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SALE OF THOMSON PROJECT NET SMELTER ROYALTY

Eastern Metals has finalised an agreement to sell its 1.5% Thomson Project net smelter royalty to Red Hill Minerals Ltd (ASX: RHI) for \$220,000 cash

Eastern Metals Ltd (ASX: **EMS**) ("**Eastern Metals**" or "the **Company**") is pleased to announce that it has signed a binding Heads of Agreement ("HoA") with Red Hill Minerals Ltd (ASX: **RHI**) ("**Red Hill**") for the sale of the Thomson Project 1.5% net smelter royalty ("**Royalty**").

In June 2024, Eastern Metals divested the New South Wales Thomson Project to Legacy Minerals Holdings Ltd (ASX: LGM) ("**Legacy Minerals**"), for \$200,000 cash and the grant by Legacy Minerals to the Company of the Royalty¹. Under the Royalty documentation, Legacy Minerals holds a buy-back right in respect of the Royalty, whereby one half of the Royalty may be repurchased for \$2 million, with the remaining half for a further \$4 million.

The total transaction consideration payable by Red Hill for the Royalty is a one-off cash payment of \$220,000 plus GST to Eastern Metals for the full 1.5% on completion.

Completion of the acquisition of the Royalty is subject to satisfactory completion of due diligence by Red Hill, and execution of a Royalty Assumption Deed and a Royalty Security Assignment Deed. Red Hill holds exclusivity rights prior to completion while these conditions are being satisfied.

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.

For more information, please contact:

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¹ Eastern Metals Ltd (ASX: EMS) ASX Announcement 24 June 2024, 'Thomson Project Sold for \$200,000 Plus 1.5% NSR'