EAGLE MOUNTAIN MINING

ASX Announcement | 29 October 2019

Proposed Acquisition of the Oracle Ridge Copper Mine in Arizona

- Eagle Mountain proposes to acquire 80% of the high-grade Oracle Ridge Copper Mine for an upfront purchase price of US$500,000 with the remaining US$6.4 million on attractive delayed terms
- Oracle Ridge is located in Arizona, 26km from BHP's San Manuel mine – once the largest underground mine in the US
- Underpinned by an 11.7 million tonnes Mineral Resource Estimate (Measured + Indicated + Inferred) grading 1.57% Cu and 17.47 g/t Ag estimated at a 1% CuEq cut-off in a 2014 NI43-101 report[1]
- Oracle Ridge is an advanced stage opportunity, comprising an existing underground mine (currently on care and maintenance) with 18km of underground development and significant exploration upside
- US$26 million invested since 2011 on technical studies, permitting and exploration drilling
- Upon completion of the acquisition, Eagle Mountain intends to commence a significant resource expansion exploration program beginning with the consolidation of existing data
- Oracle Ridge is complementary to the Silver Mountain Project providing Eagle Mountain with an ideal mix of advanced and greenfields exploration projects

Eagle Mountain Mining Limited (ASX:EM2) ('Eagle Mountain' or 'the Company') is pleased to announce the proposed acquisition of an 80% interest in the Oracle Ridge Copper Mine ('Oracle Ridge') (Figure 1) located near Tucson, Arizona.

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

Oracle Ridge presents Eagle Mountain with an advanced stage opportunity underpinned by a high-grade copper and silver resource of 11.7 million tonnes at 1.57% Cu and 17.47 g/t Ag, substantial underground development work and significant exploration upside.

The Eagle Mountain management team has spent several months completing due diligence on the opportunity at Oracle Ridge and believe it has the characteristics that represent a long-term, flagship operation. The Company's immediate focus will be on developing and advancing Oracle Ridge, and in particular upgrading and expanding the known resource.

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

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

Once we formally complete the acquisition, we will focus on exploration aimed at expanding the resource and some complementary early development studies. Our newly-appointed CEO, Tim Mason – an underground mining expert – will be the driving force behind advancing Oracle Ridge."

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Figure 1 Oracle Ridge mine - 5900 portal

Oracle Ridge Copper Mine Overview

Resource Highlights

- 11.76 million tonnes Mineral Resource Estimate (Measured + Indicated + Inferred) grading 1.57% Cu and 17.47 g/t Ag estimated at a 1% CuEq cut-off in a 2014 NI43-101 report[2];
- 409 million lbs Cu and 6.8 million ounces Ag are contained in this resource estimate; and
- Multiple drill targets within 6 km of the main mine area based on a 1995 aeromagnetic survey[2].

Significant Existing In-Ground Investment

The project benefits from some significant existing underground investment including:

- Over 76,000 metres of historical drilling completed in 613 drill holes[2];
- Approximately 18 kilometres of underground workings[2];
- Refurbished buildings and equipment remain onsite; and
- US$26 million invested since 2011 on technical studies, permitting, exploration, underground development and equipment by the previous owner, Oracle Ridge Mining LLC.

Advanced Permitting

- Most required mining permits previously secured with some requiring amendment depending upon final project design.

Arizona is a Premier Mining Jurisdiction

- Long mining history with multiple world class operations;
- Mining-friendly regulatory and permitting regime;
- Mining workforce located nearby at towns of Oracle, San Manuel and Mammoth; and
- Good access to site and in close proximity to railway and smelters.

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Proposed Acquisition Conditions

The Asset Purchase Agreement and other formal documentation has been significantly advanced, however as the vendor is a Receiver acting on behalf of a secured creditor, no agreement or letter of intent (binding or non-binding) has been exchanged with the Receiver or the secured creditor. The Receiver has filed a motion with the Arizona Superior Court in relation to the proposed sale to Eagle Mountain's Arizona subsidiary. All formal documentation will be executed upon approval by the Arizona Superior Court together with the completion of a statutory notice period.

The Oracle Ridge Copper Mine and associated assets held by Oracle Ridge Mining LLC are subject to a receivership action, and control by a Receiver, in judicial proceedings pending before the Arizona Superior Court in Pima County, Arizona ('Superior Court'). The Superior Court had previously entered a Sale Order authorizing the Receiver to sell the Receivership Property to Vincere Resource Holdings LLC ('Vincere') or its nominee.

Following negotiations with Eagle Mountain and its subsidiary company Wedgetail Operations LLC, the Receiver has filed a "Motion to Amend Previous Order Approving Sale of Receivership Property Free and Clear of Liens, Claims and Interests"

The Superior Court is due to schedule a hearing on the current Receiver's Motion and the Receiver will provide notice of this hearing date to all individuals and entities who have appeared or previously received notices in the receivership proceedings. The Company will provide an update on the hearing date when it is advised, we anticipate that the Superior Court will sign an order designating Wedgetail Operations LLC as the nominee/buyer and approve the terms set forth in the Asset Purchase Agreement on the date of the hearing.

The various parties will work to close the transaction pursuant to the Asset Purchase Agreement as soon as practicable following the Superior Court hearing and if the order sought is granted. We anticipate that the closing will occur within two to three business days from signing of the order.

Brief History of the Oracle Ridge Copper Mine

Property Owner	Time Period	Events
Phelps Dodge Copper Co.	1873-1937	• Mining in district begins • 20 t/day copper smelter constructed • Exploration and Development
Daily Arizona Copper Co, Control Mines	1937 - 1968	• 90 t/day flotation plant constructed • Operations occur sporadically
Continental Copper Inc, Union Mines Inc	1968 - 1988	• Large scale analysis of mineralisation • Reported US$19 million expenditure on exploration and development
Santa Catalina Mining Corp	1988 - 2004	• 750 short ton (st)/day mill constructed 1991 • 1000 st/day mill expansion completed 1993 • Roughly 1 million st of ore processed 1991-1995 • 2000 st/day feasibility study 1994 • Operation closed 1996 and mill removed
Marble Mountain Ventures LLC	2004 - 2010	• Real estate developers – no mining or exploration
Oracle Mining Corp	2010 - 2014	• Gold Hawk, renamed Oracle Mining Corp, purchased 100% in the Oracle Ridge property from Marble Mountain Ventures • 15,850 metre validation drill program 2010-2012 • Air Quality Permit received 2012 • MOU with Pima County on land exchange • NI43-101 2014 • Secured note granted to Vincere
Receiver of Oracle Ridge Mining LLC (ORM) - Vincere Resource Holdings LLC	2014 – current	• Vincere's secured note puts ORM in receivership • Oracle Ridge Mine assets held on care and maintenance at cost of approx. US$400,000 per annum

Proposed Acquisition

Key Commercial Terms

Consideration for the proposed acquisition of the Oracle Ridge Copper Mine and the key transaction terms are as follows:

- US$500,000 payable to the Receiver of the Oracle Ridge Copper Mine for the benefit of Vincere;
- A 20% interest in Wedgetail Operations LLC granted to Vincere (Three Keys Capital Advisors LLC acted as an exclusive financial advisor to Vincere in connection with this transaction);
- Eagle Mountain's 80% interest in Wedgetail Operations will be held through a 100% owned Arizona subsidiary, Wedgetail Holdings LLC;
- Osisko Gold Royalties has a 3% NSR attached to the property;
- A secured loan ('Seller Note') for the amount of US$6,423,000 is repayable to Vincere over 10 years with no repayments due over the first 5 years;
- Interest accrues on the principal for the first 5 years and is interest free thereafter;
- Eagle Mountain, through Wedgetail Holdings, will free-carry Vincere for the first US$5,000,000 of expenditure. There is no time frame or minimum spend required, however if Eagle Mountain does not incur the expenditure of US$5,000,000 or otherwise wishes to withdraw, it will relinquish its 80% interest in Wedgetail to Vincere with no additional recourse to Eagle Mountain;
- Vincere will have a one-time only election to contribute its pro rata share of costs or dilute its interest in Wedgetail Operations upon the $US5,000,000 expenditure being reached;
- Eagle Mountain's wholly owned subsidiary Silver Mountain Mining Operations Inc will be the Operator of Wedgetail Operations; and
- Replacement reclamation and environmental bonds will be put in place by Wedgetail Operations to satisfy regulatory requirements.

The Loan Agreement

Wedgetail Operations and Vincere have agreed terms for a Loan and Security Agreement and Convertible Term Note (the Loan Agreement) in the amount of US$6,423,000. Interest will accrue to the principal for the first five years at the rate of 3.15% per annum, and the interest rate shall be zero for the remaining five years.

The Loan Agreement will be secured solely against the assets comprising the Oracle Ridge Copper Mine and the 80% interest in Wedgetail Operations held by Wedgetail Holdings.

The Loan Agreement is evidenced by a Convertible Term Note (the Seller Note). The Seller Note will carry a 10 year term commencing on the Closing Date and continuing until the 10th anniversary of the Closing Date. Repayments will commence on the 5th anniversary of the Closing Date and on each anniversary of the Closing Date thereafter in annual instalments of US$1,500,000.

Upon the occurrence of each of three milestone events, Vincere can elect to convert up to US$1,000,000 of the Note into ordinary shares in Eagle Mountain.

The three milestone events are as follows:

- The completion by Wedgetail Operations of a preliminary feasibility study in connection with the Mortgaged Properties;
- The completion of a feasibility study in connection with the Mortgaged Properties leading to a decision to proceed with a bankable feasibility study; and
- The decision by Wedgetail Operations to commission the financing for the Mortgaged Properties as evidenced by a feasibility study sufficient to obtain third party financing for the Mortgaged Properties.

Notwithstanding the conversion rights to be held by Vincere, in no event can Vincere hold greater than 10% of Eagle Mountain's issued shares. Any Eagle Mountain shares issued to Vincere upon the exercise of these conversion rights will be subject to transfer and sale restrictions for six months from date of issue. Eagle Mountain will provide a performance guarantee in relation to the issuance of shares on conversion.

The Operating Agreement

Wedgetail Operations will be subject to an operating agreement between Wedgetail Holdings and Vincere. It will have a Management Committee comprising three members nominated by Wedgetail Holdings and two members nominated by Vincere, with each side holding their respective interests. For certain circumstances that may affect the asset base or financial stability of Wedgetail Operations, there must be 100% agreement between the parties. Eagle Mountain's wholly owned and Tucson-based subsidiary Silver Mountain Mining Operations Inc will be the Operator of Wedgetail Operations.

Location and Geologic Context

- The Oracle Ridge Copper Mine is located north east of Tucson (see Figure 2 and 3 below) and 26km from BHP's San Manuel mine – once the largest underground mine in the US.

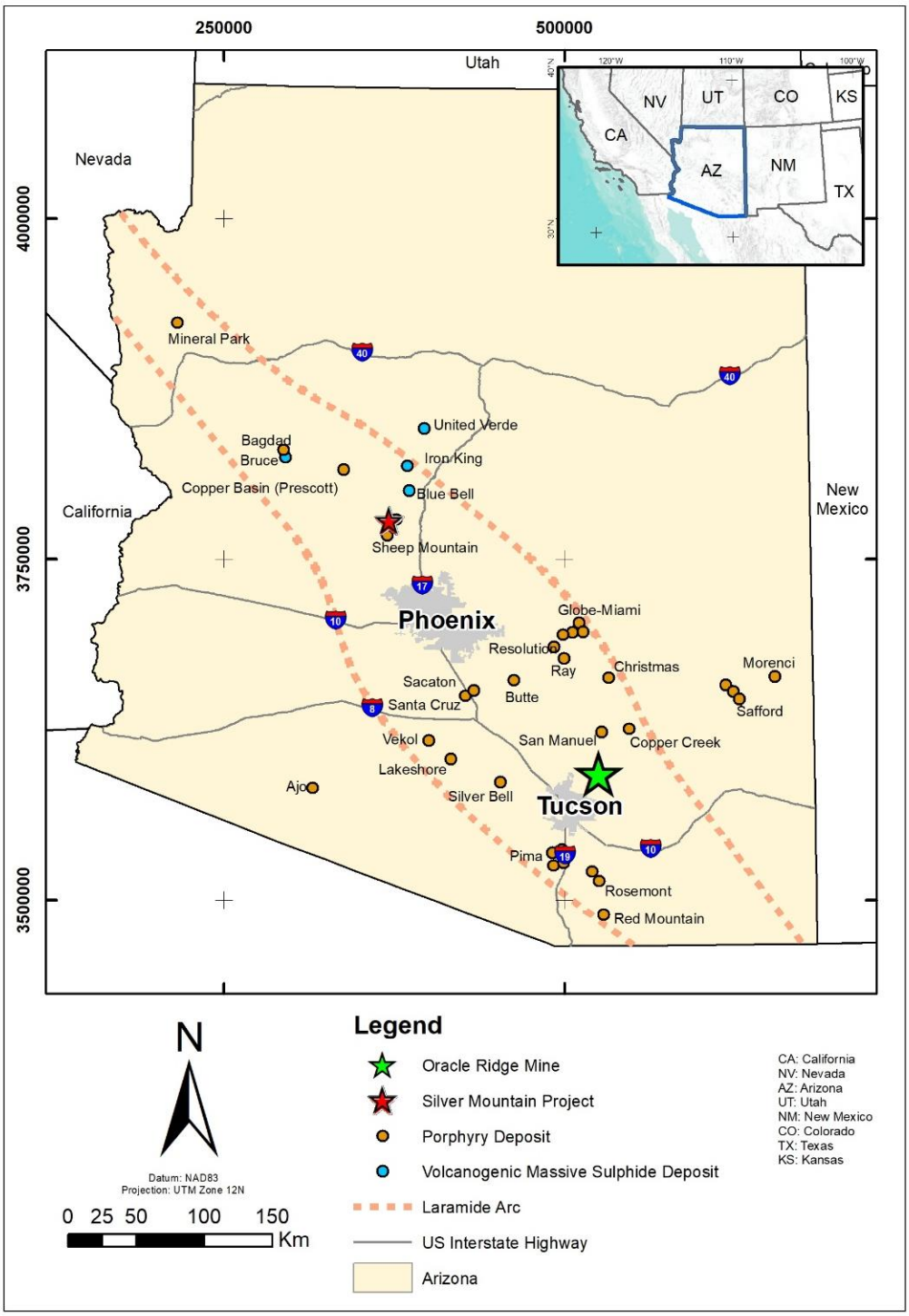

Figure 2 Arizona state map showing Eagle Mountain project locations and existing copper deposits.

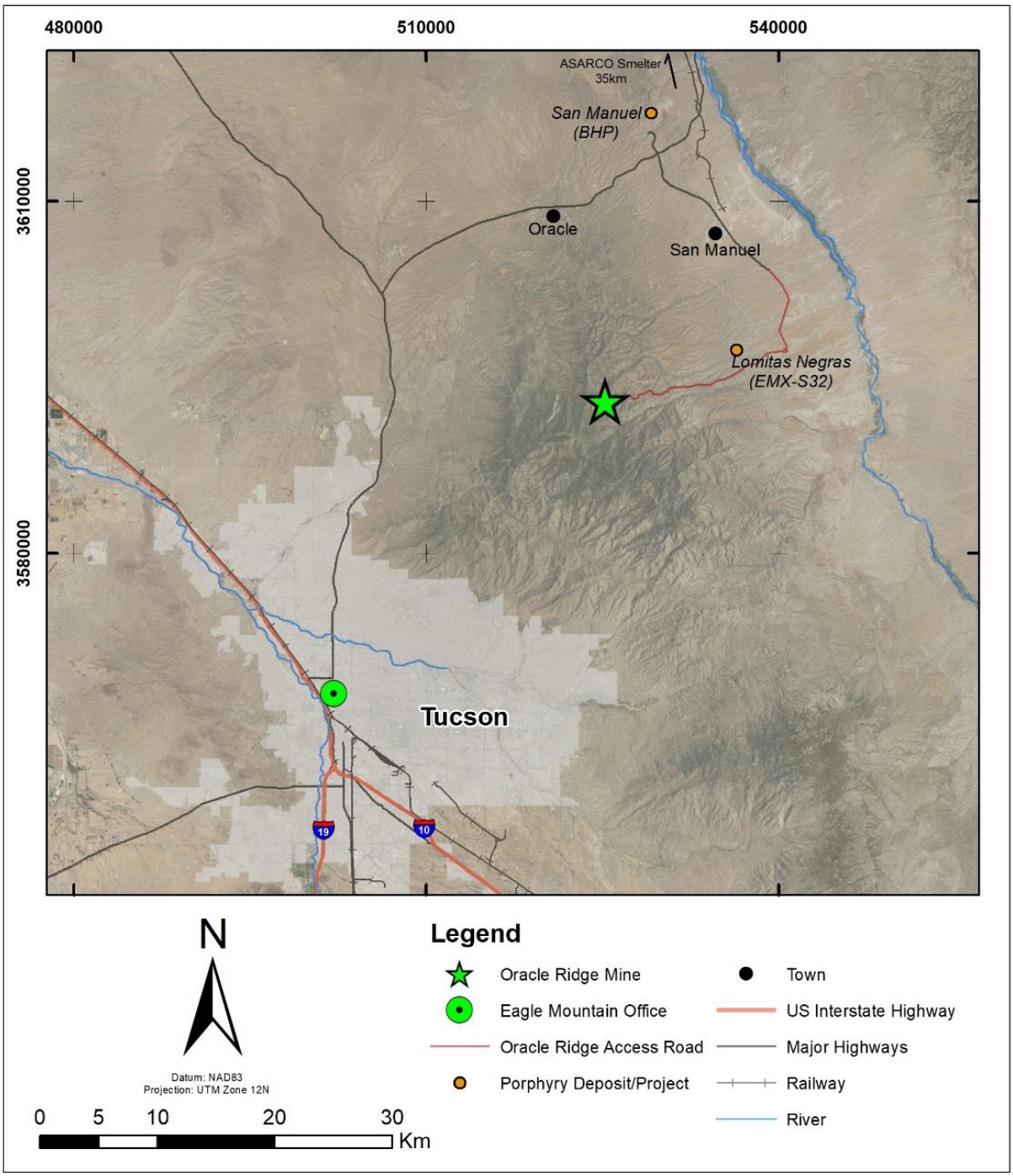

Figure 3 Location of Oracle Ridge Mine located to the NE of Tucson, Arizona. EM2's office in Arizona is approximately a two-hour drive from the minesite.

- Oracle Ridge is adjacent to EMX Royalty Corp's Lomitas Negra porphyry project under option to South32;
- Oracle Ridge is hosted in Cambrian to Mississippian limestones and dolomites;

- Source of alteration and mineralisation is intrusion by Cretaceous (Laramide) Leatherwood granodiorite stock, sills and dikes (Figure 4);
- Skarn and endoskarn mineralisation
    - Bornite, chalcocite, chalcopyrite
    - Significant silver and minor gold
    - Concentrated magnetite in some areas; and
- Mineralisation contained within four limestone beds ranging from Cambrian to Pennsylvanian in age.

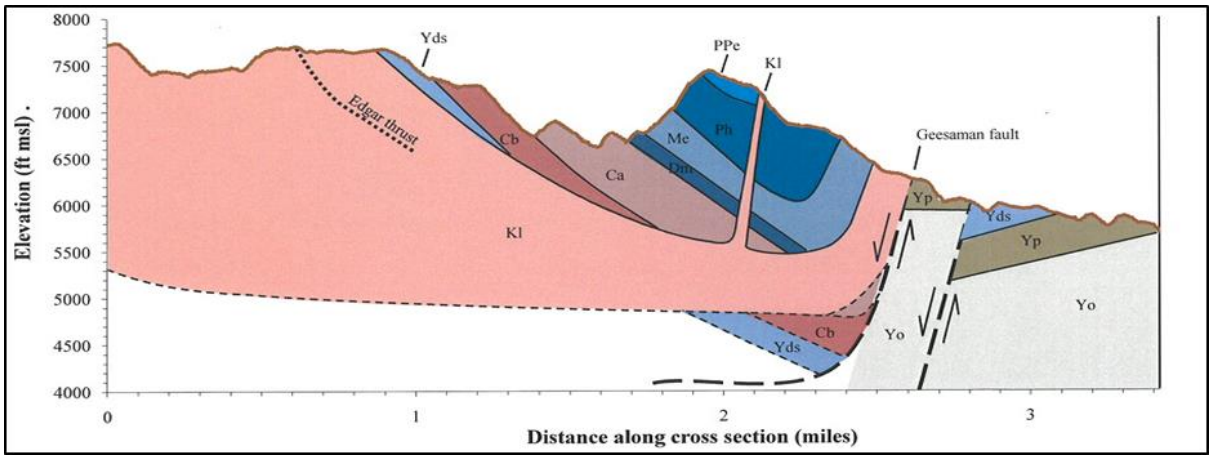

Figure 4 Simplified north-south cross section displaying local geology at Oracle Ridge. The intrusion of the Laramide Leatherwood granodiorite (pink colour) caused skarn alteration and Cu-Ag mineralisation in the overlying carbonate beds

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

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

Mineralisation

Copper mineralisation exists in a copper-bearing skarn (Figures 5 and 6). Mining and exploration to date have identified:

- 12 major deposits (Figure 7);
- 15 minor and medium size deposits; and
- Locally massive magnetite associated with dolomitic beds.

Copper sulphide minerals are dominantly bornite and chalcocite (Figure 5), with chalcopyrite occurring near the Leatherwood intrusive contact.

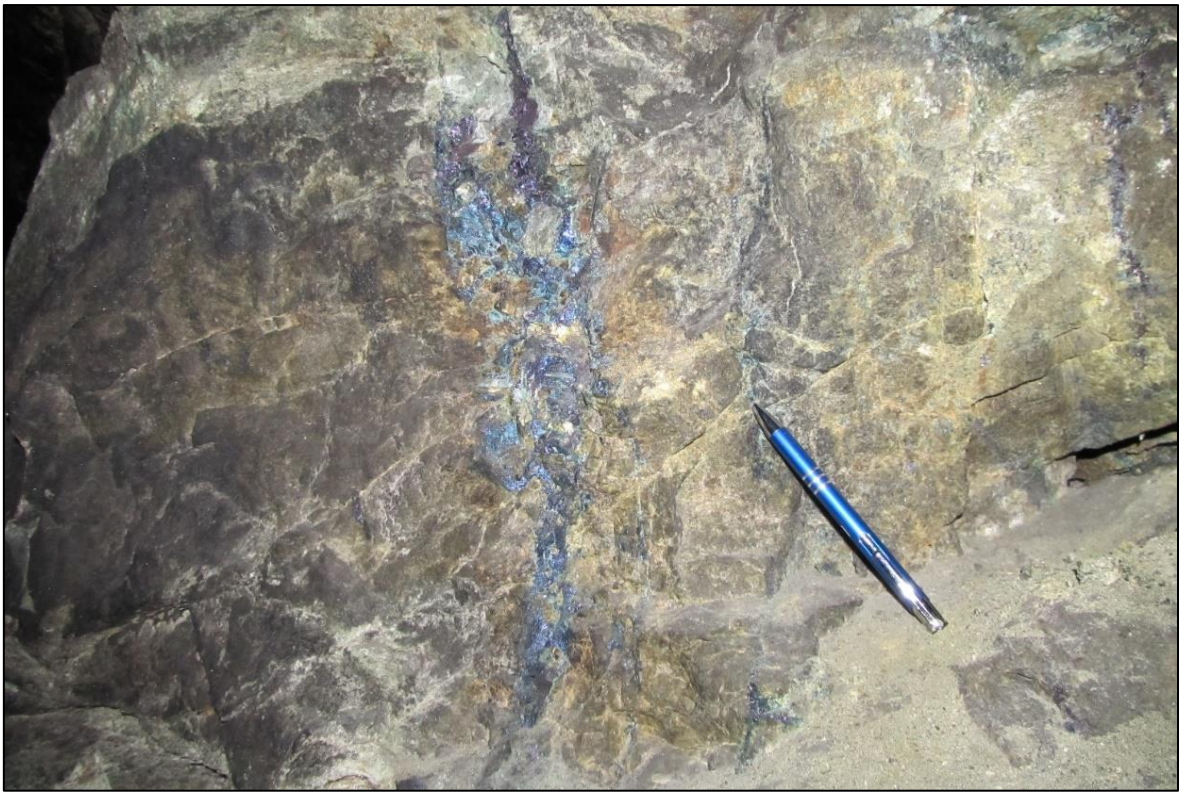

Figure 5 Skarn-hosted mineralisation. Escabrosa Formation - 6400 Level

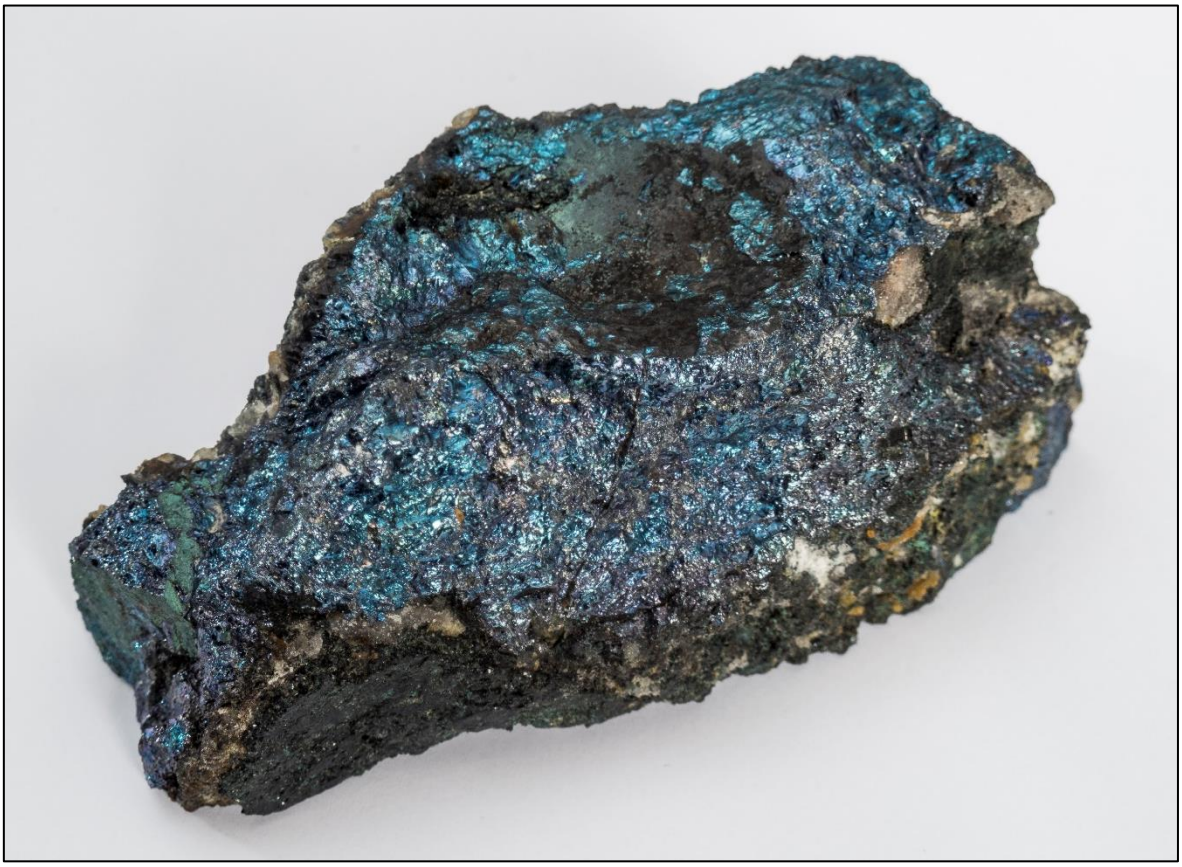

Figure 6 High-grade, bornite-rich ore from the 5900 level. Specimen is approximately 10 centimetre long

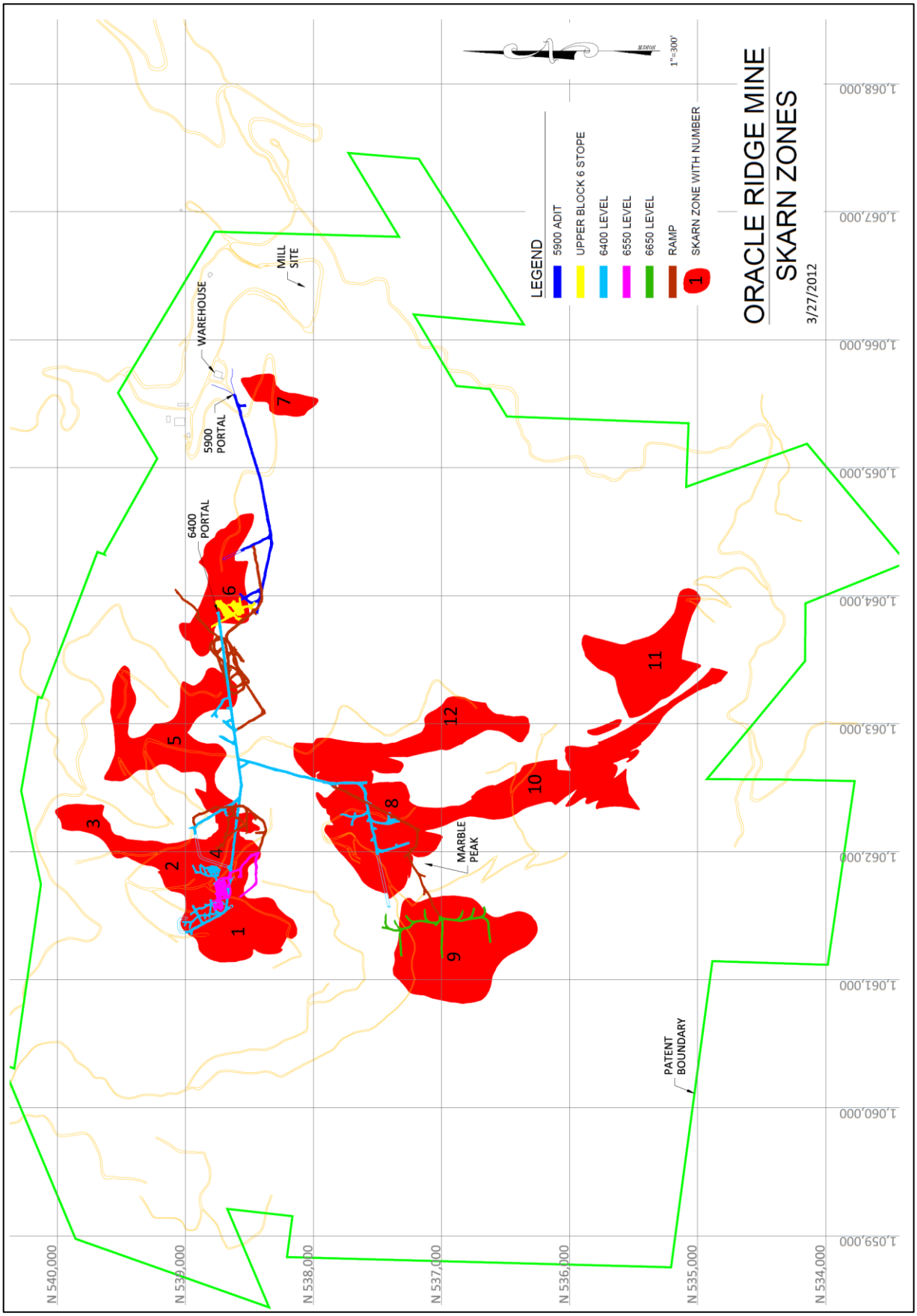

Figure 7 Plan view of underground developments and extent of known skarn zones. Patented claims boundary is shown in green

Mineral Resource Estimation

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

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

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

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

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

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

Note in respect to Copper Equivalency:
The cut-off grade of 1% CuEQ was used to ensure reasonable prospects of economic extraction assuming underground mining. Silver and gold grade estimates were based on a less comprehensive data set than the copper grade estimates. Where copper grade estimates exist without accompanying silver and gold grade estimates, the drill hole was not used to estimate silver or gold grade. Copper equivalency has been estimated using metal pricing of US$2.80 per pound of copper, US$20 per ounce of silver and US$1,300 per ounce of gold. Metallurgical recovery was derived from preliminary locked cycle test results and assumed to be 81% for gold and silver. The prices used were a reflection of market at the time of the Mineral Resource Estimate and reasonable forecasts. The formula used is as follows:
CuEQ= Cu% + {(Ag oz/ton*US$20*0.81)+(Au oz/ton*US$1,300* 0.81)} /$2.80/2,000*100

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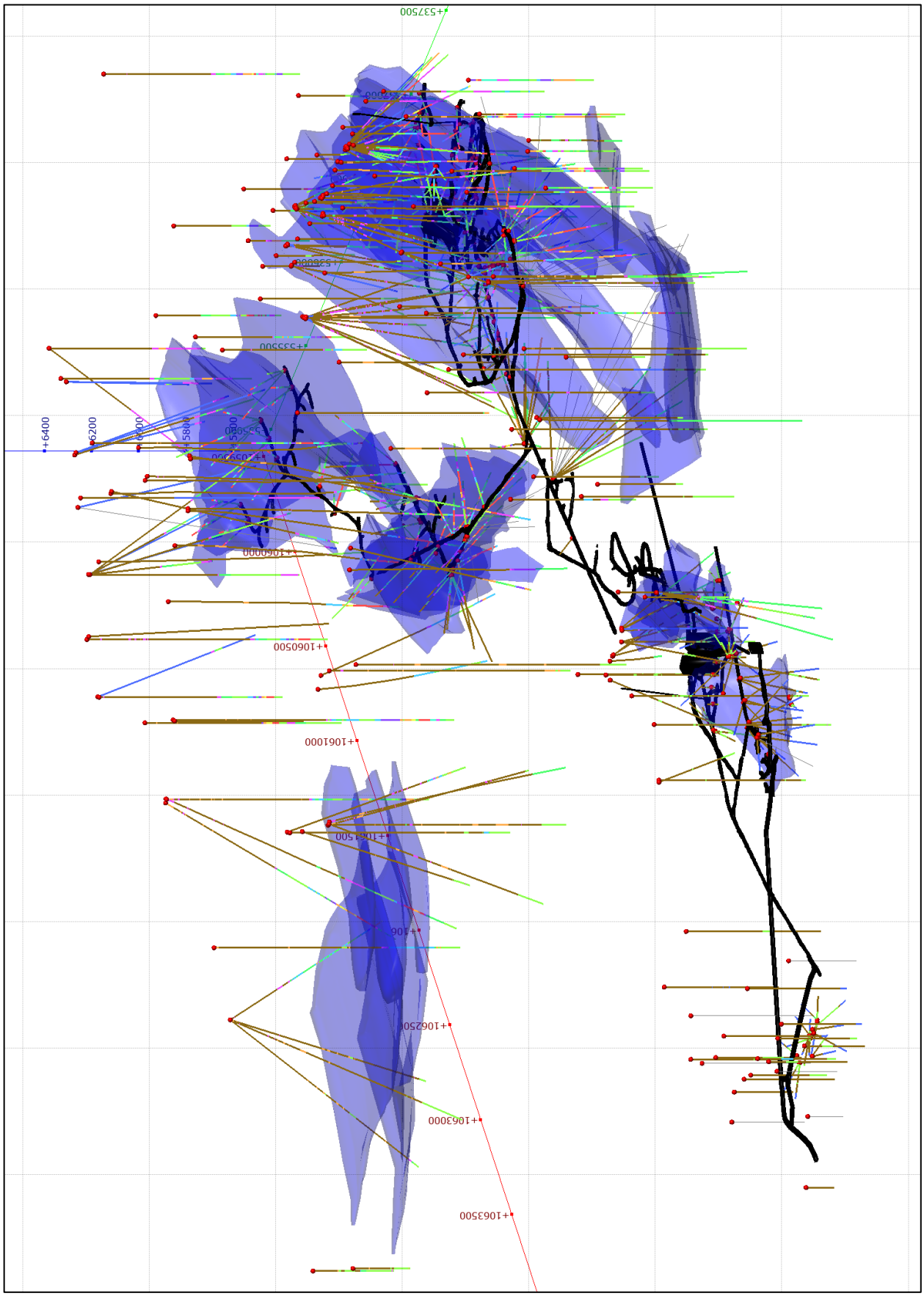

Figure 8 3D model looking westward of existing underground infrastructure (black), modelled orebodies (blue) and completed drill-holes. (Note: axes values are in feet. 1ft = 0.3048m)

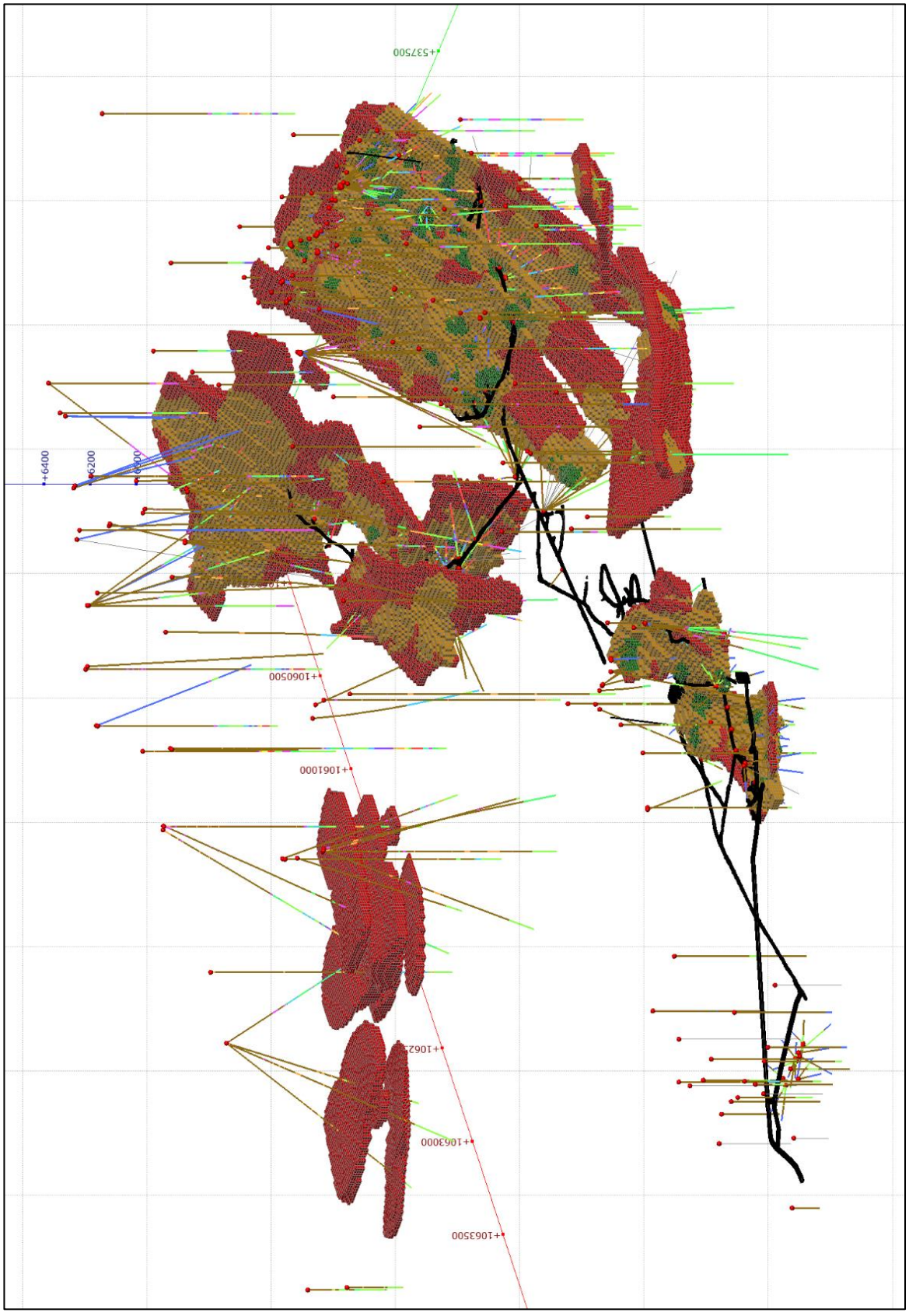

Figure 9 3D model showing historical mineral resource block model (green: Measured Resource; yellow: Indicated Resource; red: Inferred Resource), underground infrastructure and drilling (Note: axes values are in feet. 1ft = 0.3048m)

Mineral Resource Expansion Potential

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

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

Current Site Conditions

A recent site visit by Eagle Mountain personnel and its consultants has confirmed that the site conditions at Oracle Ridge Copper Mine are as follows:

- Portals are secured but accessible (Figure 1 and Figure 10);
- Buildings in good repair with various amounts of goods and materials (Figure 11);
- All underground infrastructure (Figure 12), air lines, water and electrification intact
- 150 and 50 HP fans with switchgear in place;
- No power underground at present but transformer and switchgear at 6400 Level portal (Figure 10);
- Underground drill rig and rods stored underground;
- No fuel storage at site and chemical footprint has been minimised;
- Video and telecommunications infrastructure installed, but requires repair; and
- Surface access roads well maintained.

Figure 10 Refurbished 6400 Level portal with electric power infrastructure to left of portal. Note that generator shown in this photograph is currently off site

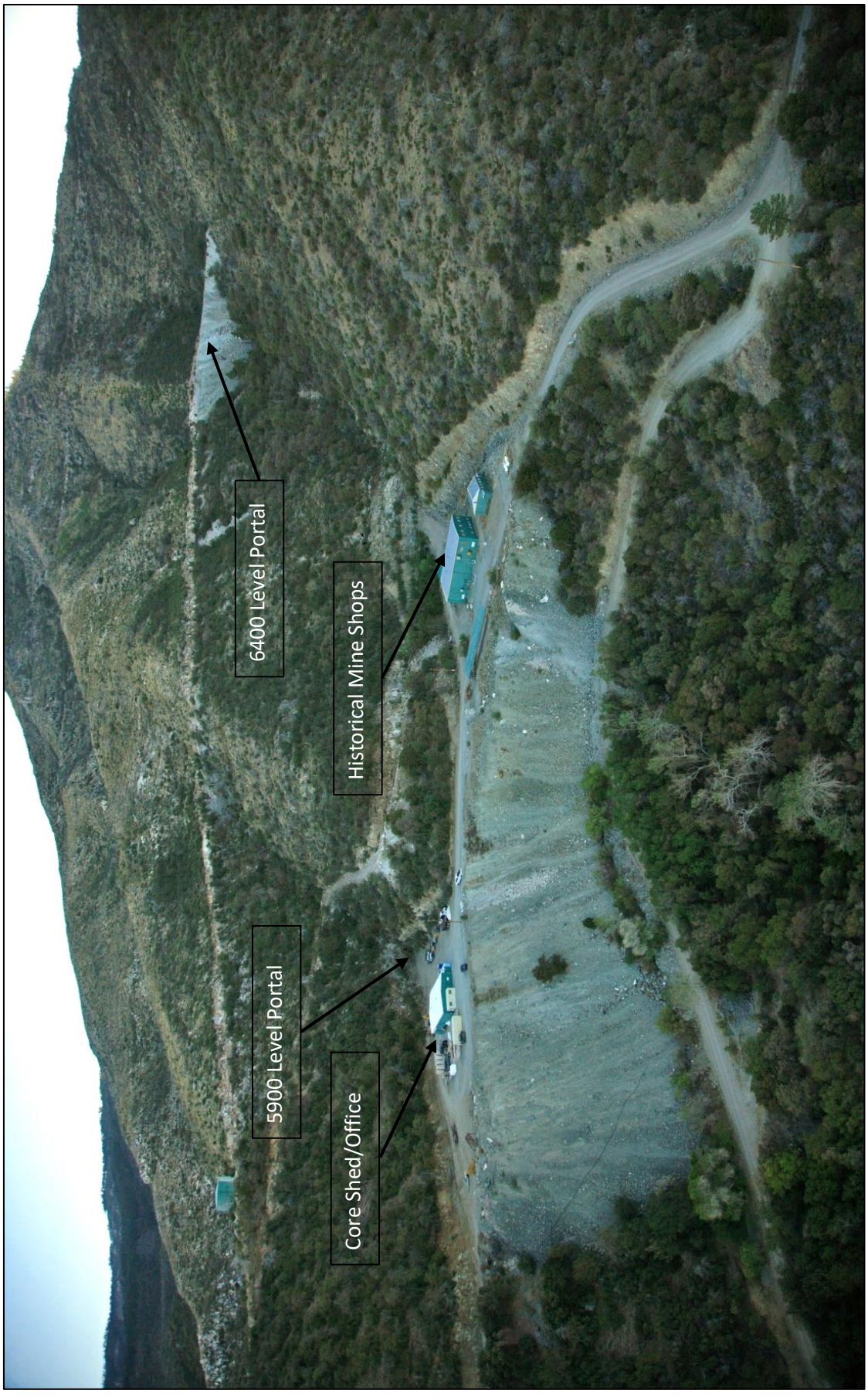

Figure 11 Surface infrastructure at Oracle Ridge mine.

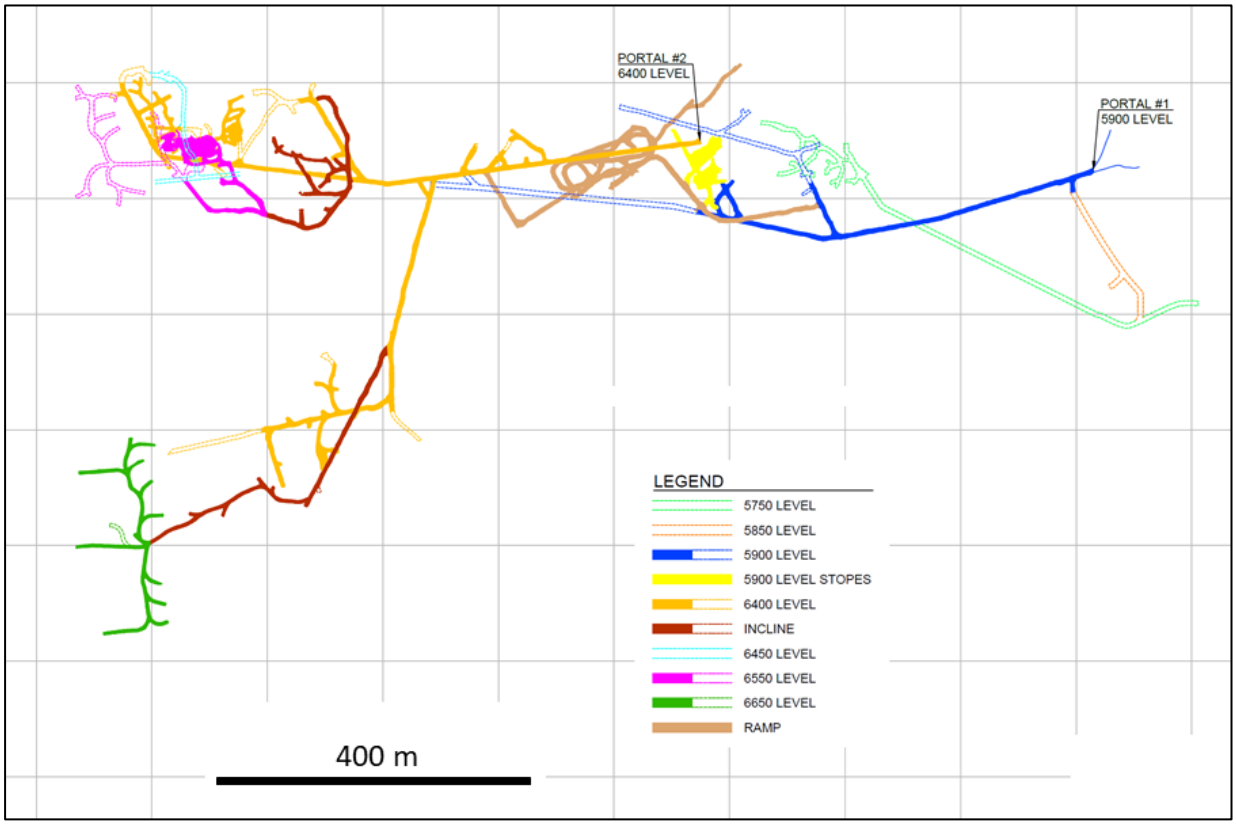

Figure 12 Underground infrastructure map

Eagle Mountain's Forward Plan at Oracle Ridge

- Consolidate all historical data into a comprehensive database;
- Acquisition of new geological and geophysical data;
- Convert resource estimate to a JORC 2012 standard;
- Determine further potential resource targets both within existing mine and in the nearby vicinity;
- Commence and exploration program focussed on upgrading and expanding the existing mineral resource base;
- Assess potential for magnetite which has been reported to be up to 39% in some mineralisation; and
- Commence mining studies on the basis of an enlarged resource base.

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COMPETENT PERSON STATEMENT

The information in this document that relates to technical information about the Oracle Ridge Copper Mine is based on, and fairly represents information and supporting documentation compiled and reviewed by Mr Kevin Francis who is an independent consultant to the company. Mr Francis is a Registered Member of the Society of Mining, Metallurgy & Exploration. Mr Francis holds no interest in the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ('JORC Code'). Mr Francis consents to the inclusion in this announcement of the matters based upon the information in the form and context in which it appears.

The information in this announcement that relates to information in respect of foreign resource estimates provided pursuant to ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the Oracle Ridge Copper Mine Project, and has been compiled by Mr Francis who is an independent consultant to the company.

EAGLE MOUNTAIN MINING LIMITED

Eagle Mountain is a copper-gold explorer focused on the strategic exploration and development of highly-prospective greenfields and brownfields projects in Arizona, USA.

Arizona is at the heart of America's mining industry and home to some of the world's largest copper discoveries such as Bagdad, Miami and Resolution, one of the largest undeveloped copper deposits in the world.

Annexure 1

Reporting of Foreign Estimates

With respect to the reporting of mineral resources estimates for the Oracle Ridge Copper Mine, the Company provides the following information pursuant to ASX Listing Rule 5.12:

5.12.1 The Oracle Ridge Copper Mine Mineral Resource Estimate ("Foreign MRE") has been extracted from a report prepared by Dr Gilles Arseneau, P.Geo, principal of Arseneau Consulting Services Inc. The report dated 31 March 2014 is publicly available and can be downloaded at: www.eaglemountain.com.au

5.12.2 The Foreign MRE is NI43-101 compliant and as a result categories of mineralisation have been included at Table 1 in the body of this announcement. The Company considers that the Foreign MRE uses a classification system which is readily comparable to that used in the JORC Code.

5.12.3 The Foreign MRE is considered by Eagle Mountain to be both relevant and of significant materiality to the proposed acquisition of the Oracle Ridge Copper Mine as it provides an appropriate level of context and background to the Project. Informing shareholders of publicly available mining information over a former producing mine is assessed to be relevant in allowing shareholders to be fully informed to assess the merits of the Transaction. The Company has undertaken its own due diligence on the Oracle Ridge Copper Mine Project (as set out in JORC Sections 1 and 2 of this announcement). Section 3 has also been completed, however additional work is required prior to determining whether a resource can or will be disclosed under JORC Code (2012).

5.12.4 and 5.12.5

Eagle Mountain considers that investors can rely on the Foreign MRE. Although the Foreign MRE has not been converted to JORC it is noted that the Canadian Reporting Code is generally considered an equivalent reporting code to JORC. A summary of work programmes, historic mining activity and assumptions is set out in the body of this announcement. The full report including the Foreign Mineral Resource Estimate is available and can be downloaded from www.eagle mountain.com.au.

Since 2010, diamond drill core has been geologically and geotechnically logged to a level of detail to support Mineral Resource Estimation, mining studies and metallurgical studies. Drill core was logged in detail for lithology, alteration, mineralisation, structure and veining. In addition, rock quality designation was kept for geotechnical purposes. Core photos and the remaining half core have been retained for further geologic or geotechnical samplings as may become necessary. Since 2011, the project has assayed 6,771 core samples, 5,672 were assayed at Skyline Assayers and Laboratories and 1,099 were assayed at the SGS Mineral Services laboratory.

The surface and underground geology was examined an independent consultant. The mineralisation was observed in drill core and in the underground workings. Drill sites were located at surface and underground. The core logging, sample handling procedures and were also examined. The historical drill core was examined for integrity and all historical drill core was re-sampled so that silver and gold values could be included in the database and so that the apparent high assay bias associated with the historical data could be better quantified.

Of the 10,499 assay data in the drill hole database, 6,771 were verified against original assay certificates and no significant errors were identified. In addition, all historical assay data for the surface drilling program against the scanned copies of original drill logs were verified. Several discrepancies were noted with the historical drill holes. All were corrected to match the information on the drill logs.

The geologic model is considered robust with information from over 600 surface and underground diamond drill holes.

The Company is confident that the existence of the NI43-101 estimate and the historic production records for the Oracle Ridge Copper Mine provide a reasonable basis for relying on the Foreign MRE which was prepared by Dr Gilles Arseneau, P.Geo, principal of Arseneau Consulting Services Inc, an independent consultant.

5.12.6 Eagle Mountain is not aware of any recent estimates or data relevant to the Oracle Ridge Copper Mine Mineral Resource Estimate, other than that already disclosed.

5.12.7 The Company intends, upon successful completion of the proposed transaction, to undertake further geological fieldwork, interpretation and if necessary, drilling to support a JORC 2012 Mineral Resource Estimate at Oracle Ridge. Prior to declaring a mineral resource, the Company will be required to undertake its own estimation work, which will include site visits, geological interpretation, data assimilation, new estimation and modelling techniques, assessment of relevant environmental factors and assumptions, assumptions regarding the accuracy and confidence of any prospective resource estimates and assumptions regarding mining methods, processing and potential dilution. The Company reiterates that there is no guarantee that after undertaking such work, a mineral resource consistent with the JORC Code (2012) will be reported.

5.12.8 Planning for the exploration and evaluation work that is proposed to take place. The Company anticipates that it will commence a data compilation exercise which may take up to six months, during which time targeting will also be undertaken with a view to commencing a drilling program in the second half of 2020.

JORC Code, 2012 Edition – Table 1 report template

This Table 1 report pertains specifically in respect to the technical information relating to the Oracle Ridge Mine as set out in the attached Announcement.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary

Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*
	
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*
	
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*
		<u>Oracle Ridge Mining (ORM, 2010 onwards):</u>
		
		• Diamond drill core was sampled as half core at nominal 1.52 metre (5 ft) increments beginning and ending at geologic contacts.
		• 100% of the drilling is derived from diamond drill core. There is a total of 613 diamond drill holes totaling 76,773.6 metres.
		• Contacts and sampling increments were defined by geologists and marked on the core prior to splitting into two halves by a core splitting hammer.
		• Skyline Laboratories of Tucson Arizona has been the primary assay lab utilizing the following assay methods:
		• FA-3 fire assay with gravimetric finish of a 30g charge.
		• SEA-Cu total copper analysis with complete acid digestion.
		• During initial surface (19 holes) and underground core drilling (9 holes), SGS labs was used for sample assays utilizing the following criteria:
		  • Wt. sample submission weight captured in kilograms
		  • FAA303 SGS Laboratories, 30 g fire assay with AAS finish for gold
		  • ICP90Q Sodium Peroxide Fusion ICP-AES analysis for Cu, Fe and Mo
		  • AAS42E 2g 4 acid digestion with AAS finish
		  • SQL01D sequential copper leach H2SO4 soluble Cu
		
		<u>Historical</u>
		
		• 485 of the core holes were by several companies prior to ORM's involvement. Drilling campaigns were completed by Continental Copper, Continental-Union Miniere and Oracle Ridge Mining Partners from 1970 to early 1990. Core samples from these campaigns were assayed at independent commercial labs. From 2010 onward successful efforts were made to relocate historical drill hole collars, obtain original assay certificates and in the case of 67 holes with

Criteria	JORC Code explanation	Commentary
		existing core, were relogged, photographed and submitted for a current assay with QA/QC samples inserted. In general, current assays compared favourably to historical results; however, a copper grade reduction factor of 12.5% was applied to all historical samples without a current assay. The source of the bias has not been identified and appears to be consistent across all copper grade ranges. Current assays replaced the historical assays. Eleven historical underground percussion drill holes were twinned by core and showed generally little correlation, as a result all percussion drill samples were removed from the assay database.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond core drilling was used exclusively from 2010 to present at core diameter HQ reducing to NX as drill conditions dictated. The core was not oriented but the initial azimuth and dip was selected in order to pierce the skarn mineralisation perpendicular to bedding. The drill hole collars and downhole survey were completed by contractors. Downhole surveys used gyroscopic survey tools with backsight due to presence of magnetite. • Historical diamond drill core is primarily BQ sized.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Cores were measured, recorded and compared to the drilled interval to estimate recovery. • The driller controlled rig speed and down pressure in order to maximize recovery. Diamond drill core is the preferred sampling method to ensure representative nature of samples. • No relationship between sample recovery and grade has been identified. Mineralisation is primarily controlled by veins along narrow structures and sample bias is not believed to be material.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Since 2010, diamond drill core has geologically and geotechnically logged to a level of detail to support Mineral Resource estimation, mining studies and metallurgical studies. Drill core was logged in detail for lithology, alteration, mineralisation, structure and veining. In addition, rock quality designation (RQD) was kept for geotechnical purposes. Core photos and the remaining half core have been retained for further geologic or geotechnical samplings as may become necessary. • Historical core has been geologically logged and infilled by contemporary drilling.

Criteria	JORC Code explanation	Commentary
		• Geologic rock types, alteration and structure are recorded based on visual determination. • Diamond core was photographed prior to splitting. • Post 2010 drill holes were logged in full. Historical core boxes that appeared to be complete and unmixed were logged in full.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Diamond drill core collected after 2010 was mechanically split into two halves, one submitted for assay and the other kept. The resampling program of historical core used the entire remaining half core. • Samples were 100% core. • Industry standard diamond drilling techniques were used and are considered appropriate for use in Mineral Resource estimation. • For diamond drill core, sample quality was maintained by a geologist responsible for defining each sample interval based on geologic contact or sample length. • No second half core sampling has been completed to date. The Oracle Ridge project is a copper skarn not typically associated with half core scale variability. A core library exists in the event that duplicate sampling is necessary. Core recovery is generally excellent. • Sample sizes are considered appropriate to the copper mineralisation based on the style of mineralisation, the thickness of the intersections, the sampling methodology and the assay value ranges for copper.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• The copper analysis undertaken is a total copper assay using 4 acid total digestion. Total copper analysis is appropriate given that the primary copper minerals are sulphides and oxide and silicate minerals of copper are absent or in minor amounts. Fire assay with gravimetric finish of gold and silver samples is a total method and provides precise and accurate results. • Handheld Niton XRF instruments are used qualitatively to identify the

Criteria	JORC Code explanation	Commentary
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	margins of mineralisation and not for Mineral Resource estimation and utilize the built-in calibration test and are sent to an authorized repair facility for servicing. • Since 2011, the project has assayed 6,771 core samples, 5,672 were assayed at Skyline and 1,099 were assayed at SGS laboratories. In addition to the core samples, ORM submitted 255 blank samples and 206 standard reference material ("SRM"). Blanks and SRMs were only submitted starting with the 2012 drilling program. No SRM or blanks were submitted with the 2011 drill samples. ORM geologists insert blanks after each high-grade sample to check for contamination at the lab's sample preparation facility. SRM are inserted with each mineralised interval. ORM used three commercially prepared SRM samples. During the 2010 drilling program, 69 samples from holes 2011-016, 2011-051, 2011-071, ODH 002, ODH 006, ODH 007 and ODH 008 were assayed at both of Skyline and ALS Chemex. The ALS results agree well with the Skyline assays with ALS reporting slightly lower copper grade than Skyline. The correlation is very good between ALS and Skyline with the Skyline assays being slightly lower than ALS between the ranges of 2.5 and 4% copper. The quality control processes used for the historical drilling are unknown, remaining historical core was submitted to Skyline Labs for a new assay which included blanks and SRM's. The paired data were analyzed and an unexplained high copper assay bias of 12.5% was corrected in the remaining historical assays not reassayed. The programs adopted by the project have assured acceptable levels of accuracy and precision.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The intersections were reviewed by the project's Chief Geologist during sample selection and after receipt of assay results. • Two twin programs were drilled during deposit development. The first program consisted of 8 diamond drill holes drilled from the surface intended to replicate significant intervals in historical drilling. The comparison of the twins is generally good regarding the location and width of mineralised zones. However, significant grade differences were identified in part related to the variability of the copper

Criteria	JORC Code explanation	Commentary
		mineralisation. The second twin program tested underground percussion drill holes with diamond drill holes. The analysis of the twin samples prompted the removal of all percussion drilling from the Mineral Resource estimate. • All data are stored and validated within an electronic database. Drill collars and downhole surveys were recorded by company staff, recorded in the drill hole record and loaded into the database. Since 2010, all assays were received electronically and entered into the database via positive matching of holeid, from and to depths using Excel Vlookup function. Historical assay data has been transcribed from original signed assay certificates into the electronic database. The majority of original assay certificates from the 1980's onward are available. • In 2012, Oracle carried out a limited re-sampling program of the historical drill core stored at the mine site. In total 186 samples were collected from the existing drill core. Not all of the re-sample intervals matched the original intervals complicating the comparison of the re-assay results with the original data. However, preliminary results indicated that the historical copper assay data was possibly biased on the high side. Prompted by these results, the project re-sampled all known existing drill core in order to quantify any bias and determine if an appropriate correction factor could be applied to the historical copper assays. In total, 1,557 samples were collected from historical drill core stored at the mine site, these included 753 new samples of previously un-sampled core leaving a total 990 paired samples used for the comparison to quantify the bias associated with the historical data. Review of the paired data confirmed that the historical assay data did appear to be biased on the high side when compared with the re-assayed core. Re-assayed copper values plotted against the original copper assays form the database on a scatter plot don't follow the one to one correlation line. The linear trend indicates that the historical assay data are higher than the re-assayed data and most of the points plot above the one to one correlation line indicating that the historical assay data are higher than the re-assayed core. To correct the bias associated with the historical data, the historical assay data were adjusted until the QQ plot of the historical assay data matched the re-assayed data. Several adjustment factors were

Criteria	JORC Code explanation	Commentary
		evaluated from 5% to 20%. Based on an analysis of several grade adjustments, the best fit appeared to be a reduction of historical copper assays of 12.5%. The original and adjusted copper values are both recorded in the drilling database.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used* • *Quality and adequacy of topographic control.*	• Collar surveys are conducted by Darling Survey and Environmental of Tucson, Arizona, using a total station. Downhole surveys were completed by IDS Surveys, an independent contractor using a back-sighted gyroscopic survey instrument. In 2013, the project rented a Reflex gyroscopic downhole survey instrument and the driller completed the downhole survey. The collar and downhole surveys are analyzed for discrepancies in azimuth and dip. Anomalous values are removed from the drilling database. • The ground coordinates are based on UTM Zone 12 Arizona Central State Plane, the map datum is NAD83 and the vertical values are in NAVD88. The centroid for scaling from grid to ground is N 538657.436 ft and E 1070796.672 ft and the scale factor is 1.00017864591 • The topographic surface is based on a January 14, 2011 survey by Cooper Aerial Surveys Co. Using the National Standard for Spatial Data Accuracy, the survey has an accuracy of ±0.3 metres (±1 foot) in all key project areas. A surface and underground survey of locatable historic drill collars was carried out by Darling Survey and Environmental Ltd. (Darling) of Tucson, Arizona. A survey of the accessible underground workings was carried out by 3D Digital Scan, also by Darling.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data spacing within the mineralised skarn beds ranges from 10 metres to 31 metres. • Data spacing is adequate to define the geological and grade continuity for Mineral Resource estimation. Classification has taken into account drill spacing. • Sample lengths within the database are not composited. Sample compositing was applied to data extracts for statistical analysis and

Criteria	JORC Code explanation	Commentary
		Mineral Resource modelling.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• To the extent limited by surface access and existing underground openings, surface and underground geological mapping were used to guide the location of drill holes to minimize the impact of structures. In the area of the reported Mineral Resource estimate, drilling density has minimized the possibility of structural bias. • No orientation-based sampling bias has been identified to date in the data.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody was managed by the project team under the supervision of the Chief Geologist. • Core samples were bagged and sealed by duct tape. • Samples were stored in a fenced and gated facility until driven by company personnel to Skyline Labs in Tucson. In the event of using Chemex or SGS labs, samples were sealed in 5 gallon buckets and taken to a UPS facility for transport to the lab.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• During the development of the project, several NI43-101 technical reports were prepared and each Qualified Person reviewed the sampling techniques and data. • The drilling database was compared to existing assay certificates and with the exception of a few minor errors which were corrected, the database was deemed sufficient for Mineral Resource estimation. • Percussion drilling information was found to be unsuitable for Mineral Resource estimation and was removed from the database. • Remaining core from historical diamond drill holes were re-assayed and the remaining historical assays were adjusted downward by 12.5%.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Oracle Ridge mine is located on Oracle Ridge and Marble Peak approximately 24 kilometres by air northeast of Tucson, Arizona, U.S.A. and is located in Sections 17, 18, 19 and 20 of Township 11 South, Range 16 East, Gila and Salt River Base and Meridian. The geographical coordinates are approximately Latitude 32º28' North, Longitude 110º41' West. • The Oracle Ridge mine was 100% owned by Oracle Ridge Mining LLC. On completion of the acquisition it will be 80% owned by Wedgetail Holdings LLC, an Arizona limited liability corporation and wholly owned subsidiary of Eagle Mountain Mining Limited. • The project consists of 57 patented mining claims covering approximately 364 hectares, 143 hectares of private land and 405 hectares of unpatented claims. • In 2009, the surface rights for the area necessary for potential mining access, processing facilities and offices have been secured by an industrial property lease. Under the Lease, Oracle Ridge Mining LLC leased from Marble Mountain the surface rights to the project for the purpose of carrying out its exploration, and potential development and mining. The lease has an initial term of three years and is renewable for nine additional extensions of three years each. • On completion of the acquisition 100% of the mineral rights below 50ft from surface will be owned by Wedgetail Operations LLC. • There is a 3% net smelter returns royalty on the future sale of any metals and minerals derived from the project. • The land tenure is secure at the time of reporting and there are no known impediments to obtaining permits to operate in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Oracle Ridge Mining District was discovered in 1873. In 1881, a 18 tonne per day copper smelter was erected at nearby Apache Camp. The ore for this smelter was supplied from the Hartman, Homestake, Leatherwood, Stratton and Geesaman mines and other small mines in the area. • Phelps Dodge Copper Company (Phelps Dodge) entered the District in 1910 and undertook considerable development and exploration work. • Continental Copper, Inc began exploring in the District in the 1950s.

Criteria	JORC Code explanation	Commentary
		Continental leased the property in 1968 with an option to purchase and undertook a large exploration and development program. This was the first time there was a large scale look at the mineralisation. • Union Miniere began a new exploration program in April 1980. In 1984, a feasibility study for a 1,814 tonne per day operation was completed. • In October 1988, South Atlantic Ventures acquired Union Miniere's interest and entered into a 70-30 partnership with Continental to develop the mine. Minproc Engineers Inc. was contracted to supervise the confirmatory metallurgical test work. A detailed design was started in November 1989 on a column flotation plant. Construction of the facility commenced in April 1990 and the first ore was processed through the plant on March 3, 1991. The capacity of the mill was initially set at 771 tons per day. • The mine closed in 1996 having produced an estimated 816,000 tonnes.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit is classified as copper dominated skarn. Minerals representative of both prograde and retrograde skarn development are present, the former being represented by diopside and garnets, the later by epidote, magnetite and chlorite. • Copper dominated mineralisation generally contain chalcopyrite and bornite. The deposits are most commonly associated with Andean-type plutons intruded in older continental-margin carbonate sequences. The associated intrusive rocks are commonly porphyritic stocks, dikes and breccia pipes of quartz diorite, granodiorite, monzo-granite and tonalite composition, intruding carbonate rocks, calcareous-volcanic or tuffaceous rocks. The deposits shapes vary from stratiform and tabular to vertical pipes, narrow lenses, and irregular zones that are controlled by intrusive contacts. • The copper rich skarn deposits at Oracle Ridge are found in conformable lens along the contact with the Leatherwood Granodiorite or associated with faults and shear zones which intersect the Leatherwood. These have acted as feeders into the reactive carbonate horizons. The later can form a “Christmas Tree” type shape.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*	• Exploration results are not presented in this announcement

Criteria	JORC Code explanation	Commentary
	o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• News releases reporting exploration results used a minimum cutoff grade of 1% copper and allowed for the inclusion of one intervening sample of less than 1% if it was bracketed by samples exceeding 1% copper. • Assays were not capped for Mineral Resource estimation; however, copper values greater than 10% and silver greater than 68.6 g/t were restricted to an influence of 6.1 metres. • Intercepts are included in the Mineral Resource estimate as composite samples. • Past reporting of metal equivalency used the following formula: Copper equivalency has been estimated using metal pricing of US$2.80 per pound of copper, US$20 per ounce of silver and US$1,300 per ounce of gold. Metallurgical recovery was derived from preliminary lock cycle test results and assumed to be 81% for gold and silver. The formula used is as follows: CuEQ = Cu% + {(Ag oz/ton * $20 * 0.81) + (Au oz/ton * $1,300 * 0.81)} / $2.80 / 2,000 * 100.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The mineralised skarn beds are irregular in orientation but generally dip easterly. Drill hole orientation relative to skarn beds from surface drilling was challenged by severe topography which limited the ability to intercept skarn beds at right angles to dip. Underground drill holes were designed to take skarn bed orientation into consideration. • Due to variable skarn bed orientation and limitations imposed on drill hole orientation, true versus drilled widths vary accordingly.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being*	• No significant discoveries being reported. Maps are images of the 3D

Criteria	JORC Code explanation	Commentary
	reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	model are presented in the body of the announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Mineral Resources are detailed elsewhere in this announcement. Exploration results are not disclosed in this announcement.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Surface and underground mapping and sampling has been undertaken over the life of the property. • An airborne magnetic and resistivity geophysical survey was conducted in 1995 by DIGHEM. • In 2011, metallurgical testing was conducted on drill hole samples collected from the first 4 holes drilled under the Phase I surface drill program and bulk chip samples collected from underground workings. Samples were collected in July 2011 and shipped to Phillips Enterprises LLC in Golden, Colorado for testing under the supervision of Lyntek Inc. (Lyntek) of Lakewood, Colorado. Metallurgical testing began in August 2011 with the completion of comminution studies. The Bond Ball Mill work index determinations ranged from 9.09 to 11.63 kw-hr/st and an evaluation for SAG mill grinding was designated as average. Samples tested demonstrated an average hardness and resistance to grinding, typical of copper ores. Flotation testing was conducted on 8 composites made up of the assay pulps from early diamond drill holes 2011-016, 2011-039, 2011-051 and 2011-071. Grind/recovery tests were completed and indicated a p80 of 150 mesh (106 micron) was suitable for optimum rougher flotation recovery. In 2012, Resource Development Inc. (RDi) was awarded the contract to undertake metallurgical testwork for the Project with the primary objective of generating flowsheet and technical data to support ongoing engineering studies. The metallurgical test program objectives were to confirm/refine the process flowsheet developed in earlier studies in order to produce marketable-grade copper concentrate and evaluate the potential of increasing metal recoveries. The metallurgical test results are expected to be used to design a preliminary process flowsheet. • No significant deleterious materials were identified in concentrates generated from locked cycle testing. Contaminants were talc which could be controlled by addition of depressant CMC

Criteria	JORC Code explanation	Commentary
		• A methodical program of density determinations from core samples from the drill program has been carried out. Samples were measured in the core shack by weighing the sample and then submersing it to establish the volume. The overall average of 5,363 density measurements from skarn horizons 0.098 t/ft3 or 3.14 g/cm3. Skyline initially determined the specific gravity (SG) on 440 samples. Their technique was much more elaborate than the ORM system but the results were similar. The 440 samples SG averaged 2.93 g/cm3 using the Skyline method and 2.94 g/cm3 using the ORM method. Since then an additional 152 samples were added to the Skyline total. The SG average of all the Skyline determinations is 2.95 g/cm3. • Groundwater flow at the mine property is in fractured bedrock, consisting of the Leatherwood Granodiorite (a Cretaceous sill), and overlying meta-sedimentary units: the Abrigo (Cambrian), Martin (Devonian), Escabrosa (Mississippian) formations. There is little to no primary porosity. Maps of the underground workings and observations at outcrops indicate that joints and faults are pervasive. The numerous fractures and joints noted in the underground workings and the high variability of the orientations increases the likelihood that the fractures intersect, resulting in a single potentiometric groundwater surface at the site. However, this does not preclude the possibility of perched groundwater in isolated fractures; a common occurrence in other fractured rock settings. Slug testing of two piezometers indicates that the hydraulic conductivity of the fractured rock aquifer is low, on the order of 1 x 10-6 cm/sec. Elevations of water levels in the piezometers, at springs, and in the underground workings indicate a potentiometric surface that dips to the east, away from surface and groundwater hydraulic divide located in the vicinity of Oracle Ridge west of the property. The average horizontal hydraulic gradient is 0.13 ft/ft. The estimated groundwater velocity is less than one foot per day, based on an effective porosity of less than 2%. Analysis of groundwater samples from the piezometers and underground workings, and water discharging from springs indicates that water is generally a calcium-bicarbonate or calcium-magnesium-bicarbonate type water. Exceptions include Geesaman Spring and PZ-3, which are located downgradient of the mineralised zone. Geesaman Spring and PZ-3 have higher sulfate concentrations, and PZ-3 has a relatively elevated TDS. The elevated sulfate is interpreted

Criteria	JORC Code explanation	Commentary
		to be the result of oxidized sulfide minerals in fractures upgradient of PZ-3 and Geesaman Spring. Because water collected from the underground workings did not generally contain elevated sulfate or have high TDS, the source of elevated sulfate is interpreted to be below the underground workings in the Leatherwood Granodiorite. • JRT GeoEngineering (JRT) was retained to provide a Pre-Feasibility Study (PFS) rock mechanics assessment for the proposed Oracle Ridge underground mine project. Evaluation of rock mass classification data from recent investigations confirms that average values are similar to those from historic studies. However, historic values consist only of summaries in reports, and do not include a database where spatial and statistical variations can be fully evaluated. With the recently collected data, a complete database is now available to assess both the spatial variations and statistical ranges in geotechnical conditions. The data indicate: ~ 13% (say 15%) of the rock mass is of 'Fair' rock quality (RMR < 60, average 50, Q' of 2); ~ 30% is 'Fair-Good' quality (60 < RMR < 70, average 65, Q' of 10); and ~ 57% (say 55%) is 'Good' quality (RMR > 70, average 75, Q' of 30). From this data, two conditions are defined: a 'Conservative Case' and a 'Base Case', for use in subsequent analyses, to appropriately consider the range of rock mass conditions likely to be encountered during mining at Oracle Ridge. For general stope planning tasks 'base case' design criteria can be used by ORM mine planners. The 'conservative case' criteria are reserved for contingency planning purposes, and for designing and costing stopes in lower quality rock masses.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The project has seen various periods of exploration, development and mining activity and compilation of the various works is necessary to guide the next phase of exploration activity. The expectation is the compilation will generate exploration targets for subsequent drilling and Mineral Resource estimation update. • Areas of possible extensions will be generated in the upcoming data compilation program

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Note: The information provided in this Section 3 is compiled from the 2014 NI43-101 Mineral Resource Estimate referred to in the attached announcement.

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Checks were made of the geology contained in the database against the logs and were found to match. A 1:2,400 scale map is also available for the location of the historical surface drilling. Checks were made against this map to verify the collar locations of the surface drilling. • For holes collared from the surface, checks were made against topography to ensure that the hole collars started at ground level. Checks were made for the underground holes to make sure that the hole collars were consistent with the underground workings. Checks were made to ensure that holes were not duplicated and sixteen duplicate holes were identified and deleted from the database. • At the time of ORM's Mineral Resource Estimate none of the historical assay information could be audited because assay certificates did not exist. The core re-sampling program helped in re-establishing confidence in the historical database. Subsequently, the majority of original, signed commercial laboratory certificates have been found and validate the electronic database used to estimate the Mineral Resource Estimate. • The surface and underground geology was examined. The mineralisation was observed in drill core and in the underground workings. Drill sites were located at surface and underground. The core logging, sample handling procedures and were also examined. The historical drill core was examined for integrity and all historical drill core was re-sampled so that silver and gold values could be included in the database and so that the apparent high assay bias associated with the historical data could be better quantified. • Of the 10,499 assay data in the drill hole database, 6,771 were verified against original assay certificates and no significant errors were identified. In addition, all historical assay data for the surface drilling program were verified against the scanned copies of original drill logs. Discrepancies with the historical drill were corrected to match the information on the drill logs.

Criteria	JORC Code explanation	Commentary
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Kevin Francis from Mineral Resource Management LLC and former Vice President of Technical Services for ORM, has made numerous trips to the project during the drilling programs and development of the Mineral Resource estimate from 2012 through 2014. Kevin Francis is a Registered Member of the Society of Mining, Metallurgy and Exploration (RM SME) and is the Competent Person for the Mineral Resource model and reporting. The last trip to the project was in March 2019 where the surface and underground conditions were examined and the Abrigo stope was visited. There was no exploration activity at site at the time of this visit. In addition, the security of the core stored at site was assessed and determined to be adequate.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The geologic model is considered robust with information from over 600 surface and underground diamond drill holes. • The data used were 100% from diamond drill core sampling and logging. • Effects of alternative interpretations on the Mineral Resource estimate have not been tested. However, the Mineral Resource estimate was validated visually in plan and section view and swath plots were analysed comparing nearest neighbour grade estimates to the block estimate. • The use of geology was imperative in guiding and controlling the Mineral Resource estimate. Significant mineralisation is restricted to skarn alteration; therefore, skarn shapes and grade shells within skarns were deemed necessary to appropriately constrain the grade estimate. • Continuity of grade is related to mineralisation intensity which is broadly variable in the skarn deposit. Distance from feeder structures also influences grade continuity. Geologic continuity is impacted by post mineral faulting which can offset mineralisation as much as 10 metres. Generally, structural offsets of mineralised skarn are minor.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• As presently defined by drilling, the mineralisation included in the Mineral Resource estimate covers an extent of 1,280 metres easting and 1554 metres northing and a width of 457 metres. Mineralised skarn is exposed at the surface and extends to a depth of 152 metres below surface.

Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.*	• All assay data were composited to a fixed length prior to estimation. The assay lengths for the various data types were analysed and found that most samples had an average length of 1.52 metres or less with 97% of samples lengths being less than 3 metres. For this reason, all assay data were composited to 3 metres prior to estimation. • There are a total of 4,118 copper assays in the database but only 3,285 silver assays and only 2,702 gold assays. Historically, copper grade was the sole ore/waste criteria. Silver and gold were not assayed because there was no interest in their values, not that it was believed they weren't present. While common practice is to assume that missing or unsampled intervals have a zero grade, the Competent Person is of the opinion that to treat the missing silver and gold values as having zero grade would be incorrect and would adversely affect the true gold and silver grade of the deposit. For this reason, the missing values were treated as un-sampled intervals and ignored during the compositing process. Block grades are estimated by ordinary kriging constrained within individually identified geological beds using sample data composited to 3 metre intervals into model blocks measuring 4.6 metres (15 ft) x 4.6 metres (15 ft) x 3 metres (10 ft) vertically. High grades, greater than 10% copper and greater than 68.6 g/t silver, were restricted to search radii of 6.1 metres x 6.1 metres x 6.1 metres. • Grade interpolation strategies were based on zone orientations, drillhole distances and parameters derived from variographic analysis. Grade interpolations were carried out in three successive passes with increasing distances and decreasing sample numbers, only interpolating block grades for blocks that had not been interpolated by the previous passes. Search pass distances and orientations varied by domain with a minimum of 15 x 23 x 4.6 metres used in the first pass up to a maximum of 46 x 61 x 13.7 metres for the third pass. Composited samples were a minimum of 5 for pass 1, 3 for pass 2 and 2 for pass 3 and a maximum of 12 composites for all passes. • To simplify the estimation process, skarn horizons were grouped in four broad groups of bodies with similar orientation. • A selective mining unit of 4.6 metres by 4.6 metres by 3 metres is considered reasonable because it approximates the smallest increment of mining that could be reasonably defined as ore or waste at the time of mining. • There is a weak correlation between the variables. The same search ellipsoids are used for each estimated variable. Spatial analysis was done for each variable and each used a unique variogram. While not specifically targeted, it is believed that any correlation would be preserved by the kriging plan. • The skarn beds are divided into unique zones. Blocks and composite samples are coded to reflect the assigned geological zone code. During resource estimation only samples

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	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	that match the block zone code can be considered for inclusion in estimating the block grade. • Assay data were evaluated for high-grade outliers. Based on the analysis of the assay distribution, capping of high grade was not warranted but a few higher grade values needed to be restricted during grade interpolation. All composite values greater than 10% Cu and 68.6 g/t Ag were restricted to a 6.1 metre search radius. • Three levels of model validation were carried out. First the model was visually validated by examining the model in relation to the composite data to ensure that the model was representative of the drilling. The block grades agree well with the drill hole information. Second, the block model was validated both in section and plan views and the block estimates agreed consistently with the drill hole grades. Third, the model was examined geometrically and globally to ensure that the model was not biased. • No production data exists for the mine therefore reconciliation was not possible.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis. Skyline Labs calculated as received and dried sample Specific Gravity values. Dried fluorite was analysed to determine that the analytical setup was functioning properly.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The base case cut-off grade of 1.0% CuEq has been estimated to ensure reasonable prospects of economic extraction assuming extraction by an underground mining scenario, projected copper price of US$2.80 per pound and estimated total site operating costs of US$45 per ton.

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Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The assumption is long hole stoping with backfill which was the main mining method during prior operation. Longitudinal mining in narrow areas and transverse mining in wide areas. Level spacing of 15 metres in the area of the existing level development and 12 metres elsewhere. The Mineral Resource estimate was purposely constructed to not include external dilution to permit engineers to apply their own dilution factors based on skarn bed orientation. Internal dilution is included in the Mineral Resource estimate since all samples within each zone were eligible for selection during block grade estimation.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Extensive bench-scale metallurgical testing has been completed. Eleven composites were created to test mineralisation variability against a base case flotation design. Copper recovery up to 96.4% was realized and copper concentrate grades up to 35.6%.

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Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Waste and process residue disposal has been considered with two possible alternatives, waste rock can be placed back underground as rock fill within longhole stopes, in addition, existing surface waste dumps are conveniently located at each portal. Process residue may be used underground depending on geotechnical requirements as engineered fill. There also has been an assessment of process residue storage at the historical storage facility. There is adequate capacity to hold all of the current Mineral Resource estimate.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Project staff conducted bulk density determinations of each rock and alteration type using a methodical program of density measurements from core samples. Each core sample was weighed and then submerged to establish the volume. A total of 5,363 measurements have been collected. Skyline Labs checked 592 samples using a more rigorous technique and their results were within 1% of the original measurement. • The skarns and associated mineralisation are massive units. Project staff have been cognizant of vugs and porosity but it has not been an issue to date. • Bulk densities of each rock type have been determined; no assumptions are necessary.

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Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral resource classification is typically a subjective concept, however, industry best practices suggest that resource classification should consider the confidence in the geological continuity of the mineralised structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating these concepts to delineate regular areas at similar resource classification. • The geological modelling reflects the current geological information and knowledge. The location of the samples and the assay data are sufficiently reliable to support resource evaluation. The sampling information was acquired primarily by core drill holes. Drilling samples were from sections spaced at 15 to 30 metres. • Blocks estimated with at least three drill holes within a 15 metre radius can be classified in the Measured Mineral Resource category, blocks estimated with at least three drill holes within a 30 metre radius can be classified in the Indicated Mineral Resource category and all other estimated blocks can be classified in the Inferred Mineral Resource category.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The Mineral Resource estimate has not been subjected to audit or review.

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Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• Estimated grades were compared to a nearest neighbour model to check for global bias. There are a total of 189,062 estimated blocks with an average copper grade of 1.07% Cu and an average nearest neighbour grade of 1.068% Cu., The global estimate is considered within acceptable ranges. • Local trends in the grade estimates were identified by plotting the mean values from the nearest neighbour estimate versus the kriged results for Indicated blocks in east-west, north-south and vertical swaths. The visual examination of the plots indicates very good correlation between the models. • There is no production data available for comparison.