



Quarterly Report December 2019

HIGHLIGHTS

- Oracle Ridge Project- acquisition of Oracle Ridge Copper Mine completed during the quarter
 - Drone magnetic survey commenced during the quarter
 - Work commenced on compiling the existing data and preparing work programs for 2020 which are planned to underpin future drill targeting
 - Potential to substantially increase the existing NI43-101 resource estimate
- Silver Mountain Project – ongoing geological interpretation following Phase One drilling
- Appointment of Chief Executive Officer, Tim Mason
- Unsecured loan of US \$1 million obtained
- Subsequent to the end of the quarter, strong interest in share placement to raise \$1.8m to expedite exploration and evaluation at Oracle Ridge copper project

Eagle Mountain Managing Director, Charles Bass, commented:

"The Oracle Ridge Mine presents an amazing opportunity and one that doesn't come along very often. It is an advanced stage copper and silver opportunity that perfectly complements our early stage, but highly prospective Silver Mountain Project.

The management team has completed significant due diligence on Oracle Ridge, and I along with the Board believe this project can take Eagle Mountain to the next level.

Even before completion of the acquisition, the focus was and remains on exploration aimed at expanding the resource and some complementary early development studies. Our newly-appointed CEO, Tim Mason – an underground mining expert – will be the driving force behind advancing Oracle Ridge."

OPERATIONS UPDATE

Oracle Ridge Copper Mine (80% owned)

Substantial Resource, Underground Workings, Drilling, Infrastructure and Permitting

The most recent resource estimate is a 2014 NI43-101 Mineral Resource of 11.7 million tonnes at 1.57% Cu and 17.47 g/t Ag¹ containing 409 million lbs of copper and 6.6 million ounces of silver (*refer ASX announcement 29 October 2019*). In addition to the Mineral Resource the project has the following significant features:

- ✓ 18 kms of underground workings;
- ✓ Over 76,000 metres of historical and recent drilling;
- ✓ Road, rail and smelter all reasonably nearby;
- ✓ Refurbished buildings and equipment remain onsite;
- ✓ US\$26 million invested between 2011 and 2015 on technical studies, permitting, exploration; and
- ✓ Mining workforce within easy drive.

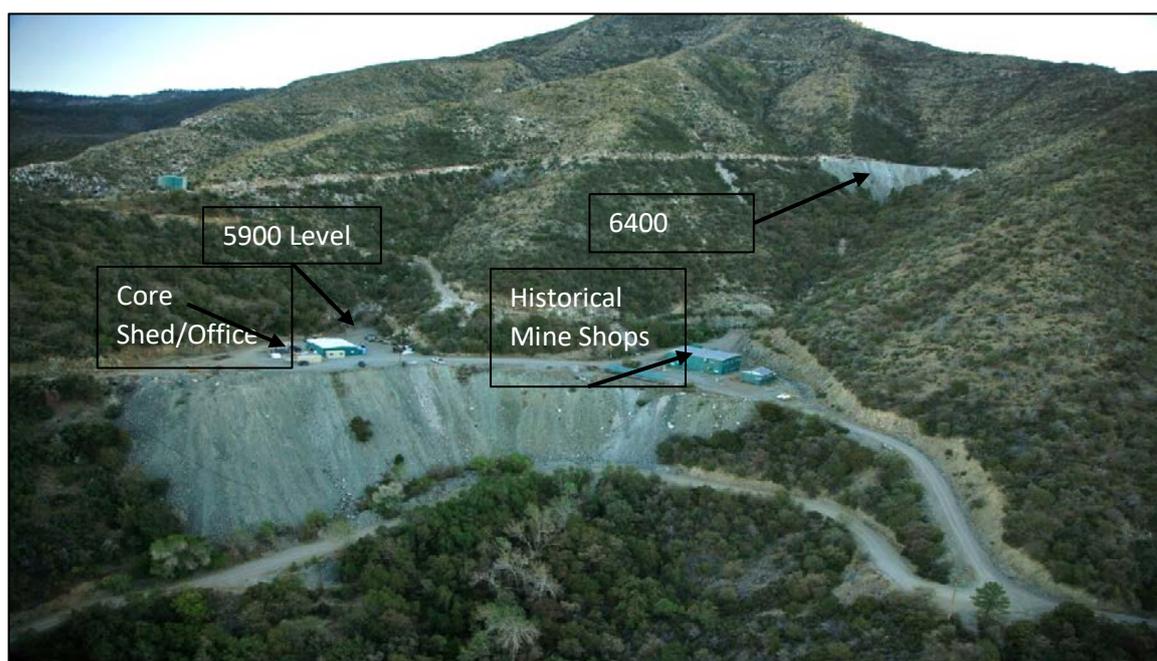


Figure 1 Surface infrastructure at Oracle Ridge mine

¹ Cautionary 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".

Key Transaction Events to Purchase:

- \$US500,000 was paid by Eagle Mountain's existing wholly owned Arizona subsidiary, Wedgetail Operations LLC ("WT Operations") as the purchase price for all assets of Oracle Ridge Mining LLC ("ORM") to the Receiver for the benefit of the sole secured creditor Vincere Resource Holdings LLC ("Vincere");
- WT Operations assumed all ORM's leases, easements and access agreements with third parties;
- WT Operations assumed a 10-year secured note with Vincere for US\$6,423,000, with repayments commencing at the start of the 6th year;
- Vincere was issued a 20% interest in WT Operations; and
- An Operating Agreement was signed which appoints Eagle Mountain's wholly owned subsidiary, Silver Mountain Mining Operations Inc as Operator.



Figure 2 Refurbished 6400 Level portal with electric power infrastructure to left of portal. Note that generator shown in this photograph is currently off site

Location

The Oracle Ridge Copper Mine is located less than a two-hour drive from Tucson and was last in production in 1995, before being placed into care and maintenance.

Arizona has a rich copper mining history and has been host to a number of world class copper mines. The nearby San Manuel copper mine was the world's largest underground copper mine by the 1980's and produced over 700 million tons of ore from underground alone.

Copper production from Arizona accounts for two thirds of United States output. If Arizona was a country, it would be the 7th largest copper producer in the world. The US, and Arizona in particular, is politically and workforce stable especially when compared to other copper producing regions in the world.

The Arizona mining sector is well supported by world-class infrastructure and a highly skilled workforce. A rail line leading from the town of San Manuel leads north about 50 kms to a copper smelter.

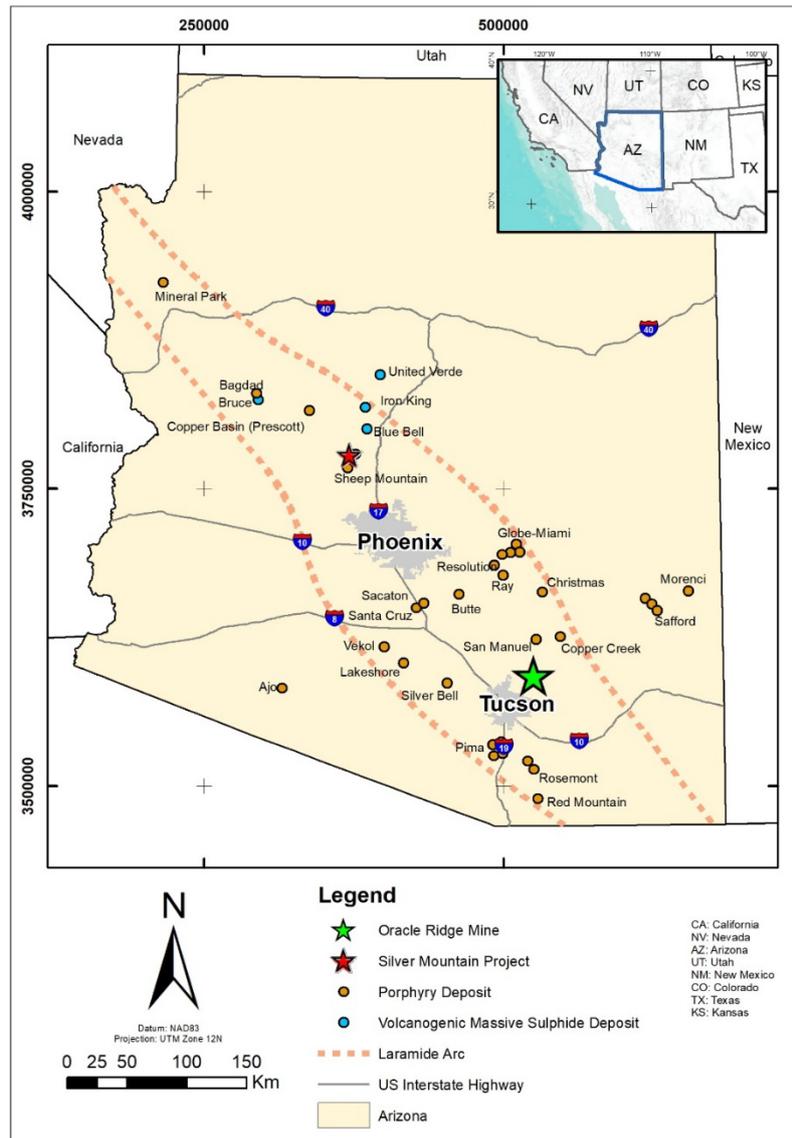


Figure 3 Arizona state map showing Eagle Mountain project locations and existing copper deposits.

The location of Oracle Ridge will complement the Silver Mountain Project and carry over similar benefits, such as the friendly regulatory and permitting regime. Most required mining permits for the Oracle Ridge Mine were previously secured with some requiring amendment depending upon final project design.

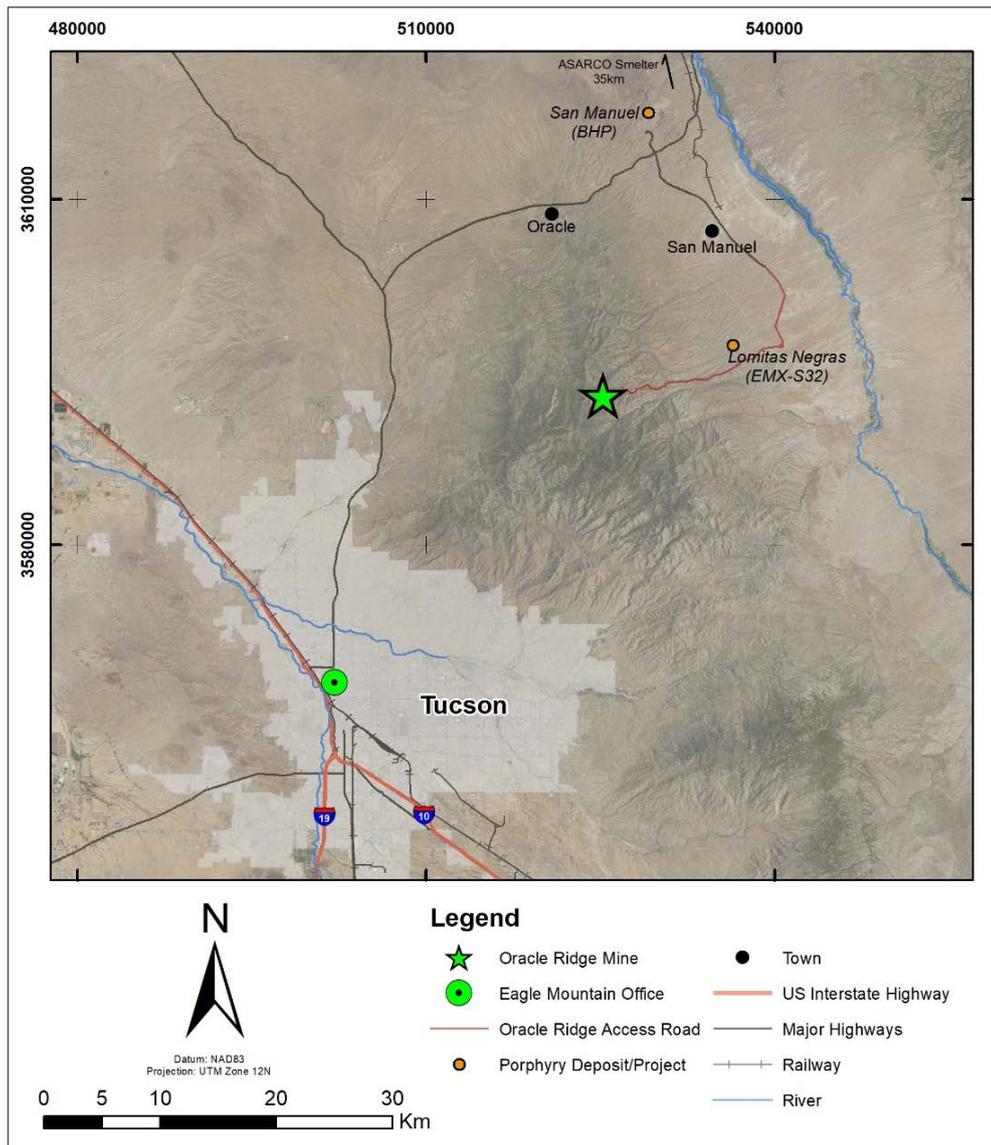


Figure 4 Location of Oracle Ridge Mine located to the NE of Tucson, Arizona. EM2's office in Arizona is approximately a two-hour drive from the minesite.

Mineralisation

The geology of the Oracle Ridge Copper Mine is well understood.

- Oracle Ridge is hosted in Cambrian to Mississippian limestones and dolomites;
- Source of alteration and mineralisation is interpreted to be the intrusion by Cretaceous (Laramide) Leatherwood granodiorite stock, sills and dikes;
- Skarn and endoskarn mineralisation
 - Bornite, chalcocite, chalcopyrite
 - Significant silver and minor gold
 - Concentrated magnetite in some areas; and
 - Mineralisation contained within four limestone beds ranging from Cambrian to Pennsylvanian in age.

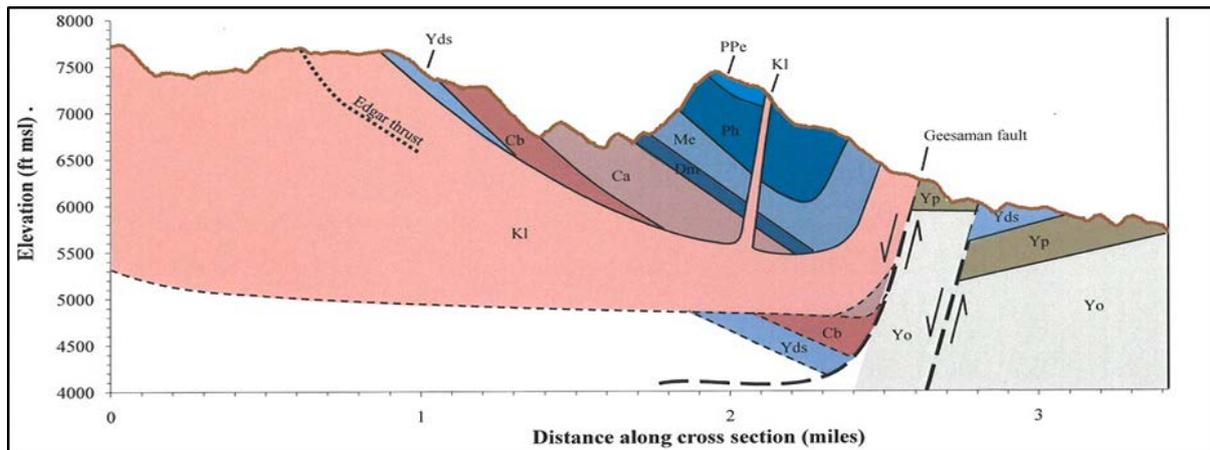


Figure 5 Simplified north-south cross section displaying local geology at Oracle Ridge. The intrusion of the Laramide Leatherwood granodiorite (pink colour) caused skarn alteration and Cu-Ag mineralisation in the overlying carbonate beds

The geological conditions at the Oracle Ridge Copper Mine provide for:

- Exceptionally favourable geotechnical conditions;
- Neutralisation of any acidic run-off through the limestone host rock; and
- Hardness of host rock is well suited for underground mining.



Figure 6 Skarn-hosted mineralisation within Oracle Mine

Mineral Resource Expansion Potential

Documents reviewed by Eagle Mountain suggest there is significant potential for expansion of the existing Mineral Resource Estimate for the Oracle Ridge Copper Mine.

The potential expansion of Mineral Resource Estimate for the Oracle Ridge Copper Mine will be a key focus for the Company.

During the quarter, the Company commenced an airborne drone magnetic survey with results expected during Q1 2020. Consolidation and review of existing data, along with preparation for work programs planned for 2020 were also undertaken during the quarter.

Eagle Mountain's Forward Plan at Oracle Ridge

- Conduct new airborne and ground geophysics;
- Map and sample the underground structures;
- Develop an initial JORC 2012 standard resource estimate;
- Determine further potential resource targets both within existing mine and in the nearby vicinity;
- Commence an exploration program focussed on upgrading and expanding the existing mineral resource base;
- Assess potential for magnetite which has been reported to be up to 39% in some mineralisation; and
- Commence mining studies on the basis of an enlarged resource base.

Silver Mountain Project

Following the completion of Phase One drilling further evaluation of geological, geochemical and geophysical results was undertaken. The Company undertook further field mapping during the quarter which is planned to continue into Q1 2020.

As previously reported, the highly anomalous assay values in drilling and the presence of porphyry indicator minerals such as molybdenum and bismuth confirm the prospectivity of the Silver Mountain Project.

CORPORATE

Appointment of Chief Executive Officer

During the quarter, the Board announced the engagement of Mr Tim Mason as Chief Executive Officer (CEO), effective 15 January 2020. Tim has commenced and is presently in Arizona visiting the site and meeting with staff and consultants.

Tim is a Geotechnical Engineer who holds an MBA and has 18 years' experience in the mining and engineering sectors across a broad range of corporate, operations, business

development and engineering roles. His recent roles of General Manager Operations and General Manager Projects and Innovation involved conducting feasibility studies, project development and operations start-up, business development, project financing and corporate presentations.

Cash

During the quarter, the Company entered into an unsecured US\$1m loan agreement with Quartz Mountain Mining Pty Ltd, an entity associated with Mr Charles Bass. The loan incurs interest at 2% per annum (the first 3 months are interest free) and has a term of 12 months. Refer ASX announcement 28 October 2019 for further details.

Cash on hand at the end of the quarter was \$0.85 million.

Subsequent to the end of the quarter, the Company received firm commitments for a placement to fund planned exploration and evaluation work at Oracle Ridge Copper Project. The placement to institutional and sophisticated investors will raise \$1.8million (before costs) through the issue of 12,000,000 new shares at an issue price of 15 cents per fully paid ordinary share. The Company had targeted a placement of \$1.5million however was pleased to accept the additional applications received. (Refer ASX announcements 24 January 2020 and 31 January 2020)

For further information please contact:

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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.

Appendix 1

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:

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

Cautionary 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".

Schedule of interests in mining tenements

All of the Eagle Mountain mineral licences are presently located in the State of Arizona, United States of America, refer to the location map. (ASX Listing Rule 5.3.3)

(a) Interests in mining tenements as at 31 December 2019

Prospect & Tenure type	Claim Reference (Tenement)	Percentage held at beginning of quarter	Percentage held at end of quarter	Notes
SILVER MOUNTAIN PROJECT				
Pacific Horizon				
Patented Claims (26 individual claims)	Empire, Copper Ash, Palestine, Buffalo, Little Pittsburg, Austin, Wellington, Eagle, Number Ten, Number Eleven, Number Twelve, Number Thirteen, Noonday, South Noonday, Dudley, Comet, Alameda, Virginia, Mars, Ashland, Oakland, Sunnyside, Cuprite, Azurite, Yavapai and Jumbo	100%	100%	
Unpatented Claims (150 individual claims)	SMM#1-14, SMM#17-145, SMM#147, SMM#149, SMM151, SMM#155, SMM#157, SMM#159, SMM#161	100%	100%	
Exploration Permit (1 individual permit)	008-012-0870	100%	100%	
Scarlett				
Unpatented Claims (92 individual claims)	SCA#1-15, SCA#57-133	100%	100%	
Exploration Permit (2 individual permits)	008-120868, 008-120869	100%	100%	
Red Mule				
Unpatented Claims (98 individual claims)	SMM#146, SMM#148, SMM#150, SMM#152, SMM#153, SMM#154, SMM#158, SMM#160, SMM#162-207, SMM#210-212, SCA#16-56	100%	100%	
Exploration Permit (2 individual permits)	008-120871, 008-120872	100%	100%	
Rhyolite Target				
Unpatented Claims (70 individual claims)	SMMSO#001 - 015; SMMSO#023 - 048; SMMSO#054; SMMSO#056; SMMSO#058 - 084	100%	100%	
Exploration Permit (1 individual permit)	008-120101	100%	100%	

Prospect & Tenure type	Claim Reference (Tenement)	Percentage held at beginning of quarter	Percentage held at end of quarter	Notes
ORACLE RIDGE COPPER PROJECT				
Patented Claims (60 individual claims)	Parcel 1 (Roosevelt, Way-up, Homestake, Lone Pine, Imperial and Hidden Treasure) Parcel 2 (Eagle, York, Copper Peak and Golden Peak No 2) Parcel 3 (Grand Central Lode) Parcel 4 (Tunnel Site, Major McKinley, Marble Peak, Wedge, Giant, Copper Head, Centennial, General R E Lee and Blizzard) Parcel 5 (Oversight MS3461) Parcel 6 (Daily No3, Daily No5, Sphinx, Roskruge, Calumet, Edith, Daily Extension, Cave, Wedge No3, Wedge No2 and Katherine) Parcel 7 (Copper Princess, Apache Central and Daily Tunnel Site) Parcel 8 (Oversight MS3504) Parcel 9 (Apex, Alabama, Bornite, Contact, Cuprite, Epidote, Embersite, Garnet, Over the Top, Yellow Copper, Valley, Apex No2, Keeney and Wilson) Parcel 10 (Chalcopyrite and Peacock) Parcel 11 (Daily Extension No2, Daily Extension No3, Daily Extension No4) Parcel 12 (H T Fraction) Parcel 13 (Turkey) Parcel 22 (Cochise) Parcel 27 (Holly Terror) Parcel 28 (Precious Metals) That portion of Parcels 24 and 25 lying within: (Apache, Maricopa, Yavapai, Buster, Major, Greenlee)	Nil	80%	
	Unpatented Claims (150 individual claims)	Jody 1 – 20, Lorelei 1 – 7, Parcels 16, 17, 18, 19 and 20 (Olesya 1 – 23) Parcel 16 (Olesya 3 – 11, and portions of Olesya	Nil	80%

(b) Tenements acquired and disposed of during the quarter

ORACLE RIDGE MINERAL LICENCES / RIGHTS

All of the Licences and other licence interests pertaining to Oracle Ridge Copper Project were acquired during the quarter. Refer to the table in this Appendix 2 outlining the tenure.

(c) The beneficial percentage interests held in farm-in or farm-out agreements as the end of the quarter

None

(d) The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

None

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Eagle Mountain Mining Limited

ABN

34 621 541 204

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(577)	(1,080)
(b) development	-	-
(c) production	-	-
(d) staff costs (<i>administration and corporate</i>)	(58)	(116)
(e) administration and corporate costs	(260)	(541)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – rent incentive rebate	-	-
1.9 Net cash from / (used in) operating activities	(894)	(1,736)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	(730)	(730)
(c) investments	-	-
(d) other non-current assets - bonds	(7)	(8)
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – cash on acquisition of subsidiary	-	-
2.6 Net cash from / (used in) investing activities	(737)	(738)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares and options	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	1,427	1,427
3.6 Repayment of borrowings	(3)	(6)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	1,424	1,421

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,053	1,880
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(894)	(1,736)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(737)	(738)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,424	1,421
4.5 Effect of movement in exchange rates on cash held	12	31
4.6 Cash and cash equivalents at end of period	858	858

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	858	1,053
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	858	1,053

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	60
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Office Rent paid to an associated entity of Mr Bass, a director of the Company - \$22,000. Director remuneration \$37,500.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	1,436	1,436
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

On 27 October 2019 the Company entered into an unsecured US\$1m loan agreement with Quartz Mountain Mining Pty Ltd, an entity associated with Mr Charles Bass. The loan incurs interest at 2% per annum (the first 3 months are interest free) and has a term of 12 months. Refer ASX announcement 28 October 2019 for further details.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation*	(1,060)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(125)
9.5 Administration and corporate costs	(260)
9.6 Other: Evaluation of new opportunities	-
9.7 Total estimated cash outflows*	(1,445)

*The Board is monitoring cash outflows carefully and notes that estimated exploration outflows are discretionary and dependent on available cash. On 24 January 2020 the Company announced a share placement of \$1.8 million, before costs, to fund proposed exploration and evaluation programs and provide working capital.

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Refer Appendix 2			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Refer Appendix 2			

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Sign here: 
Company secretary

Date: 31 January 2020

Print name: Mark Pitts

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.