

30 October 2023

Institutional Investment

- **Up to \$2.3 million secured in funding from Pioneer Resource Partners, LLC, an institutional investor**
- **The investment will fund exploration and general working capital**

Eclipse Metals Ltd (ASX: **EPM**) (**Eclipse Metals** or the **Company**) is pleased to announce an institutional investment by Pioneer Resource Partners, LLC (the **Investor**). Proceeds from the investment will be used to fund exploration and the Company's general working capital requirements.

The investment is comprised of up to two tranches, with each investment being made by the Investor by way of a prepayment for ordinary shares in the Company (**Shares**) to be issued by the Company (**Placement Shares**). The initial investment will raise \$800,000 for \$872,000 worth of Placement Shares and is expected to be received in the next week. Additionally, a second investment raising up to \$1,500,000 for Placement Shares worth an equivalent amount may occur only by mutual consent of the Investor and the Company.

Executive Chairman Carl Popal said *"I am delighted that Pioneer Resource Partners LLC has identified the investment potential in funding with this agreement as a bridge to support and balance the asset value vs share price on the market. Following a series of Company achievements over the last 12 months that have demonstrated the potential of Eclipse to be a major player in the critical mineral sector, in particular with REEs in Greenland for the EU and US markets. The Company is now well positioned to collaborate with new investment partners to highlight its full potential. I am confident that this investment will help us to accelerate our growth and development, and deliver significant value to our shareholders and stakeholders. I look forward to working closely with Pioneer Resource Partners LLC to make this vision a reality."*

The Company will have the right (but no obligation) to opt to repay the subscription amount by making a payment to the Investor equal to the market value of the shares that would have otherwise been issued, instead of issuing shares to the Investor. If the Company does not exercise that right, the Company will issue Placement Shares when requested by the Investor, within 24 months of the date of the related prepayment. The number of shares so issued by the Company will be determined by applying the Purchase Price (as set out below) to the subscription amount, but subject to the Floor Price (as set out below).

The Purchase Price of the Subscription Shares will be equal to \$0.03 initially, representing a premium of approximately 200% to the closing price of the Company's shares on 26 October 2023. Subject to the Floor Price described below, after the initial month, the Purchase Price will reset to the average of the five daily volume-weighted average prices selected by the Investor during the 20 consecutive trading days immediately prior to the date of the Investor's notice to issue shares, less a 10% discount, rounded down to the nearest 1/10th of a cent if the share price is at or below 20 cents, or whole cent otherwise. The Purchase Price will, nevertheless, be the subject to the Floor Price of \$0.01. If the Purchase Price formula would result in a price that is less than the Floor Price, the Company may forego issuing shares and instead opt to repay the applicable subscription amount in cash (with a 12% annual premium), subject to the Investor's right to receive Placement Shares at the Floor Price in lieu of such cash repayment. For the benefit of the Company, the Purchase Price will not be the subject of a cap.

The Company will make an initial issuance of 6,800,000 Placement Shares to the Investor pursuant to ASX Listing Rule 7.1 at the time of the funding of the initial investment, towards the ultimate number of Placement Shares to be issued. Alternatively, in lieu of applying these shares towards the aggregate number of the

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Placement Shares to be issued by the Company, the Investor may make a further payment to the Company equal to the value of these shares determined using the Purchase Price at the time of the payment.

The Company has agreed to issue 8,944,445 Shares to the Investor in satisfaction of a fee under the Company's ASX Listing Rule 7.1 capacity.

Authorised for release by the Board

Carl Popal
Executive Chairman



Rodney Dale
Non-Executive Director

