

Eagle Mountain Mining Ltd

In the prospective Arizona copper belt

Eagle Mountain Mining Ltd (ASX:EM2) is an Australian copper-gold explorer focused on the exploration and development of the Oracle Ridge Copper Mine and the highly prospective Silver Mountain project, both located in Arizona, USA. The company was established in 2017 and listed on the ASX in March 2018 after raising \$8m at \$0.20/share in an oversubscribed offer to give a market capitalisation at listing of \$18.5m. Subsequently, the company has raised an additional \$29.3m through a series of entitlements issues and share placements to predominantly fund exploration and drilling. The latest share placement announced in February, which raised \$11m at \$0.35/share, is underpinning the company's accelerated drilling programme at Oracle Ridge. The company last week acquired the remaining 20% in Oracle Ridge for 10m shares, increasing Eagle Mountain's JORC resources by 81m pounds of contained copper.

The Projects

Eagle Mountain holds two assets, the highly prospective 100% owned Silver Mountain project, which was the company's original asset at float, and the Oracle Ridge Copper Mine in which it acquired an 80% stake in November 2019 and moved to 100% in April 2021 after issuing 10m shares to Vincere for its 20% stake. Silver Mountain is located in Arizona, around 100 kms northwest of Phoenix, and encompasses three main prospects, Pacific Horizon, Scarlett and Red Mule. Phase one drilling at Silver Mountain, conducted in 2019, identified highly anomalous assay values with the presence of porphyry indicator minerals including molybdenum and bismuth. The now wholly-owned Oracle Ridge Copper Mine, which lies 30km northeast of Tuscon, has a Mineral Resource of 11.7mt at 1.57% Cu and 17.47g/t Ag containing 409m lbs of copper and 6.6m ounces of silver. Eagle Mountain is undertaking an accelerated drill programme at Oracle Ridge after recent exploration on Leatherwood contact in the southern area of Oracle Ridge demonstrated potential for further strong mineralisation. Since commencing drilling in September 2020, more than 90% of the holes assayed outside the existing JORC resource have intersected mineralisation above the mine's cut-off grade. Recent assays included 34.4% Cu, 367g/t Ag and 26.2g/t Au over 0.4m within a broader zone of 12.7m at 3.96% Cu, 49.1g/t Ag and 1.4g/t Au (March 31, 2021 announcement); and 11.55% Cu, 273g/t Ag, and 5.41g/t Au over 1.5m within a broader zone of 13.3m at 2.43% Cu, 52.6g/t Ag and 0.94g/t Au (December 22, 2020 announcement).

Accelerated drilling programme underway

Eagle Mountain Mining announced last month that drilling contractor Boart Longyear will supply a second diamond drill rig to the site by 10 May which will deliver a three-fold increase in drilling when both rigs transition to full time drilling from June 2021. The company is planning to have three additional rigs onsite by the end of Q4 2021 for a total of five rigs to accelerate the diamond drilling programme. The aim is to expand the existing JORC Resource, establish a Measured Resource category in the next Mineral Resource estimate and drill test high priority targets, Golden Eagle, OREX, and Red Hawk, which are all within a few kilometres of the existing mine.

Pathway to development

The company has a stated goal of defining the pathway for a commercially viable mining operation for the Oracle Ridge project. The project has existing infrastructure in place including underground ventilation, air, water and electrical reticulation services, 18 kilometres of underground workings in close proximity to the existing resource and exploration targets, and an existing tailing storage facility which will need to be expanded prior to the project commencing. The project also has several approved mining permits, although some will need amendment depending on the final project design. The accelerated drilling programme is likely to be the focus for the remainder of CY2021 with the potential for mine development another 12 months following.

Share details

ASX Code	EM2
Share Price	\$1.26
Market Capitalisation	\$243.9M
Number of shares	193.6M
Options on issue	24.64M
Net cash at Feb '21	~\$1.3M

Share price performance (12 months)



Upside Case

- Existing Oracle Ridge JORC resource has upgrade potential from current drilling program
- Operating in a well known copper belt in the USA
- Management team highly experienced in the region

Downside Case

- Additional equity capital raising likely
- Likely dilution from debt converting to equity
- Exchange rate risk

Catalysts

- Completion of the accelerated drill programme
- Expanded JORC Resource at Oracle Ridge

Comparative companies (Australia & NZ)

ALS, AQL, CBY, CCZ, RDM

Company contacts

Tim Mason (CEO)
tim@eaglemountain.com.au

Mark Pitts (CoSec)
mark@eaglemountain.com.au

RaaS contacts

Andrew Williams +61 414 354 712
andrew.williams@raasgroup.com

Finola Burke +61 414 354 712
finola.burke@raasgroup.com

FINANCIAL SERVICES GUIDE

RaaS Advisory Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415

of

BR SECURITIES AUSTRALIA PTY LTD

ABN 92 168 734 530

AFSL 456663

Effective Date: 26th November 2018

About Us

BR Securities Australia Pty Ltd (BR) is the holder of Australian Financial Services License (“AFSL”) number 456663. RaaS Advisory Pty Ltd (RaaS) is an Authorised Representative (number 1248415) of BR.

This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS’s services and includes such things as

- who we are
- our services
- how we transact with you
- how we are paid, and
- complaint processes

Contact Details, BR and RaaS

BR Head Office: Level 14, 344 Queen Street, Brisbane, QLD, 4000

RaaS. 20 Halls Road Arcadia, NSW 2159

P: +61 414 354712

E: finola.burke@raasgroup.com

RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

What Financial Services are we authorised to provide? RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
 - Securities
- deal on behalf of retail and wholesale clients in relation to
 - Securities

The distribution of this FSG by RaaS is authorized by BR.

Our general advice service

Please note that any advice given by RaaS is general advice, as the information or advice given will not take into account your particular objectives, financial situation or needs. You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Prospectus, Product Disclosure Statement or like instrument. As we only provide general advice we will not be providing a Statement of Advice. We will provide you with recommendations on securities

Our dealing service

RaaS can arrange for you to invest in securities issued under a prospectus by firstly sending you the offer document and then assisting you fill out the application form if needed.

How are we paid?

RaaS earns fees for producing research reports. Sometimes these fees are from companies for producing research reports and/or a financial model. When the fee is derived from a company, this is clearly highlighted on the front page of the report and in the disclaimers and disclosures section of the report.

We may also receive a fee for our dealing service, from the company issuing the securities.

Associations and Relationships

BR, RaaS, its directors and related parties have no associations or relationships with any product issuers other than when advising retail clients to invest in managed funds when the managers of these funds may also be clients of BR. RaaS’s representatives may from time to time deal in or otherwise have a financial interest in financial products recommended to you but any material ownership will be disclosed to you when relevant advice is provided.

Complaints

If you have a complaint about our service you should contact your representative and tell them about your complaint. The representative will follow BR’s internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren’t satisfied with an outcome, you may contact AFCA, see below.

BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au; Email: info@afca.org.au; Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

Professional Indemnity Insurance

BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.

DISCLAIMERS and DISCLOSURES

This report has been prepared and issued by RaaS Advisory Pty Ltd. RaaS Advisory's principals, employees and associates may hold shares in companies that are covered and, if so, this will be clearly stated on the front page of each report. This research is issued in Australia by RaaS Advisory and any access to it should be read in conjunction with the Financial Services Guide on the preceding two pages. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable. Opinions contained in this report represent those of the principals of RaaS Advisory at the time of publication. RaaS Advisory provides this financial advice as an honest and reasonable opinion held at a point in time about an investment's risk profile and merit and the information is provided by the RaaS Advisory in good faith. The views of the adviser(s) do not necessarily reflect the views of the AFS Licensee. RaaS Advisory has no obligation to update the opinion unless RaaS Advisory is currently contracted to provide such an updated opinion. RaaS Advisory does not warrant the accuracy of any information it sources from others. All statements as to future matters are not guaranteed to be accurate and any statements as to past performance do not represent future performance.

Assessment of risk can be subjective. Portfolios of equity investments need to be well diversified and the risk appropriate for the investor. Equity investments in listed or unlisted companies yet to achieve a profit or with an equity value less than \$50 million should collectively be a small component of a balanced portfolio, with smaller individual investment sizes than otherwise.

The science of climate change is common knowledge and its impacts may damage the global economy. Mitigating climate change may also disrupt the global economy. Investors need to make their own assessments and we disclaim any liability for the impact of either climate change or mitigating strategies on any investment we recommend.

Investors are responsible for their own investment decisions, unless a contract stipulates otherwise. RaaS Advisory does not stand behind the capital value or performance of any investment. Subject to any terms implied by law and which cannot be excluded, RaaS Advisory shall not be liable for any errors, omissions, defects or misrepresentations in the information (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the information. If any law prohibits the exclusion of such liability, RaaS Advisory limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable. Copyright 2021 RaaS Advisory Pty Ltd (A.B.N. 99 614 783 363). All rights reserved.