



ASX ANNOUNCEMENT | 16 FEBRUARY 2022

Going Underground at Oracle Ridge

- Eagle Mountain to recommission the existing Oracle Ridge underground mine to enable drilling from underground and improved access for studies
- Significant benefits include:
 - Shorter drill holes will increase productivity and reduce costs
 - Faster upgrading of the Mineral Resource Estimate (MRE) to increase the Measured and Indicated resource categories
 - Less disruption from weather that has previously impacted drilling productivity
 - Ability to take bulk samples for metallurgical testwork for optimisation of the processing plant design
 - Detailed mapping from underground for improved geological confidence
 - Provide access for a potential future underground drill drive to the Talon¹
- Surface drilling will continue with two rigs targeting resource expansion and testing near mine prospects
- Recommissioning of the extensive underground workings is assisted by:
 - No dewatering required
 - Good ground conditions, including refurbished portals by previous owners
 - Significant electrical and ventilation infrastructure already in place
- Due to strong drill productivity over the past few months, there are now 56 drill holes awaiting assay. These results will continue to be received whilst recommissioning of the underground is undertaken
- Costs to recommission necessary areas of the underground mine anticipated to be offset by the temporary reduction in surface drilling from three rigs to two
- Temporarily reducing to two drill rigs will allow some of the assay backlog to be cleared
- The Company is in discussion with underground diamond drill contractors, aiming to mobilise an underground drill rig in Q3 2022
- Once drilling commences underground with one drill rig, along with the two existing surface rigs, productivity should be greater than current rates
- The updated JORC MRE is on track for release in March 2022 and will include 55 new drill holes, not including the outstanding 56 holes. A further JORC MRE update is planned to be completed during Q4 2022.

¹ No decision has been made on a future drill drive or any other development at this time

Eagle Mountain Mining CEO, Tim Mason, commented:

“Drilling from underground will be a massive step-change for our exploration and move us closer to feasibility studies. We are very fortunate to have an existing underground mine in very good condition with development in the right location to continue to build and upgrade our Mineral Resources. We don't need to de-water the mine to access the drill sites and rehabilitation is expected to be relatively minor. Along with drilling shorter holes, it also enables better access to the orebody for taking bulk samples for metallurgical test work for optimisation of processing design and recoveries.

Importantly, two drill rigs will continue to focus on resource expansion and upgrade drilling at the Talon as results have demonstrated the growth potential of the Resource.

Given the large number of assays pending (56 holes), results will continue to be received whilst we recommission the underground mine. With the reduction of one drill rig and the recommissioning of the mine, we do not expect a significant impact on our rate of expenditure. However, it is setting us up for the future with drill platforms to efficiently build out the resource and potentially install a drill drive to the south into the Talon zone which is growing with almost every drill hole. We are currently in discussions with underground drilling contractors, and we are working to secure a drill rig for mobilisation around Q3 2022.

I would like to acknowledge our dedicated team of employees and contractors who have safely delivered strong drilling performance and allowed us to take this opportunity to transition to underground drilling.

This transition to underground drilling is an exciting advancement for Eagle Mountain Mining as we work towards a preliminary feasibility study commencing later this year. “

Eagle Mountain Mining Limited (ASX:EM2) (“Eagle Mountain”, the “Company”) is pleased to announce its plan to recommission parts of the existing underground mine at its 100% owned Oracle Ridge Project (“Oracle Ridge”, “Project”) in Arizona, USA.

Recommission of the Oracle Ridge Underground Mine

The Company's increased confidence in the resource potential of the project has provided the impetus to bring forward plans to invest in the recommissioning of parts of the existing underground mine. This will enable underground diamond drilling from a range of new and existing drill sites along with access for various studies.

The Oracle Ridge mine includes over 18 kilometres of existing underground development, accessed from two portals. More than 90% of the existing mine is accessible and does not require dewatering. The recommissioning will include installation and/or servicing of electrical, water and air services followed by progressive checks and rehabilitation of underground tunnels as required. The mine benefits from a variety of existing infrastructure including electrical transformers, reticulated pipes and cabling, electrical starter boxes and ventilation fans. These were installed approximately 10 years ago and will assist in recommissioning the mine from both a time and cost perspective.



Photo 1 – Underground development drive showing good ground conditions



Photo 2 – Underground intersection showing good ground conditions, and existing air and water services



Photo 3 – Underground secondary fan



Photo 4 –Starter box for ventilation fan



Photo 5 – Electrical transformer



Photo 6 – Electrical Distribution Equipment on Surface



Photo 7 – Portal to Underground. Note rehabilitated portal entrance with shotcrete support



Photo 8 – Underground Drill Rig (may or may not be used for future underground drilling)

A key initial reason to access the underground mine is to enable diamond drilling from underground. This has a range of benefits including:

- **Reduced costs and time** – Drilling from the underground will allow a reduction in hole length by an estimated 40 to 60% when compared to surface drilling. As the Company is focusing on improving the quality of the resource with higher density drilling, this provides significant time and cost savings.
- **Improved quality** – Shorter holes typically have less deviation which is important for higher density drilling, as required for Indicated and Measured Mineral Resources.
- **Faster delivery of results** – The shorter holes mean more drilling intercepts and therefore faster results for future MRE updates.
- **Other** – Drilling from underground can reduce the impact of adverse weather events such as the monsoon or snow, which have previously impacted drilling.

In addition to underground drilling, this access enables testwork and analysis which will be important aspects of a planned preliminary feasibility study to commence later in the year. These activities include:

- **Metallurgical** – Provides access to collect bulk samples for metallurgical and comminution test work to design optimal processing circuitry and recoveries.
- **Geotechnical** – Proves access to collect samples and structural data for geotechnical evaluation of stopes and development designs

In addition, access to the underground provides optionality to install a future drill drive from underground. This drill drive could target the Talon area where multiple strong drilling results have been received.



Photos 9 & 10 – Underground mineralisation at Oracle Ridge. The green and blue colour is surface oxidation of the copper sulphide mineralisation.

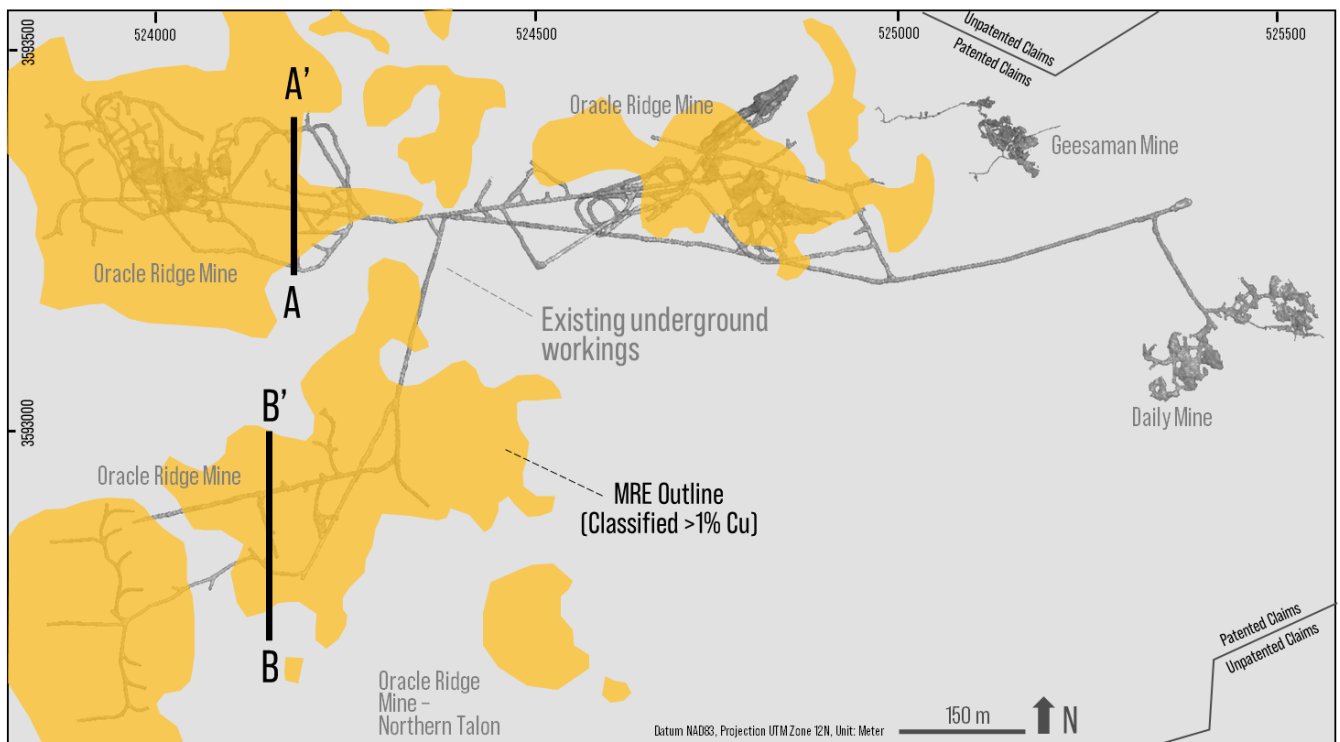


Figure 1 – Plan view of main mine areas showing outline of existing Mineral Resources (orange)

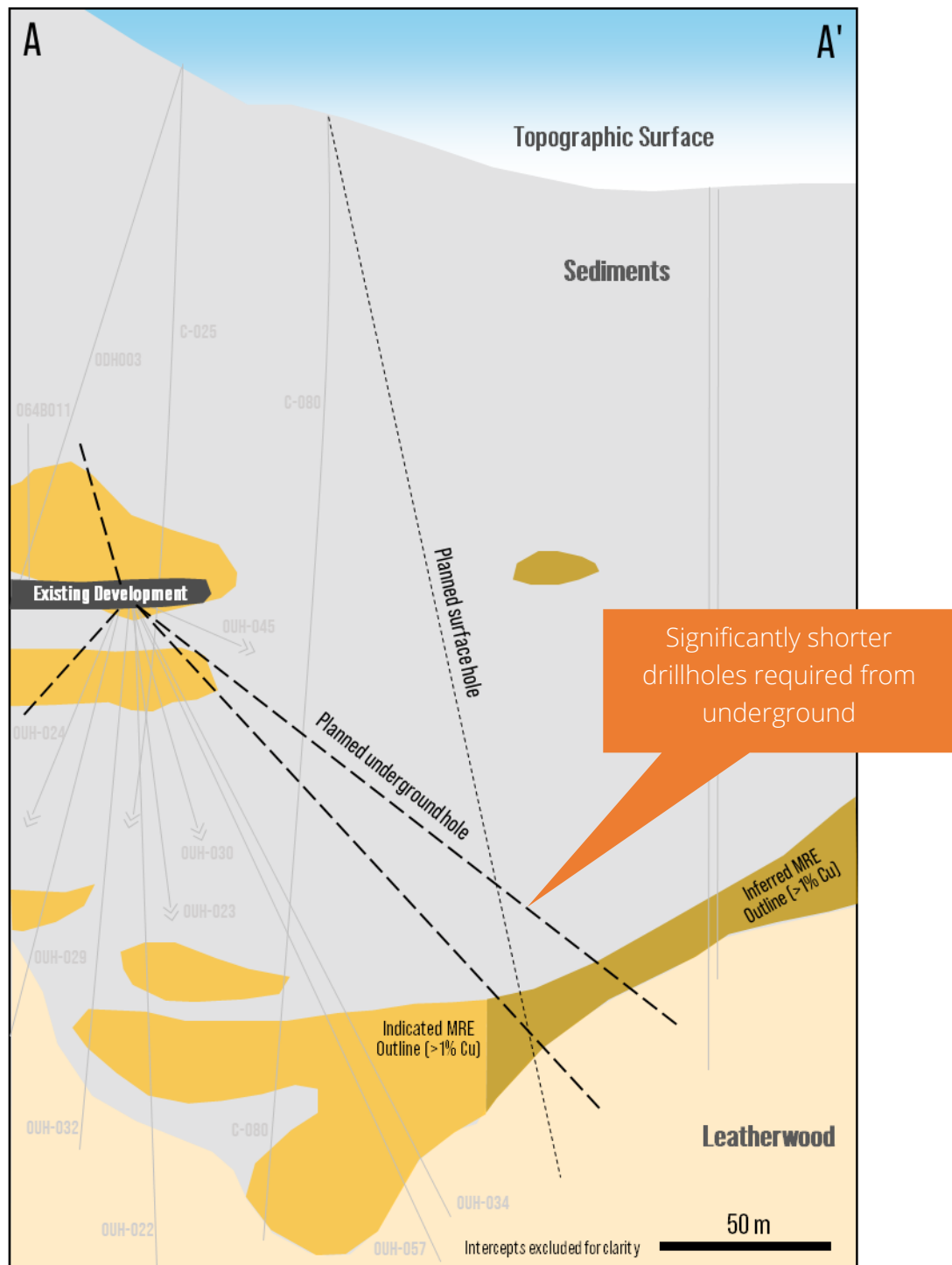


Figure 2 – Section view showing planned drill holes from existing underground development. Existing Mineral Resource outline shown in orange and brown. Previous intercepts excluded for clarity. Refer to Figure 1 for section location.

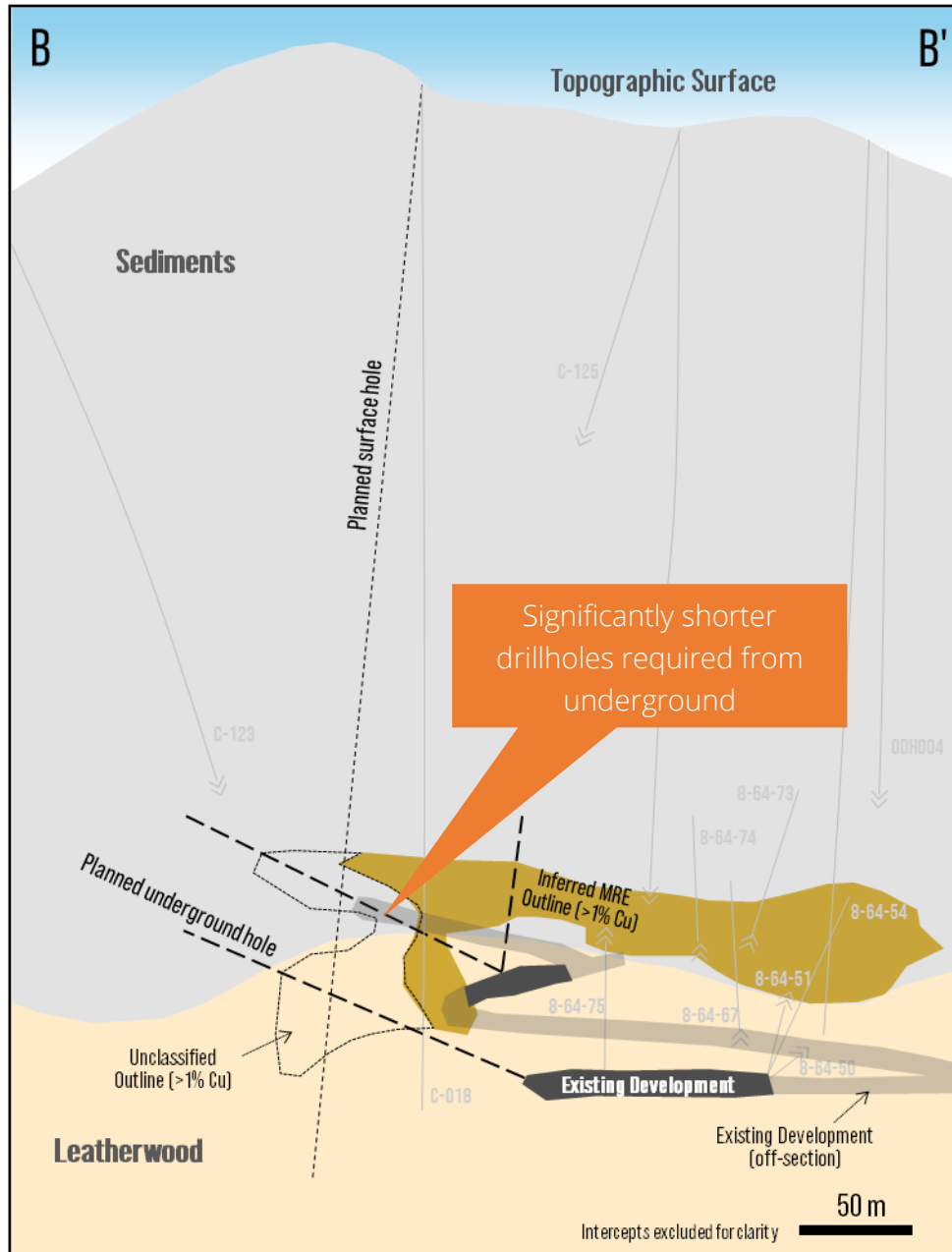


Figure 3 – Section view showing planned drill holes from existing underground development. Existing Mineral Resource outline shown in orange and brown. Previous intercepts excluded for clarity. Refer to Figure 1 for section location.

Diamond Drilling Performance

Exploration diamond drilling at Oracle Ridge commenced in September 2020, on a part-time basis, with one drill rig. Following strong exploration results outside the then JORC Resource, the Company transitioned to three surface drills on a full-time basis. Since this transition was completed in July 2021, the drilling rates have continuously improved with record monthly drilling occurring in January 2022 with over 5,000 metres drilled (Refer Figure 4).

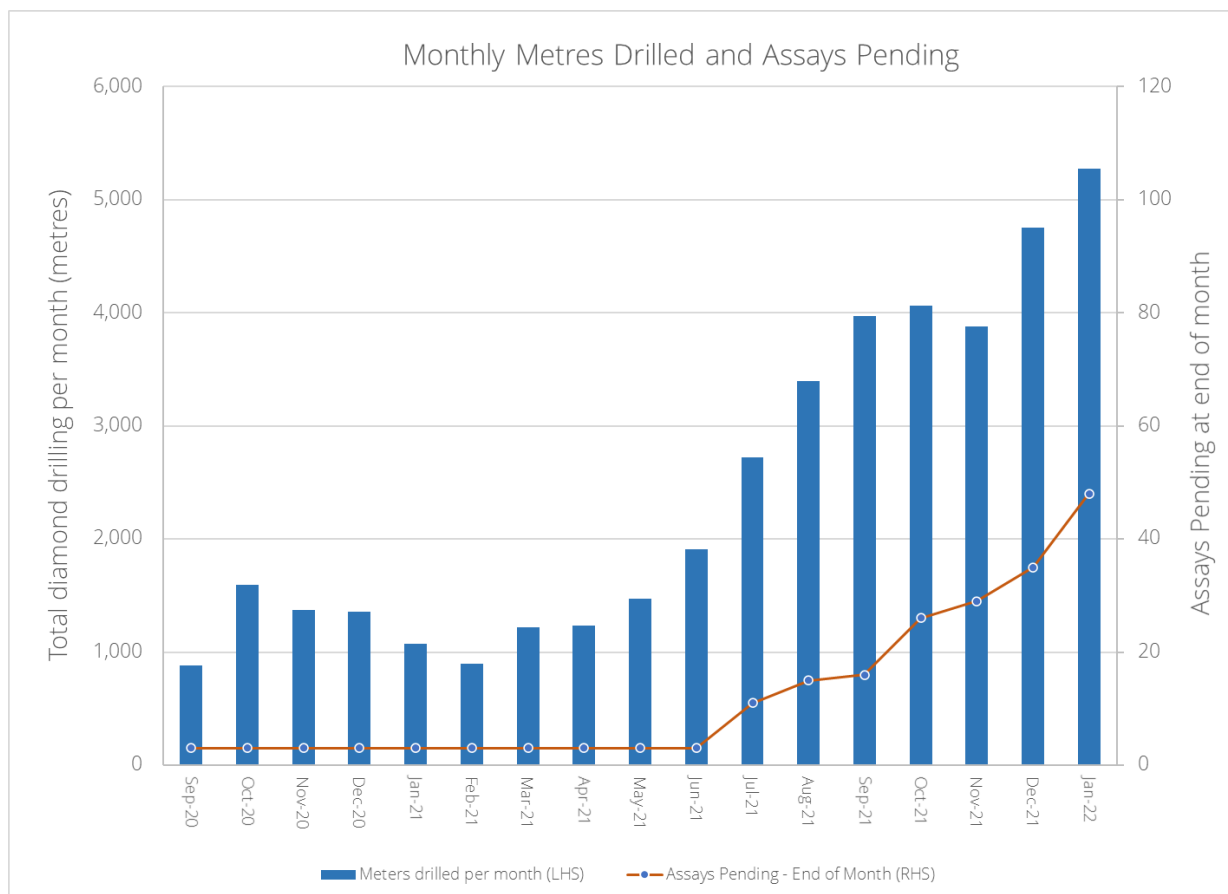


Figure 4 – Total drilling meters at Oracle Ridge. Continuous improvement in drilling rates since the third diamond drill commenced in July 2021. Note, June and July 2021 were impacted by unusually heavy monsoon rain.

The combination of strong drilling performance and lengthening assay times has contributed to the current position with 56 assays pending results. This is a relatively large number, considering the upcoming JORC MRE is based on just 55 new holes in addition to the 651 holes used to define the maiden JORC MRE.

A key reason for the long turnaround in assays has been core cutting delays at the laboratories. We are expecting to see the benefit of the Company's own recently installed core saw shortly as this core begins to progress past the backlog.

Next Steps

The Company is planning the following actions over the coming months:

- Implement various safety processes and install equipment required for recommissioning and working underground
- Recommission or install underground services including electrical, air and water
- Commence checks and rehabilitation of underground ground support as necessary

The Company is currently in discussion with underground drilling contractors and is aiming to secure a rig to mobilise in late Q3 2022.

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This Announcement has been approved for release by the Board of Eagle Mountain Mining Limited

COMPETENT PERSON STATEMENT

Where the Company references prior exploration results including technical information from previous ASX announcements including 25 May 2020, JORC Table 1 disclosures are included within them. The Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements, and all material assumptions and technical parameters underpinning the results within those announcements continue to apply and have not materially changed. In addition, the form and context in which the Competent Persons findings are presented have not been materially modified from the original reports.

EAGLE MOUNTAIN MINING LIMITED

Eagle Mountain is a copper-gold explorer focused on the strategic exploration and development of the Oracle Ridge Copper Mine and the highly-prospective greenfields Silver Mountain project, both located in Arizona, USA.

Arizona is at the heart of America's mining industry and home to some of the world's largest copper discoveries such as Bagdad, Miami and Resolution, one of the largest undeveloped copper deposits in the world.

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