



Plant and Equipment Exceeds Initial Purchase Payment For Oracle Ridge Copper Mine

Highlights

Oracle Ridge Copper Project

- Review of major plant and equipment value exceeds the initial purchase price paid to Receiver. Replacement cost would be substantially higher.
- Underground development and services excluded from the plant and equipment valuation and will likely add significant value for future potential mining studies.
- UAV magnetics completed over the mine and data collected is currently being assessed – results due in Q1 2020.
- Drilling of tailings dam commenced to assess potential for economic minerals – results due in Q1 2020.
- Helicopter airborne electro-magnetic survey (VTEM+) commissioned with results due in Q2 2020.
- Extensive documents, maps and reports are being reviewed to assess Resource expansion potential.
- Potential to substantially increase existing NI43-101 resource estimate.

Silver Mountain

- Review of data and further groundwork at Silver Mountain Project has resulted in the development of a new work program.

Eagle Mountain Mining's recently appointed CEO Tim Mason said *"Our review of the major assets at the recently acquired Oracle Ridge Copper Project has identified plant and equipment valued at A\$1.1 million, which compares very favourably with our initial purchase payment of A\$750,000 for 80% of Oracle Ridge.*

Far more importantly though is the value of the existing Resources along with the extensive underground infrastructure such as decline access, ore passes, sumps, pumping and electrical reticulation which has the potential to greatly enhance future mining studies.

The existing underground development also offers Eagle Mountain a valuable opportunity for underground exploration drilling and mapping and we remain highly positive about the potential to grow the existing defined resources. The team on site is well underway with programs to achieve this goal, with initial works including various airborne geophysical surveys, hyperspectral surveys, structural mapping and reviews of historic data and modelling."

Oracle Ridge Copper Mine Review

The Oracle Ridge Copper Mine ("Oracle Ridge") has a current NI43-101 calculated resource of over 400 million lbs of Cu and over 6 million ounces of Ag. The resource is estimated at **11.7 million tonnes grading 1.57% Cu and 17.47 g/t Ag¹**, using a 1% Cu equivalent cut-off grade – refer to the ASX announcement dated 29 October 2019 for further details.

The mine and associated assets were purchased by Wedgetail Operations LLC ("WTO") from the Receiver on 28 November 2019 for an initial cash payment of \$US500,000. The sole creditor, Vincere Resource Holdings LLC ("Vincere"), was allotted shares comprising 20% of WTO. Vincere also provided WTO with a 10 year US\$6.4 million loan ("Loan") secured solely against the assets of WTO. The note is not repayable until the beginning of the 6th year and thereafter no interest is charged. Eagle Mountain's wholly-owned subsidiary, Wedgetail Holdings LLC, will free-carry Vincere for the first \$US5 million of expenditure, with no minimum requirement.

If Eagle Mountain wishes to withdraw, it will relinquish its 80% interest in WTO to Vincere with no additional recourse to Eagle Mountain for the Loan.

Eagle Mountain's wholly-owned subsidiary, Silver Mountain Mining Operations, has been appointed manager of the Oracle Ridge project.

Plant and Equipment

A review of the Oracle Ridge major plant and equipment has been completed.

The review was undertaken internally for both insurance and accounting purposes. The major assets identified included vehicles and mobile equipment, an underground diamond drill and ancillary consumables, electrical installations for the underground mine, XRF equipment and ventilation fans. The estimated value of these major assets totalled A\$1.1 million (unaudited) and compares very favourably with the initial purchase payment of US\$500,000 (approximately A\$750,000) for Eagle Mountain's 80% interest. A significant number of minor assets (valued at less than US\$5,000 each) such as stores items and spare parts were included in the purchase, however were not included in the asset value estimate.

¹Cautionary Statement: references in this announcement to the publicly quoted resource tonnes and grade of the Project are historical and foreign in nature and not reported in accordance with the JORC Code 2012, or the categories of mineralisation as defined in the JORC Code 2012. A competent person has not done sufficient work to classify the resource estimate as mineral resources or ore reserves in accordance with the JORC Code 2012. It is uncertain that following evaluation and/or further exploration work that the foreign/historic resource estimates of mineralisation will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code 2012. Resource estimates and other information used in this announcement are based on the March 2014 NI43-101 compliant Independent Technical Report prepared by Dr Giles Arseneau of Arseneau Consulting Services Inc for Oracle Mining Corp. This report can be found on the Company's website "www.eaglemountain.com.au".

Figure 1 - Summary of Major Asset Values at Oracle Ridge Copper Project

Category	Estimated Value – 100% basis – A\$	Estimated Value - Eagle Mtn 80% Interest - A\$
Geology	70,000	60,000
Mobile	70,000	60,000
Major Electrical	340,000	270,000
Miscellaneous	600,000	480,000
Total	1,090,000	870,000

Replacement costs for these assets are likely to be much greater than these values due to additional mobilisation and installation costs, which provides Wedgetail Holdings LLC with an inherent benefit of the installed assets at Oracle Ridge for any future study into recommencing mining operations.

As the review of plant and equipment was for accounting and insurance purposes, it did not consider the inherent value of:

- Existing NI43-101 resources;
- 18 km of existing development, with majority considered to be in good condition and generally proximal to existing defined resources;
- Existing access roads to the site;
- Various approved permits and approvals, some of which require amendment subject to outcomes of future mining studies;
- Extensive data, maps and reports;
- Various environmental, metallurgical and mining studies;
- Refurbished buildings which remain onsite; and
- The location of Oracle Ridge being a mining friendly jurisdiction with rail and smelter both nearby.

The images below highlight some of the major equipment available at Oracle Ridge.



Photo 1 – Underground Vehicles



Photo 2 – Underground drilling equipment



Photo 3 – Underground Vehicles



Photo 4 – Underground diesel motor



Photo 5 – Underground Ventilation Fan



Photo 6 – Electrical Distribution Equipment



Photo 7 – Fan Starter Box



Photo 8 – Underground Secondary Fan

The following images show the existing underground development at Oracle Ridge which remains in relatively good condition.



Photo 9 – Intersection in underground workings



Photo 11 – Underground sump



Photo 10 – Underground Development



Photo 12 – Underground Development



Photo 13 – Rehabilitated portal on upper level

Airborne Geophysics

A magnetic drone survey was completed in January 2020 over the mine area. Analysis of the data collected is being assessed by the Company's geophysical consultant and is planned to be completed during Q1 2020.

Geotech Airborne Geophysical Surveys has been commissioned to undertake a helicopter Versatile Time Domain-Electromagnetic (VTEM+) survey over both the mine and local region. The survey is expected to commence in February 2020 with results due early in Q2 2020.

The combination of the magnetic drone and helicopter VTEM+ geophysical surveys will assist in the delineation of drill targets for potential resource expansions.

Drilling of Tailings Dam

The historical tailings dam created from mining activities conducted in the 1990s was drilled in January 2020 to assess the potential for economic minerals. Assay results are due in Q1 2020.

Resource Update

Work has commenced on providing a JORC compliant Resource estimate at Oracle Ridge. Extensive documents, maps and reports are being reviewed as part of the Resource update. The Resource update is expected to be completed in Q2 2020.

Resource Expansion Project

The geophysical surveys along with the review of prior work and mapping will be used to define drill targets with the aim of expanding the currently defined mineralisation. Priority drill targets are planned to be delineated in Q2 2020.

Silver Mountain Project

Following the completion of phase one drilling, further evaluation of geological, geochemical and geophysical results was undertaken. Eagle Mountain is undertaking further field mapping which is planned to continue during Q1 2020.

The highly anomalous assay values in drilling and the presence of porphyry indicator minerals such as molybdenum and bismuth confirm the perspective of the Silver Mountain Project.

The Company is planning further groundwork at Silver Mountain as an initial phase of a new work program.

Other Corporate Information

A senior employee at the Silver Mountain Mining Operations unfortunately passed away early in January due to a non-work related incident. Mark Bascope was a highly respected and valued member of the team who oversaw the drilling program at Silver Mountain. We are all saddened by his passing and our thoughts are with his family and friends.

In January 2020, the Company received firm commitments for a placement to fund planned exploration and evaluation work at Oracle Ridge. The placement to institutional and sophisticated investors raised \$1.8 million (before costs) through the issue of 12,000,000 new shares at an issue price of 15 cents. The Company had targeted a placement of \$1.5 million however was pleased to accept the additional applications received – refer to ASX announcements dated 24 January 2020 and 31 January 2020 for further details.

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COMPETENT PERSON STATEMENT

Where the Company references results and technical information from previous ASX announcements including the Oracle Ridge Copper Mine and the announcement made on 29 October 2019, 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 all material assumptions and technical parameters underpinning the results and resource estimates with 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 highly-prospective greenfields and brownfields projects 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.

Annexure A

Mineral Resource Estimation

The resource estimates provided in this announcement have been taken from the 31 March 2014 Independent Technical Report for the Oracle Ridge Project prepared by Dr Gilles Arseneau, P.Geo, principal of Arseneau Consulting Services Inc. (refer ASX announcement 29 October 2019)

These resource estimates are Canadian NI43-101 compliant. As such, the Canadian Institute of Mining applies a standard that there are "reasonable prospects for economic extraction" in its definition of Mineral Resources.

Arseneau considers that "major portions of the Oracle Ridge Project are amenable to underground extraction".

The table below presents the Mineral Resource Estimate calculated by Arseneau at a 1.0% CuEq (copper equivalent) cut-off grade. The Mineral Resource Estimate is not JORC compliant.

Resource Class	Tonnes (Millions)	Cu %	Ag g/t	Au g/t	Contained Cu, lbs (Millions)	Contained Ag, oz (Millions)	Contained Au, oz ('000)
Measured	1.06	1.59	18.86	0.24	37	0.6	8
Indicated	5.58	1.61	17.83	0.21	199	3.2	38
Inferred	5.12	1.53	16.80	0.14	173	3	22
Total	11.76	1.57	17.47	0.18	409	6.8	68

Table 1 Summary of latest Mineral Resource Estimate – NI43-101 Compliant. (See Figure 8 and Figure 9 for a 3D representation of the orebodies and MRE block model)

Note in respect to Copper Equivalency:

The cut-off grade of 1% CuEq was used to ensure reasonable prospects of economic extraction assuming underground mining. Silver and gold grade estimates were based on a less comprehensive data set than the copper grade estimates. Where copper grade estimates exist without accompanying silver and gold grade estimates, the drill hole was not used to estimate silver or gold grade. Copper equivalency has been estimated using metal pricing of US\$2.80 per pound of copper, US\$20 per ounce of silver and US\$1,300 per ounce of gold. Metallurgical recovery was derived from preliminary locked cycle test results and assumed to be 81% for gold and silver. The prices used were a reflection of market at the time of the Mineral Resource Estimate and reasonable forecasts. The formula used is as follows:

$$\text{CuEq} = \text{Cu}\% + \{(\text{Ag oz/ton} \times \text{US\$20} \times 0.81) + (\text{Au oz/ton} \times \text{US\$1,300} \times 0.81)\} / \$2.80 / 2,000 \times 100$$

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