



March 2018 Quarter Activities Report ASX: EM2

Highlights

- **Successful IPO, heavily oversubscribed and raising \$8 million.**
- **A two-year petrography study completed confirming that there were several mineralising events that contributed to the complexity of the Silver Mountain Project.**
- **High-grade copper at Pacific Horizon prospect and high-grade gold at Scarlett prospect now interpreted as being part of the same mineral system.**
- **Two new geophysical studies completed and currently being reviewed.**
- **Establishment of Operations office in Tucson, Arizona and recruitment of key personnel.**
- **Further work planned to identify additional targets and prepare Eagle Mountain for an upcoming drilling program.**

Eagle Mountain Mining Limited (ASX:EM2) ("**Eagle Mountain**" or the "**Company**") is pleased to provide an update to the market on its activities for the quarter ending 31 March 2018.

Successful Initial Public Offering (IPO)

The Company completed a very well supported IPO, successfully listing on 16 March 2018 and raising \$8 million. The Board was very pleased with the level of interest in the Company and welcomes our new shareholders and thanks them and existing shareholders for their support. Demand for the IPO was well in excess of supply and unfortunately we were not able to fulfil many applications.

The Company was particularly pleased with the support it received from its advisors including its Lead Manager Peloton Capital Pty Ltd.



Eagle Mountain listing 16th March 2018. From left Rick Crabb (Non-Executive Chairman), Charlie Bass (CEO and Managing Director), Roger Port (Non-Executive Director), Brett Rowe (Alternate Director to Charles Bass) and Mark Pitts (Company Secretary)

Preliminary results of Geological Petrography Study

Eagle Mountain received the results of a 2-year microscopy study of 39 rock samples collected across the Silver Mountain Project toward the end of the quarter. The preliminary results were announced on 3 April 2018.

The study was carried out by Dr. Johnathan Nourse, Professor and Chair of the Geological Sciences Department at California State Polytechnic University.

The study highlighted that the Silver Mountain area has been affected by multiple mineralising events. The report highlighted the consistent styles of mineralisation across the Pacific Horizon and Scarlett Prospects.

Management is extremely encouraged from an exploration viewpoint because it suggests a genetic link between the high-grade copper mineralisation at Pacific Horizon (up to 11% Cu in historical dump samples) and the high-grade gold mineralisation at Scarlett (up to 86 g/t Au in outcrop) - see Figure 1. Further work is required to confirm this interpretation.

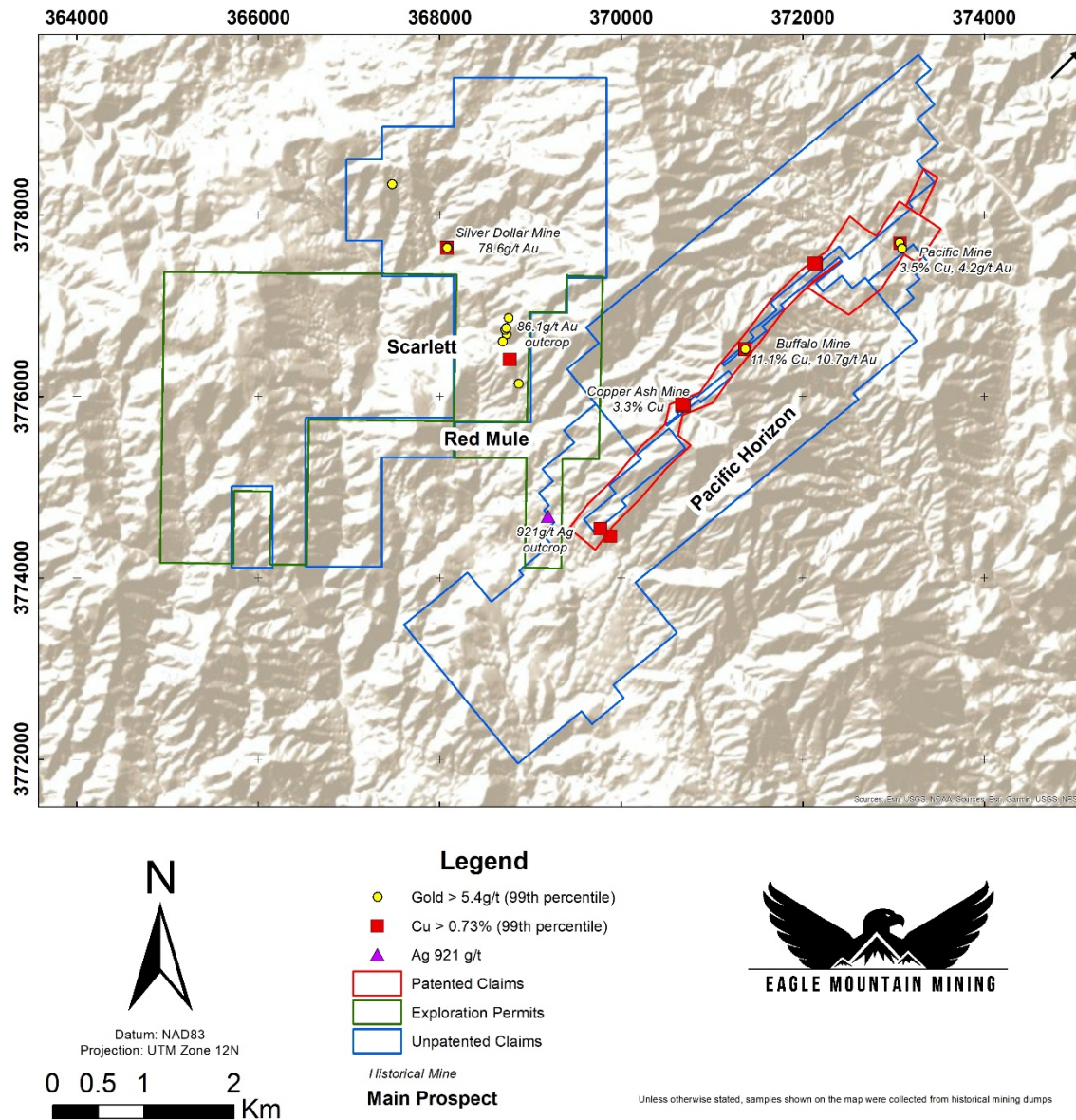


Figure 1 Silver Mountain Project: tenements outline, high-grade copper and gold samples and main historical mines

These assays have been previously reported in Eagle Mountain's Prospectus.¹

These observations confirm Eagle Mountain's understanding that the Silver Mountain Project mineralisation history is extremely complex and does require advanced exploration techniques to unravel the local geology and identify the best drill targets.

¹ Note: Information on historical results outlined in this announcement together with JORC Table 1 information, is contained in the Independent Geologists Report within Eagle Mountain's Prospectus dated 23 January 2018. The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the form and context in which the Competent Persons findings are presented have not been materially modified from the original reports.

Geophysical Studies

Eagle Mountain is pursuing a strategy of realising the full potential of the Silver Mountain Project by applying the most advanced available exploration techniques.

As part of the strategy a magnetic survey was flown in February using a UAV (Unmanned Aerial Vehicle)-supported system. This technology has been adapted and refined for mineral exploration over the last few years and has already proven itself as a highly effective solution to collect detailed magnetic information over prospective areas. The survey was flown over parts of the Scarlett and Pacific Horizon prospects to refine the understanding of the local geology and aid drill-targeting.

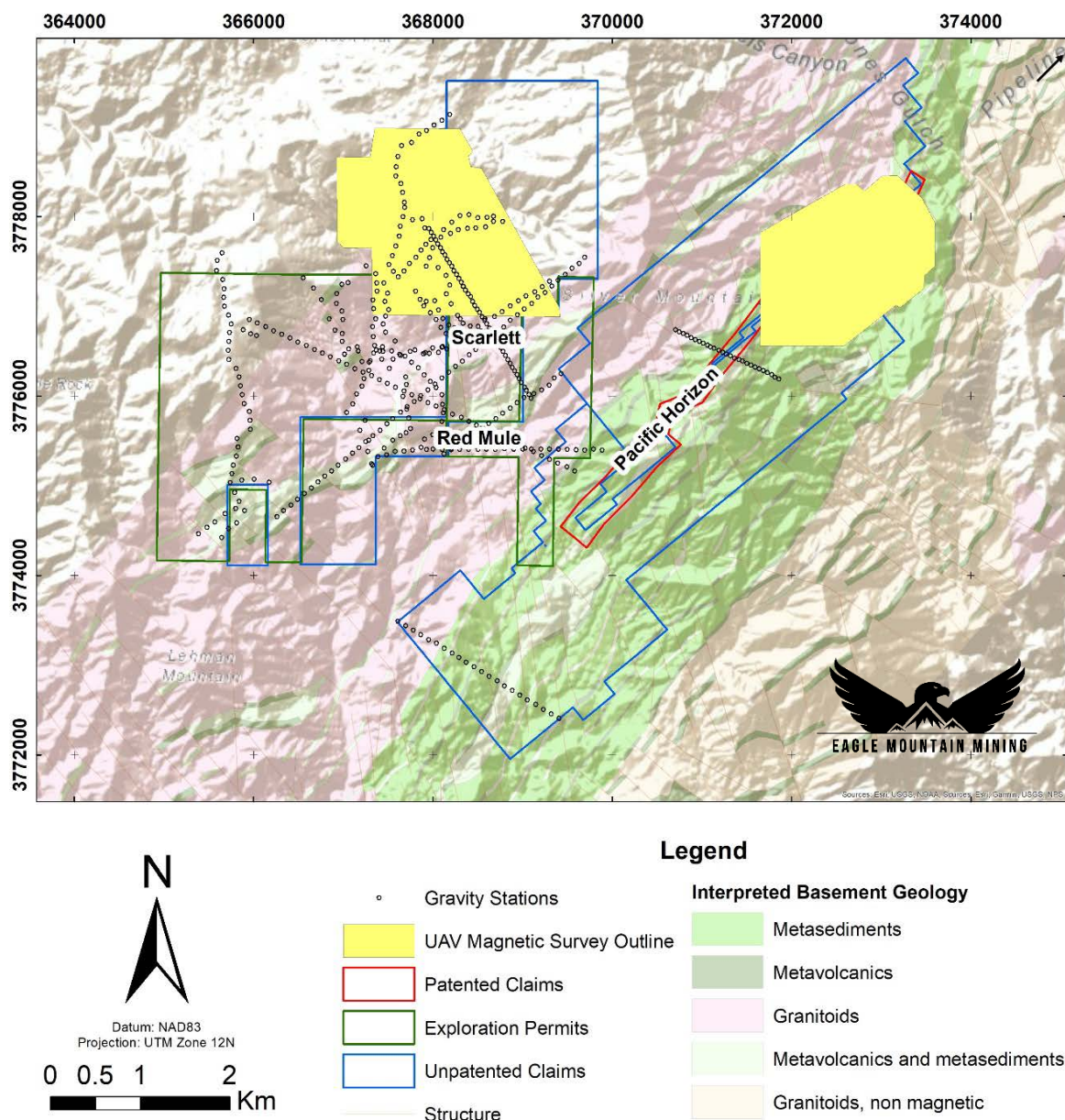


Figure 2 Silver Mountain Project area and outline of recently completed magnetic survey and gravity stations

The level of detail received provides far greater resolution than that achieved with the 100-metre spaced VTEM flown in 2013. It should aid in more definitive drill hole placement.

A gravity survey was also completed in March. Scarlett prospect gravity data was collected over the high-grade Au veins and nearby areas to enhance the understanding of the local mineralisation gained from recent geological mapping. At Pacific Horizon prospect, data was collected in the Buffalo shaft area, where some of the highest value copper assays have been received from sampling the historical mining dumps (**Figure 2**).

Final data from the magnetic and gravity surveys have been received and results of the ongoing interpretation will be announced once finalised.

Establishment of Operations Office in Tucson

The Company has established an Operations office in Tucson, Arizona, a city with a rich mining history and close to many related amenities. The office itself is only a small part of the complex which will also hold all the drill core and other samples, plus being an equipment and supplies store. The Tucson-based team that CEO and Managing Director Charles Bass assembled has been working diligently preparing for a ramp up in activity in preparation for drilling. Additional senior staff are currently being recruited.

Next Quarter

To prepare the Company for drilling later in the year, exploration activities are being ramped up over this current quarter and the next. Eagle Mountain's planned activities include:

- An innovative geophysical survey is planned at Scarlett, Red Mule and over selected areas at Pacific Horizon. The survey will use Induced Polarization and Resistivity techniques to understand the subsurface distribution of the sulphide minerals associated with gold and copper. The geophysical contractor, SJ Geophysics from Canada, will use a distributed IP system, a relatively new technique that allows faster and more efficient surveying. More importantly, it is able to see deeper and with more resolution.
- Geological mapping and sampling of certain areas at Scarlett and Red Mule will continue throughout the quarter. Mapping will focus on areas of known mineralisation and explore potential extensions.
- The Company is investigating various options to establish a water supply system. These include but are not limited to capturing surface water, drilling a new water well within the Company's private land holdings (Patented Claims) and refurbishing existing wells near drilling areas. A hydrogeological contractor will be engaged to provide expert advice on this matter.
- Several drilling contractors have shown interest in visiting the property before submitting a bid for the planned drilling program. Site visits and contract negotiations will occur during the next quarter and the Company will keep investors informed once a suitable contractor has been appointed.

- Roadworks are in progress to improve access to all areas and will continue during the next quarter. Additional options to facilitate access are being considered.

The Company looks forward to keeping shareholders informed as planning for further exploration is finalised and results come to hand.

For further information please contact:

Charles Bass

BSc, MSc, FAusIMM, FAIG, FAICD
Managing Director & CEO
charlie@eaglemountain.com.au

Mark Pitts

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

Competent Person Statement

Information in this report relating to Exploration Results is based on information compiled under the supervision of Mr Charles Bass who is an employee of the company. Mr Bass is a Fellow of the Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientist. He holds shares and options in the Company. Mr Bass has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bass consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Eagle Mountain Mining Limited

Eagle Mountain offers investors exposure to the highly-prospective copper-gold region of Arizona. The Silver Mountain Project sits on the Laramide Arc, a geological feature containing world class porphyry copper mines such as Bagdad, Miami and Resolution. It also lies on the southern extension of a northeast-southwest prospective metallogenic belt which hosts United Verde and Iron King. The project comprises three individual prospects: Pacific Horizon, Scarlett and Red Mule. The Company is led by a highly experienced Board which is looking to create shareholder value by applying modern exploration techniques at the Silver Mountain Project.

Schedule of interests in mining tenements

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

(a) Interests in mining tenements as at 31 March 2018

Prospect & Tenure type	Claim Reference (Tenement)	Percentage held at end of quarter	Notes
Pacific Horizon			
Patented Claims (26 individual claims)	Empire, Copper Ash, Palestine, Buffalo, Little Pittsburg, Austin, Wellington, Eagle, Number Ten, Number Eleven, Number Twelve, Number Thirteen, Noonday, South Noonday, Dudley, Comet, Alameda, Virginia, Mars, Ashland, Oakland, Sunnyside, Cuprite, Azurite, Yavapai and Jumbo	100%	
Unpatented Claims (150 individual claims)	SMM#1-14, SMM#17-145, SMM#147, SMM#149, SMM151, SMM#155, SMM#157, SMM#159, SMM#161	100%	
Exploration Permit (1 individual permit)	08-117371	100%	
Scarlett			
Unpatented Claims (92 individual claims)	SCA#1-15, SCA#57-133	100%	
Exploration Permit (2 individual permits)	08-117369, 08-117373	100%	
Red Mule			
Unpatented Claims (98 individual claims)	SMM#146, SMM#148, SMM#150, SMM#152, SMM#153, SMM#154, SMM#158, SMM#160, SMM#162-207, SMM#210-212, SCA#16-56	100%	
Exploration Permit (2 individual permits)	08-117370, 08-117372	100%	

(b) Tenements acquired and disposed of during the quarter

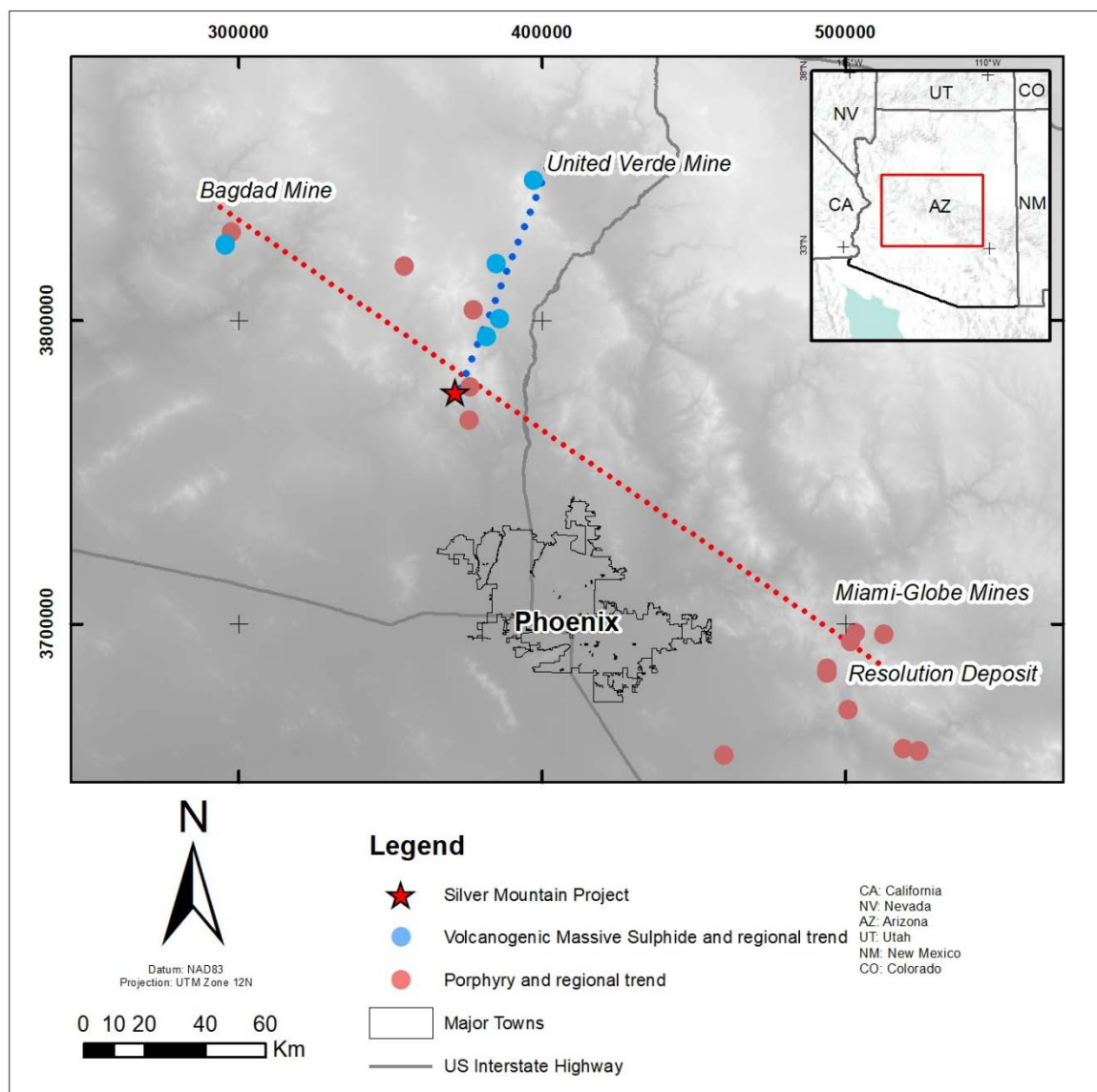
None

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

None

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

None



Location map of the Silver Mountain Project with major mines and deposits and local towns and infrastructure

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

Eagle Mountain Mining Limited

ABN

34 621 541 204

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(163)	(196)
(b) development	-	-
(c) production	-	-
(d) staff costs (<i>administration and corporate</i>)	(41)	(41)
(e) administration and corporate costs	(152)	(272)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – rent incentive rebate	62	62
1.9 Net cash from / (used in) operating activities	(291)	(443)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(337)	(403)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – cash on acquisition of subsidiary	-	36
2.6	Net cash from / (used in) investing activities	(337)	(367)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares and options	8,005	9,513
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(133)	(306)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(85)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(8)	(8)
3.10	Net cash from / (used in) financing activities	7,864	9,114

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,068	-
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(291)	(443)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(337)	(367)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,864	9,114
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	8,304	8,304

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	8,304	1,068
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,304	1,068

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

14

-

Office Rent paid to an associated entity of Mr Bass, a director of the Company - \$14,000. (The Company received a rent incentive payment of \$61,950 in respect of the office rent arrangement).

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

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

**Current quarter
\$A'000**

-

-

8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

-

-

-

-

-

-

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

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	(1,021)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(55)
9.5	Administration and corporate costs	(150)
9.6	Other: Share issue costs	(585)
9.7	Total estimated cash outflows	(1,811)

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

Compliance statement

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

Sign here: 

Company secretary

Date: 30 April 2018

Print name: Mark Pitts

Notes

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