



20 May 2024

SUCCESSFUL \$1M PLACEMENT TO ACCELERATE EXPLORATION

Proceeds to be used to underpin upcoming programs at the Arunta Project, Northern Territory and Cobar Project, New South Wales

KEY POINTS

- Completion of a successful ~\$1M placement through the agreed issue of 31.25 million new fully paid ordinary shares, at an issue price of \$0.032 per Share (the "**Placement**").
- Funds raised will be used to accelerate exploration activities across the Company's highly prospective copper and base metals portfolio, in particular the Cobar Project in NSW and the Arunta Project in the NT.
- This will include a systematic approach to generate and test targets along strike from the advanced exploration projects at Home of Bullion (NT) and Browns Reef (NSW).
- Work is underway in the Cobar Basin north of Browns Reef along the Woorara Fault, with detailed field mapping and surface sampling in progress.
- An independent structural review is expected to be completed this month for the Home of Bullion deposit (3.1Mt Resource at 2.9% CuEq)¹ and surrounding geological trend.

Eastern Metals Ltd (**ASX:EMS**) ("**Eastern Metals**" or "the **Company**") is pleased to announce that it has received firm commitments from professional and sophisticated investors to raise \$1,000,000 (before costs) in a placement through the issue of 31.25 million new fully paid ordinary shares ("**Shares**") at an issue price of \$0.032 per Share ("the **Placement**").

The proceeds of the Placement will be used to accelerate the Company's exploration activities across its highly prospective portfolio of polymetallic projects in the Cobar Basin and NT, as well as to provide additional working capital. Proposed upcoming work programs include:

- Induced Polarisation (IP) surveys, mapping and field sampling programs along the Woorara Fault, a regional structure associated with Browns Reef, which extends into the Company's 100%-owned EL9136 (Bothrooney).

¹ Eastern Metals Ltd (ASX:EMS) ASX Announcements 8 & 10 March 2023, 'Resource Grows at Home of Bullion Copper Project'

- IP surveys, mapping and field sampling programs across high-priority areas along strike from the Company's 3.1Mt @ 2.9% CuEq Home of Bullion deposit within the Arunta Project in the NT. This work will be informed by the outcomes of an independent structural review currently being completed by SRK Consulting.
- Preparation of near-term drill targets both at Browns Reef (EL6321) and Home of Bullion (EL23816).

Eastern Metals' Chief Executive Officer Ley Kingdom said: *"We are pleased with the strong support received for this strategic \$1 million capital raising, which will allow the Company to accelerate its exploration activities on two fronts. I would like to take this opportunity to welcome new investors who have joined our register as part of the Placement, as well as to thank existing shareholders for their continued support."*

"With copper prices recently reaching new highs and investor interest in the Cobar Basin spurred on by some new high-grade discoveries by our neighbours, this is an exciting time for Eastern Metals. The proceeds of the raise will give us the capability to accelerate workstreams across both the Arunta/Home of Bullion Project, Browns Reef and in our tenement holdings in the Cobar Basin to the north."

"At Browns Reef we are working up potential drill targets in a district that is currently attracting significant investor interest. We look forward to providing regular updates on these programs in the weeks and months ahead as this work progresses."

"We are also looking forward to receiving the outcomes of an independent expert review of the Arunta/Home of Bullion Project from SRK in the coming weeks and using that information to help design ground-based field programs including geophysics, mapping and sampling prior to drilling."

Placement Details

Eastern Metals has secured firm commitments to undertake a cash placement to raise \$1 million through the issue of 31.25 million new fully paid ordinary shares at issue price of \$0.032 per Share. The Placement price represents a 22.5% discount to the 15-day Volume Weighted Average Price ("**VWAP**").

16.4 million of the Shares under the Placement will be issued under the ASX's Listing Rules 7.1 (8.4 million Shares) and 7.1A (8.0 million Shares).

Eastern Metals' present ASX Listing Rule capacity to issue equity securities without shareholder approval is approximately 16 million equity securities, consisting of 8 million (ASX Listing Rule 7.1, 15% limit) plus 8 million (ASX Listing Rule 7.1A, 10% limit).

The additional 14.85 million Shares agreed to be issued are subject to shareholder approval under ASX Listing Rule 7.1.

Taylor Collison Ltd acted as the sole lead manager for the Placement and, subject to shareholder approval, Taylor Collison or its nominees will be granted 5,000,000 unlisted options (“**Broker Options**”). Each Broker Option provides the right for the holder to be issued one (1) Share upon payment of an exercise price of \$0.06 per Share, expiring three (3) years from the date of issue. The terms and conditions of the Broker Options are included in **Annexure A**.

Broker Options to be issued under the Placement are subject to the Company first obtaining shareholder approval for the purpose of Listing Rule 7.1. This approval will be sought at a General Meeting of the Company’s shareholders to be convened in the coming weeks.

Indicative Timetable

EVENT	DATE
ASX trading halt	Friday 17 May 2024
ASX announcement of Placement and lodgement of Appendix 3B, ASX trading resumes	Monday 20 May 2024
Issue and allotment of 16.4 million new Shares under the Placement	Friday 24 May 2024 (by noon Sydney time)
ASX quotation of 16.4 million new Shares under the Placement	Monday 27 May 2024
Shareholder approval of 14.85 million new Shares under the Placement and granting 5.0 million unlisted Broker Options	Thursday 18 July 2024
Issue and allotment of 14.85 million new Shares under the Placement and granting 5.0 million unlisted Broker Options	Friday 19 July 2024 (by noon Sydney time)
ASX quotation of 14.85 million new Shares under the Placement	Monday 22 July 2024

*The above dates (other than the date of the announcements of the ASX trading halt and the date of the ASX announcement of the Placement and lodgement of Appendix 3B) are indicative only and may change without notice.

Subject to the Corporations Act, Listing Rules and other applicable laws, the Company reserves the right to alter any or all of these dates without further notice (unless required by the Corporations Act, Listing Rules and other applicable laws).

A change to a date may cause subsequent dates to change. The Directors also reserve the right not to proceed with the whole or part of the Placement at any time prior to the issue and allotment, in which case the relevant application monies will be returned without interest.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company’s planned activities, including mining and exploration programs, and other statements that are not historical facts. When used in this document, the words such as “could”, “plan”, “estimate”, “expect”, “intend”, “may”, “potential”,

“should” and similar expressions are forward-looking statements. In addition, summaries of Exploration Results and estimates of Mineral Resources and Ore Reserves could also be forward looking statements.

Although Eastern Metals believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Previously Reported Information

Certain information in this announcement references previously reported announcements. The announcements are available to view on the Company's website (www.easternmetals.com.au) and on the ASX website (www.asx.com.au). Other than the new information set out in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the exploration results continue to apply and have not materially changed.

Authorisation for this Announcement

This announcement has been authorised for release by the Company's Disclosure Officers in accordance with its Disclosure and Communications Policy which is available on the Company's website, www.easternmetals.com.au.

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ANNEXURE A: Broker Option Terms and Conditions

Broker Options will be issued subject to the following terms and conditions:

a) Entitlement

Each Broker Option entitles the holder to subscribe for one (1) Share upon exercise of the Broker Option.

b) Expiry Date

The Broker Options are exercisable on or before three (3) years of the date of issue and will, except to the extent earlier exercised, lapse on that date.

c) Notice of Exercise

The Broker Options may be exercised by notice in writing to the Company on or before the 'Expiry Date' by delivering a duly completed form of notice of exercise [see paragraph (d) below] to the Company at any time prior to the expiry date, together with a cheque or by making a direct deposit to a bank account in the name of the Company for the exercise price of \$0.06 per Broker Option.

d) Holding Statements

Holding statements will be issued for the Broker Options. Both the option holding statement and the notice of exercise are required to be duly completed and sent to the Company or the Company's Share Registry when exercising the Broker Options. If there are more Broker Options on a holding statement as, prior to the expiry date the Broker Options have been exercised in part, the Company will issue another holding statement for the balance of the Broker Options held and not yet exercised.

e) Exercise Price

The price for exercise of each Broker Option is \$0.06 per Broker Option.

f) Dividends

The Broker Option holders do not participate in any dividends unless the Broker Options are exercised, and the resultant Shares of the Company are issued prior to the record date to determine entitlement to dividends.

g) Listing

The Company does not intend to seek listing of the Broker Options on ASX.

h) Issue of Shares

Upon a valid exercise of the Broker Options the Company will issue Shares ranking *pari passu* with the then issued Shares. In the event that the Company is listed on ASX at the time of exercise, the Company shall apply for listing of the resultant Shares issued upon exercise of any Broker Option on the ASX.

i) Transfer

The Broker Options may be transferred at any time.

j) Reconstruction

In the event of any reconstruction (including consolidation, subdivision, reduction, or return) of the issued capital of the Company:

- (i) the number of Broker Options, the Exercise Price of the new Broker Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Broker Options which are not conferred on shareholders of the Company: and
- (ii) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders of the Company approving a reconstruction of capital, in all other respects the terms for the exercise of the new Broker Options will remain unchanged.

k) Pro-rata Issue

If there is a pro rata issue (except a bonus issue), the Exercise Price of the Broker Option may be reduced according to the following formula.

$$O^n = O - E [P - (S + D)] N + 1$$

Where:

O^n = the new exercise price of the Broker Option.

O = the old exercise price of the Broker Option.

E = the number of underlying securities into which one Broker Option is exercisable.

P =

- where the Company is listed on ASX at the time of the pro-rata issue, the volume weighted average market price per security of the underlying securities during the five (5) trading days ending on the day before the ex-right date or the ex-entitlements date; and
- otherwise, market price per security determined by the accountant for the Company.

S = the subscription price for a security under the pro rata issue.

D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

Bonus Issue: If there is a bonus issue to the holder of Shares, the number of Shares over which the Broker Option is exercisable may be increased by the number of Shares which the option holder would have received if the new Broker Option had been exercised before the record date for the bonus issue.

Participation in new issues: Broker Option holders do not have any right to participate in new issues of securities in the Company made to the Company's shareholders generally. The Company

will, where and only to the extent required pursuant to the ASX Listing Rules, provide new Broker Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to the Company's shareholders generally) to exercise the new Broker Options, in accordance with the requirements of the ASX Listing Rules.

Change of terms: The terms of the Broker Options shall only be changed if holders (whose votes are not to be disregarded) of Shares approve of such a change. However, the terms of the new Broker Options shall not be changed to reduce the Exercise Price, increase the number of Broker Options, or change any period for exercise of the new Broker Options.

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