EAGLE MOUNTAIN MINING

ASX Announcement | 3 April 2018

Market Update

- **Preliminary results of a two year geological study received and being reviewed**
- **High-grade copper at Pacific Horizon prospect and high-grade gold at Scarlett prospect now interpreted as part of the same mineral system**
- **Geophysical studies being reviewed and further work planned to identify additional targets for the upcoming drilling program**

Eagle Mountain Mining Limited (ASX:EM2) ("Eagle Mountain" or the "Company") is pleased to provide an update to the market on its activities since listing.

Geological Study

Eagle Mountain has recently received the results of a 2-year microscopy study of 39 rock samples collected across the Silver Mountain Project. The study was carried out by Dr. Johnathan Nourse, Professor and Chair of the Geological Sciences Department at California State Polytechnic University.

The study highlighted that the Silver Mountain area has been affected by multiple mineralising events. Several pulses of fluids have pervaded the area along zones of weakness and precipitated copper sulphides (chalcopyrite) and other minerals. The report also highlighted the consistent styles of mineralisation across the Pacific Horizon and Scarlett prospects.

Management is extremely encouraged from an exploration viewpoint because it suggests a genetic link between the high-grade copper mineralisation at Pacific Horizon (up to 11% Cu in historical dump samples) and the high-grade gold mineralisation at Scarlett (up to 86 g/t Au in outcrop). Further work is required to confirm this interpretation. These assays have been previously reported in Eagle Mountain's Prospectus.[1]

These observations confirm Eagle Mountain's understanding that the Silver Mountain Project mineralisation history is extremely complex and does require advanced exploration techniques to unravel the local geology and identify the best drill targets.

Geophysical Studies

Eagle Mountain is already pursuing a strategy to acquire new detailed geophysical data.

A magnetic survey was flown in February using a UAV (Unmanned Aerial Vehicle)-supported system. This cutting-edge technology has been adapted and refined for mineral exploration over the last few years and has already

[1] *Note: Information on historical results outlined in this announcement together with JORC Table 1 information, is contained in the Independent Geologists Report within Eagle Mountain's Prospectus dated 23 January 2018. The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the form and context in which the Competent Persons findings are presented have not been materially modified from the original reports.*

proven itself as a highly effective solution to collect detailed magnetic information over prospective areas. The survey was flown over parts of the Scarlett and Pacific Horizon prospects. Interpretation of the results is ongoing.

A gravity survey was also completed in early March to improve the understanding of the high-grade Au mineralisation outcropping at the Scarlett prospect. The survey data is currently being processed by the geophysical contractor.

Results from the magnetic and gravity surveys will be announced in the coming weeks.

Eagle Mountain' Managing Director Charles Bass, commented *"When you look at the rocks on the Pacific Copper mine waste dump, you can't help but be struck by the complexity of the mineralisation and geology. During my first site visit in 2013, it looked like rocks on the waste dump came from 3 totally different mines suggesting several distinct episodes of mineralisation occurred in the area.*

Pre-IPO, we spent a significant amount of time and money on the +6km long gossanous Pacific Horizon trend with mapping, sampling, trenching and geophysics, including Induced Polarization and have defined several drill-ready targets. Vectors from geochemical, structural and geophysical studies all seemed to point to the SW of Pacific as one source of the heat and mineralisation engine, somewhere distal to the mines of the 1880s-1920s that operated along the Pacific gossanous trend. As a result we are now focussing on the Scarlett and Red Mule areas.

During the IPO process we didn't stop exploring. We ran drone magnetics and have just completed a gravity survey over portions of Scarlett and Red Mule and are waiting on results for both surveys to be processed. We want to accelerate further exploration in these areas, including an extensive deep IP program so that we have drill targets by the time drilling starts later in the year."

The Company looks forward to keeping shareholders informed as planning for further exploration is finalised and results come to hand.

For further information please contact:

Charles Bass
BSc, MSc, FAusIMM, FAIG, FAICD
Managing Director & CEO
charlie@eaglemountain.com.au

Mark Pitts
B.Bus, FCA, GAICD
Company Secretary
mark@eaglemountain.com.au

Competent Person Statement

Information in this report relating to Exploration Results is based on information compiled under the supervision of Mr Charles Bass who is an employee of the company. Mr Bass is a Fellow of the Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientist. He holds shares and options in the Company. Mr Bass has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bass consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Rock samples were collected from outcrops and historical waste dumps representing key geological units, mineralisation and alteration styles in the project area. Thin sections for petrographic analysis were prepared from the rock samples collected in the field.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not applicable. No drilling results reported.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not applicable. No drilling results reported.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Rock samples were qualitatively logged in the field. Petrography samples were qualitatively described by Professor Nourse in his analysis.

Criteria	JORC Code explanation	Commentary
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No subsampling techniques were used. • Thin sections for petrography study were prepared following standard industry procedures by Quality Thin Sections, Tucson, Arizona.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Not applicable. No assay data or laboratory tests carried out.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Not applicable. No significant intersection reported. • Not applicable. No drilling results reported. • Samples were collected in the field and assigned a unique sample number. A metal tag with sample number was left at the sample site. Sample coordinates and description were logged on field note-book and transferred to the company digital database. • Not applicable. No assay data reported
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.*	• Samples were located in the field using a handheld GPS unit with an estimated accuracy of ±5m. • NAD83 UTM Zone 12N. • National Elevation Dataset. Horizontal resolution of approximately

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	• *Quality and adequacy of topographic control.*	10m and vertical resolution of 1m.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Samples were collected across the Silver Mountain Project area. • Not applicable. Samples were not collected to establish geological or grade continuity. • No sample compositing applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Not applicable. Sampling was not completed to test a deposit or mineralized structure.
Sample security	• *The measures taken to ensure sample security.*	• Samples were collected in the field by consultants or company personnel and either carried or delivered by accredited couriers to the sample preparation facility and consultants.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been carried out.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Silver Mountain Project consists of 26 patented claims (~ 195 ha), 342 un-patented claims (~ 2,450 ha) and 5 state permits (970 ha).
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• It is believed that the first mine claims to the Pacific Horizon prospect were staked in 1898. • Between 1906 and 1912 the Pacific Copper Mining Company sunk a 120 m (400 feet) shaft in to the gossan at the site of the Pacific Mine.

Criteria	JORC Code explanation	Commentary
		• Some drilling was carried out in 1966 though it is not clear who conducted the program (possibly Heinrichs GeoExploration). • In 1968, Heinrichs GeoExploration conducted some dual frequency IP, resistivity, self-potential and magnetic geophysical surveys were carried out. This was followed by further geophysical surveys in 1978 using Very Low Frequency (VLF) Electro Magnetics (EM). • KOOZ contracted Applied Geophysics in 1978 to run EM surveys (VLF, MaxMin II and Crone Horizontal Shootback) over selected areas. • The most detailed (unpublished) mapping over the property was carried out by Kennecott in 1991 and 1992, focusing on the eastern and central areas of the Pacific Horizon prospect. • The Kennecott mapping was based on previous work done by Winegar et al., (1978) and the only mapping since 1992, was done by Ferguson & Johnson (2013, Arizona Geological Survey), which only touches on the Pacific area.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• There are three types of deposit style: o Proterozoic volcanogenic massive sulphides in Precambrian greenstone; o Younger (Laramide arc) Cu-Au porphyry; o Overprinting and remobilisation of fluids and deposits by Cainozoic transtension giving detachment style mineralization.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Not applicable. No drilling results are being reported.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not applicable. No data aggregation methods were applied.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not applicable. No drilling results are being reported.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Not applicable. No significant discovery is being reported.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable. No assay values are being reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other meaningful and material exploration data beyond this market release and the information in the Independent Geologist Report included in the Company's Prospectus dated 23 January 2018.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work will include interpretation of recent geophysical surveys (magnetics and gravity), acquisition of new Induced Polarization and resistivity surveys, reconnaissance and detailed mapping of prospective areas and drilling.