all of your New Options and apply for Piggy Back Options:

- (a) complete the exercise and application form accompanying this Supplementary Prospectus (**Exercise and Application Form**) in accordance with the instructions on that form and specify the number of New Options you wish to exercise. Return your completed Exercise and Application Form together with a cheque for the subscription amount you are required to pay to exercise your New Options (being the exercise price of \$0.40 multiplied by the number of New Options you wish to exercise) (**Subscription Amount**) to the Company in the manner stated in the form; or
- (b) make a payment of the Subscription Amount through the BPay® facility in accordance with the instructions on the Entitlement and Acceptance Form.

Your Exercise and Application Form and cheque, or your BPay® payment, must be received by the Company by no later than **5.00pm (WST) on the Closing Date**.

### **5.2 Payment by BPay®**

Payment by BPay® should be made according to the instructions set out on the Exercise and Application Form using the BPay® Biller Code and Customer Reference Number shown on the form. You can only make a payment via BPay® if you are the holder of an account with an Australian financial institution that supports BPay® transactions.

The reference number shown on each Exercise and Application Form (**Reference Number**) is used to identify the number of New Options you hold. If you have multiple holdings of New Options you will have multiple Reference Numbers. You must use the Reference Number to pay for each holding of New Options you wish to exercise separately. Failure to do so may result in an underpayment.

If you pay by BPay® you do not need to return the Exercise and Application Form but are deemed to have made the declarations on that form.

Your financial institution may implement cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. You are responsible for ensuring that your BPay® payment is received by the Company before **5.00pm (WST) on the Closing Date**. The Company is not responsible for any postal or delivery delays or delay in the receipt of a BPay® payment.

### **5.3 Nature of Application**

Each Applicant who submits an Exercise and Application Form or makes a BPay® payment will be deemed to:

- (a) declare that all details and statements made in the Exercise and Application Form are complete and accurate;
- (b) authorise the Company to register the Applicant as the holder of the Shares to be issued on exercise of the New Options and agree to accept such Shares;
- (c) agree to be bound by the terms and conditions of the Piggy Back Options Offer as set out in the Prospectus and the Constitution;
- (d) declare that the Applicant has received personally a copy of the Prospectus and this Supplementary Prospectus attached to or accompanied by the Exercise and Application Form or a copy of the Exercise and Application Form or a direct derivative of the Exercise and Application Form before applying for Piggy Back Options;
- (e) acknowledge that the Company will send to the Applicant a paper copy of the Prospectus and this Supplementary Prospectus free of charge if the Applicant requests so during the currency of the Prospectus;
- (f) authorise the Company to complete and execute any documentation necessary to effect the allotment and issue of Shares, and the issue of Piggy Back Options to the Applicant; and

**The Supplementary Prospectus must be read together with the Prospectus dated 3 September 2018.**

- (g) acknowledge that returning the Exercise and Application Form and/or making a BPay® payment of the Subscription Amount will constitute the Applicant's offer to subscribe for Piggy Back Options in the Company on the basis of 1 Piggy Back Option for every 1 New Option exercised, with no further action being required by the Applicant, and that notice of acceptance of the Application for Piggy Back Options will not be provided.

#### **5.4 Allotment and issue of Piggy Back Options**

Piggy Back Options under the Piggy Back Options Offer are expected to be issued and Holding Statements despatched by the Company on an ongoing basis as New Options are exercised and in any event, will be issued no later than 3 months after the date of the Meeting (or such later date as permitted by ASX).

As described in section 4 above, if some or all of the New Options are not exercised, some or all of the Piggy Back Options may not be issued.

#### **5.5 ASX quotation of Piggy Back Options**

The Company will not apply for quotation of the Piggy Back Options offered under the Prospectus. The Piggy Back Options will remain a class of unquoted Options.

Upon exercise of a Piggy Back Option, a holder will receive one Share. The Company will apply for quotation of all Shares issued upon exercise of Piggy Back Options.

### **6. Replacement of Section 2.4 of Prospectus – Proposed use of funds**

Section 2.4 of the Prospectus is deleted and replaced with the following:

"The purpose of the Offers is to raise funds for the Company's ongoing exploration of the Silver Mountain Project.

The Company has raised approximately \$231,250 (before costs) from the issue of New Options under the Rights Offer and Shortfall Offer, as these Offers closed fully subscribed. The Company will raise an additional:

- (a) \$4,625,000 (before costs) if 50% of the New Options are exercised; and
- (b) \$9,250,000 (before costs) if 100% of the New Options are exercised.

If all required Shareholder approvals are obtained at the General Meeting, the Company raise up to:

- (a) \$13,875,000 (before costs), assuming that 50% of the New Options are exercised, and the Piggy Back Options issued on exercise of such New Options are subsequently exercised; and
- (b) \$27,750,000 (before costs) assuming that 100% of the New Options are exercised, and the Piggy Back Options issued on exercise of such New Options are subsequently exercised.

Use of funds	50% of the New Options are exercised	100% of the New Options are exercised	50% of the New Options are exercised and the Piggy Back Options granted on exercise are exercised	100% of the New Options are exercised and the Piggy Back Options granted on exercise are exercised
Cash on hand (as at 30 June 2018)	\$6,795,421	\$6,795,421	\$6,795,421	6,795,421
Funds raised	\$4,625,000	\$9,250,000	\$13,875,000	\$27,750,000
<b>Total funds available</b>	<b>\$11,420,421</b>	<b>\$16,045,421</b>	<b>\$20,670,421</b>	<b>\$34,545,421</b>
<b>Use of funds</b>				
Drilling related exploration costs	6,672,000	10,397,000	13,100,000	20,500,000
Non-drilling exploration costs	3,086,000	3,586,000	4,750,000	6,750,000
Working capital, corporate and administration	1,662,421	2,062,421	2,820,421	7,295,421
<b>Total</b>	<b>\$11,420,421</b>	<b>\$16,045,421</b>	<b>\$20,670,421</b>	<b>\$34,545,421</b>

**Notes:**

1. The table shows the Company's proposed use of funds assuming various scenarios as stated in the table.
2. The Company has prepared a one year exploration budget and considers that the amounts specified in the table above will be sufficient to carry out its exploration activities over this period, in respect of each scenario listed. All planned exploration is predicated on success and expenditure will be modified dependent on results.
3. Working capital includes corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.

The information set out in the above table is a statement of present intention as at the date of the Supplementary Prospectus (being 10 October 2018) (**Supplementary Prospectus Date**). The exact amount of funds spent by the Company will depend on many factors that cannot be ascertained as at the Supplementary Prospectus Date. Accordingly, the Directors reserve the right to alter how the funds raised will be applied.

On completion of the Offers, the Board considers that the Company will have sufficient funds to carry out the objectives stated in the above table.

Details of the Company's current activities are set out in the announcements made to ASX and are available on the ASX website, [www.asx.com.au](http://www.asx.com.au), using the Company's ASX code 'EM2', or the Company's website at [eaglemountain.com.au](http://eaglemountain.com.au)."

## **7. Replacement of Section 2.5 of Prospectus – Lead Manager**

Section 2.5 of the Prospectus is deleted and replaced with the following:

"The Company engaged the Lead Manager (Peloton Capital) to manage the Rights Offer.

The Lead Manager is not a related party of the Company.

As consideration for managing the Rights Offer, the Company has paid to the Lead Manager:

- (a) a management fee of \$23,125 (plus GST); and

**The Supplementary Prospectus must be read together with the Prospectus dated 3 September 2018.**

- (b) a capital raising fee of 4% (plus GST) of the total amount arranged and placed by the Lead Manager under the Shortfall Offer, being \$1,720.

Refer to Section 8.1 of the Prospectus for a summary of the terms under which the Lead Manager was engaged by the Company.”

## **8. Amendments to Section 4 of Prospectus – Effect of the Offers**

### **8.1 Replacement of Section 4.1 of Prospectus – Principal effect of the Rights Offer and the Shortfall Offer on the Company**

Section 4.1 of the Prospectus is deleted and replaced with the following:

#### **“Principal effects of the Offers on the Company**

The principal effects of the Rights Offer and the Shortfall Offer on the Company were as follows:

- (a) the number of Options on issue was increased from 16,000,000 Options as at the Prospectus Date to 39,125,000 Options as at the Supplementary Prospectus Date; and
- (b) the Company’s cash reserves were increased by approximately \$231,250 (prior to payment of the costs and expenses set out in Section 8.5 of the Prospectus).

If the New Options issued under the Rights Offer and Shortfall Offer are exercised and the Piggy Back Options offered under the Piggy Back Options Offer are issued (assuming all required Shareholder approvals are obtained at the General Meeting):

- (a) the number of Shares on issue will increase from 92,500,001 at the Supplementary Prospectus Date to:
  - (i) 104,062,501 Shares (assuming 50% of the New Options are exercised, none of the Existing Options are exercised and none of the existing Performance Rights are converted) representing a dilution of approximately 12.5%; and
  - (ii) 115,625,001 Shares (assuming 100% of the New Options are exercised, none of the Existing Options are exercised and none of the existing Performance Rights are converted) representing a dilution of approximately 25%; and
- (b) the number of Options on issue will remain the same (assuming none of the Existing Options are exercised) as, for each New Option exercised, one Piggy Back Option will be issued.”

### **8.2 Replacement of Section 4.3 of Prospectus – Effect of exercise of New Options and issue of Piggy Back Options on capital structure**

Section 4.3 of the Prospectus is deleted and replaced with the following:

#### **“Effect of exercise of New Options and issue and exercise of Piggy Back Options on capital structure**

The capital structure of the Company following the issue and exercise of all New Options, and the issue and exercise of all Piggy Back Options (assuming the Piggy Back Options Offer closes fully subscribed, and all New Options and Piggy Back Options are exercised) is set out below:

<b>Securities</b>	<b>Full Subscription</b>
<b>Shares</b>	
Existing Shares on issue at the Supplementary Prospectus Date	92,500,001
Shares to be issued on exercise of New Options	23,125,000
Shares to be issued on exercise of Piggy Back Options	23,125,000
<b>Total Shares on issue following exercise of New Options and</b>	<b>138,750,001</b>

The Supplementary Prospectus must be read together with the Prospectus dated 3 September 2018.

<b>Piggy Back Options</b>	
<b>Options</b>	
Existing Options on issue at the Supplementary Prospectus Date	39,125,000
New Options exercised	- 23,125,000
Piggy Back Options to be issued on exercise of New Options	23,125,000
Piggy Back Options exercised	- 23,125,000
<b>Total Options on issue following exercise of New Options and Piggy Back Options</b>	<b>16,000,000</b>
<b>Performance Rights</b>	
Existing Performance Rights on issue at the Supplementary Prospectus Date	180,000
Performance Rights issued under the Offers	Nil
<b>Total Performance Rights on issue following exercise of New Options and Piggy Back Options</b>	<b>180,000</b>

**Notes:**

1. The figures in the table above assume that other Shares are not issued (including on the exercise of Options (other than in the circumstances described in the table) or conversion of Performance Rights) prior to the close of the Offers.
2. The table assumes that the events occur in the order listed in the table.
3. The issue of the Piggy Back Options is conditional upon all required Shareholder approvals being obtained at the General Meeting."

### 8.3 Replacement of Section 4.4 of Prospectus – Pro forma statement of financial position

Section 4.4 of the Prospectus is deleted and replaced with the following:

"Set out below is:

- (a) the audited consolidated statement of financial position of the Company as at 30 June 2018; and
- (b) the unaudited pro forma consolidated statement of financial position of the Company as at 30 June 2018 incorporating the effect of the Piggy Back Options Offer at full subscription.

The unaudited pro forma consolidated statement of financial position has been derived from the financial statements of the Company and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the Piggy Back Options Offer had occurred by 30 June 2018. The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements as published in the Company's financial report for the year ended 30 June 2018 available on the Company's website, [eaglemountain.com.au](http://eaglemountain.com.au) and the ASX announcements platform, [www.asx.com.au](http://www.asx.com.au), using the Company's ASX code 'EM2'.

The historical and pro-forma information is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

The pro forma statement of financial position has been prepared on the basis that there are no material movements in the assets and liabilities of the Company between 30 June 2018 and the completion of the Offers except for:

- the exercise of 23,125,000 New Options at an exercise price of \$0.40 each, thereby raising up to \$9,250,000 (before costs);
- the Company issuing 23,125,000 Piggy Back Options following the exercise of 23,125,000 New Options at an issue price of nil; and

**The Supplementary Prospectus must be read together with the Prospectus dated 3 September 2018.**

- the Company incurring costs of approximately \$98,831 as a result of the costs associated with the Offers, the Prospectus and the Supplementary Prospectus, including the issue and exercise of the New Options and the issue of the Piggy Back Options.

No allowance has been made for expenditure incurred in the normal course of business from 30 June 2018 to the Closing Date.

		<b>Consolidated (audited)</b>	<b>Full subscription</b>	
			<b>Pro-forma Adjustments</b>	<b>Pro-forma After Issue</b>
	<b>Notes</b>	<b>30 June 2018</b>		
		<b>\$</b>		
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	1	6,795,421	9,382,419	16,177,840
Trade and other receivables		59,719	-	59,719
<b>TOTAL CURRENT ASSETS</b>		<b>6,855,140</b>	<b>9,382,419</b>	<b>16,237,559</b>
<b>NON-CURRENT ASSETS</b>				
Exploration and evaluation expenditure		1,104,495	-	1,104,495
Property, plant & equipment		463,576	-	463,576
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,568,071</b>	<b>-</b>	<b>1,568,071</b>
<b>TOTAL ASSETS</b>		<b>8,423,211</b>	<b>9,382,419</b>	<b>17,805,630</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		54,818	-	54,818
Borrowings		10,331	-	10,331
<b>TOTAL CURRENT LIABILITIES</b>		<b>65,149</b>	<b>-</b>	<b>65,149</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings		34,531	-	34,531
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>34,531</b>	<b>-</b>	<b>34,531</b>
<b>TOTAL LIABILITIES</b>		<b>99,680</b>	<b>-</b>	<b>99,680</b>
<b>NET ASSETS</b>		<b>8,323,531</b>	<b>9,382,419</b>	<b>17,705,950</b>
<b>EQUITY</b>				
Contributed equity	2	11,957,082	9,382,419	21,339,501
Reserves		(1,951,651)	-	(1,951,651)

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Accumulated losses	(1,681,900)	-	(1,681,900)
<b>TOTAL EQUITY</b>	<b>8,323,531</b>	<b>9,382,419</b>	<b>17,705,950</b>

**Notes:**

1. The movement in cash incorporates the funds raised from the Offers assuming full subscription less costs of the Offers. The Rights Offer closed fully subscribed on 2 October 2018. If the New Options issued are all exercised prior to their expiry, an additional \$9,250,000 (before costs) will be raised by the Company prior to the end of calendar year 2018 which will enable the Company to continue with its planned aggressive exploration program in respect of the Silver Mountain Project. Refer to section 6 of this Supplementary Prospectus for further details of how the Company proposes to apply these funds.
2. The movement in contributed equity reflects the issue of New Options under the Rights Offer and Shortfall Offer net of costs together with the issue of Shares on the assumption that all New Options are exercised."

#### 8.4 Replacement of Section 4.5 of Prospectus – Details of substantial Shareholders

Section 4.5 of the Prospectus is deleted and replaced with the following:

"A "substantial holding" is defined under section 9 of the Corporations Act to mean a relevant interest in 5% or more of the voting shares of a company.

The table below sets out the Shareholders with a substantial holding as at the Supplementary Prospectus Date.

<b>Substantial Shareholder</b>	<b>Number of Existing Shares held</b>	<b>% of total Shares on issue</b>
Silver Mountain Mining Nominee Pty Ltd ATF The Silver Mountain Mining Trust	36,650,001	39.62%

**Notes:**

1. The party in the table above is an Existing Shareholder.
2. Mr Charles Bass, the Managing Director and Chief Executive Officer of the Company, has an indirect interest in all Existing Shares held by Silver Mountain Nominee ATF The Silver Mountain Mining Trust, as Silver Mountain Nominee is an entity controlled by Mr Bass' spouse, and the beneficiaries of the Silver Mountain Trust include children of Mr Bass.
3. The table above does not include interests pursuant to Options, nor the potential holdings if Shares are issued on the exercise of Options.

Silver Mountain Mining Nominee Pty Ltd ATF The Silver Mountain Mining Trust (Silver Mountain) participated in the Rights Offer and subscribed for 50% of its Entitlement (comprising 4,581,250 New Options). The Company proposes to seek Shareholder approval at the General Meeting for the issue of up to 4,581,250 Piggy Back Options to Silver Mountain (or its nominee) upon the exercise of its New Options.

Silver Mountain's ability to exercise its New Options (and Piggy Back Options once issued) will be subject to the takeover thresholds in the Corporations Act.

Silver Mountain may only exercise its New Options (and Piggy Back Options once issued) and acquire Shares in the following circumstances:

- (a) where such acquisition results in Silver Mountain decreasing its shareholding interest in the Company, or has no impact on Silver Mountain's shareholding interest;
- (b) where such acquisition results in Silver Mountain increasing its shareholding interest in the Company by no more than 3% every six months; or
- (c) where the Company obtains Shareholder approval for Silver Mountain to acquire a relevant interest that would otherwise contravene the 20% takeover threshold (i.e.

**The Supplementary Prospectus must be read together with the Prospectus dated 3 September 2018.**

where Silver Mountain proposes to acquire an interest that is more than 3% greater than its shareholding interest held on the date six months prior).

The below table shows Silver Mountain's estimated shareholding interest following exercise of its New Options and the issue and exercise of its Piggy Back Options (assuming its New Options are exercised) and whether such exercise is possible without the Company obtaining Shareholder approval.

<b>Scenario</b>	<b>Shares on issue at Supplementary Prospectus Date</b>	<b>Shares issued on exercise of New Options or Piggy Back Options (as applicable)</b>	<b>Total Shares held by Silver Mountain</b>	<b>Total Shares on issue</b>	<b>Silver Mountain's % of total Shares on issue</b>
All participants in the Rights Offer and Shortfall Offer exercise their New Options	92,500,001	23,125,000	41,231,251 (comprising 36,650,001 plus 4,581,250 Shares)	115,625,001	35.66% - Exercise of New Options possible as holding does not increase
50% of New Options are exercised	92,500,001	11,562,500	41,231,251 (comprising 36,650,001 plus 4,581,250 Shares)	104,062,501	39.62% - Exercise of New Options is possible as holding does not change
All New Options are exercised, and all participants in the Piggy Back Options Offer exercise their Piggy Back Options	115,625,001	23,125,000	45,812,501 (comprising 41,231,251 plus 4,581,250 Shares)	138,750,001	33.02% - Exercise of Piggy Back Options is possible as holding does not increase
All New Options are exercised, and 50% of participants in the Piggy Back Options Offer exercise their Piggy Back Options	115,625,001	11,562,500	45,812,501 (comprising 41,231,251 plus 4,581,250 Shares)	127,187,501	36.02% - Exercise of Piggy Back Options is possible as holding does not increase

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All New Options are exercised, and no participants in the Piggy Back Options Offer exercise their Piggy Back Options (other than Silver Mountain)	115,625,001	4,581,250	45,812,501 (comprising 41,231,251 plus 4,581,250 Shares)	120,206,251	38.11% - Exercise of Piggy Back Options is possible as holding does not increase
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The Directors consider that, as the New Options are short-dated Options which expire on 15 December 2018, if the New Options become 'in the money' (i.e. the market price of Shares becomes greater than the New Option exercise price of \$0.40), it is likely that all New Option holders will elect to exercise their New Options.

As outlined in the table above:

- (a) Silver Mountain will be entitled to exercise all of its New Options in circumstances where only 50% of all New Options are exercised, and in circumstances where all New Options are exercised; and
- (b) Silver Mountain will be entitled to exercise all of its Piggy Back Options (assuming it exercises its New Options and receives Piggy Back Options) in circumstances where all New Options are exercised and only 50% of all Piggy Back Options are exercised or all New Options are exercised and all Piggy Back Options are exercised,

as, in each of these circumstances, its shareholding interest will either remain the same or decrease (as it did not subscribe for its full Entitlement under the Rights Offer).

It is possible that Silver Mountain may elect to transfer some or all of its New Options (and Piggy Back Options once issued) to a person or persons who are not associates of Silver Mountain, who may be able to exercise the New Options (and Piggy Back Options) and acquire Shares without any restrictions, provided the takeover thresholds do not affect their existing Shareholding."

## 9. Amendments to Section 7.2 of Prospectus – Documents Available for Inspection

The table in Section 7.2 of the Prospectus is deleted and replaced with the following:

Date	Description of ASX Announcement
28/08/2018	Exploration Update – Maiden Drill Program to Commence
29/08/2018	Appendix 3B – Issue of Performance Rights
03/09/2018	Water Driller Contracted
03/09/2018	Non Renounceable Entitlement Issue
05/09/2018	Entitlement Issue Notice Letter Despatched
11/09/2018	Despatch of Entitlement Offer Prospectus
19/09/2018	Diamond Driller Contracted Mobilisation Underway

**The Supplementary Prospectus must be read together with the Prospectus dated 3 September 2018.**

05/10/2018 Diamond Drilling Commences

05/10/2018 Entitlement Issue Closed

## **10. Amendments to Section 8 of Prospectus – Additional Information**

### **10.1 Replacement of Section 8.3 of Prospectus – Security holding interests of Directors**

Section 8.3 of the Prospectus is deleted and replaced with the following:

“The following table sets out the relevant interest of each Director in the Securities of Eagle Mountain as at the Supplementary Prospectus Date.

<b>Director</b>	<b>Shares</b>	<b>Options</b>
Rick Crabb	580,000	1,500,000 Existing Options exercisable at \$0.20 each on or before 15 January 2023 145,000 New Options
Charles Bass	36,650,001	4,500,000 Existing Options exercisable at \$0.30 each on or before 7 December 2020 1,500,000 Existing Options exercisable at \$0.20 each on or before 15 January 2023 4,581,250 New Options
Roger Port	400,000	1,500,000 Existing Options exercisable at \$0.20 each on or before 15 January 2023 100,000 New Options
Brett Rowe (Alternate Director for Charles Bass)	500,000	1,000,000 Existing Options exercisable at \$0.20 each on or before 15 January 2023

#### **Notes:**

1. Mr Crabb has an interest in 580,000 Shares and 145,000 Options held by Mr Rick Crabb and Mrs Carol Jean Crabb as trustees for the Intermax Account. Mr Crabb also has a direct interest in 1,500,000 Existing Options held in his own right.
2. Mr Bass has an indirect interest in 36,650,001 Shares and 10,581,250 Existing Options held by Silver Mountain Nominee as trustee for the Silver Mountain Trust. Silver Mountain Nominee is an entity controlled by Mr Bass' spouse, and the beneficiaries of the Silver Mountain Trust include children of Mr Bass.
3. Mr Bass has a “substantial holding” for the purposes of the Corporations Act as he controls 5% or more of the voting Shares at the Supplementary Prospectus Date.
4. Mr Bass has a “relevant interest” under the Corporations Act (i.e. an ability to effect control over voting shares) of more than 20% at the Supplementary Prospectus Date. His ability to acquire or otherwise receive additional Shares on the exercise of New Options will be restricted by the takeovers provisions in Chapter 6 of the Corporations Act, subject to certain limited exceptions. Refer to Section 4.5 for further details.
5. Mr Port has an indirect interest in 400,000 Shares and 1,600,000 Options held by Leptiptidium Pty Ltd (ACN 609 615 143) as trustee for the Maitland No.2 Trust. Leptiptidium Pty Ltd is an entity controlled by Mr Port, and Mr Port is a beneficiary of the Maitland No.2 Trust.
6. Mr Rowe has an indirect interest in 500,000 Shares held by Mr Franco Del Borrello under a bare trust of which Mr Rowe is a beneficiary. Mr Rowe also has a direct interest in 1,000,000 Existing Options held in his own right.
7. Shareholder approval is sought at the General Meeting to issue Piggy Back Options to Directors (or their associated entities) upon the exercise of New Options. Refer to section 4.1 of this Supplementary Prospectus for details of the maximum number of Piggy Back Options that may be issued to each Director (or their associated entities).”

**The Supplementary Prospectus must be read together with the Prospectus dated 3 September 2018.**

**10.2 Replacement of Section 8.5 of Prospectus – Expenses of the Offers**

Section 8.5 of the Prospectus is deleted and replaced with the following:

“The expenses paid in cash by the Company in respect of costs associated with the Prospectus and the Rights Offer and Shortfall Offer, including offer management, broking fees (including the capital raising fee of 4% plus GST payable by the Company to the Lead Manager (refer to Section 8.1 for further details)), legal, accounting, corporate advisory, printing, ASIC and ASX fees and other costs were approximately \$98,831.”

**10.3 Amendments to Section 8.8 of Prospectus – Historical market prices of Shares on ASX**

The table in Section 8.8 of the Prospectus is deleted and replaced with the following:

Information	Price	Date
Highest	\$0.40	20 September 2018
Lowest	\$0.30	16, 21 and 22 August 2018
Latest	\$0.38	9 October 2018

**11. Authorisation**

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company pursuant to a resolution of the Board by:

A handwritten signature in black ink, appearing to be 'Rick Crabb', written over a horizontal line.

**Rick Crabb**  
Chairman

Dated: 10 October 2018

**The Supplementary Prospectus must be read together with the Prospectus dated 3 September 2018.**