



EAGLE MOUNTAIN MINING

ASX ANNOUNCEMENT | 21 JULY 2020

Placement Raises \$3.0 Million to Fund Exploration Drilling at Oracle Ridge

Highlights

- Eagle Mountain Mining has received firm commitments to raise gross proceeds of \$3.0 million via a share Placement
- Placement demand strongly supported by Australian and European institutional investors
- Funds will be used to conduct exploration drilling at the high-grade Oracle Ridge Copper Project in Arizona
- Drilling program scheduled to commence in Q3 2020

Placement to Raise \$3.0 Million

Eagle Mountain Mining Limited (ASX:EM2) (“Eagle Mountain” or “the Company”) is pleased to announce that it has received firm commitments from qualified, institutional and professional investors to raise \$3 million (before costs) through the issue of 23,076,923 fully paid ordinary shares in the Company (Shares) at an issue price of \$0.13 per Share (Placement).

PAC Partners and Taylor Collison acted as Joint Lead Managers (“JLM”) to the placement.

Commencement of Drilling

The Company intends to use the funds to conduct a surface diamond drilling program of approximately 2,000 metres at the Company’s high-grade Oracle Ridge Copper Mine Project (“Oracle Ridge”), for the potential acquisition of prospective ground in the vicinity and to provide additional working capital for the Company.

Our initial drilling program at Oracle Ridge will target extensions to high-grade portions of the existing Mineral Resource Estimate (MRE) in three priority zones as shown Figure 2. The zones are constrained within the Exploration Target outlined in the ASX announcement on 10 June 2020 and are supported by a combination of:

- previous drilling outside the existing MRE which has intersected mineralisation;
- unconstrained mineral resources; and
- a magnetic high anomaly.

Planning for the program is well underway and drilling is scheduled to commence in Q3 2020.

EAGLE MOUNTAIN MINING LIMITED | ACN 621 541 204

Ground Floor, 22 Stirling Hwy, Nedlands WA 6009 | PO Box 3365 Nedlands WA 6009
info@eaglemountain.com.au | eaglemountain.com.au

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Eagle Mountain's Chief Executive Officer, Tim Mason said:

"Eagle Mountain is delighted with the strong support for the Placement and is pleased to welcome a number of high profile domestic and international institutions to the Eagle Mountain share register, and thanks existing shareholders for their continued support in the raising. The successful completion of this Placement sees the Company being well funded to conduct a maiden diamond drilling program at our high-grade Oracle Ridge copper project in Arizona. Priority drill targets have been defined in prospective zones for higher-grade copper mineralisation as extensions to the existing mineralisation. We look forward to updating the market as results arise in the coming months."

Oracle Ridge Copper Mine (80% Owned)

The Oracle Ridge Copper Mine is located just north of Tucson, Arizona, less than two hours on sealed and well maintained gravel roads from Eagle Mountain's field office.

Mineralisation

Mineralisation at Oracle Ridge occurs within five main skarn zones, hosted by three major limestone Formations: Escabrosa, Martin and Abrigo. Skarns are formed by an influx of solutions from a nearby intrusive which was likely responsible for changing the mineral composition of the pre-existing limestone and then depositing copper, gold and silver minerals. A conceptual graphic below illustrates skarn formation.

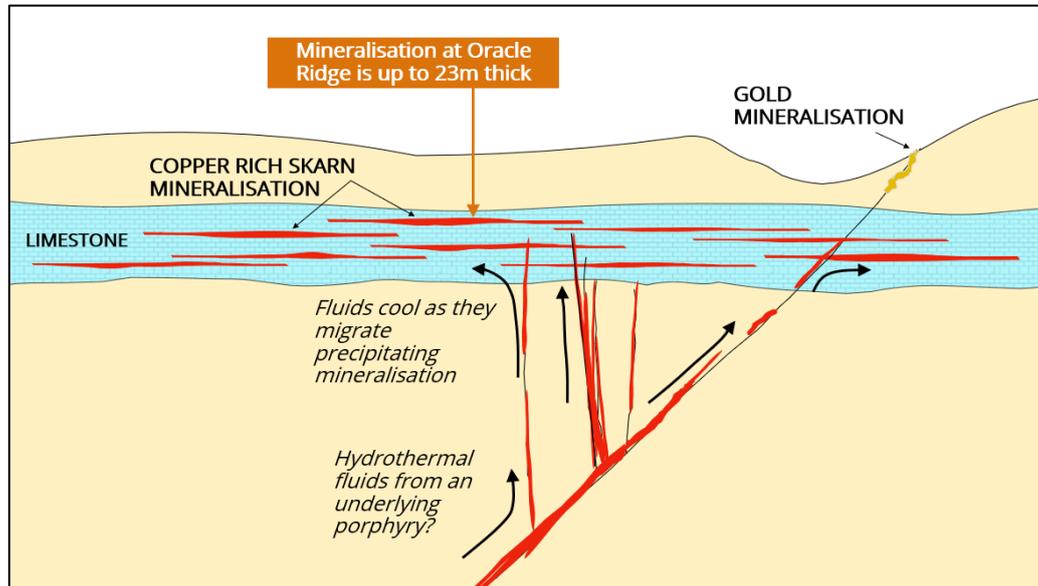


Figure 1 - Cross-Section of Conceptual Skarn Mineralisation

Previous drilling through skarn-hosted mineralisation at Oracle Ridge has returned excellent intersections including (refer ASX announcement 25 May 2020):

- 18.3m @ 2.84% Cu, 0.42g/t Au, 24.8/t Ag
- 7.7m @ 5.11% Cu, 0.72g/t Au, 55.8 g/t Ag
- 7.6m @ 4.63% Cu, 0.74g/t Au, 43.06g/t Ag
- 9.1m @ 3.97% Cu, 1.04g/t Au, 29.89g/t Ag

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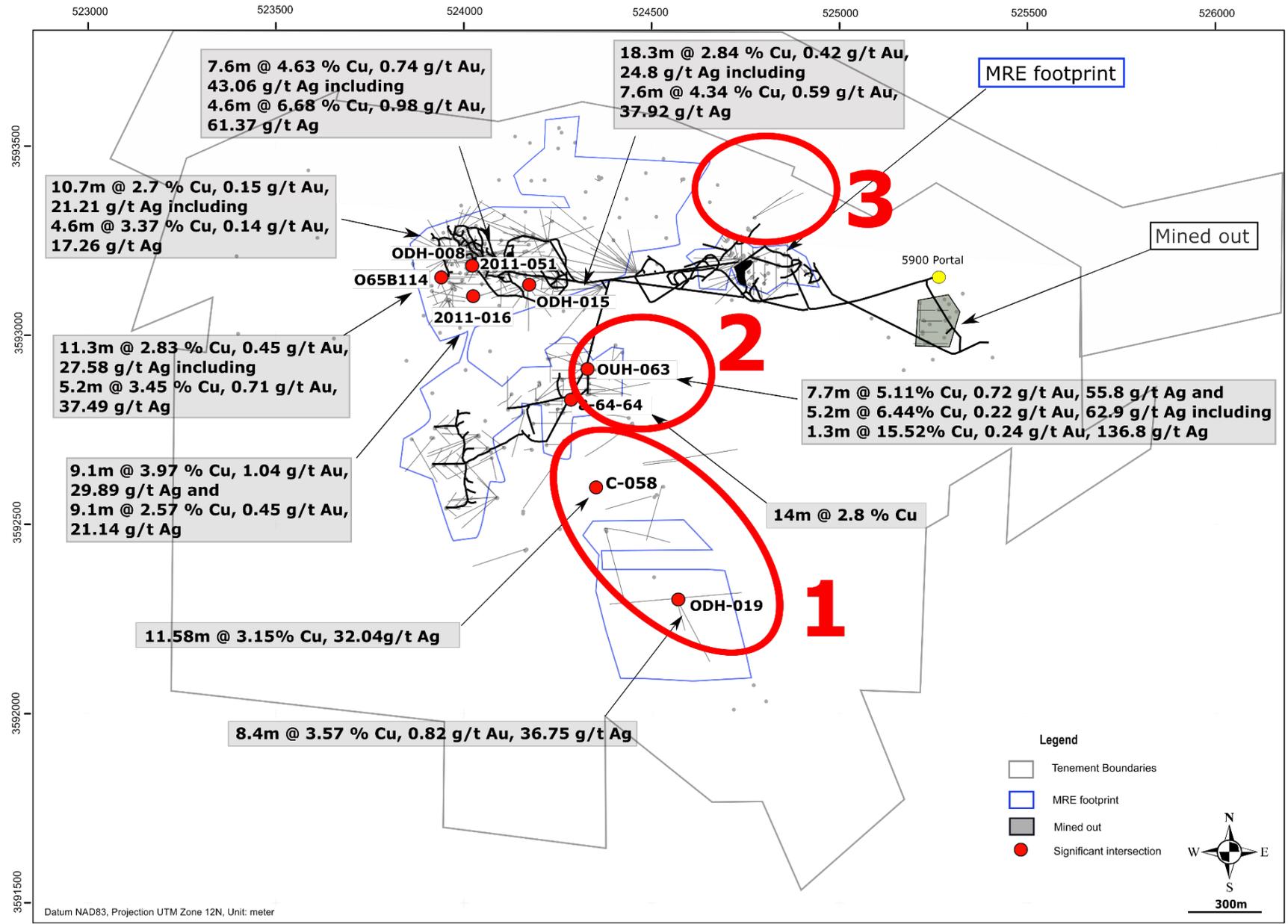


Figure 2 Significant intercepts at Oracle Ridge mine and proposed Target areas for upcoming drilling program (Refer ASX Announcement 25 May 2020)

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Skarn alteration and copper mineralisation are believed to have formed during the Laramide, a geologic period when many major world class copper deposits formed in Arizona and throughout the southwestern US (e.g. Globe-Miami, Magma, Resolution, Ray, San Manuel-Kalamazoo - refer Figure 3).

Within a 75-kilometre radius from Oracle Ridge, several mining operations have well developed skarn alteration and associated high-grade copper mineralisation as well as large, lower grade porphyry copper deposits (e.g. Mission Complex, 900Mt @ 0.52% Cu; Twin Buttes, 940Mt @ 0.5% Cu; Christmas 367Mt @ 0.38 Cu - refer Figure 3)¹.

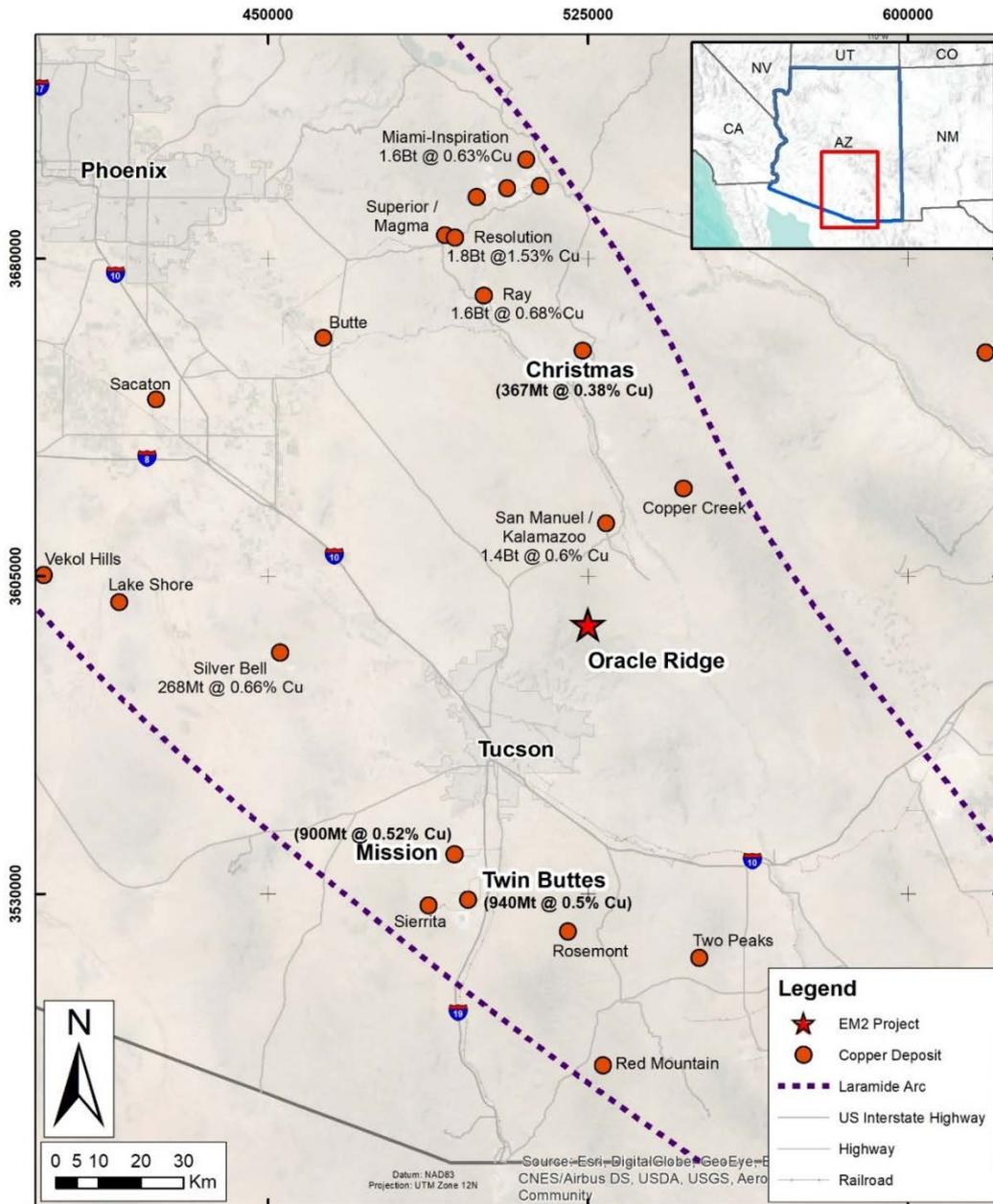


Figure 3 - Location of Oracle Ridge Copper Project and other major copper mines/deposits in southern Arizona with Copper endowments. Mines with significant skarn-hosted mineralisation highlighted².

¹ Singer et alii (2008) - Porphyry Copper Deposits of the World: Database And Grade and Tonnage Models, USGS Open File Report 2008-1155

² Sources: Freeport-McMoRan Form 10-K December 2019; Rio Tinto 2019 Annual Report, Singer et alii (2008) - Porphyry Copper Deposits of the World: Database And Grade and Tonnage Models, USGS OFR 2008-1155;

Mineral Resource Estimate

A Mineral Resource Estimate (MRE) was completed at Oracle Ridge in 2014 (Table 1) following the Canadian standard (NI43-101) (refer Appendix A).

Table 1 – Existing Mineral Resource Estimate at Oracle Ridge³

Existing NI43-101 Mineral Resource	Copper	Gold	Silver
Tonnes	11.7 Mt		
Grade	1.57 %	0.18 g/t	17.47 g/t
Contained Metal	184 kt Cu	68 kOz Au	6.6 MOz Ag

Infrastructure

The Project has significant infrastructure in place including approximately 18 kilometres of underground development, access roads, tailings facility, underground electrical and water services. Eagle Mountain acquired 80% of Oracle Ridge in November 2019.

Exploration Potential

Since mining ceased in 1996, there has been no modern exploration applied and very minimal drilling beyond the defined MRE. Eagle Mountain's exploration objective at Oracle Ridge is to both define extensions to the known Resources along with locating the source of the existing skarn mineralisation. Eagle Mountain recently announced an Exploration Target at Oracle Ridge (refer Table 2) which highlights the potential for additional mineralisation in the vicinity of the existing mine infrastructure (refer Appendix B).

Copper skarn mineralisation is commonly associated with porphyry systems. While the location of a potential porphyry system at Oracle Ridge is currently not known, the discovery of this system is a key exploration focus for the Company.

Table 2 – Oracle Ridge Mine Exploration Target

Exploration Target	Copper	Gold	Silver
Tonnes	14 – 29 Mt		
Grade	1.1-1.9 %	0.03-0.26 g/t	7.1-19.3 g/t

The potential quantity and grade of the exploration target is conceptual in nature and that there has been insufficient additional exploration to estimate an expanded Mineral Resource as at the date of this announcement and whilst additional exploration is planned it is uncertain if this will result in the estimation of an expanded Mineral Resource

³ Cautionary Statement: (refer ASX Announcement 29 October 2019) references in this announcement to the publicly quoted resource tonnes and grade of the Project are 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".

Placement Details

The Company has received binding commitments from institutional and sophisticated investors to raise \$3.0million (before costs) through the issue of 23,076,923 fully paid ordinary shares at an issue price of \$0.13 per share. It is intended that 11,486,818 shares will be issued under the Company's existing 15% placement capacity in accordance with Listing Rule 7.1 and 11,590,105 shares will be issued under Listing Rule 7.1A. Settlement of the Placement is scheduled to occur on Monday the 27th of July 2020, with the issue and trading of new shares expected to commence on the 28th of July 2020. The JLMs will receive a 6% fee on funds raised under the offer and in addition 3,846,154 Options as part of the Placement, 50% exercisable at \$0.20 per share on or before 30 June 2021, and 50% exercisable at \$0.30 per share between 1 July 2021 and 1 July 2022.

Loan from Quartz Mountain Mining

In October 2019, the Company entered into a loan agreement with Quartz Mountain Mining Pty Ltd, which is an entity associated with Mr Charles Bass, Managing Director and major shareholder of the Company. The unsecured loan for US\$1.0 million had a maturity date of 27 October 2020. Quartz Mountain Mining Pty Ltd have agreed to defer the repayment of the principal to 31 December 2021.

After an initial interest-free period of three months, the loan attracts interest at a fixed rate of 2% per annum. To maximise available funds for exploration drilling, Quartz Mountain Mining have agreed to accept options to acquire ordinary shares in lieu of the payment of interest on the loan. Subject to shareholder approval, 950,000 options with an exercise price of \$0.20 and exercisable up until 1 July 2022 are proposed to be issued to Quartz Mountain Mining.

Issue of Options to Directors, Officers and Employees

Subject to shareholder approval, the Company proposes to issue up to 1,700,000 options to the Directors, Officers and Employees for their recent support of the Company. All options will be issued with an exercise price of \$0.20 and exercisable up until 1 July 2022. The Company proposes to issue options to Officers and Employees in accordance with the Eagle Mountain Mining Limited Incentive Plan and will seek shareholder approval for the issue of options to the Directors at a future general meeting.

COVID-19 Update

Following a recent increase in the number of cases of COVID-19 in Arizona, the Company has implemented various controls in excess of local requirements. These controls include regular COVID-19 tests, the wearing of face masks, daily temperature checks of all employees and contractors, minimising external contact, enhanced hygiene, increased cleaning and vehicle occupation limits. The Company will continue to monitor and update control measures as appropriate.

An Appendix 3B follows this announcement for immediate release.

For further information please contact:

Tim Mason
BEng, MBA, GAICD
Chief Executive Officer
tim@eaglemountain.com.au

Mark Pitts
B.Bus, FCA, GAICD
Company Secretary
mark@eaglemountain.com.au

This Announcement has been approved for release by the Board of Eagle Mountain Mining Limited

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.

COMPETENT PERSON STATEMENT

Where the Company references results and technical information 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 all material assumptions and technical parameters underpinning the results and resource estimates with those announcements continue to apply and have not materially changed. In addition the form and context in which the Competent Persons findings are presented have not been materially modified from the original reports.

The database of previous exploration results has been compiled under the foreign mineral code NI43-101. The data has been compiled and validated. It is the opinion of Eagle Mountain Mining Limited that the exploration data is reliable. Nothing has come to the attention of Eagle Mountain Mining Limited that causes it to question the accuracy or reliability of the historic exploration results.

The information in this document that relates to the Exploration Target and 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.

FORWARD LOOKING STATEMENTS

This announcement may include forward looking statements. Forward looking statements inherently involve subjective judgement, and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and may be unknown to, the Company.

Statements regarding the Company's plans with respect to its mineral properties and programmes are forward-looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional Mineral Resources/Ore Reserves, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties. The performance of the Company may be influenced by a number of factors which are outside the control of the Company and its Directors, staff and contractors. Given these uncertainties, readers are cautioned not to place undue reliance on forward looking statements.

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Appendix A

Mineral Resource Estimation

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

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

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

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

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

Table 3 Summary of latest Mineral Resource Estimate – NI43-101 Compliant.

Note in respect to Copper Equivalency:

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

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

Cautionary Statement: (refer to ASX announcement 29 October 2019) 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".

Appendix B

Exploration Target

Methodology

Following completion of the aeromagnetic survey, along with a review of select drill core and existing data and internal geological analysis, the Company has delineated an Exploration Target as extensions to existing mineralisation that is constrained by a magnetic 'high' anomaly.

The Exploration Target has been estimated following a review of an extensive database from previous drilling including, 618 drill holes for 76,000 metres of drilling and 11,600 assays, 100% of which is diamond drill core (*refer ASX Announcement 25 May 2020 and 10 June 2020*). In addition, the Company has recently completed an aeromagnetic survey (*refer ASX announcement 27 February 2020*) which identified a zone of increased magnetism extending beyond the drill defined mineralisation. As a portion of the skarn which hosts the existing resource has increased magnetism, this provides support for the Exploration Target.

Significantly, the Exploration Target **excludes** the existing NI43-101 MRE and the target falls entirely within the magnetic high interpreted to be within the Company's patented and unpatented mining claims.

The Exploration Target is based on a geological model of the mine stratigraphy and major intrusions built from the existing drilling database. Approximately 50 holes have been previously drilled within the Exploration Target with many of these holes intersecting skarn horizons which is evidence of an active hydrothermal system. The spacing of previous drilling is quite irregular, varying from 50 to 150 metres, thus leaving large areas untested. Several of these holes which intersected the skarn horizons also intersected copper mineralisation of varying grade.

The model was constrained outside the footprint of the historical MRE and excluded mined out areas. Geological zones highly likely to contain skarn-hosted mineralisation were interpreted to be within an area showing a high magnetic anomaly. The resulting volumes were converted to tonnes using a specific gravity of 3t/m³, which is appropriate for mineralisation at Oracle Ridge. A reduction factor of 65% (average) was then applied to the tonnage based on the ratio between known mineralised domains and potentially mineralised volumes within the historical MRE footprint. Final ranges were estimated by applying a lower side discount of 40% and upper side addition of 20%. Where no constraints were available, the average thickness of the potentially mineralised units was used.

Timeline to test the Exploration Target

Eagle Mountain has adopted a stepped approach to its proposed exploration program. It is currently digitising the database from previous drilling which, together with recent geophysical analysis, field work and ground truthing has assisted in defining priority drill targets within the Exploration Target.

The Company is planning on a drilling program to be undertaken in the second half of 2020.

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