



## EAGLE MOUNTAIN MINING

ASX Announcement | 28 October 2019

# Quarterly Report September 2019

## HIGHLIGHTS

- Phase-One drilling complete at the Silver Mountain Project, demobilisation of drilling contractors and equipment finalised and rehabilitation work ongoing
- Following a detailed review of the geological, geochemical and geophysical data, additional work will be required at the Silver Mountain Project
- Ongoing evaluation of complementary projects within the Arizona region
- Appointment of Mr Tim Mason as Chief Executive Officer subsequent to the end of the quarter

Eagle Mountain Managing Director, Charles Bass, commented:

*"We completed the first ever modern exploration program at the Silver Mountain Cu-Au Project, in very difficult and remote terrain at the Pacific Horizon and Scarlett Prospects. The results to date have confirmed the variety and complexity of mineralisation we believed was present. The work of our exploration team and our consultants Dr Linus Keating, Dr David Compston and Dr Jeff Jaacks has been of great value and added to our understanding of Silver Mountain.*

*"The Company is now compiling and reviewing the data to determine the next steps.*

*"We have continued to actively review a number of exciting projects in Arizona, with a focus on identifying opportunities which complement our existing Project. We look forward to updating shareholders in due course.*

*"Lastly, Mr Tim Mason, has accepted the role of Chief Executive Officer, which will commence on the 15 January 2020. Tim is a mining engineer by trade and brings 18 years of experience in the mining and engineering sectors across a broad range of corporate, operations, business development and engineering roles.*

*We have an established strategy in place that we believe will deliver long-term value to our shareholder base, and Tim brings the right combination of skills and experience to lead Eagle Mountain forward. I look forward to working with Tim, as we continue to advance our Arizona-focused strategy."*

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**EAGLE MOUNTAIN MINING LIMITED | ACN 621 541 204**

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## OPERATIONS UPDATE

The Company completed its maiden drilling program at the Pacific Horizon and Scarlett areas during the period.

### Pacific Horizon

Drilling along the Pacific Horizon confirmed the very complex mineralogy at this target with results to date providing a significant volume of technical and structural information. The occurrence of quartz-carbonate breccia below the Horizon's footwall has given the Company cause to re-think the mineralization genesis and model. Geochemical analysis suggests a possible epithermal gold signature and this model remains to be investigated.

Figure 1 below shows the various prospect locations and illustrates the various types of mineralisation targets at the Silver Mountain Project.

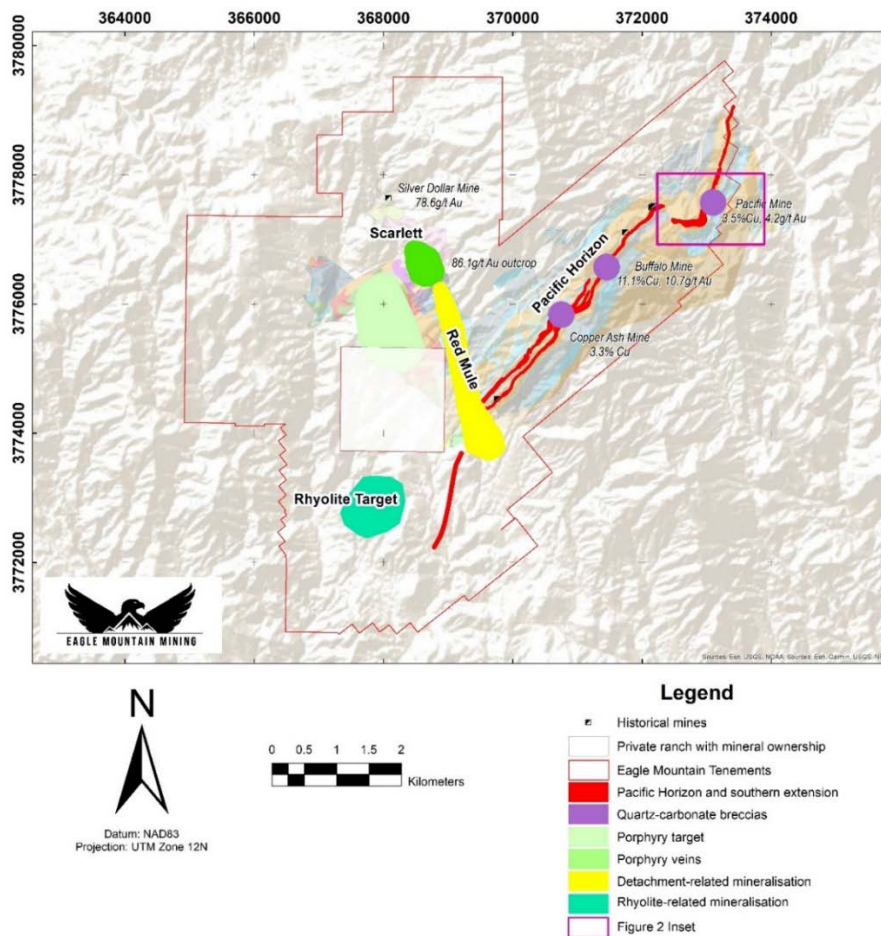


Figure 1 Silver Mountain Project overview with landholding and unique mineralisation styles

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## **EAGLE MOUNTAIN MINING**

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### **Scarlett**

Drilling at the Gold Vein target at the Scarlett Prospect area was designed to test depth extensions to the gold-bearing veins visible at surface and the porphyry potential of the area. This is quite different to the mineralisation encountered along the Pacific Horizon. Results from three holes were inconclusive but the Company was very encouraged by the extent and style of alteration encountered in drilling. Further work is required to understand where the mineralised parts of the system could be found.

Eagle Mountain has engaged a consultant to examine the available drill core and assess the likelihood of a nearby porphyry or other mineralised system. The Company will consider the recommendation received prior to planning any further 'on-ground' exploration work.

### **Red Mule and Rhyolite Target**

One drillhole was completed at Red Mule Target testing a fault structure in the vicinity of a high-grade Ag sample. No significant mineralisation was encountered.

The VMS Horizon discovered near the Rhyolite target and south of Red Mule has a slightly different rock mineralogy that is similar to that of known VMS deposits in the district. This area requires more field work including mapping and sampling before drill targets can be established.

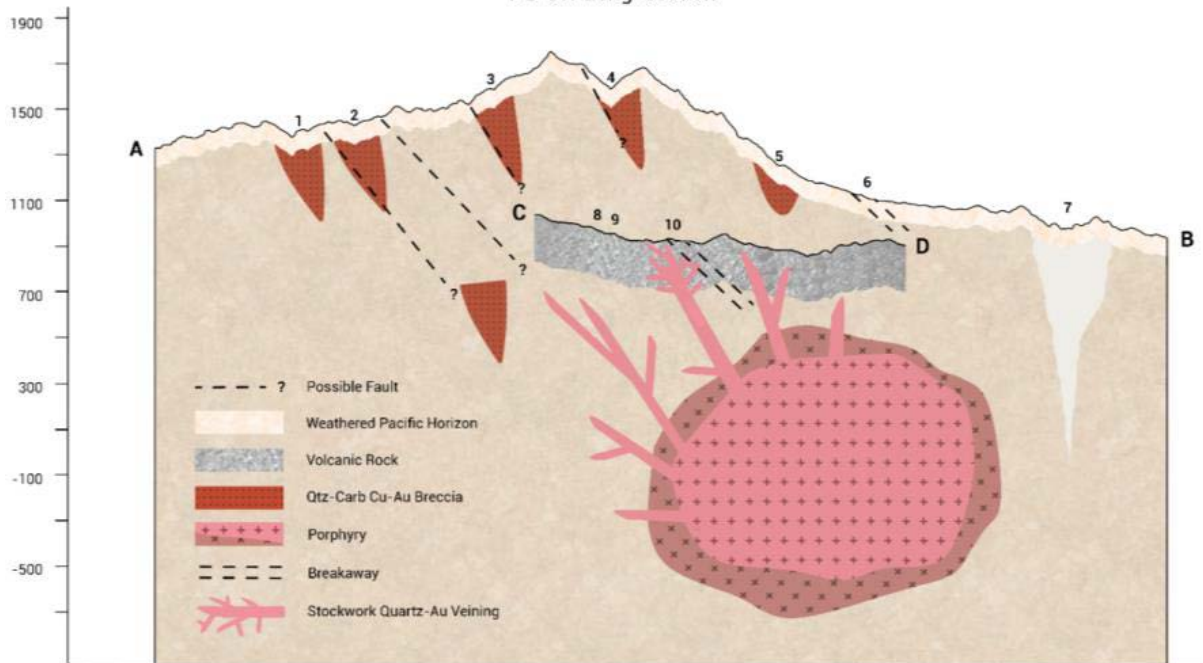
Figure 2 below shows a hypothetical cross section illustrating the different types of mineralisation targets at the Silver Mountain Project.



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## Silver Mountain Hypothetical Mineralisation Systems NE-SW Long-Section



- |   |  |  |
|---|--|--|
| 1. Pacific Mine Waste Dump Sample<br>3.5% Cu, 4.2g/t Au, 112g/t Ag    | 5. #10 Mine Waste Dump Sample<br>1.9% Cu, 3.3g/t, 51.2g/t Ag | 9. Scarlett Outcrop Sample<br>86g/t Au                 |
| 2. Wellington Mine Waste Dump Sample<br>3.5% Cu, 0.3g/t Au, 350g/t Ag | 6. Red Mule Vein Sample<br>921g/t Ag                         | 10. Working in Breakaway Zone<br>86.1g/t Au & 2.15% Cu |
| 3. Buffalo Mine Waste Dump Sample<br>11.1% Cu, 10.7g/t Au, 251g/t Ag  | 7. Rhyolite Outcrop Sample<br>27g/t Au                       |  |
| 4. Copper Ash Mine Waste Dump Sample<br>3.3% Cu, 0.2g/t Au, 251g/t Ag | 8. Silver Dollar Mine Waste Dump Sample<br>78/6g/t Au        |  |

Figure 2 Conceptual mineralisation system at Silver Mountain Project

## NEXT STEPS

The Company is focussed on better defining targets for the next round of exploration. Work currently planned includes:

- ✓ An extensive review of all data and consultants' reports
- ✓ Petrographic studies
- ✓ Age dating
- ✓ Ground mapping and sampling.

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## **EAGLE MOUNTAIN MINING**

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### **CORPORATE**

#### **Appointment of Chief Executive Officer**

Subsequent to the end of the quarter, the Board announced the engagement of Mr Tim Mason as Chief Executive Officer (CEO), effective 15 January 2020.

Tim is a Mining Engineer who holds an MBA and has 18 years' experience in the mining and engineering sectors across a broad range of corporate, operations, business development and engineering roles. His recent roles of General Manager Operations and General Manager Projects and Innovation involved conducting feasibility studies, project development and operations start-up, business development, project financing and corporate presentations.

#### **Cash**

The Company had \$1.05 million on hand at the end of the quarter, and subsequent to the end of the quarter has executed an unsecured loan facility for US\$1 million with Quartz Mountain Mining Pty Ltd, a Bass Group entity, the loan is unsecured and has a 12 month term and accrues 2% interest after the 3<sup>rd</sup> month from draw down. (ASX 28 October 2019)

#### **Employee Incentives**

During the quarter, the Company issued the following securities to employees:

- 60,000 new shares on vesting of performance rights issued to employees; and
- 1,800,000 unlisted options exercisable at 20 cents each expiring 1 July 2023 and vesting in three equal tranches on 1 July 2020, 2021 and 2022.

### **NEW PROJECTS - OPPORTUNITIES**

The Company has been aware of several advanced project opportunities in Arizona that would complement the Silver Mountain Project. Recently, the Company begun to progress discussions with vendors, and over this last quarter has been conducting further due diligence on advanced opportunities. The Company looks forward to updating shareholders in due course.

For further information please contact:

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Managing Director & CEO  
charlie@eaglemountain.com.au

Mark Pitts  
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## **EAGLE MOUNTAIN MINING**

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### **COMPETENT PERSON STATEMENT**

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

### **EAGLE MOUNTAIN MINING LIMITED**

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

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

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

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## Schedule of interests in mining tenements

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

### (a) Interests in mining tenements as at 30 September 2019

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

(b) Tenements acquired and disposed of during the quarter

The following Unpatented Mining Claims were relinquished during the quarter: SMMSO#016 – 022; SMMSO#049 – 053; SMMSO#055; SMMSO#057

Five new Mineral Exploration Permits (Permits) were approved by the Arizona State Land Department. The new Permits replace the old ones and cover the same areas (Sections). See table below:

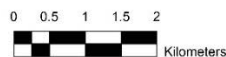
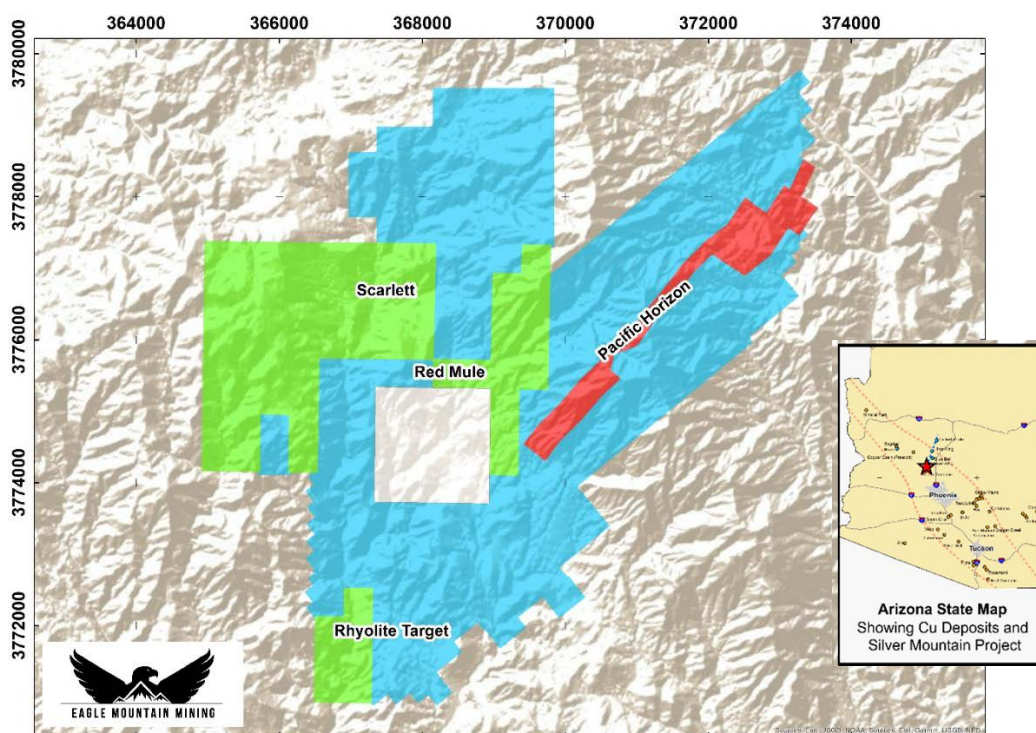
Section	Old Exploration Permit	New Exploration Permit
13	008-117371-00	008-120870-00
14	008-117373-00	008-120869-00
15	008-117369-00	008-120868-00
22	008-117370-00	008-120871-00
24	008-117372-00	008-120872-00

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

None

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

None



*Location map of the Silver Mountain Project with licence areas shown*

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## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

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

### Name of entity

Eagle Mountain Mining Limited

### ABN

34 621 541 204

### Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(503)	(503)
(b) development	-	-
(c) production	-	-
(d) staff costs ( <i>administration and corporate</i> )	(58)	(58)
(e) administration and corporate costs	(281)	(281)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – rent incentive rebate	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(842)</b>	<b>(842)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets - bonds	(1)	(1)
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-

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## Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – cash on acquisition of subsidiary	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(1)</b>	<b>(1)</b>

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

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,880	1,880
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(842)	(842)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(3)	(3)
4.5 Effect of movement in exchange rates on cash held	19	19
<b>4.6 Cash and cash equivalents at end of period</b>	<b>1,053</b>	<b>1,053</b>

## Mining exploration entity and oil and gas exploration entity quarterly report

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,053	1,880
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,053</b>	<b>1,880</b>

**6. Payments to directors of the entity and their associates**

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

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

**7. Payments to related entities of the entity and their associates**

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

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Note: Subsequent to the end of the Quarter the Company has executed a loan facility agreement for US\$1 million with an entity associated with Director Charles Bass. It remains undrawn as at this date.

## Mining exploration entity and oil and gas exploration entity quarterly report

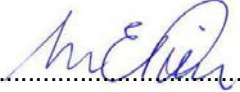
9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	(600)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(60)
9.5	Administration and corporate costs	(165)
9.6	Other: Evaluation of new opportunities	(60)
<b>9.7</b>	<b>Total estimated cash outflows*</b>	<b>(885)</b>

\*Estimated exploration outflows are discretionary and dependent on available cash. Directors are also reviewing new projects which may if pursued impact on expenditure for the upcoming quarter. The Company has entered into a US\$1 million loan facility subsequent to the end of the quarter.

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

### Compliance statement

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

Sign here:  .....  
Company secretary

Date: 28 October 2019

Print name: Mark Pitts

### Notes

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