



EXPLORATION UPDATE

6000m MAIDEN DIAMOND DRILL PROGRAM About to Commence

28 August 2018

HIGHLIGHTS

- Eagle Mountain Mining's highly anticipated 6,000m diamond drilling program at the Silver Mountain copper-gold project in Arizona will begin in September.
- The program, which has doubled in size since Eagle Mountain listed on the ASX in March of this year, will mark the first time a modern comprehensive drilling campaign has been conducted over the project area.
- Drilling will target the Pacific Horizon, Scarlett and Red Mule prospects, which lie on the same geological setting that hosts world-class porphyry copper mines such as Bagdad, Miami and BHP/Rio's Resolution, one of the largest undeveloped copper deposits in the world. They also lie on the southern extension of the metallogenic belt that hosts United Verde and Iron King.
- Rapid progress is being made towards finalising infrastructure to support the program including the:
 - imminent signing of diamond drilling and water drilling contracts;
 - completion of an access agreement;
 - near completion of an exploration camp; and
 - road and track improvements to allow efficient drill rig access.

Eagle Mountain Mining (ASX: EM2) ("Eagle Mountain" or "the Company") is pleased to provide an exploration update on the Company's Silver Mountain copper-gold project, located just outside of Phoenix, Arizona. The planned 6,000m diamond drilling program is set to commence in September following the completion of several key milestones, including access and exploration camp agreements, road improvements, and diamond and water drilling contract finalisation.

Eagle Mountain Managing Director Charlie Bass said the drilling program will test highly prospective targets over a three to five month period: *"We've made great progress towards the commencement of drilling. We've more than doubled the size of the program following very successful exploration campaigns that have identified four styles of mineralisation and multiple drill targets."*

“Arizona has an incredibly rich mining history, producing 60% of all copper consumed in the US. As it stands, if Arizona was a country, it would be the seventh largest copper producer in the world. It’s home to several major projects that share the same geological settings as Silver Mountain. We’re excited about our project’s potential and look forward to kicking off our drilling campaign next month.”

Located at the intersection of the VMS trend hosting the famous United Verde VMS mine and the Laramide Arc, which hosts numerous world-class porphyry mines, ongoing exploration continues to highlight the prospectivity of the Silver Mountain Project.

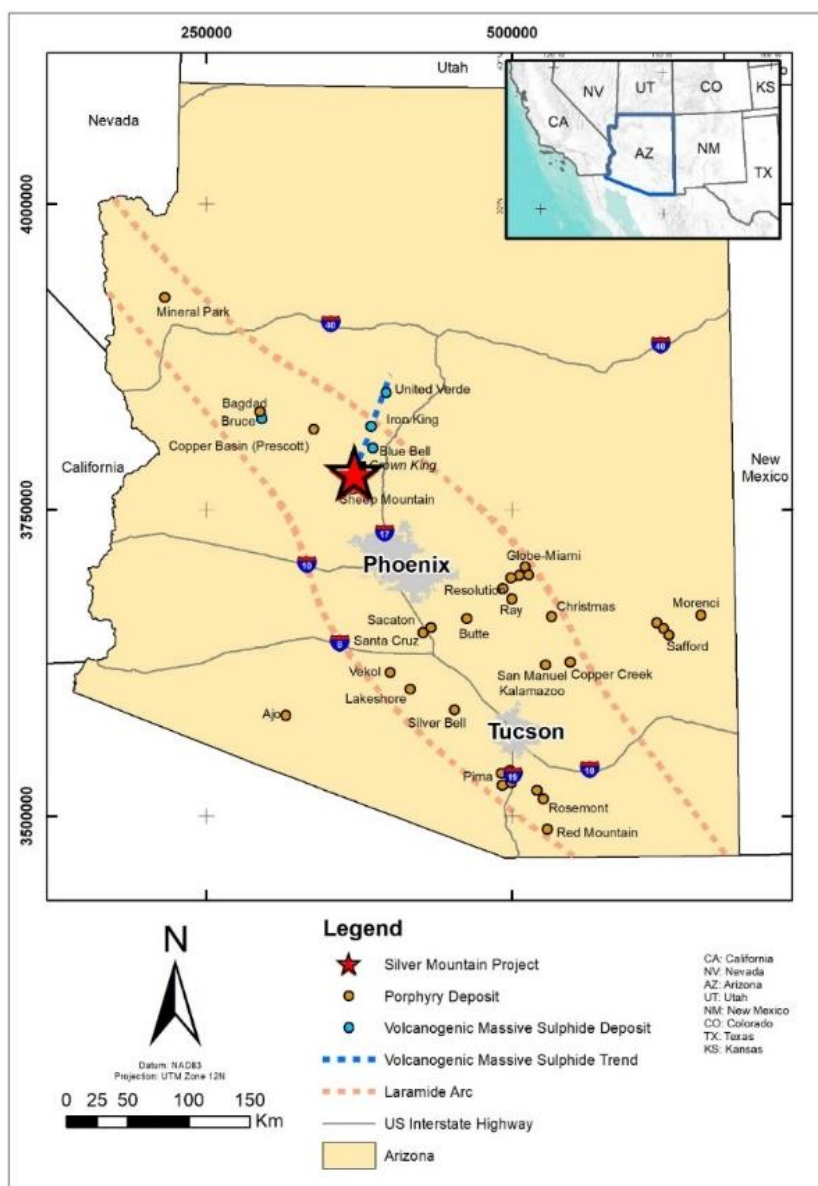


Figure 1 - The Silver Mountain Project located just outside of Phoenix, Arizona

MAIDEN DIAMOND DRILL PROGRAM TO BEGIN IN SEPTEMBER

When Eagle Mountain listed on the Australian Securities Exchange in March this year, it initially targeted 3,000m of planned drilling in the second half of 2018, which focused on only one target area and style of mineralisation.

The program has since more than doubled to over 6,000m of high priority drilling and is focused on four unique highly-prospective exploration targets. These drill targets are based on a combination of field observations, sampling methods and geophysics. This first phase of drilling will give the Company a greater understanding of the Project's potential and assist in further exploration and drilling programs.

If this first phase drilling is successful in identifying potential economic mineralisation during the program, Eagle Mountain may continue drilling at that location and possibly bring in a second drill rig.

Several key milestones have been achieved or are nearly completed, such as road improvements, water wells and water distribution systems, in preparation for the drill program. Key highlights include:

- Progress on road maintenance and improvement, which is vital given the large diameter water drill rigs and track mounted diamond drill rigs that will be operating on site;
- The signing of an access agreement that will enable Eagle Mountain to pass through the patented claims of an operating placer operation, providing simple access to the Pacific side of the Project area;
- An agreement with a landowner to set up the exploration camp to the south of the Project. The landowner will provide water, power, workshops and space for trailers, equipment laydown and storage. The proposed location of the camp provides efficient access to both the Pacific and Scarlett side of Silver Mountain and will save at least an hour of travel each way from the current base in Crown King to the north;
- The imminent signing of a water drilling contract with KP Ventures. With its own water wells on patented claims at the Pacific Mine, Eagle Mountain will likely provide all necessary water requirements for the diamond drilling campaign. As a backup, additional water may be sourced from nearby landowners and by trucking in water from the south; and
- The expected signing of a diamond drill contract in the near future, with mobilisation expected after the US Labor Day long weekend in early September.

The figure below illustrates Eagle Mountain's tenement holdings, key project areas, and some of the higher value samples from old mine dumps and outcrop sampling.

(Refer to IPO Prospectus dated 23 January 2018 and Exploration Update 16 May 2018).

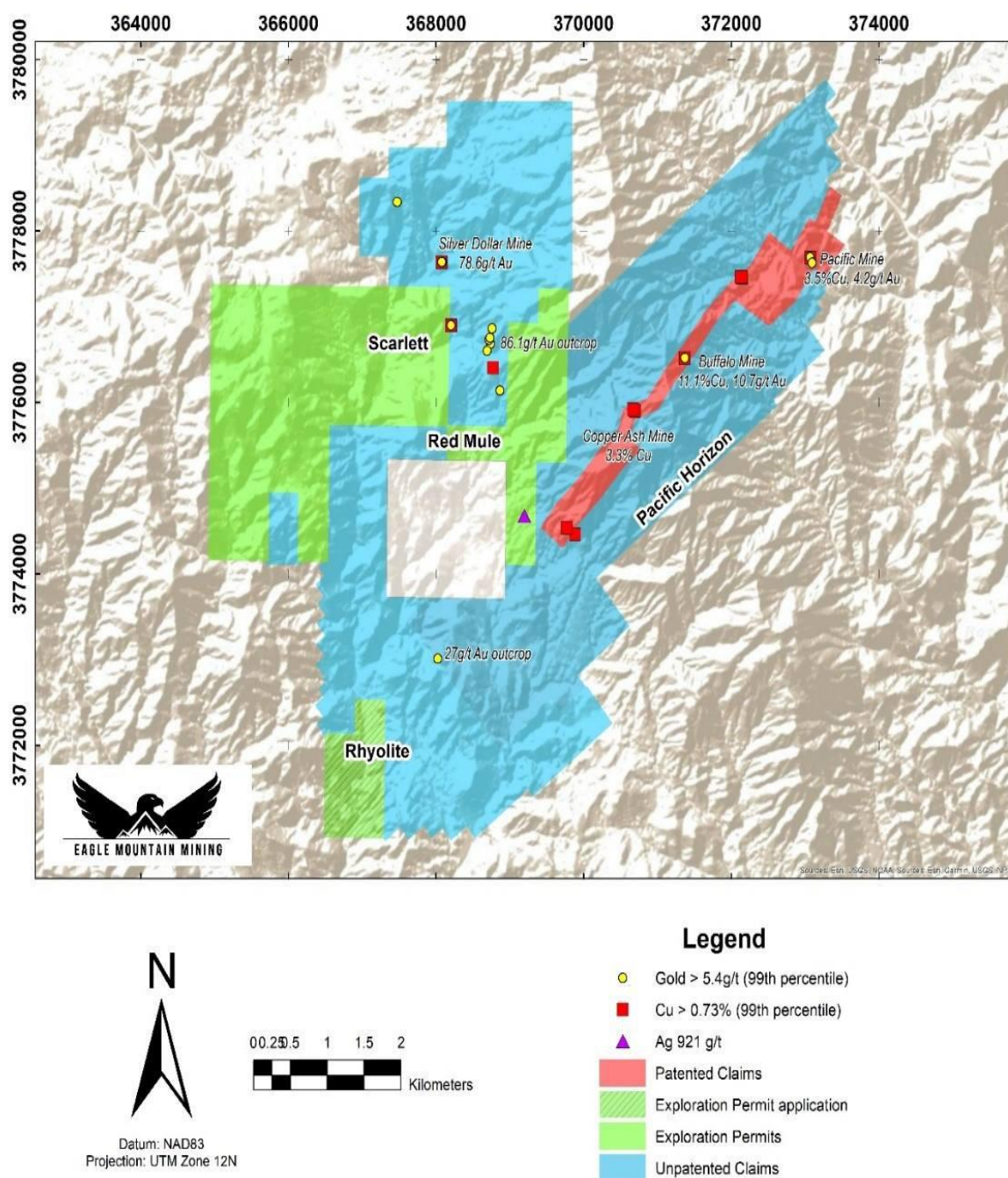


Figure 2 – Silver Mountain Project area

The approximately 6,000 metres of diamond drilling is focused on testing the four different styles of mineralisation identified in the Silver Mountain Project area.

Only the higher priority 1 and 2 holes are included in this initial drill program. The lower priority 3 and 4 holes could add another 5,000 metres. These higher priority holes are divided between those where a track-mounted diamond drill rig can access the site and those that need helicopter support to move the rig and equipment. One quarter of the priority 1 and 2 holes and metres are expected to be helicopter-supported.

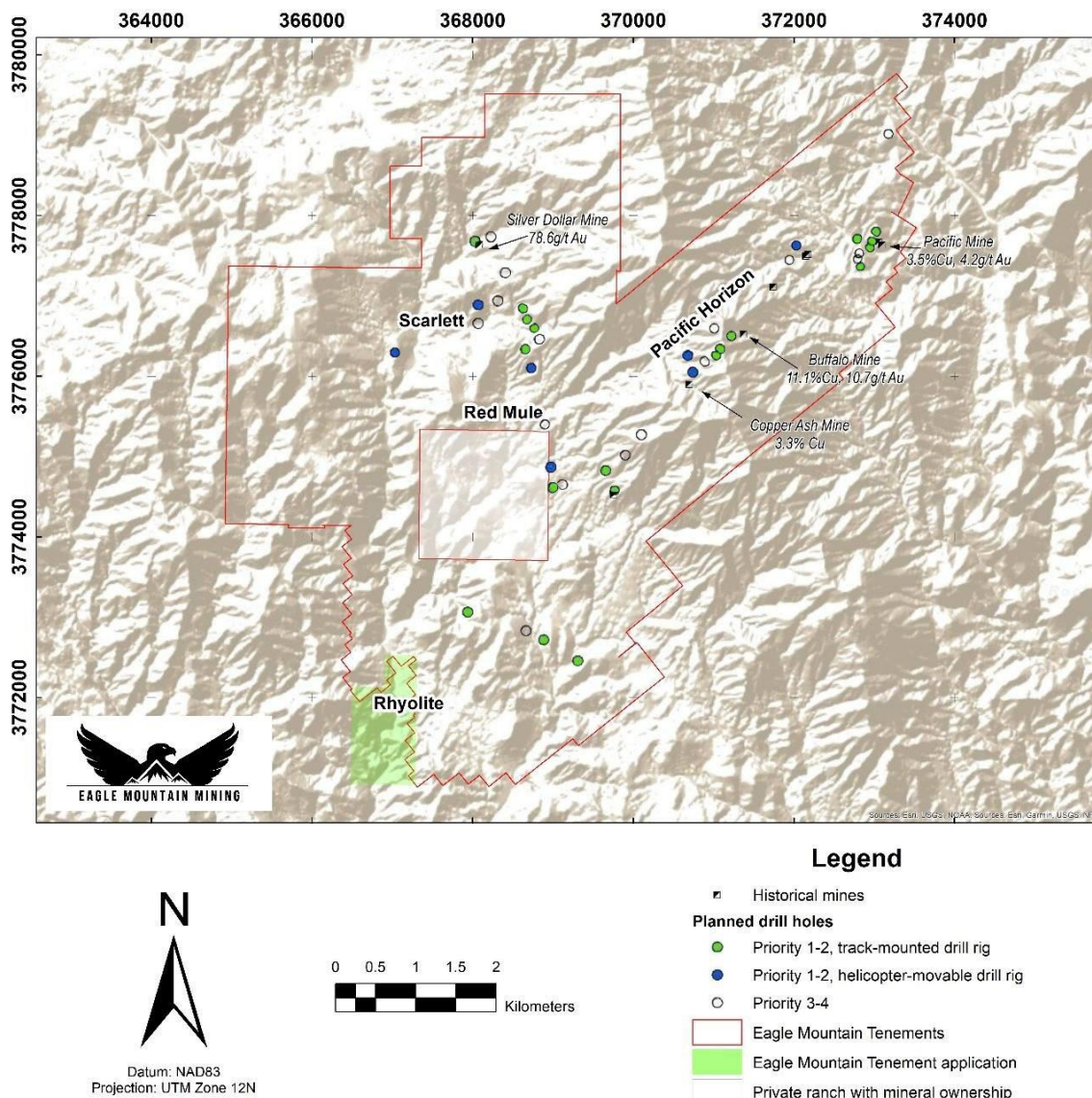


Figure 3 – Maiden drill program showing drill locations and priority

KEY DRILL TARGETS AND MINERALISATION

Four different styles and phases of mineralisation have been identified at the Silver Mountain Project which are outlined below and shown in Figure 4. In order of geologic age, from oldest to youngest, but not necessarily in importance, these are:

- Proterozoic Massive Sulphide (Pacific Horizon prospect);
- Porphyry-style (Laramide) veins in Proterozoic granites (Scarlett prospect);
- Laramide or mid-Tertiary quartz-carbonate breccia (Pacific Horizon prospect); and
- Disseminated gold associated with extensive zone of specular hematite associated with the NW-SE striking Breakaway detachment zone (Red Mule and Scarlett prospects).

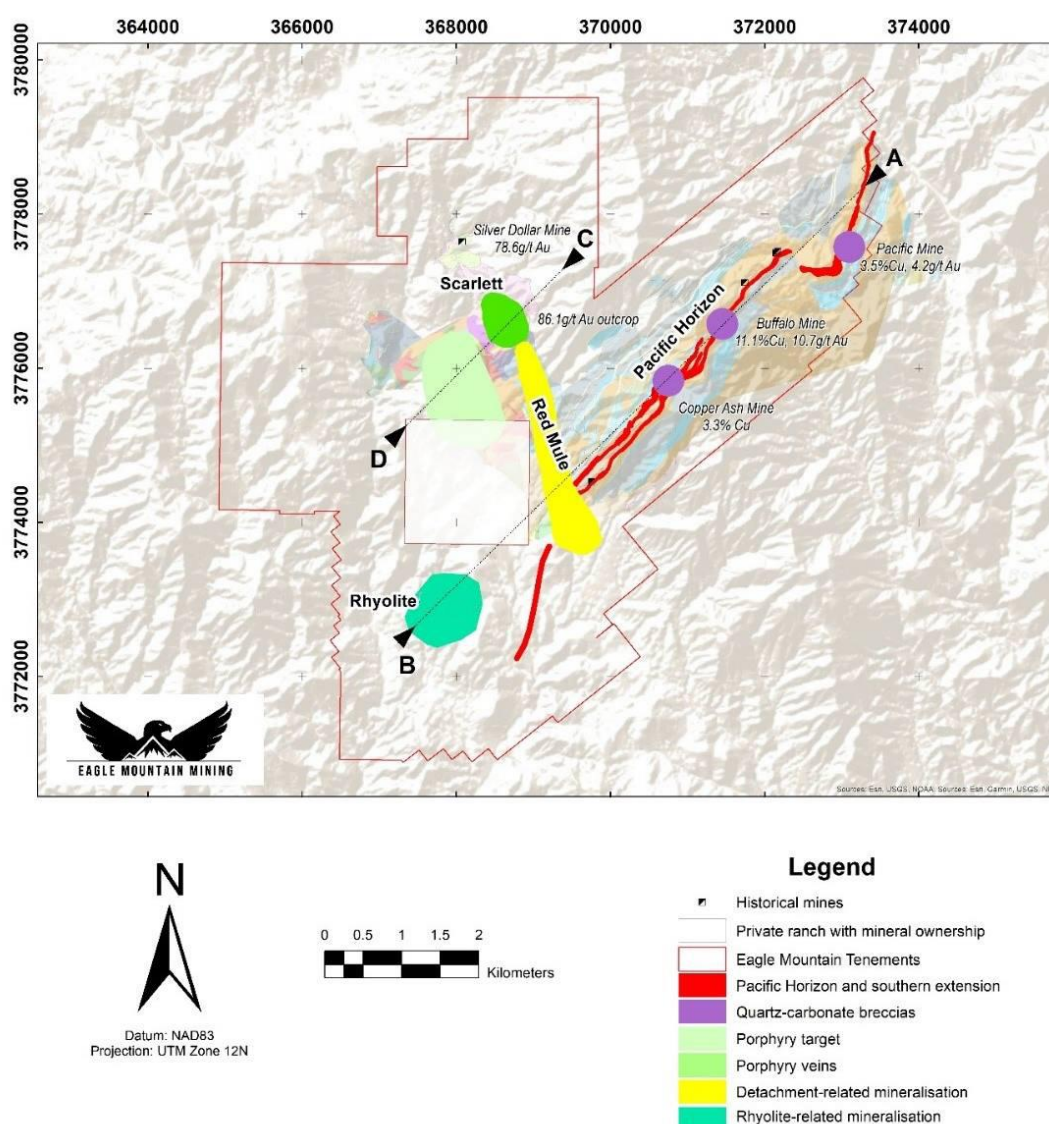


Figure 4 – Mineralisation targets and section lines

These four styles of mineralisation are illustrated in the hypothetical long-section below in Figure 5. Each style is a key target for the upcoming drilling program, which will commence along the Pacific Horizon, testing for the high-grade quartz-carbonate Cu-Au breccias, as well as the Pacific Horizon itself (Proterozoic Massive Sulphide).

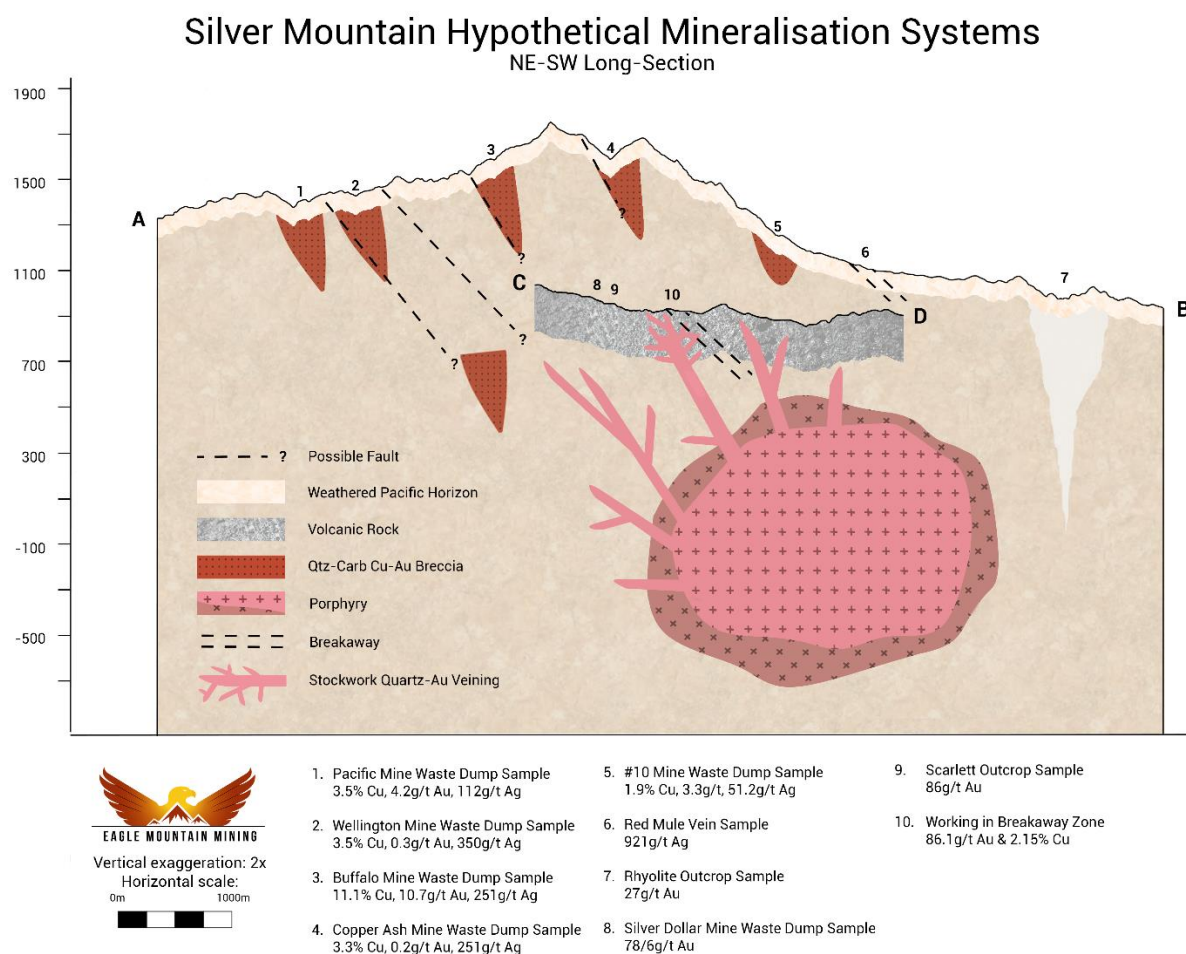


Figure 5 – Styles of mineralisation identified at Silver Mountain

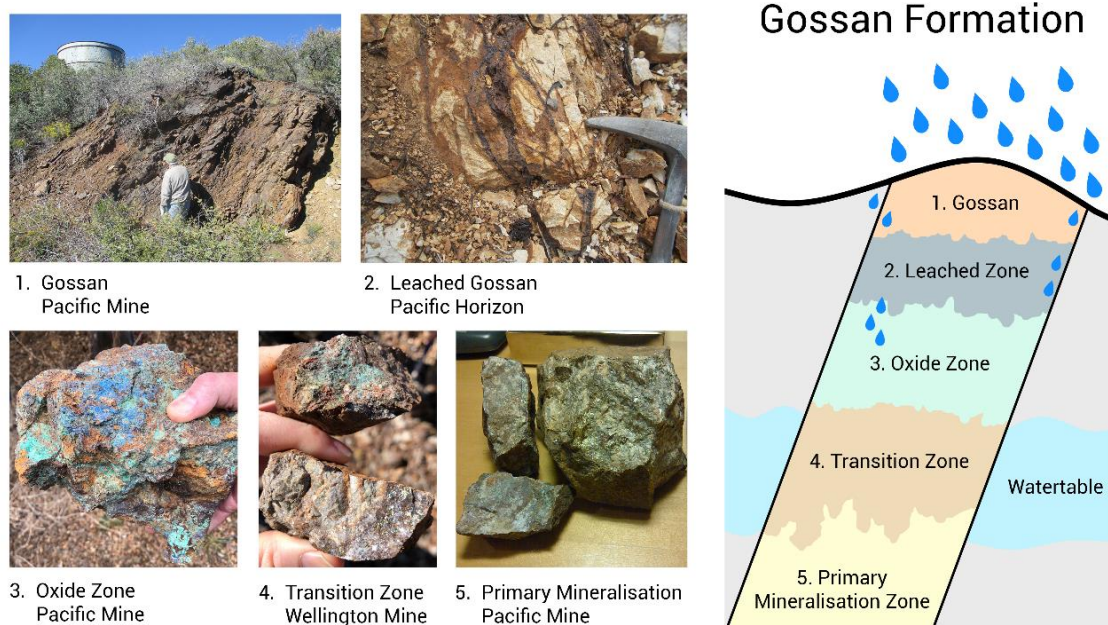
The above Figure 5 schematic is hypothetical and designed to show in section, as opposed to plan maps, what styles of mineralisation that Eagle Mountain's exploration results to date could be interpreted as being derived from.

PROTEROZOIC MASSIVE SULPHIDE – PACIFIC HORIZON

Recent exploration work has confirmed that the Pacific Horizon (“Horizon”) extends to more than 9 kilometres in length, up from the previously mapped 6 kilometres. The Horizon is up to 40 metres wide and has affinity with exhalite, a rock type often associated with volcanogenic massive sulphide (VMS) deposits. See Figure 4.

Although totally oxidized at surface, the Horizon is anomalous in trace metal values along its entire extent and locally shows gossanous textures. The Horizon is part of a Proterozoic age greenstone belt that hosts numerous VMS deposits including the world-class United Verde deposit (34.5 Mt @ 5% copper and 1.13 g/t gold) located near Jerome.

The approximately 140 metre deep Pacific shaft suggests that the Horizon extends at least to that depth down dip. Geological mapping, structural analysis and IP geophysics all indicate that the Horizon extends well beyond the bottom of the shaft. The gossan appears to be a syngenetic (i.e., formed at the same time as the surrounding rock) stratabound sulphide horizon that has been thoroughly oxidized at the surface.



Schematic view of a sulphide vein. You can see the oxidation zone, consisting of the gossan, the leached zone, and the oxidised zone. The reducing zone consists of the enrichment zone and the area of the primary mineralisation. The gossan has formed on top of sulphide material vein, where it reaches the surface.

*Figure 6 – Schematic of gossan development
Modified after B Asmus (2013) Gossan or the Iron Cap*

Figure 6 illustrates a typical cross-section through a sulphide vein, from gossan at the surface down to the primary sulphide zone. The associated photos show what each of these zones may look like based on rocks found on various mine waste dumps along the Pacific Horizon.

The mines along the Horizon from the 1880/90s to 1920s focused on these types of mineralisation and it is likely that they did so because the gossan associated with massive sulphide mineralisation can be found in outcrop.

Based on the rocks found on the waste dumps, mapping, and geochemical analysis, Eagle Mountain believes that multiple mineralising events have overprinted the original geology. Following on from the original syngenetic deposition, there were likely three other mineralising events:

1. intrusive-related porphyry Cu-Au mineralization, then
2. possible epithermal or hydrothermal overprint in the Tertiary, and much later
3. supergene upgrading.

PORPHYRY STYLE AU VEINS IN PROTEROZOIC GRANITES

The second style and phase of mineralization is a set of NE-striking, gold-bearing quartz-veins. These veins are found locally in the Scarlett Project area and are believed to be part of a regional phase of mineralisation. The veins display porphyry style alteration and occur in the Proterozoic granitoids outcropping to the north of Scarlett Hill. The schematic in Figure 5 illustrates the possible source of mineralisation as the “Stockwork Quartz-Au Veining”.

The Au-bearing veins occur within narrow fracture zones and as discontinuous lenses within dilational zones. Assay values range from 10 to 84 g/t Au with up to 2% Cu.

The veins are inferred to be of Laramide age, which is when many of the major Arizona copper deposits were formed. Geochemistry points to a porphyry-style intrusive as the source of the hydrothermal fluids. The NE-SW strike of the veins and the fractures hosting them is also characteristic of those seen in Laramide porphyry copper deposits throughout Arizona.

The Sheep Mountain copper porphyry lies ~5 kilometres to the south of the project area, and a possible porphyry intrusive just west of the Scarlett vein system (Figure 7) has been inferred from the 2013 airborne VTEM geophysics.

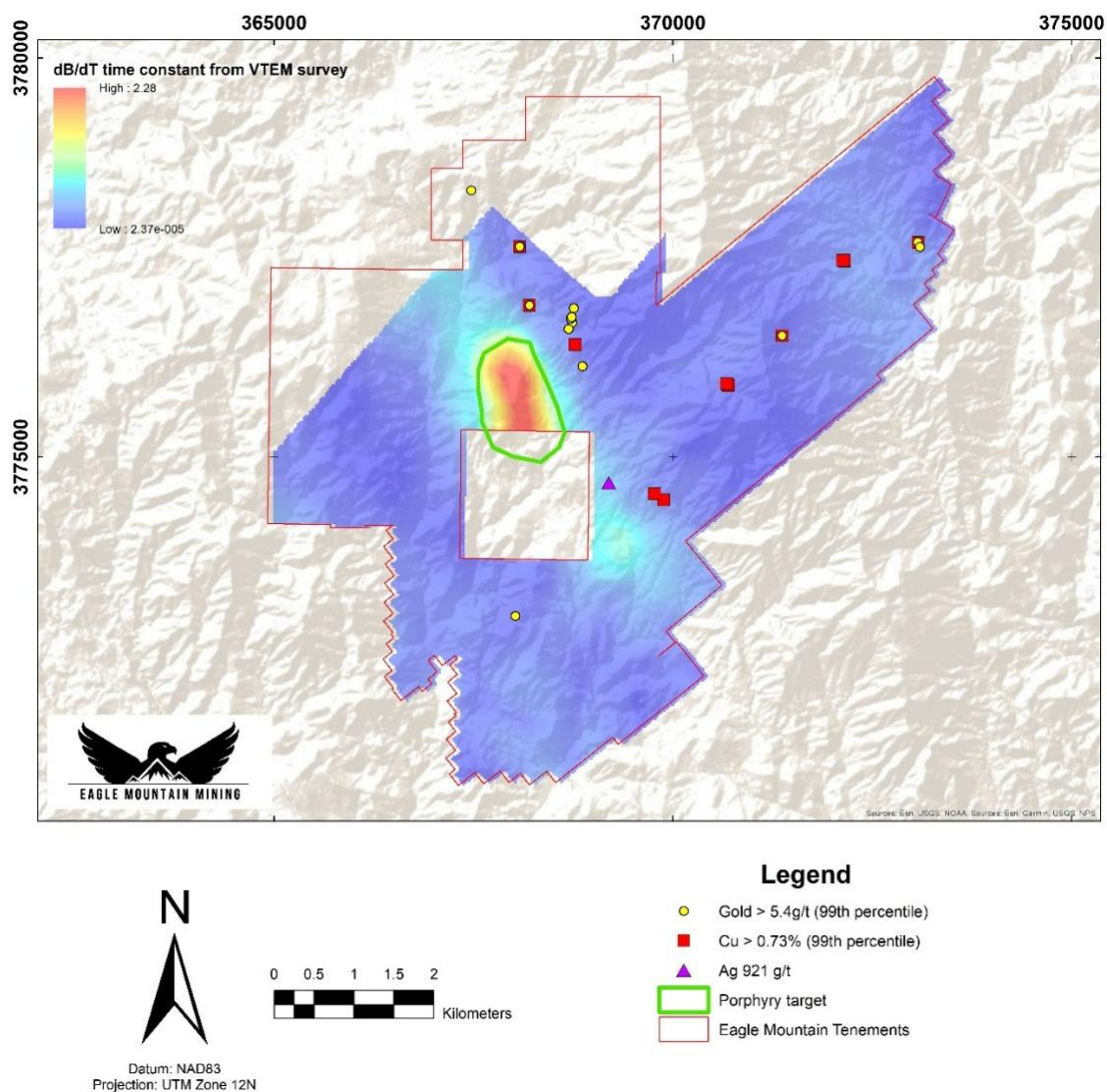


Figure 7 – VTEM Geophysical Anomaly – a potential porphyry

The VTEM anomaly shown in Figure 7 above sits within a NW-SE trend, shown as the pale blue zone. This feature may be picking up the Breakaway detachment fault zone, discussed on the following page.

QUARTZ-CARBONATE CU-AU BRECCIA

Quartz-carbonate Cu-Au bearing breccias occur infrequently along the Pacific Horizon. These rocks are found at the waste dumps of the Pacific Mine and at other locations which were the sites of historical mining activity, such as the Buffalo, Wellington and #10 mines. These breccias contain patches of abundant chalcopyrite hosted in a massive coarse-grained carbonate breccia. The breccia found on the Pacific Mine dump assayed 4.24 g/t Au, 112 g/t Ag, and 3.54% Cu.

Although not found in outcrop, mineralised quartz-carbonate breccias are assumed to occur at depth within the mines.

These are illustrated as “Qtz-Carb Cu-Au Breccia” in the Figure 5 schematic. These breccias do not necessarily occur in the locations, size or shape illustrated. There may be unknown breccias that are buried well below surface and are yet to be encountered.

It is believed that faulting that created the fluid pathways for these breccias to form was not a single event. Multiple episodes of brecciation, fault remobilisation, fluid flow and vein development postdate the initial emplacement of these bodies. It is also believed that the alteration and mineralisation at the Breakaway zone at Red Mule and these quartz-carbonate breccias may have developed at the same time during mid-Tertiary detachment faulting.

The “Possible Faults” shown in the Figure 5 schematic may not be in the locations or orientation as shown, but just demonstrate the relationship of the breccias to faults.

BREAKAWAY ZONE – DETACHMENT FAULTING

The Breakaway Zone at the Red Mule area is considered to be a significant fault zone: a series of NW-trending faults, relatively flat to steeply dipping, from the boundary between Proterozoic rocks to the east and Tertiary volcanics to the west. Hematite alteration occurs in zones that are up to 200 metres wide. Various geophysical surveys support the geologic interpretations based on surface mapping and sampling. The pale blue geophysical anomaly trending NW in Figure 7 may be picking up this faulting.

The Breakaway Zone, considered to be a detachment fault, could host the tonnage and grades to be of potential economic value.

The Figure 5 schematic illustrates the “Breakaway” as a zone running from the Pacific Horizon trend A-B section through the workings sampled along the C-D section line.

The graphic below illustrates a detachment fault scenario:

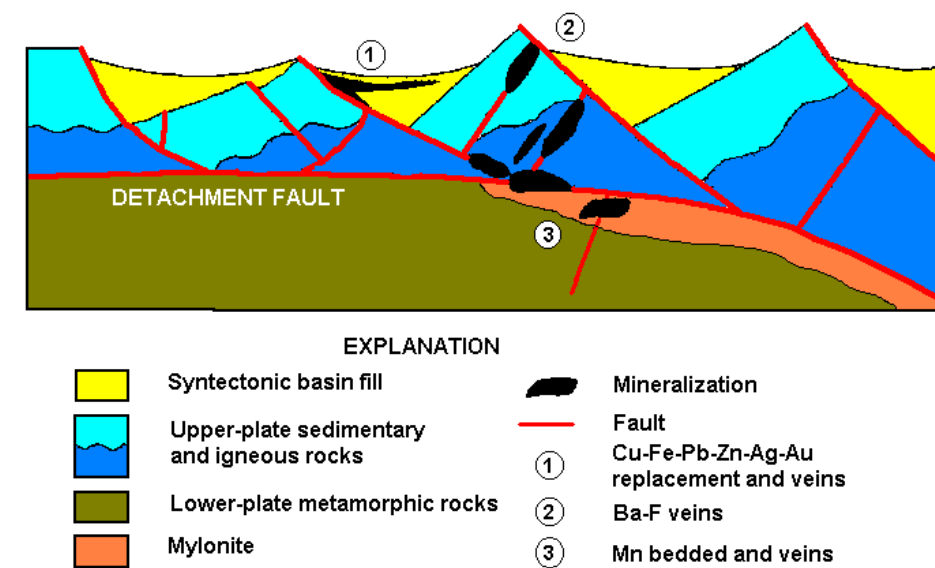


Figure 8 – Schematic of Detachment Fault¹

Detachment associated mineralisation has only been recently recognised in Arizona as the cause for much mineralisation found in the state. They may have been previously classified as epithermal or other styles. Recent studies recognise an affinity between detachment-style mineralisation and the Iron Oxide Copper Gold group of mineral deposits. The map below shows the extent of known detachment fault-related mineralisation in Arizona.

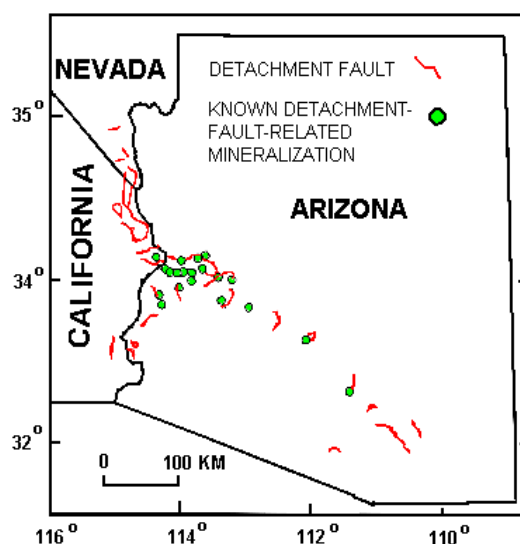


Figure 9 – Detachment Fault-related Mineralisation in Arizonaⁱ

SUMMARY

Eagle Mountain looks forward to the commencement of its maiden drill program at Silver Mountain:

- 6000m of diamond drilling is expected to begin in September and will continue for three to five months.
- Eagle Mountain is exploring for several different styles of mineralisation, with specific drill targets based on a combination of field observations, sampling and geophysics.
- As this is the first modern exploration campaign conducted on the project, the Company expects drilling at depth below weathered rocks to provide a much better understanding of where the greatest potential lies and how to further the discovery process.
- If Eagle Mountain encounters early success in this first round of drilling in one location or another, the Company intends to continue drilling without stopping and possibly bring in additional drill rigs.

Eagle Mountain will continue to keep shareholders informed throughout the drilling campaign as results come to hand.

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EAGLE MOUNTAIN MINING LIMITED

Eagle Mountain is a copper-gold explorer focused on the strategic exploration and development of the highly-prospective Silver Mountain Project located just outside of Phoenix, Arizona.

Arizona is at the heart of America's mining industry and home to some of the world's largest copper discoveries. Silver Mountain, which comprises three prospects, Pacific Horizon, Scarlett and Red Mule, lies on the same geological setting that hosts world-class porphyry copper mines such as Bagdad, Miami and Resolution, one of the largest undeveloped copper deposits in the world. It also lies on the southern extension of the metallogenic belt that hosts United Verde and Iron King.

The Company is laying the groundwork for an aggressive exploration drilling program in the first half of FY19.

Eagle Mountain is led by founder and Managing Director Charles Bass. Mr Bass has a proven track record in mining, having previously co-founded both Eagle Mining Corporation, a highly successful gold miner, and Aquila Resources, which was acquired by Baosteel and Aurizon Holdings for \$1.4 billion in 2014.

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.

Where the Company references previous ASX announcements, JORC Table 1 disclosures are included within them. The Company confirms that it is not aware of any new information or data that materially effects the information included in those announcements, and that the form and context in which the Competent Persons findings are presented have not been materially modified from the original reports.

ⁱ Keith Long, 2004 USGS Paper "Preliminary Descriptive Deposit Model for Detachment-Fault-Related Mineralisation