EAGLE MOUNTAIN MINING

EAGLE MOUNTAIN MINING LIMITED

ABN 34 621 541 204

FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2019

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CORPORATE DIRECTORY

DIRECTORS

Rick Crabb (Non-Executive Chairman)
Charles Bass (Managing Director)
Roger Port (Non-Executive Director)

ALTERNATE DIRECTOR

Brett Rowe
(Alternate Director for Charles Bass)

COMPANY SECRETARY

Mark Pitts

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Ground Floor, 22 Stirling Highway
Nedlands, Western Australia 6009

Email: info@eaglemountain.com.au
Website: eaglemountain.com.au

REGISTERED OFFICE

Ground Floor
22 Stirling Highway
Nedlands WA 6009

AUDITORS

William Buck Audit (WA) Pty Ltd
Level 3
15 Labouchere Road
South Perth WA 6151

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

CORPORATE GOVERNANCE

The Company has adopted the 3rd Edition of the ASX Corporate Governance Recommendations. A summary statement which has been approved by the Board together with current policies and charters is available on the Company website.
http://eaglemountain.com.au/corporate-governance/

DIRECTORS' REPORT

The Directors present their report on Eagle Mountain Mining Limited ("Eagle Mountain" or the "Company") and its controlled entities (the "Group") for the year ended 30 June 2019.

DIRECTORS

The names and details of the Group's Directors in office during the period until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

Rick Crabb - B. Juris (Hons), LLB, MBA, FAICD
(Non-Executive Chairman)

Rick Crabb holds degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration from the University of Western Australia. He practised as a solicitor from 1980 to 2004 with Robinson Cox (now Clayton Utz) and Blakiston & Crabb (now Gilbert + Tobin) specialising in mining, corporate and commercial law, advised in relation to numerous project developments in Australia and Africa.

Rick has since focused on his public company directorships and investments. He has been involved as a director and strategic shareholder in a number of successful public companies. He is currently also Chairman of Ora Gold Limited and Paladin Energy Limited.

Charles Bass - B.Sc. Geology, M.Sc. Mining Engineering/Mineral Processing, FAICD, FAusIMM, FAIG
(Managing Director and Chief Executive Officer)

Charles Bass completed his B.Sc. in Geology at Michigan Technological University, followed by a M.Sc in Mining Engineering & Mineral Processing at Queen's University, Canada. Between his degrees Charles worked as a geologist and then Plant Metallurgist at a copper-gold mine in northern Quebec.
Charles joined AMAX Inc, an American mining company in their Head Office in 1976 and came to Perth in 1978. Between 1980 to 1981, AMAX had him work in Tuscon, Arizona at the Twin Buttes copper mine. Charles returned to Australia and established his first company, Metech Pty Ltd in late 1981.

Charles established Eagle Mining Corporation in 1992 with Tony Poli and was responsible for the deal that led to the discovery of the very successful Nimary Gold Mine. Eagle Mining Corporation won both Explorer of the Year and then Developer of the Year at Diggers and Dealers conference and was subject to a hostile takeover in 1997.

Charles then co-founded Aquila Resources Ltd with Tony Poli in 2000 and helped transition it from a gold explorer to iron ore and coal before it too was subject to a hostile $1.4 billion takeover in 2014 at the hands of a joint bid between Baosteel and ASX listed Aurizon.

DIRECTORS' REPORT

Roger Port – BA, FCA, SF Fin, FAICD
(Non-Executive Director)

Roger Port was a partner of PricewaterhouseCoopers from 1997 to 2016. He has 30 years' experience in financial analysis, company and business valuations, transaction due diligence and mergers and acquisitions and led the PricewaterhouseCoopers Perth Deals team from 2009 to 2016. He has had significant experience in the resources sector in his career and jointly led the PwC Australia Deals Energy & Mining industry group for five years.

Roger is a graduate of Macquarie University and gained a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. He is a Fellow of Chartered Accountants Australia and New Zealand, a Senior Fellow of the Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors.

Roger is a board member of the Harry Perkins Institute of Medical Research, Chair of Council of Guildford Grammar School and a board member of Guildford Grammar School Foundation.

Brett Rowe - BComm, MAcc, GAICD
(Alternate Director for Charles Bass)

Brett Rowe has over 20 years' experience in the financial services industry and is a graduate of the Australian Institute of Company Directors. He holds a Bachelor of Commerce degree and a Masters of Accounting.

Brett is a director and the chief executive officer of The Bass Group, as well as a director of The Bass Family Foundation and Silver Mountain Mining Pty Ltd. Brett is responsible for managing the global financial interests of the Bass Family, as well as The Foundation's ongoing support of education and health in disadvantaged children and youth in regional Western Australia.

Brett is also a director of the Centre for Entrepreneurial Research and Innovation Limited (CERI). CERI aims to assist the growth of WA's non-mining industry through a strong innovation base where high-knowledge start-up company formation can be accelerated. This is achieved through the co-creation of a WA-based venture capital industry.

COMPANY SECRETARY

Mark Pitts - B.Bus; FCA; GAICD
(Company Secretary)

Mark Pitts is a Partner in Corporate Advisory firm Endeavour Corporate and has over 30 years' experience in business administration and corporate compliance. Having started his career with KPMG in Perth, Mark has worked at a senior management level in a variety of commercial and consulting roles including mining services, healthcare and property development. The majority of the past 15 years has been spent working for or providing services to publicly listed companies in the resources sector.

Mark is a registered company auditor and holds a Bachelor of Business Degree from Curtin University, is a Fellow of Chartered Accountants Australia and New Zealand and is a graduate of the Australian Institute of Company Directors.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

As at the date of this report, the Directors' interests in shares and unlisted options of the Company are as follows:

Director	*Directors' Interests in Ordinary Shares*	*Directors' Interests in Unlisted Options*	*Options vested at the reporting date*
R Crabb	732,000	1,561,000	1,561,000
C Bass	43,980,001	9,665,000	9,665,000
R Port	516,000	1,543,000	1,543,000
B Rowe (alternate for C Bass)	500,000	1,000,000	1,000,000

The Directors' interests include Unlisted Options which are vested or exercisable as at the date of signing this report.

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors held during the year ended 30 June 2019, and the number of meetings attended by each Director are as follows:

Director	*Board of Directors' Meetings*	
	Eligible to Attend	*Attended*
R Crabb	9	9
C Bass	9	9
R Port	9	9
B Rowe (alternate for C Bass)	9	9

PRINCIPAL ACTIVITIES

The Company's principal activities for the year ended 30 June 2019 have been focussed on undertaking exploration activities at the wholly owned Silver Mountain Project in Arizona in the United States of America.

REVIEW OF OPERATIONS

The operating loss after income tax of the Group for the year ended 30 June 2019 was $6,890,466 (period ended 30 June 2018: $1,681,900). Included in the loss for the year are uncapitalized exploration costs of $6,004,485, and non-cash items (in respect of depreciation, option expenses and movement in annual leave liabilities) amounting to $258,737.

At 30 June 2019 cash assets amounted to $1,879,883 (2018: $6,795,421). During the year ended 30 June 2019, the Company received $1,935,306, before related costs, on the issue of shares and options.

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than the matters stated in this report there have been no significant changes in the Group's state of affairs during the financial year.

EQUITY SECURITIES ON ISSUE

Class of Security	*30 June 2019*	*30 June 2018*
Ordinary fully paid shares	**103,816,039**	92,500,001
Unlisted options over unissued shares	**23,801,315**	16,000,000
Performance rights	**180,000**	75,000

Unlisted Options over Ordinary Shares

As at 30 June 2019 23,801,315 unissued ordinary shares of the Company were under option as follows:

Number of Options Granted	*Exercise Price*	*Expiry Date*
4,500,000 [1]	30 cents	7 December 2020
7,000,000 [2]	20 cents	15 January 2023
4,500,000 [3]	30 cents	6 March 2021
26,599 [4]	80 cents	15 December 2019
2,130,000 [5]	20 cents	1 February 2023
5,644,716 [6]	20 cents	31 July 2021

[1] Offer options and vendor options issued as part consideration for the acquisition of Silver Mountain Mining Pty Ltd.
[2] Options issued to Directors, Alternate Director, employees and Company Secretary.
[3] Options issued pursuant to the IPO Offer.
[4] Options issued on the exercise of options issued pursuant to an option entitlement offer.
[5] Options issued to employees pursuant to the Company's share option plan.
[6] Options issued pursuant to a pro-rata entitlement offer which closed on 7 June 2019.

During the year, the Company undertook an option entitlement offer, pursuant to which it issued 23,125,000 options exercisable at 40 cents each and expiring 15 December 2018. 26,599 shares were issued on the exercise of the entitlement offer options. A total of 23,098,401 options issued to the option entitlement offer were cancelled on expiry.

There were no other options exercised or expiring during the year.

No options have been exercised or cancelled between 30 June 2019 and the date of this report.

Subsequent to 30 June 2019, 1,800,000 options exercisable at 20 cents each and expiring 1 July 2023 were issued to employees of the Company.

Options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

DIRECTORS' REPORT

EQUITY SECURITIES ON ISSUE (Continued)

Performance Rights over Ordinary Shares

During the year ended 30 June 2019, the Company issued 105,000 performance rights to certain employees of the Company. Each performance right provides the holder with the right to be issued one ordinary share subject to satisfaction of vesting criteria.

During the year 25,000, performance rights vested but have not been exercised into shares. Other than this no performance rights vested, were cancelled or converted to ordinary shares during the reporting period.

On 1 July 2019, 35,000 performance rights become fully vested. Since 30 June 2019, a total of 60,000 ordinary shares have been issued to employees on the exercise of vested performance rights.

Other than this, no performance rights have been issued, vested, converted or cancelled between 30 June 2019 and the date of this report.

DIVIDENDS

No dividend has been paid since incorporation and no dividend is recommended for the current financial year.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING YEAR

Subsequent to the end of the financial year, the Company has issued 1,800,000 options exercisable at 20 cents each and expiring 1 July 2023 to employees and issued 60,000 ordinary fully paid shares to employees on the exercise of vested performance rights.

Other than as stated above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group intends to undertake further exploration programs at the Silver Mountain Project in Arizona in the United States of America.

Any other likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL ISSUES

The Group's operations are not regulated under any significant environmental regulation under a law of the Commonwealth of Australia, a State or a Territory. The operations and proposed activities of the Group are subject to United States Federal and Arizona State laws and regulations concerning the environment.

The Board believes that the Group has adequate systems in place for the management of its environmental requirements. The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Group are not aware of any breach of environmental legislation for the financial year under review.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS AND AUDITORS

During the year ended 30 June 2019, the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The following non-audit services were provided by William Buck Consulting (WA) Pty Ltd, a related entity of the entity's auditor, William Buck Audit (WA) Pty Ltd. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

William Buck Consulting (WA) Pty Ltd received or are due to receive the following amounts for the provision of non-audit services:

	30 June 2019	*30 June 2018*
Investigating Accountant's Report for the Initial Public Offer Prospectus	Nil	$8,025

The following non-audit services were provided by William Buck (WA) Pty Ltd, a related entity of the entity's auditor, William Buck Audit (WA) Pty Ltd. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

William Buck (WA) Pty Ltd received or are due to receive the following amounts for the provision of non-audit services:

	30 June 2019	*30 June 2018*
Preparation of General Purpose Financial Statements for Silver Mountain Mining Pty Ltd	Nil	$5,000
Taxation services for Eagle Mountain Mining Limited	$3,880	$2,106

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Remuneration paid to Directors and Officers of the Company is set by reference to such payments made by other ASX listed companies of a similar size and operating in the mineral exploration industry. In addition, reference is made to the specific skills and experience of the Directors and Officers.

Details of the nature and amount of remuneration of each Director, and other Key Management Personnel if applicable, are disclosed annually in the Remuneration Report.

Remuneration Committee

The Board has adopted a formal Nomination and Remuneration Policy which provides a framework for the consideration of remuneration matters.

The Company does not have a separate remuneration committee and as such all remuneration matters are considered by the Board as a whole, with no member deliberating or considering such matter in respect of their own remuneration.

In the absence of a separate Remuneration Committee, the Board is responsible for:

1. Setting remuneration packages for Executive Directors, Non-Executive Directors and other Key Management Personnel; and
2. Implementing employee incentive and equity based plans and making awards pursuant to those plans.

Non-Executive Remuneration

The Company's policy is to remunerate Non-Executive Directors, at rates comparable to other ASX listed companies in the same industry, for their time, commitment and responsibilities.

Non-Executive Remuneration is not linked to the performance of the Company, however to align Directors' interests with shareholders' interests, remuneration may be provided to Non-Executive Directors in the form of equity based long term incentives.

1. Fees payable to Non-Executive Directors are set within the aggregate amount approved by shareholders at the Company's Annual General Meeting;
2. Non-Executive Directors' fees are payable in the form of cash and superannuation benefits;
3. Non-Executive Directors' superannuation benefits are limited to statutory superannuation entitlements; and
4. Participation in equity based remuneration schemes by Non-Executive Directors is subject to consideration and approval by the Company's shareholders.

The maximum aggregate Non-Executive Directors fees payable are currently set at $300,000 per annum.

Executive Director and Other Key Management Personnel Remuneration

Executive remuneration consists of base salary, plus other performance incentives to ensure that:

1. Remuneration packages incorporate a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives; and
2. A proportion of remuneration is structured in a manner to link reward to corporate and individual performances.

Executives are offered a competitive level of base salary at market rates (based on comparable ASX listed companies) and are reviewed regularly to ensure market competitiveness. To date the Company has not engaged external remuneration consultants to advise the Board on remuneration matters.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (Continued)

Incentive Plans

The Company provides long term incentives to Directors and Employees pursuant to the Company's Employee Incentive Plan.

The Board, acting in remuneration matters:

1. Ensures that incentive plans are designed around appropriate and realistic performance targets and provide rewards when those targets are achieved;
2. Reviews and approves existing incentive plans established for employees; and
3. Approves the administration of the incentive plans, including receiving recommendations for and the consideration and approval of grants pursuant to such incentive plans.

Engagement of Non-Executive Directors

Non-Executive Directors conduct their duties under the following terms:

1. A Non-Executive Director may resign from his/her position and thus terminate their contract on written notice to the Company; and
2. A Non-Executive Director may, following resolution of the Company's shareholders, be removed before the expiration of their period of office (if applicable). Payment is made in lieu of any notice period if termination is initiated by the Company, except where termination is initiated for serious misconduct.

In consideration of the services provided by Mr Rick Crabb as Non-Executive Chairman, the Company will pay him a fee inclusive of statutory superannuation of $50,000 per annum.

In consideration of the services provided by Mr Roger Port as Non-Executive Director, the Company will pay him a fee inclusive of statutory superannuation of $50,000 per annum.

Messrs Crabb and Port are also entitled to fees for other amounts as the Board determines where they perform special duties or otherwise perform extra services or make special exertions on behalf of the Company. There were no such fees paid during the year ended 30 June 2019.

Upon commencement of employment, Messrs Crabb and Port each received 1,500,000 unlisted options over unissued shares of the Company. An expense of $120,000 was recognised through the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period to 30 June 2018 in respect of the 3,000,000 options issued.

Engagement of Executive Directors

The Company has entered into an executive service agreement with Mr Charles Bass in his role as Managing Director and Chief Executive Officer on the following material terms and conditions.

Mr Bass receives a base salary inclusive of statutory superannuation of $50,000 per annum from the commencement of the agreement until 1 June 2018, at which time the remuneration was reviewed. Mr Bass' remuneration was unchanged as a result of this review.

Either party may terminate the agreement by providing 30 days written notice to the other party. Eagle Mountain may otherwise terminate the Managing Director's employment in accordance with the Constitution or the Corporations Act. Upon termination of the agreement, Mr Bass will cease employment with Eagle Mountain as its Managing Director and Chief Executive Officer and will become a Non-Executive Director of Eagle Mountain.

Mr Bass may, subject to shareholder approval, participate in Eagle Mountain's Employee Incentive Plan and other long term incentive plans adopted by the Board. Upon commencement of his employment, Mr Bass received 1,500,000 unlisted options over unissued shares of the Company. An expense of $60,000 was recognised through the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period to 30 June 2018 in respect of the 1,500,000 options issued.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (Continued)

Short Term Incentive Payments

The Non-Executive Directors set annual Key Performance Indicators ("KPIs") for Executive Directors. The KPIs are chosen to align the reward of the individual Executives to the strategy and performance of the Company.

Performance objectives, which may be financial or non-financial, or a combination of both, are weighted when calculating the maximum short term incentives payable to Executives. At the end of the year, the Non-Executive Directors will assess the actual performance of the Executives against the set Performance Objectives. The maximum amount of the Short Term Incentive, or a lesser amount depending on actual performance achieved is paid to the Executives as a cash payment.

No Short Term incentives are payable to Executives where it is considered that the actual performance has fallen below the minimum requirement.

Shareholding Qualifications

The Directors are not required to hold any shares in Eagle Mountain under the terms of the Company's Constitution.

Group Performance

In considering the Company's performance, the Board provides the following indices in respect of the current financial year:

	2019	2018
Loss for the period attributable to shareholders	**$(6,890,466)**	$(1,681,900)
Closing share price at 30 June	**$0.125**	$0.42

As a Group focussed on exploration activities, the Board does not consider the loss attributable to shareholders as one of the performance indicators when implementing Short Term Incentive payments.

In addition to technical exploration success, the Board considers the effective management of safety, environmental and operational matters and successful management, acquisition and consolidation of high quality landholdings, as more appropriate indicators of management performance for the financial year.

Remuneration Disclosures

The Key Management Personnel of the Company have been identified as:

Mr Rick Crabb	Non-Executive Chairman
Mr Charles Bass	Chief Executive Officer and Managing Director
Mr Roger Port	Non-Executive Director
Mr Brett Rowe	Alternate Director for Charles Bass

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (Continued)

The details of the remuneration of each Director and member of Key Management Personnel of the Company is as follows:

Year Ended 30 June 2019	**Short Term**		**Post Employment**	**Other Long Term**		
	Base Salary $	**Short Term Incentive $**	**Superannuation Contributions $**	**Value of Equity Based Remuneration $**	**Total $**	**Value of Equity as Proportion of Remuneration %**
Rick Crabb	**45,662**	**-**	**4,338**	**-**	**50,000**	**-**
Charles Bass	**45,662**	**-**	**4,338**	**-**	**50,000**	**-**
Roger Port	**45,662**	**-**	**4,338**	**-**	**50,000**	**-**
Brett Rowe	**-**	**-**	**-**	**-**	**-**	**-**
Total	**136,986**	**-**	**13,014**	**-**	**150,000**	

Period from 6 September 2017 to 30 June 2018	Short Term		Post Employment	Other Long Term		
	Base Salary $	Short Term Incentive $	Superannuation Contributions $	Value of Equity Based Remuneration $	Total $	Value of Equity as Proportion of Remuneration %
Rick Crabb	19,026	-	1,807	60,000	80,833	74.2%
Charles Bass	19,026	-	1,807	60,000	80,833	74.2%
Roger Port	19,026	-	1,807	60,000	80,833	74.2%
Brett Rowe	-	-	-	40,000	40,000	100.0%
Total	57,078	-	5,421	220,000	282,499	

Details of Performance Related Remuneration

During the year ended 30 June 2019, no short term incentive payments were paid to the Directors or Key Management Personnel.

Equity Based Remuneration

During the year ended 30 June 2019, no options, rights or shares were issued to Directors or Key Management Personnel of the Company as remuneration.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (Continued)

Equity Based Remuneration (Continued)

During the period ended 30 June 2018 the following options were granted to Directors or Key Management Personnel of the Company following shareholder approval at a general meeting on 15 January 2018:

Period from 6 September 2017 to 30 June 2018	Number of options	Fair value of options $
Rick Crabb	1,500,000	60,000
Charles Bass	1,500,000	60,000
Roger Port	1,500,000	60,000
Brett Rowe	1,000,000	40,000
Total	5,500,000	220,000

The fair value of options issued as remuneration is allocated to the relevant vesting period of the options. Options are provided at no initial cost to the recipients.

No options were exercised by Key Management Personnel during the year ended 30 June 2019.

Exercise of Options Granted as Remuneration

During the year ended 30 June 2019, no ordinary shares were issued in respect of the exercise of options previously granted as remuneration to Directors or Key Management Personnel of the Company.

Equity Instrument Disclosures Relating to Key Management Personnel

Option Holdings

Key Management Personnel have the following interests in unlisted options over unissued shares of the Company.

Year ended 30 June 2019 Name	Balance at beginning of the year	Received during the year as remuneration	Other changes during the year[1]	Balance at the end of the year	Vested and exercisable at the end of the year
Directors					
Rick Crabb	**1,500,000**	**-**	**61,000**	**1,561,000**	**1,561,000**
Charles Bass	**6,000,000**	**-**	**3,665,000**	**9,665,000**	**9,665,000**
Roger Port	**1,500,000**	**-**	**43,000**	**1,543,000**	**1,543,000**
Brett Rowe	**1,000,000**	**-**	**-**	**1,000,000**	**1,000,000**

[1] Includes options issued pursuant to pro-rata entitlement offer.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Equity Instrument Disclosures Relating to Key Management Personnel (continued)

Period from 6 September 2017 to 30 June 2018 Name	Balance at beginning of the period	Received during the period as remuneration	Other changes during the period	Balance at the end of the period	Vested and exercisable at the end of the period[2]
Directors					
Rick Crabb	-	1,500,000	-	1,500,000	1,500,000
Charles Bass	-	6,000,000[1]	-	6,000,000	6,000,000
Roger Port	-	1,500,000	-	1,500,000	1,500,000
Brett Rowe	-	1,000,000	-	1,000,000	1,000,000

[1] Includes 4,500,000 consideration options issued in part consideration for the acquisition of Silver Mountain Mining Pty Ltd.
[2] Options exercisable at the end of the period are subject to ASX escrow restrictions.

Share Holdings

The number of shares in the Company held during the financial year by Key Management Personnel of the Company, including their related parties are set out below. There were no shares granted during the reporting period as compensation.

Year ended 30 June 2019 Name	**Balance at beginning of the year**	**Received during the year as remuneration**	**Other changes during the year**	**Balance at the end of the year**
Directors				
Rick Crabb	**580,000**	**-**	**152,000**	**732,000**
Charles Bass	**36,650,001**	**-**	**7,330,000**	**43,980,001**
Roger Port	**400,000**	**-**	**116,000**	**516,000**
Brett Rowe	**500,000**	**-**	**-**	**500,000**

Period from 6 September 2017 to 30 June 2018 Name	Balance at beginning of the period	Received during the period as remuneration	Other changes during the period	Balance at the end of the period
Directors				
Rick Crabb	-	-	580,000	580,000
Charles Bass	-	-	36,650,001	36,650,001
Roger Port	-	-	400,000	400,000
Brett Rowe	-	-	500,000	500,000

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Loans made to Key Management Personnel

No loans were made to Key Management Personnel, including personally related entities during the financial year.

Other transactions with Key Management Personnel

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

- The Company has entered into a lease agreement with Elk Mountain Mining Limited ("Elk"), an entity associated with Mr Charles Bass, for the lease of the Company's administration offices in Perth, Western Australia (refer note 20 for details of commitments under the lease agreement). During the financial year, the Company incurred a total of $86,590 in respect of rent, outgoings and car parking pursuant to the lease agreement (2018: $48,421).
- During the period ended 30 June 2018, the Company issued 37,500,000 ordinary fully paid shares at 10 cents per share and 4,500,000 options over unissued shares, exercisable at 30 cents each and expiring 3 years from the date of grant to Silver Mountain Mining Nominee Pty Ltd, an entity associated with a Director Mr Charles Bass, in consideration for the acquisition of the issued capital of Silver Mountain Mining Pty Ltd (refer note 24); and
- During the period ended 30 June 2018 an amount of $85,447 owing by the Group to Silver Mountain Mining Nominee Pty Ltd, an entity associated with Mr Charles Bass, was repaid in full.

Other than the above, there were no other transactions with Key Management Personnel.

End of Remuneration Report

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, William Buck Audit (WA) Pty Ltd, to provide the Directors of the Group with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on the following page and forms part of this Directors' report for the year ended 30 June 2019.

This report has been made in accordance with a resolution of the Board of Directors.

Charles Bass
Director

Dated at Perth this 18th day of September 2019

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF EAGLE MOUNTAIN MINING LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2019 there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CM

Conley Manifis
Director
Dated this 18th day of September 2019

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South Perth WA 6951
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williambuck.com

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2019

	Notes	Year ended 30 June 2019 A$	Period from 6 September 2017 to 30 June 2018 A$
Continuing Operations			
Other revenue		12	-
Interest income		27,389	28,151
Administration and other costs		(555,971)	(363,599)
Employee expenses – non-exploration		(271,771)	(122,149)
Employee expenses – equity based		(45,494)	(287,500)
Depreciation expense		(154,143)	(50,038)
Exploration and evaluation costs		(6,004,485)	(886,765)
Gains on foreign currency exchange		113,997	-
Loss before income tax		(6,890,466)	(1,681,900)
Income tax expense	5	-	-
Loss after income tax from continuing operations		(6,890,466)	(1,681,900)
Other comprehensive income net of income tax			
Other comprehensive income to be re-classified to profit or loss in subsequent years net of income tax		-	-
Unrealised gain on foreign currency exchange	14a	77,575	219,494
Total comprehensive loss for the year/period		(6,812,891)	(1,462,406)
			cents
Basic and diluted loss per share	25	(7.4)	(3.3)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	Note	30 June 2019 A$	30 June 2018 A$
Current Assets			
Cash and cash equivalents	6	1,879,883	6,795,421
Trade and other receivables	7	54,626	59,719
Total Current Assets		1,934,509	6,855,140
Non-Current Assets			
Exploration and evaluation expenditure – land	8	1,164,027	1,104,495
Property, plant and equipment	9	435.324	463,576
Bonds and security deposits		130,101	-
Total Non-Current Assets		1,729,452	1,568,071
TOTAL ASSETS		3,663,961	8,423,211
Current Liabilities			
Trade and other payables	10	224,648	54,818
Employee leave liabilities		59,391	-
Borrowings	11	10,908	10,331
Total Current Liabilities		294,947	65,149
Non-Current Liabilities			
Borrowings	11	25,484	34,531
Total Non-Current Liabilities		25,484	34,531
TOTAL LIABILITIES		320,431	99,680
NET ASSETS		**3,343,530**	**8,323,531**
Equity			
Issued capital	13	13,579,949	11,952,582
Option capital		4,500	4,500
Reserves	14	(1,828,582)	(1,951,651)
Accumulated losses		(8,412,337)	(1,681,900)
TOTAL EQUITY		**3,343,530**	**8,323,531**

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2019

	Issued capital	Option capital	Foreign currency translation reserve	Share based payment reserve	Common control reserve	Accumulated losses	Total
	A$	A$	A$	A$	A$	A$	A$
Balance at 6 September 2017	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	(1,681,900)	(1,681,900)
Other comprehensive income for the period net of income tax	-	-	219,494	-	-	-	219,494
Total comprehensive loss for the period	-	-	219,494	-	-	(1,681,900)	(1,462,406)
Recognised on completion of common control transaction *(note 14c,24)*	-	-	-	-	(3,014,276)	-	(3,014,276)
Issue of shares *(note 13)*	13,250,000	-	-	-	-	-	13,250,000
Capital raising costs *(note 13)*	(1,297,418)	-	-	-	-	-	(1,297,418)
Issue of options	-	4,500	-	843,131	-	-	847,631
Balance at 30 June 2018	11,952,582	4,500	219,494	843,131	(3,014,276)	(1,681,900)	8,323,531
Balance at 1 July 2018	**11,952,582**	**4,500**	**219,494**	**843,131**	**(3,014,276)**	**(1,681,900)**	**8,323,531**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(6,890,466)**	**(6,890,466)**
Other comprehensive income for the year net of income tax	**-**	**-**	**77,575**	**-**	**-**	**-**	**77,575**
Total comprehensive loss for the year	**-**	**-**	**77,575**	**-**	**-**	**(6,890,466)**	**(6,812,891)**
Issue of shares and options *(note 12, 13)*	**1,704,056**	**231,250**	**-**	**-**	**-**	**-**	**1,935,306**
Capital raising costs *(note 12, 13)*	**(76,689)**	**(71,221)**	**-**	**-**	**-**	**-**	**(147,910)**
Transfer on cancellation of options	**-**	**(160,029)**	**-**	**-**	**-**	**160,029**	**-**
Vesting of options/performance rights	**-**	**-**	**-**	**45,494**	**-**	**-**	**45,494**
Balance at 30 June 2019	**13,579,949**	**4,500**	**297,069**	**888,625**	**(3,014,276)**	**(8,412,337)**	**3,343,530**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2019

	Note	Year ended 30 June 2019 A$	Period from 6 September 2017 to 30 June 2018 A$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(668,591)	(450,421)
Payments for exploration and evaluation		(5,941,606)	(890,613)
Interest received		39,920	15,615
Net cash used in operating activities	15	(6,570,277)	(1,325,419)
Cash Flows from Investing Activities			
Cash recognised on acquisition of subsidiary		-	36,079
Payments for purchase of fixed assets		(116,183)	(456,715)
Payments for bonds and deposits		(127,510)	-
Net cash used in investing activities		(243,693)	(420,636)
Cash Flows from Financing Activities			
Proceeds from the issue of shares and options		1,935,306	9,504,500
Payments for share and option issue costs		(147,910)	(885,787)
Loan repayments		(11,509)	(89,013)
Net cash generated by financing activities		1,775,887	8,529,700
Net increase/(decrease) in cash held		(5,038,083)	6,783,645
Cash and cash equivalents at the beginning of the year		6,795,421	-
Effect of foreign exchange on cash and cash equivalents		122,545	11,776
Cash and cash equivalents at the end of the year	6	1,879,883	6,795,421

The above statement of cash flows should be read in conjunction with the accompanying notes.

EAGLE MOUNTAIN MINING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2019

These consolidated financial statements and notes represent those of Eagle Mountain Mining Limited and its controlled entities (the "Group"). Eagle Mountain Mining Limited is a public limited liability company, incorporated and domiciled in Australia.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements for the year ended 30 June 2019 were approved and authorised for issue by the Board of Directors on 17 September 2019.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of Preparation

These general purpose financial statements for the reporting year ended 30 June 2019 have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements and notes comply with International Financial Reporting Standards.

The financial report has been prepared on an accruals basis and is based on historical cost and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(i) Going Concern

The Group has incurred a loss of $6,890,466 and a net operating cash outflow of $6,570,277 during the year ended 30 June 2019. Cash assets at 30 June 2019 were $1,879,883 and total liabilities at that date were $320,431.

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The ability of the Group to continue to adopt the going concern assumption will depend on future successful capital raisings, the successful exploration and subsequent exploitation of the Group's mining licences and permits, and/or sale of non-core assets.

The Directors will continue to manage the Group's activities with due regard to current and future funding requirements. The Directors reasonably expect that the Company will be able to raise sufficient capital to fund the Group's exploration and working capital requirements, and that the Group will be able to settle debts as and when they become due and payable. On this basis, the Directors are therefore of the opinion that the use of the going concern basis is appropriate in the circumstances.

Should the Company be unable to raise the required funding, there is a material uncertainty that may cast significant doubt on whether the company will be able to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

(ii) Basis of Consolidation

The financial information comprises the financial information of Eagle Mountain and entities (including special purpose entities) controlled by Eagle Mountain (its "subsidiaries").

Control is achieved when Eagle Mountain:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Eagle Mountain reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial information of subsidiaries is prepared for the same reporting period as Eagle Mountain, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) Basis of Consolidation (Continued)

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Total comprehensive income of subsidiaries is attributed to the owners of Eagle Mountain and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date Eagle Mountain gains control until the date when Eagle Mountain ceases to control the subsidiary.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit and loss or transferred to another category of equity as specified/permitted by the applicable Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(iii) New Accounting Standards Adopted in the Current Year

Application of New and Revised Accounting Standards

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

Impact of Changes – AASB 9 Financial Instruments

The Company has adopted AASB 9 from 1 July 2018 which have resulted in changes to accounting policies and the analysis for possible adjustments to amounts recognised in the financial statements. In accordance with the transitional provisions in AASB 9, the reclassifications and adjustments are not reflected in the statement of financial position as at 30 June 2018. The Company has not recognised a loss allowance on trade and other receivables following assessment of the impact of the new impairment model introduced by AASB 9.

Classification and Measurement

On 1 July 2018, the Company has assessed which business models apply to the financial instruments held by the Company and have classified them into the appropriate AASB 9 categories. The main effects resulting from this reclassification are shown in the table below.

On adoption of AASB 9, the Company classified financial assets and liabilities as measured at either amortised cost or fair value, depending on the business model for those assets and on the asset's contractual cash flow characteristics. There were no changes in the measurement of the Company's financial instruments.

There was no impact on the statement of comprehensive income or the statement of changes in equity on adoption of AASB 9 in relation to classification and measurement of financial assets and liabilities.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following table summarises the impact on the classification and measurement of the Company's financial instruments at 1 July 2018:

Presented in statement of financial position	Financial Asset	AASB 139	AASB 9	Reported $	Restated $
Cash and cash equivalents	Bank deposits	Loans and receivables	Amortised Cost	No change	No change
Trade and other receivables	Loans and receivables	Loans and receivables	Amortised Cost	No change	No change
Trade and other payables	Loans and payables	Amortised Cost	Amortised Cost	No change	No change

The Company does not currently enter into any hedge accounting and therefore there is no impact to the Company's financial statements.

Impairment

AASB 9 introduces a new expected credit loss ("ECL") impairment model that requires the Company to adopt an ECL position across the Company's financial assets from 1 July 2018. The Company's receivables balance consists of GST refunds from the Australian Taxation Office and interest receivables from recognised Australian banking institutions. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, an impairment loss would be considered immaterial.

The loss allowances for financial assets are based on the assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Given the Company's receivables are from the Australian Taxation Office and recognised Australian banking institutions, the Company has assessed that the risk of default is minimal and as such, no impairment loss has been recognised against these receivables as at 30 June 2019. Other amended standards adopted by the Group which do not have a material impact on the financial statements are:

- AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions
- Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Interpretation 23 Uncertainty over Income Tax Treatments

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations Not Yet Mandatory or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet mandatory, have not been early adopted by the Group for the reporting year ended 30 June 2019.

The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations most relevant to the Group are set out below:

AASB 16 Leases

AASB 16 Leases will replace existing accounting requirements for leases under AASB 117 Leases. Under current requirements, leases are classified based on their nature as either finance leases which are recognised on the statement of financial position, or operating leases, which are not recognised on the statement of financial position.

Under AASB 16 , the Company's accounting for operating leases as a lessee will result in the recognition of a right-of-use (ROU) asset and an associated lease liability on the statement of financial position. The lease liability represents the present value of future lease payments, with the exception of short term and low value leases. An interest expense will be recognised on the lease liabilities and a depreciation charge will be recognised for the ROU assets. There will also be additional disclosure requirements under the new standard.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Based on the Company's assessment to date, the adoption of AASB 16 is expected to have an immaterial impact on the financial statements of the Company due to the minimal number, if any, of non-cancellable leases currently entered into by the Company which would not fall under a short term or low value exception.

Transition

The Company will initially apply AASB 16 on 1 July 2019 using the modified retrospective approach. Therefore, the cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019 with no restatement of comparative information.

When applying the modified retrospective approach to leases previously classified as operating leases under AASB 117, the Company can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Company is assessing the potential impact of using these practical expedients.

Based on the current assessment and conditions of the Company, it is expected that the adoption of AASB 16 will have minimal impact if any on the financial statements of the Company. The actual impact of applying AASB 16 on the financial statements in the period of initial application will depend however on future economic conditions, including the Company's borrowing rate, the composition of the Company's lease portfolio, the extent to which the Company elects to use practical expedients and recognition exemptions, and the new accounting policies, which are subject to change until the Company presents its first financial statements that include the date of initial application.

The Company anticipates recognising rights of use assets and corresponding lease liabilities of approximately $396,000 on 1 July 2019 in respect of the Group's various property leases (refer note 20(b) for further details of the Group's lease commitments).

(b) Exploration, Evaluation and Development Expenditure

Exploration and evaluation expenditure is generally written off in the year incurred, except for acquisition of exploration properties which is capitalised and carried forward.

When production commences, any accumulated costs for the relevant area of interest which have been capitalised and carried forward will be amortised over the life of the area according to the rate of depletion of the economically recoverable resources. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to the area of interest. The carrying value of any capitalised expenditure is assessed by the Directors each reporting period to determine if any provision should be made for the impairment of the carrying value. The appropriateness of the Group's ability to recover these capitalised costs has been assessed at the end of each reporting period and the Directors are satisfied that the value is recoverable.

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at an overall level whenever facts and circumstances suggest that the carrying amount of the assets may exceed recoverable amount. An impairment exists when the carrying amount of the assets exceeds the estimated recoverable amount. The assets are then written down to their recoverable amount. Any impairment losses are recognised in the income statement.

(c) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(d) Interest Income

Interest income is recognised as it accrues.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2019

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency of the Group which is Australian dollars at the rates of exchange prevailing at the dates of the transaction. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the consolidated statement of profit or loss and other comprehensive income. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the consolidated statement of profit or loss and other comprehensive income.

(f) Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. The chief operating decision maker has been identified as the Board of Directors taken as a whole. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the Board of Directors.

(g) Financial Instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification.

Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

(i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or

(ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12 month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(h) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(i) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(j) Impairment of Assets

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from the other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generated unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation increase.

(k) Property, Plant and Equipment

Property, plant and equipment assets are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for the assets to be capable of operating in the manner intended by the Group's management.

Property, plant and equipment assets are subsequently measured using the cost model which reflects cost less subsequent depreciation and impairment losses. Depreciation is recognised on a diminishing value basis to write down the cost less estimated residual value of the assets.

Leasehold improvements are capitalised and subsequently amortised over the term of the respective lease.

The following depreciation rates are applied to property, plant and equipment assets on the diminishing value basis:

- Motor vehicles: 25%
- Other property, plant and equipment: 20-50%

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Gains or losses arising on the disposal of property, plant and equipment assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(m) Taxation

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit and loss is the tax payable on the taxable income using applicable income tax rates enacted or substantially enacted as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial information. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Where temporary differences exist in relation to investments in subsidiaries and associates, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

(n) Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(o) Provisions and Contingencies

Provisions are recognised when the Group has a legal or constructive obligation, as a result of a past event, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(p) Employee benefits

Short Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Long Term Employee Benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined Contribution Superannuation Expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(q) Share Based Payment Transactions

The Group recognises the fair value of options granted to Directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the consolidated statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

The Group provides benefits to employees (including Directors) of the Group in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees (including Directors) is measured by reference to fair value at the date they are granted. The fair value is determined using the Black Scholes option pricing model.

(r) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(s) Critical Accounting Estimates and Judgments

In preparing the financial information, the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

(i) Significant Accounting Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Acquisition of Silver Mountain Mining Pty Ltd

On 7 December 2017 Eagle Mountain acquired a 100% interest in the issued capital of Silver Mountain Mining Pty Ltd, an entity which controls the Silver Mountain Project located in Arizona in the United States of America.

Eagle Mountain acquired the entire share capital of Silver Mountain from an entity associated with Mr Charles Bass. Mr Bass was a Director holding an interest in the entire shareholding of Eagle Mountain. As such, the Directors considered the acquisition to be a common control transaction. Accordingly, the excess in fair value of consideration given over the net assets acquired was allocated to a common control reserve.

(ii) Significant Accounting Estimates and Assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Key Estimates – Impairment of Capitalised Exploration and Evaluation Expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Key Estimates – Share Based Payment Transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Fair values of share options are determined using the Black Scholes option pricing model. Should the assumptions used in these calculations differ, the amounts recognised could significantly change.

Key Estimates – Taxation

Balances disclosed in the financial statements and the notes thereto related to taxation are based on the best estimates of the Directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the Directors' understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the Directors' best estimate, pending an assessment by the ATO.

Key Judgment – Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation. At the current stage of the Group's development and its current environmental impact, the Directors believe such treatment is reasonable and appropriate.

(t) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

(u) Comparative Information

Comparative information has been included for the period from when the Company was incorporated on 6 September 2017 to 30 June 2018.

2. RELATED PARTY TRANSACTIONS

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

- The Company has entered into a lease agreement with Elk Mountain Mining Limited ("Elk"), an entity associated with Mr Charles Bass, for the lease of the Company's administration offices in Perth, Western Australia (refer note 20 for details of commitments under the lease agreement). During the year the Company incurred a total of $86,590 in respect of rent, outgoings and car parking pursuant to the lease agreement (2018: $48,421).
- During the period ended 30 June 2018, the Company issued 37,500,000 ordinary fully paid shares at a deemed price of 10 cents per share and 4,500,000 options over unissued shares exercisable at 30 cents each and expiring 3 years from the date of grant to Silver Mountain Mining Nominee Pty Ltd, an entity associated with a Director Mr Charles Bass, in consideration for the acquisition of the issued capital of Silver Mountain Mining Pty Ltd (refer note 24).
- During the period ended 30 June 2018, an amount of $85,447 owing by the Group to Silver Mountain Mining Nominee Pty Ltd, an entity associated with Mr Charles Bass, was repaid in full.

3. REMUNERATION OF AUDITORS

	Year ended 30 June 2019 A$	Period from 6 September 2017 to 30 June 2018 A$
Audit and review of the financial statements	**25,000**	17,500
Other services	**3,880**	14,248
Total	**28,880**	31,748

The auditor of Eagle Mountain Mining Limited is William Buck Audit (WA) Pty Ltd. During the reporting period William Buck Audit (WA) Pty Ltd and its related entities provided non-audit services amounting to $3,880 (2018: $14,248) to members of the Eagle Mining Group.

4. LOSS FROM ORDINARY ACTIVITIES

	Year ended 30 June 2019 A$	Period from 6 September 2017 to 30 June 2018 A$
Included in the loss before income tax are the following specific items of income/(expenses):		
Gains on foreign exchange	**113,997**	-
Movements in employee leave liabilities	**(59,391)**	-
Project generation costs	**(30,402)**	-

5. INCOME TAX EXPENSE

	Year ended 30 June 2019 A$	Period from 6 September 2017 to 30 June 2018 A$
Current tax:		
Current income tax charge/(benefit)	**-**	-
Current income tax benefit not recognised	**-**	-
Deferred tax:		
Relating to origination and reversal of timing differences	**(521,799)**	(355,304)
Deferred tax benefit not recognised	**521,799**	355,304
	-	-

(a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

Loss before tax	**(6,890,466)**	(1,681,900)
The prima facie tax on loss from ordinary activities attributable to parent entity before income tax: Prima facie tax (benefit) on loss from ordinary activities before income tax at 27.5%	**(1,894,878)**	(462,523)
Add/(Less) tax effect of:		
Exploration costs not deducted for tax	**1,646,348**	243,860
Non deductible share based payments	**12,511**	79,063
Share issue costs deducted	**(56,853)**	(48,718)
Deferred tax asset not brought to account	**292,872**	188,318
Income tax attributable to entity	**-**	-

b) Deferred tax – Balance Sheet

Liabilities		
Prepaid expenses	**9,803**	8,802
Accrued income	**-**	3,447
	9,803	12,249
Assets		
Accrued expenses	**11,941**	-
Employee leave liabilities	**16,333**	-
Revenue losses available to offset against future taxable income	**679,937**	172,680
Deductible equity raising costs	**178,695**	194,873
	886,906	367,553
Net deferred tax asset not recognised	**877,103**	355,304

5. INCOME TAX EXPENSE (CONTINUED)

	Year ended 30 June 2019 A$	Period from 6 September 2017 to 30 June 2018 A$
c) Deferred tax – Income Statement		
Liabilities		
Prepaid expenses	**(1,001)**	(8,802)
Accrued income	**3,447**	(3,447)
Assets		
Accrued expenses	**11,941**	-
Employee leave liabilities	**16,333**	-
Deductible equity raising costs	**(16,178)**	194,873
Increase in tax losses carried forward	**507,257**	172,680
Deferred tax benefit movement not recognised	**521,799**	355,304

The deferred tax benefit of tax losses not brought to account will only be obtained if:

(i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the tax losses to be realised;

(ii) The Company continues to comply with the conditions for deductibility imposed by tax legislation; and

(iii) No changes in tax legislation adversely affect the Company realising the benefit from the deduction of the losses.

6. CASH AND CASH EQUIVALENTS

	30 June 2019 A$	30 June 2018 A$
Cash at bank	**1,879,883**	2,058,849
Deposits at call	**-**	4,736,572
Total	**1,879,883**	6,795,421

Included in cash at bank of $1,879,883 (2018: $2,058,849) are amounts held in US dollar denominated bank accounts equivalent to $229,270 (2018: $1,895,194).

7. TRADE AND OTHER RECEIVABLES

	30 June 2019 A$	30 June 2018 A$
GST receivable	**2,725**	5,220
Accrued income and other receivables	**16,253**	12,534
Prepaid expenses and deposits	**35,648**	41,965
Total	**54,626**	59,719

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2019

8. EXPLORATION AND EVALUATION EXPENDITURE – LAND

	30 June 2019 A$	30 June 2018 A$
Movement during the period		
Carrying value – beginning of year	**1,104,495**	-
Recognised on acquisition of Silver Mountain Mining Pty Ltd[1]	**-**	969,897
Effect of movement in foreign exchange rates	**59,532**	134,598
Carrying value – end of the year	**1,164,027**	1,104,495

[1]Capitalised exploration asset acquisition costs recognised on acquisition of Silver Mountain Mining Pty Ltd. Exploration and evaluation expenditure – land is held by Silver Mountain Mining LLC, which is a 100% owned US based subsidiary of Silver Mountain Mining Pty Ltd.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements A$	Office equipment and furniture A$	Field equipment and vehicles A$	Total A$
Cost at the beginning of the year	306,122	77,489	146,013	529,625
Effect of foreign exchange movements	1,658	2,159	8,253	12,070
Additions	48,631	5,727	61,817	128,246
Cost at the end of the year	**356,411**	**85,375**	**216,084**	**657,870**
Accumulated depreciation at the beginning of the year	(30,514)	(9,071)	(26,464)	(66,049)
Effect of foreign exchange movements	(466)	(495)	(1,393)	(2,354)
Depreciation charged in the year	(78,827)	(33,836)	(41,480)	(154,143)
Accumulated depreciation at the end of the year	**(109,807)**	**(43,402)**	**(69,337)**	**(222,546)**
Net book value at the beginning of the year	275,608	68,418	119,549	463,576
Net book value at the end of the year	**246,604**	**41,973**	**146,747**	**435,324**

Assets with a net book value of A$54,201 (2018: A$65,573) held by Silver Mountain Mining Operations Inc. are pledged as security in respect of vehicle loan liabilities (refer note 11).

10. TRADE AND OTHER PAYABLES

	30 June 2019 A$	30 June 2018 A$
Current		
Trade creditors and accrued expenses	**173,713**	38,775
Other creditors	**1,496**	1,419
Payroll liabilities	**49,439**	14,624
Total	**224,648**	54,818

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2019

11. BORROWINGS

	30 June 2019 A$	30 June 2018 A$
Current		
Vehicle loan amounts due within one year	**10,908**	10,331
Non-Current		
Vehicle loan amounts due after one year	**25,484**	34,531

Vehicle loan amounts are secured over assets with a net book value of A$54,201 (2018: A$65,573) held by Silver Mountain Mining Operations Inc. (refer note 9).

12. OPTIONS AND EQUITY BASED PAYMENTS

Options – Reconciliation of Movements	30 June 2019 No.	30 June 2018 No.
Options on issue at the beginning of the year	**16,000,000**	-
Consideration options issued[1]	**-**	4,500,000
Remuneration options issued[2]	**-**	7,000,000
Initial Public Offer options[3]	**-**	4,500,000
Offer options issued – entitlement offer[4]	**23,125,000**	-
Offer options exercised – entitlement offer[4]	**(26,599)**	-
Options cancelled on expiry – entitlement offer[4]	**(23,098,401)**	-
Options issued on exercise of offer options – entitlement offer[4]	**26,599**	-
Options issued to employees[5]	**2,130,000**	-
Options issued attaching to entitlement offer securities[6]	**5,644,716**	-
Options on issue at 30 June	**23,801,315**	16,000,000

[1] During the period ended 30 June 2018, the Company issued 4,500,000 options over unissued shares exercisable at 30 cents each and expiring 3 years from the date of grant in part consideration for the acquisition of Silver Mountain Mining Pty Ltd (refer note 14b and note 24).

[2] The Company issued 7,000,000 options over unissued shares, exercisable at 20 cents each and expiring 5 years from the date of grant to officers and employees of the Company following shareholder approval received on 15 January 2018.

[3] The Company issued 4,500,000 options over unissued shares exercisable at 30 cents each and expiring 6 March 2021 pursuant to the Initial Public Offer prospectus dated 23 January 2018.

[4] The Company issued options at a price of 1 cent per option pursuant to an entitlement offer exercisable at 40 cents each expiring 15 December 2018. Upon exercise into shares the holder received a further option for each share exercised at 80 cents each and expiring 12 months from issue.

[5] Unlisted options issued to employees of the Company pursuant to the Company's employee share option plan.

[6] Unlisted options issued to subscribers to the non-renounceable pro-rata entitlement offer of shares which closed on 7 June 2019.

Option Capital – Reconciliation of Movements	Issue Price A$	30 June 2019 A$	30 June 2018 A$
Balance at the beginning of the year		**4,500**	-
Initial Public Offer options	$0.001	**-**	4,500
Offer options issued – entitlement offer	$0.01	**231,250**	-
Less: costs of option entitlement offer	N/a	**(71,221)**	-
Less: transfer to reserves on exercise/expiry of offer options	N/a	**(160,029)**	-
		4,500	4,500

12. OPTIONS AND EQUITY BASED PAYMENTS (CONTINUED)

	No.	2019 Weighted Average Exercise Price (cents)	No.	2018 Weighted Average Exercise Price (cents)
Options outstanding at the beginning of the year	**16,000,000**	**25.6**	-	-
Options granted during the year	**30,926,315**	**35.0**	16,000,000	25.6
Options exercised during the year	**(26,599)**	**40.0**	-	-
Options cancelled and expired unexercised during the year	**(23,098,401)**	**20.0**	-	-
Options outstanding at 30 June	**23,801,315**	**23.8**	16,000,000	25.6

Basis and Assumptions Used in the Valuation of Options
The options issued during the year were valued using the Black-Scholes option valuation methodology, using the following inputs:

Date granted	Number of options granted	Exercise price (cents)	Expiry date	Risk free interest rate used	Volatility applied	Value of Options
6 May 2019	2,130,000	20	1 Feb 2023	1.39%	99%	$216,165

Historical volatility for comparable listed exploration companies has been used as the basis for determining expected share price volatility. An expense of $27,242 has been recognised through the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2019 (2018: $280,000) in respect of the vesting of options during the year.

Weighted Average Contractual Life
The weighted average contractual life for unexercised options is 28.4 months (2018: 34.9 months).

Performance Rights

During the year ended 30 June 2019 the Company issued 105,000 performance rights to an employee on the following terms:

Number of Performance Rights	Vesting Date	Expiry Date	Value of Performance Rights
35,000	1 Jul 2019	1 Jul 2026	$11,200
35,000	1 Jul 2020	1 Jul 2027	$11,200
35,000	1 Jul 2021	1 Jul 2028	$11,200
			$33,600

2019

105,000 performance rights were granted on 29 August 2018 and valued at 32 cents per right based on the determined underlying value of the Company's shares. An expense of $18,252 has been recognised through the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2019 in respect of the vesting of these rights during the period.

2018

75,000 performance rights were granted on 15 January 2018 and valued at 10 cents per right based on the determined underlying value of the Company's shares. An expense of $7,500 has been recognised through the consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2018 in respect of the issue of the 75,000 performance rights granted as remuneration.

13. ISSUED CAPITAL

Shares	Issue price	Year ended 30 June 2019 Shares	A$	Period 6 September 2017 to 30 June 2018 Shares	A$
Balance at the beginning of the year		**92,500,001**	**11,952,582**	-	-
Shares issued on incorporation	*$0.20*	-	-	1	-
Shares issued to acquire Silver Mountain Mining Pty Ltd (note 24)	*$0.10*	-	-	37,500,000	3,750,000
Shares issued to pre-IPO investors	*$0.10*	-	-	15,000,000	1,500,000
Shares issued to IPO investors	*$0.20*	-	-	40,000,000	8,000,000
Shares issued on exercise of options	*$0.40*	**26,599**	**10,640**	-	-
Entitlement issue shares issued	*$0.15*	**11,289,439**	**1,693,416**	-	-
Less: share issue costs – share based (refer note 12)	-	-	-	-	(411,631)
Less: share issue costs – cash *	-	-	**(76,689)**	-	(885,787)
Balance at 30 June		**103,816,039**	**13,579,949**	92,500,001	11,952,582

* No deferred tax asset has been recognised in respect of the share issue costs as at the date of the financial report it is not probable that it will be realised (refer note 5).

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

14. RESERVES

	As at 30 June 2019 A$	As at 30 June 2018 A$
Foreign currency translation reserve	**297,069**	219,494
Share based payments reserve	**888,625**	843,131
Common control reserve	**(3,014,276)**	(3,014,276)
	(1,828,582)	(1,951,651)

Movements:

		Year ended 30 June 2019 A$	Period 6 September 2017 to 30 June 2018 A$
a)	**Foreign currency translation reserve**		
	Balance at the beginning of the year	**219,494**	-
	Exchange gains for the year	**77,575**	219,494
	Balance at 30 June	**297,069**	219,494

14. RESERVES (Continued)

Foreign currency translation reserve
The foreign currency translation reserve records unrealised exchange gains and losses on translation of controlled entities accounts during the year.

		Year ended 30 June 2019 A$	Period 6 September 2017 to 30 June 2018 A$
b)	**Share based payments reserve**		
	Balance at the beginning of the year	**843,131**	-
	Fair value of options and performance rights issued during the year (note 12, 24)	**45,494**	843,131
	Balance at 30 June	**888,625**	843,131

Share based payments reserve
The share based payments reserve has been used to recognise the fair value of options and performance rights issued and vested but not exercised as at the end of the reporting year.

		Year ended 30 June 2019 A$	Period 6 September 2017 to 30 June 2018 A$
c)	**Common control reserve**		
	Balance at the beginning of the year	**(3,014,276)**	-
	Common control transactions during the year	**-**	(3,014,276)
	Balance at 30 June	**(3,014,276)**	(3,014,276)

Common control reserve
The amount recognised in the common control reserve represents the excess in fair value consideration given, over the net assets acquired, on the acquisition of Silver Mountain Mining Pty Ltd from Silver Mountain Mining Nominees Pty Ltd on 7 December 2017 (refer note 24).

On 7 December 2017 the Directors determined that the acquisition was undertaken between entities which were under common control due to respective share ownership.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2019

15. CASH FLOW INFORMATION

	Year ended 30 June 2019 A$	Period 6 September 2017 to 30 June 2018 A$
Reconciliation of cash flows from operating activities with loss after income tax		
Loss after income tax	**(6,890,466)**	(1,681,900)
Non-cash items included in profit or loss		
Depreciation expense	**154,143**	50,038
Gains on foreign exchange	**(113,997)**	-
Share based payment expense	**45,494**	287,500
Changes in assets and liabilities:		
(Increase)/decrease in receivables	**(8,040)**	2,660
(Increase)/decrease in prepayments	**(1,878)**	(25,771)
(Decrease)/increase in employee leave liabilities	**59,391**	-
(Decrease)/increase in accounts payable and accruals	**172,542**	54,588
(Increase)/decrease in accrued income	**12,534**	(12,534)
Net cash outflows from Operating Activities	**(6,570,277)**	(1,325,419)

16. SEGMENT INFORMATION

AASB 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group operates in one segment, being exploration for mineral resources. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group.

Following the acquisition of Silver Mountain Mining Pty Ltd on 7 December 2017, the Group operates in Australia and United States of America.

Information regarding the non-current assets by geographical location is reported below. No segment information is provided for United States of America in relation to revenue and profit or loss for the year ended 30 June 2019 or period ended 30 June 2018.

Reconciliation of Non-Current Assets by Geographical Location

	30 June 2019 A$	30 June 2018 A$
Australia	**225,536**	295,541
United States of America	**1,503,916**	1,272,530
	1,729,452	1,568,071

17. SUBSEQUENT EVENTS

Subsequent to the end of the financial year, the Company has issued 1,800,000 options exercisable at 20 cents each and expiring 1 July 2023 to employees and issued 60,000 ordinary fully paid shares to employees on the exercise of vested performance rights.

Other than as stated above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

18. KEY MANAGEMENT PERSONNEL

(a) Directors and Key Management Personnel

The following persons were Directors of Eagle Mountain Mining Limited during the financial year:

(i) *Chairman – Non-Executive*
Rick Crabb

(ii) *Executive Director*
Charles Bass, Managing Director

(iii) *Non-Executive Director*
Roger Port
Brett Rowe (as Alternate Director to Charles Bass)

There were no other persons employed by or contracted to the Company during the financial year, having responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

(b) Key Management Personnel Compensation

A summary of total compensation paid to Key Management Personnel is as follows:

	Year ended 30 June 2019 A$	Period 6 September 2017 to 30 June 2018 A$
Total short term employment benefits	**136,986**	57,078
Total equity-based payments	**-**	220,000
Total post-employment benefits	**13,014**	5,421
	150,000	282,499

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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19. CONTINGENT ASSETS AND LIABILITIES

The Group has an exploration service agreement with Dragon's Deep Exploration, Inc., an Arizona corporation ("Dragon").

Included in this agreement is a performance bonus payable to Dragon consisting of cash together with shares in Eagle Mountain Mining Limited (shares at market price, escrowed as required by the appropriate exchange) within 10 days of the events detailed below:

Criteria	Cash Bonus	Shares of Value
Minimum of 24 holes completed by the Group with 70% success within 24 months of first drilling[1]	US$50,000	US$150,000
Commencement of a preliminary feasibility study in respect of any land covered by any mining claims or permits held by Silver Mountain Mining LLC and located in Arizona, USA.[2]	US$100,000	US$200,000

1. Success defined as a minimum 40 gram-metre zone (Au equivalent) within each drill hole for 70% of non-condemnation holes drilled.
2. The milestone satisfaction date is the date on which the Company announces to the Australian Securities Exchange that it has commenced a pre-feasibility study on the relevant mining claims or permits. "Pre-feasibility Study" is as defined in the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition).

Phase 1 drilling commenced at the Silver Mountain Project on 1 October 2018 and ended in early June 2019. Based on the completed drilling, current exploration plans and drill advancement rate it is considered unlikely that the first criterion listed above will be met. The Group does not currently foresee a preliminary feasibility study covering the claims held by Silver Mountain Mining LLC commencing in the near future.

Other than the above, the Group has no contingent assets or liabilities outstanding at the end of the year.

20. COMMITMENTS

(a) Exploration Expenditure

In order to maintain the current tenure status of its exploration assets, the Group has certain obligations and minimum expenditure requirements with respect to unpatented claims and Arizona state exploration permits located in Arizona in the United States of America, as follows:

	30 June 2019 A$	30 June 2018 A$
Within 1 year	**161,685**	178,548
After 1 year but not more than 5 years	**728,892**	665,715
Total	**890,577**	844,263

(b) Operating Lease Commitments

The Company has entered into a 5 year lease commencing 1 January 2018 in respect of its offices at 22 Stirling Highway, Nedlands. The initial lease cost, inclusive of estimated outgoings, is A$79,650 per annum, with a 2% increase applied annually, and a 3 year lease for exploration offices in Arizona at an initial lease cost of US$42,000 per annum. Operating lease commitments are as follows:

	30 June 2019 A$	30 June 2018 A$
Due within 1 year	**139,450**	137,272
Due after 1 year but not more than 5 years	**256,498**	395,948
Due after more than 5 years	**-**	-
	395,947	533,220

(c) Asset Acquisition

The Group has no commitments for asset acquisitions at 30 June 2019 or 30 June 2018.

21. FINANCIAL RISK MANAGEMENT

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Company's exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board of Directors has the overall responsibility for the risk management framework and has adopted a Risk Management Policy.

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and Other Receivables

The nature of the business activity of the Group does not result in trading receivables. The receivables that the Group does experience through its normal course of business are short term and the most significant recurring by quantity is receivable from the Australian Taxation Office. The risk of non-recovery of receivables from this source is considered to be negligible.

Cash Deposits

The Directors believe any risk associated with the use of predominantly one bank is addressed through the use of at least an A-rated bank as a primary banker. Except for this matter the Group currently has no significant concentrations of credit risk.

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Company's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Interest Rate Risk

The Group has cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Group requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements, the Group does mitigate potential interest rate risk by entering into short to medium term fixed interest investments.

Equity Risk

The Group has no direct exposure to equity risk.

Foreign Exchange Risk

The Group holds a portion of its cash assets in US dollar denominated bank accounts and bank deposits. The Group is also significantly exposed to foreign exchange risk through transactions and arrangements in respect of its US based operations.

Other than the above, the Group does not have any direct contact with foreign exchange fluctuations other than their effect on the general economy.

The Group seeks to mitigate foreign exchange risk by considering capital requirements and foreign exchange rates when undertaking treasury transactions, such as utilising US dollar denominated term deposits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2019

22. FINANCIAL INSTRUMENTS

Credit Risk
The Directors do not consider that the Group's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made (refer note 21(a)).

Impairment Losses
The Directors do not consider that any of the Group's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the financial year.

Interest Rate Risk
At the reporting date the interest profile of the Group's interest-bearing financial instruments was:

	Carrying amount ($) 2019	Carrying amount ($) 2018
Fixed rate instruments		
Financial liabilities	**(36,392)**	(44,862)
Variable rate instruments		
Financial assets	**1,879,883**	6,795,421

Cash Flow Sensitivity Analysis for Variable Rate Instruments
A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		**Equity**	
	1% increase	**1% decrease**	**1% increase**	**1% decrease**
2019				
Variable rate instruments	**18,799**	**(18,799)**	**18,799**	**(18,799)**
2018				
Variable rate instruments	67,954	(67,954)	67,954	(67,954)

Foreign Exchange Risk
At the reporting date the Australian dollar equivalent of amounts recognised by the Group in US dollars were as follows:

	Carrying amount ($) 2019	Carrying amount ($) 2018
Financial assets		
Cash at bank	**229,270**	1,895,194
Deposits at call	-	1,736,572
	229,270	3,631,766
Financial liabilities		
Trade and other payables	**(86,749)**	(25,359)
Borrowings	**(36,392)**	(44,862)
	(123,141)	(70,401)

22. FINANCIAL INSTRUMENTS (CONTINUED)

Cash Flow Sensitivity Analysis for Foreign Exchange

A change in foreign exchange rates of 5% at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
	5% increase	5% decrease	5% increase	5% decrease
2019				
Financial assets	**-**	**-**	**11,464**	**(11,464)**
Financial liabilities	**6,157**	**(6,157)**	**6,157**	**(6,157)**
2018				
Financial assets	-	-	181,588	(181,588)
Financial liabilities	3,520	(3,520)	3,520	(3,520)

Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements (refer note 21(b)):

Consolidated	Carrying amount	Contractual cash flows	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
	$	$	$	$	$	$	$
2019							
Trade and other payables	**224,648**	**224,648**	**224,648**	**-**	**-**	**-**	**-**
Borrowings	**36,392**	**39,316**	**5,882**	**5,882**	**11,765**	**15,787**	**-**
	261,040	**263,964**	**230,530**	**5,882**	**11,765**	**15,787**	**-**
2018							
Trade and other payables	54,818	54,818	54,818	-	-	-	-
Borrowings	44,862	48,378	5,571	5,571	11,142	26,094	
	99,680	103,196	60,389	5,571	11,142	26,094	-

Fair Values

Fair Values Versus Carrying Amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	Consolidated 2019		Consolidated 2018	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	$	**$**	$	$
Cash and cash equivalents	**1,879,883**	**1,879,883**	6,795,421	6,795,421
Trade and other payables	**(224,648)**	**(224,648)**	(54,818)	(54,818)
Borrowings	**(36,392)**	**(36,392)**	(44,862)	(44,862)
	1,618,843	**1,618,843**	6,695,741	6,695,741

The Group's policy for recognition of fair values is disclosed at note 1(t).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2019

23. CONTROLLED ENTITIES

Eagle Mountain Mining Limited is the ultimate parent entity of the Group.

The following were controlled entities at the end of the financial year and have been included in the consolidated financial statements:

Name	Country of Incorporation	Date acquired/incorporated	**Percentage Interest Held 2019**	Percentage Interest Held 2018
Silver Mountain Mining Pty Ltd	Australia	7 December 2017	**100%**	100%
Silver Mountain Mining LLC	United States of America	7 December 2017	**100%**	100%
Silver Mountain Mining Operations Inc	United States of America	18 January 2018	**100%**	100%

Silver Mountain Mining LLC and Silver Mountain Mining Operations Inc are both 100% owned subsidiaries of Silver Mountain Mining Pty Ltd.

The following amounts are payable by subsidiary companies to the parent company Eagle Mountain Mining Limited at the reporting date:

	Amount due to Eagle Mountain Mining Limited	
Name	**2019 A$**	2018 A$
Silver Mountain Mining Pty Ltd	**69,727**	69,562
Silver Mountain Mining LLC	**528,472**	528,472
Silver Mountain Mining Operations Inc	**7,082,555**	1,168,897

The loans to subsidiary companies are non-interest bearing and the Directors of Eagle Mountain Mining Limited do not intend to call for repayment within 12 months.

24. ACQUISITION OF SILVER MOUNTAIN MINING PTY LTD

During the period ended 30 June 2018, the Company acquired a 100% interest in the share capital of Silver Mountain Mining Pty Ltd from Silver Mountain Mining Nominee Pty Ltd, an entity associated with a Director Mr Charles Bass. The acquisition was completed on 7 December 2017.

Silver Mountain Mining Pty Ltd is the holder of the Silver Mountain Project located in Arizona in the United States of America.

Consideration given by the Company in respect of the acquisition of Silver Mountain Mining Pty Ltd was:

Details	Number	Fair value A$
Ordinary fully paid shares (refer note 13)	37,500,000	3,750,000
Options exercisable at 30 cents each and expiring 3 years from the date of issue (refer note 12)	4,500,000	144,000[1]
		3,894,000

[1]The options given in consideration were valued using the Black Scholes valuation model using the following inputs:

Underlying share price at date of valuation	$0.10
Option exercise price	$0.30
Period to expiry	3 years
Volatility	87.5%
Risk free rate	1.95%

The net assets of the Silver Mountain Mining Pty Ltd group acquired by the Company on 7 December 2017 were:

Details	Net asset value A$
Cash assets	36,079
Other receivables and prepaid expenses	24,075
Property, plant and equipment	3,810
Capitalised exploration acquisition costs	969,897
Trade and other payables	(68,690)
Loan	(85,447)
	879,724

The difference between the fair value of the consideration given by the Company, and the underlying net asset value of the Silver Mountain Mining Pty Ltd group as at the date of acquisition amounting to $3,014,276 has been recognised in the common control reserve (refer note 14c).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2019

25. LOSS PER SHARE

	Year Ended 30 June 2019	Period 6 September 2017 to 30 June 2018
Loss used in calculation of loss per share	**$(6,890,466)**	$(1,681,900)
Weighted average number of shares used in the calculation of loss per share	**92,947,012**	51,744,967
Basic and diluted loss per share	**(7.4 cents)**	(3.3 cents)

Options and performance rights to acquire ordinary shares granted by the Company and not exercised at the reporting date are included in the determination of diluted loss per share, to the extent that they are considered dilutive.

There are 23,801,315 options and 180,000 performance rights on issue at 30 June 2019 (2018: 16,000,000 options and 75,000 performance rights) that have not been considered in calculating diluted loss per share as they are not considered to be dilutive to the reported loss.

26. PARENT ENTITY INFORMATION

	Parent 30 June 2019 A$	Parent 30 June 2018 A$
Assets		
Current assets	**1,567,069**	6,250,600
Non-current assets[1]	**1,950,849**	2,102,390
Total Assets	**3,517,918**	8,352,990
Liabilities		
Current liabilities	**174,388**	29,459
Non-current liabilities	**-**	-
Total Liabilities	**174,388**	29,459
Net Assets	**3,343,530**	8,323,531
Equity		
Issued capital	**13,579,949**	11,952,582
Option capital	**4,500**	4,500
Reserves	**888,625**	866,206
Accumulated losses	**(11,129,544)**	(4,499,757)
Total Equity	**3,343,530**	8,323,531
Loss for the period[1]	**(6,629,787)**	(4,499,757)
Other comprehensive income	**-**	23,075
Total comprehensive loss for the period	**(6,629,787)**	(4,476,682)

[1]The Company has recognised a provision against the investment in subsidiary holdings to the extent that parent company net assets exceed those of the Group.

EAGLE MOUNTAIN MINING

DIRECTORS' DECLARATION

In the opinion of the Directors of Eagle Mountain Mining Limited ("the Company")

(a) the financial statements and notes set out on pages 17 to 46 are in accordance with the Corporations Act 2001, including:

   (i) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

   (ii) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the period ended on that date of the Group.

(b) the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures, The Corporations Act 2001 and the Corporations Regulations 2001.

(c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

(d) the financial statements comply with International Financial Reporting Standards as set out in note 1.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2019.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 18th day of September 2019.

Charles Bass
Managing Director

William Buck

Eagle Mountain Mining Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Eagle Mountain Mining Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 (a) (i) in the financial report, which indicates that the Group incurred a net loss of $6,890,466 and a net operating cash outflow of $6,570,277 during the year ended 30 June 2019. As stated in Note 1 (a) (i), these events or conditions, along with other matters as set forth in Note 1 (a) (i), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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Independent auditor's report to members (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matters to be communicated in our report.

CARRYING VALUE OF EXPLORATION COSTS	
Area of focus **Refer also to notes 1(b), 1 (j) and 8**	**How our audit addressed it**
The Group have incurred exploration costs in relation to exploration activities for Copper and Gold in the surrounding area of the Bradshaw Mountains of Yavapai County of Arizona, USA. Exploration and evaluation expenditure is generally written off in the year incurred, except for acquisition of exploration properties which is capitalised and carried forward. There is a risk the capitalisation of exploration and evaluation expenditure may exceed the value in use. An impairment review is only required if an impairment trigger is identified. Due to the nature of the resources industry, indicators of impairment applying the value in use model could include: — Viability of the projects — Changes to exploration plans and permits — Loss of rights to tenements — Changes to reserve estimates — Costs of extraction and production	Our audit procedures included: — A review of the directors' assessment on the viability of the 26 patented mining claims and 424 unpatented mining claims, whether there were any indicators of impairment to those costs capitalised at the reporting date. — We assessed the adequacy of the Group's disclosures in respect of the transactions.

Independent auditor's report to members (continued)

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Independent auditor's report to members (continued)

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 15 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Eagle Mountain Mining Limited for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CM

Conley Manifis
Director
Date this day 18th of September 2019