

2022 Annual Report

Eagle Mountain Mining Limited (ASX:EM2) ("Eagle Mountain", the "Company") is pleased to attach the Annual Report for the year ending 30 June 2022.

For further information please contact:

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Company Secretary

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This Announcement has been approved for release by Mark Pitts, Company Secretary on behalf of the Board of Eagle Mountain Mining Limited

ABOUT EAGLE MOUNTAIN MINING

Eagle Mountain is a copper-gold explorer focused on the strategic exploration and development of the Oracle Ridge Copper Mine and the highly prospective greenfields Silver Mountain Project, both located 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.

Follow the Company's developments through our website and social media channels:



LinkedIn



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EM2 Website

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EAGLE MOUNTAIN MINING

- 2022 -
**ANNUAL
REPORT**



CORPORATE DIRECTORY

DIRECTORS

Rick Crabb (Non-Executive Chairman)

Charles Bass (Managing Director)

Roger Port (Non-Executive Director)

ALTERNATE DIRECTOR

Brett Rowe (Alternate Director for Charles Bass)

EXECUTIVE

Tim Mason (Chief Executive Officer)

Manuel Ramos (Chief Executive Officer - US Operations)

COMPANY SECRETARY

Mark Pitts

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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South Perth WA 6151

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

ASX CODE

EM2

ABN

34 621 541 204

CORPORATE GOVERNANCE

A summary statement reporting against the 4th Edition of the ASX Corporate Governance Recommendations which has been approved by the Board together with current policies and charters is available on the Company website.

<http://eaglemountain.com.au/about/#corporate>



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CHAIRMAN'S LETTER

DEAR SHAREHOLDERS,

IT IS MY PLEASURE TO PRESENT TO YOU THE FY22 ANNUAL REPORT FOR EAGLE MOUNTAIN MINING LIMITED.

In addition to important financial and corporate governance information, this Report provides a detailed update on a year full of progress towards the Company's key objective to become a low emission producer at its high-grade Oracle Ridge Copper Project in Arizona, USA, to supply copper to the rapidly growing green energy market.

The extensive work undertaken during the financial year has further enhanced the status of the Oracle Ridge Copper Project as a quality acquisition, given its tier 1 location, existing underground development, improving high-grade copper resource and multiple prospective exploration targets. The Eagle Mountain team have done excellent work this year growing and building confidence in the Resource.

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As announced in February 2022, work began to recommission the existing underground mine to enable underground mapping, sampling and drilling to commence. One of the prime advantages of this asset is its 18 kilometres of underground infrastructure, which gives the Company the advantage of rapid restart potential. Advancing exploration underground will be more cost effective and provide an improved understanding of geological structures and metallurgy.

In March 2022, following exceptional drilling results, the Company released its first update to the JORC (2012) Mineral Resource Estimate, to deliver a 36% increase in contained copper at a 1% cut-off grade, with substantial further optionality at lower cut-off grades.

The Company continued to drill from surface through the remainder of the FY 22 year. The goal has been to build on the resource, particularly in the Measured and Indicated categories, and also advance our understanding of the complex geological structures within the total landholding. We are currently eagerly awaiting permits to drill one of these nearby prospective areas.

It has been another productive year led by our Managing Director Charles Bass and CEO Tim Mason in Perth and supported by Manuel Ramos in Tucson as CEO of US Operations. I know the team members are pleased to be working together again in person now with travel restrictions lifted. We are fortunate to have a dedicated team and on behalf of the Board, I thank them for their ongoing commitment to the Company.

Finally, I would like to again thank all shareholders, whose continued support is much appreciated. Next year promises to be another active year and I wish you all the best.

Yours faithfully



RICK CRABB
CHAIRMAN



CEO LETTER

DEAR SHAREHOLDERS,

I AM PLEASED TO REPORT ON THE PROGRESS MADE BY OUR COMPANY OVER THE PAST YEAR.

Eagle Mountain has continued to successfully execute its strategy to de-risk a future restart of the Oracle Ridge copper mine in Arizona. Oracle Ridge benefits from both a history of production and extensive existing infrastructure which provides valuable confidence in many necessary aspects to become a successful mining operation.

A key aspect to de-risking the project is to build and upgrade our existing mineral resources. Over 48,000 metres were drilled through FY22 which contributed to the discovery of further mineralisation. Following a recent JORC resource update, we have now increased our Measured and Indicated Resource tonnes by more than 60% since December 2020.

Oracle Ridge has an accessible underground mine with over 18 kilometres of existing developments. This is a unique opportunity as not many pre-production projects have direct access to in-situ mineralisation from underground. At the time of writing, we are refurbishing parts of these workings and will start an extensive sampling program and commence a lower cost underground drilling program focusing on building and upgrading our resources.





We continually consider the broader economic, environmental and social impacts of our activities as part of our long-term strategy and goals. I am proud that we have continued to support local communities' sporting teams and fire departments during the last year.

Significantly, Oracle Ridge can use the natural benefits of gravity to support a low-emission mining process. Unlike mines with long haulage ramps, Oracle Ridge has the potential to utilise available battery-operated equipment. This will reduce emissions from the underground equipment and also save energy by requiring smaller and more energy-efficient ventilation systems. The project has the potential to produce copper for global decarbonisation with significantly lower emissions than similar mining operations.

With the advanced Oracle Ridge copper project, our Company is well positioned to capitalise on the multi-decade transition to 'green energy' and 'to find the metals needed to decarbonise the world'. Most analysts continue to anticipate shortfalls in global copper supply due to increasing demand and limited supply response; both of which support forecasts for higher copper prices, especially beyond 2025. This is a great time to be growing our copper inventory ahead of this period.

It would be remiss of me not to mention the impact of the recent volatile market conditions. Like many resource companies globally, Eagle Mountain has not been immune to these challenges and our share price has been impacted. Given the underlying quality of Oracle Ridge and the positive outlook for copper, I am confident that our Company is well placed for growth.

Finally, I would like to thank all our dedicated board, employees, contractors, business partners and shareholders for their contributions and support to our Company over the last year.

Yours faithfully



TIM MASON
CHIEF EXECUTIVE OFFICER



FY22 HIGHLIGHTS

- First upgrade to the JORC Mineral Resource Estimate (MRE) for the Oracle Ridge Copper Project completed in March 2022
- A second MRE update was completed subsequent to the end of the financial year with the following highlights:
 - 64% increase in Measured and Indicated Resources since December 2020 (1% Cu cut-off)
 - 35% increase in total tonnes in Resource since December 2020 (1% Cu cut-off)
- Recommissioning of the existing underground mine commenced
- New prospective target areas identified with potential to further build the resource base
- Commencement of large diameter drilling for metallurgical testwork
- Support for local communities continued, including local fire departments and sporting teams
- Land holdings increased with 39 new claims staked over Golden Eagle and OREX
- No lost time injuries for entire year
- Well supported capital raisings which generated \$33m in new capital

COPPER FOR A LOW EMISSION FUTURE

VISION

Eagle Mountain's vision is to create shareholder and stakeholder value by becoming a low-emission producer of copper which is vital for the decarbonisation of the global economy.

Employees underground at Oracle Ridge Copper Mine





SOCIAL AND COMMUNITY

We continue to build strong relationships with the local communities and a range of stakeholders. We are a proud sponsor of the local women's softball association and continue to support the San Manuel and Oracle Ridge Fire Departments.

We work closely with local governments and environmental departments and look forward to continuing these relationships.

Logging core in our Tucson logging facility

PEOPLE

The health, safety and well-being of our people is a key priority for Eagle Mountain and is essential to enable a prosperous future for Eagle Mountain and its surrounding and supporting stakeholders.

We pride ourselves on continuous training and development especially when it comes to safety.

Where possible, Eagle Mountain employs and engages contractors locally from the surrounding community. We continue to encourage diversity in the workplace environment. Currently 23% of our employees are women.

The Company retained all Directors, executives and senior management in a competitive market and employed many new key employees who have added to the team throughout the year.



ENVIRONMENT

Eagle Mountain is embracing a low emission future and is committed to being a responsible steward of the natural environment. The Company is supporting the renewable energy sector by targeting responsibly-mined copper with the strong and unique potential to harness the natural benefits of gravity in its operations.

Water sample testing underground at Oracle Ridge



GOVERNANCE

The Company is committed to a high level of corporate governance and fostering a culture that values ethical behaviour, integrity and respect. We believe that adopting and operating in accordance with high standards of corporate governance is essential for sustainable long-term performance and value creation.



OUR COMMITMENT TO A SUSTAINABLE FUTURE

“The global transition towards green energy is reliant on copper with increasing demand into the future. We aim to support that demand with a US domestic supply of copper which is mined in a low disturbance, low emissions process while supporting local communities. Our Oracle Ridge project is located in an area with a history of mining and is well supported with local infrastructure and over 18 kilometres of existing underground tunnels. Unlike large open pits, our underground operations have far less surface disturbance leading to less impact on the environment. Our Company is founded on strong governance principles and we are committed to operating responsibly for a sustainable future.”

TIM MASON
CHIEF EXECUTIVE OFFICER





REVIEW OF OPERATIONS

Eagle Mountain Mining Limited ("Eagle Mountain", "Company") owns 100% of the Oracle Ridge and Silver Mountain projects in Arizona. Arizona is a Tier 1 mining jurisdiction¹ which hosts many large copper mines and projects operated by major mining companies including BHP, Rio Tinto, Freeport-McMoran, Asarco, Hudbay and South 32. The Company's projects are prospective for both high-grade copper-silver-gold mineralisation and large-scale copper systems. Activities during the year focused primarily on the Oracle Ridge Project.

Eagle Mountain's vision is to become a low-emission producer of copper which is vital for the decarbonisation of the global economy. It is planned that future mining operations will have a strong focus on reducing emissions by using battery or electric powered mining equipment and sourcing or producing renewable energy where possible. At Oracle Ridge, the project benefits from its resource being located on a hill so the use of gravity as part of the mine design could further reduce energy consumption which also reduces emissions. More than 70 countries² have renewed targets for decarbonisation of their economies and copper is a key metal for reducing the use of fossil fuels. We are driven by our vision to supply the copper for a greener global future, but also to supply that copper via a low-emission process.

Oracle Ridge Copper Project (100%)

The Oracle Ridge Copper Mine is located northeast of Tucson and 26 kilometres from BHP's San Manuel mine, once the largest underground mine in the USA. The site is accessible by road and is supported by a nearby railway and a copper smelter in the state. Figure 1 shows the location of the Oracle Ridge copper project.

¹Arizona is ranked 5th in the world by the Fraser Institute for mining investment attractiveness
<https://www.fraserinstitute.org/sites/default/files/annual-survey-of-mining-companies-2021.pdf>

² <https://www.un.org/en/climatechange/net-zero-coalition>

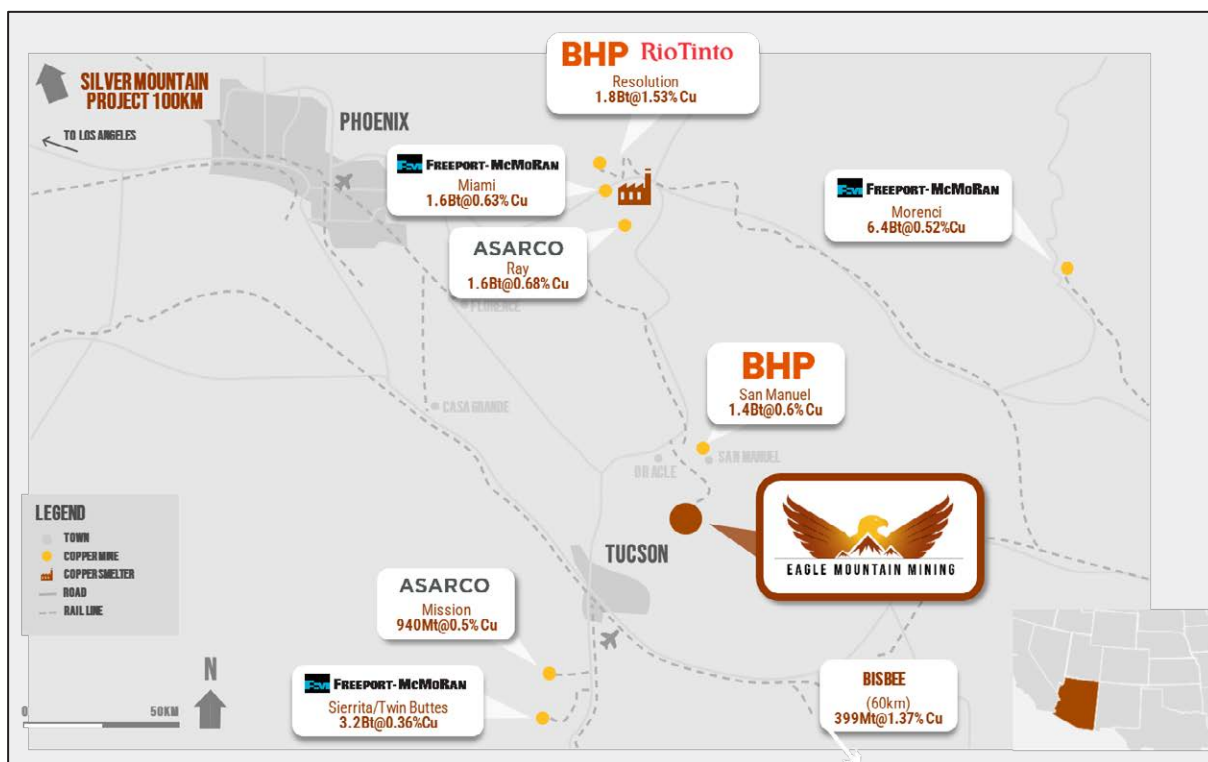


Figure 1 - Location of Oracle Ridge Copper Project

The Oracle Ridge Copper Mine is an advanced stage project containing a high-grade copper resource with significant gold and silver credits. Mineralisation at Oracle Ridge is skarn-hosted which is common at many other porphyry deposits in Arizona. The source of the mineralisation at Oracle Ridge has not been found and it remains a key exploration opportunity.

The project benefits from 18 kilometres of existing underground development in very good condition, along with other supporting infrastructure.

Exploration

Eagle Mountain commenced its diamond drill program in September 2020. Following strong exploration results combined with ongoing delineation of further exploration targets, the Company continued to drill with three drill rigs for the first half of the financial year. Due to assay delay times and the very efficient drilling, there was a large backlog of assays and the Company decided to revert to two drill rigs. The two drill rigs continued for the remainder of the financial year and reached record drill rates. Over 48,000 metres of diamond drilling was undertaken during the financial year with the aim of both building and upgrading mineral resources.

Resource upgrade and infill drilling was completed to increase the volume of the resource in higher confidence Indicated and Measured categories. Only 'Measured' and 'Indicated' Mineral

Resources may be converted to Ore Reserves if they are economically mineable as defined by a Pre-Feasibility or Feasibility Study.

Selected Infill drilling results achieved during the financial year are listed below:

- **46.7m at 2.16% Cu**, 19.55g/t Ag and 0.27g/t Au (WT-21-51); including
 - 15.3m at 4.10% Cu, 37.01g/t Ag and 0.53g/t Au, which included;
 - **6.3m at 7.15% Cu**, 67.14g/t Ag and 1.00g/t Au³
- **17.3m at 2.23% Cu**, 25.34g/t Ag and 0.21g/t Au (WT-21-55)⁴
- 10.5m at 1.95% Cu, 26.04g/t Ag and 0.28g/t Au (WT-21-58) within
 - 46.0m at 1.49% Cu, 17.91g/t Ag, 0.20g/t Au⁴
- 10.9m at 2.45% Cu, 18.97g/t Ag and 0.41g/t Au (WT-21-60) within
 - **45.6m at 1.62% Cu**, 17.30g/t Ag and 0.31g/t Au⁴
- **13.2m at 3.50% Cu**, 35.46g/t Ag and 0.43g/t Au (WT-21-63) including
 - 1.7m at 7.34% Cu, 78.7g/t Ag and 0.70g/t Au⁵
- 21.7m at 2.85% Cu, 25.85g/t Ag and **0.53g/t Au** (WT-21-63)⁵

Infill drilling around the main mine area provided strong support to nearby historical intercepts. Interestingly, mineralisation continued to be intersected between the main mineralised lodes in historically unsampled areas. While more work is required, these results are encouraging and could have favourable implications for reducing mining costs in a potential production scenario.

Expansion drilling continued during the year with the aim to build further resources. The drilling covered a range of areas across the project, including the Talon where new mineralised zones up to 700 metres from north to south were discovered. The next Resource update was released early in Q4 2022.

Selected Resource expansion drilling results achieved during the financial year are listed below:

- **55.3m at 2.16% Cu**, 17.15g/t Ag and **0.54g/t Au**, 0.024% Mo (WT-22-94), including:
 - 21.3m at 3.28% Cu, 26.16g/t Ag, 0.76g/t Au and 0.038% Mo⁶
- **12.2m at 2.35% Cu**, 24.46g/t Ag and 0.57g/t Au (WT-21-71)⁶
- **6.2m at 3.19% Cu**, 44.94g/t Ag and 0.61g/t Au (WT-21-65), including:
 - 0.8m at **15.55% Cu**, **240g/t Ag** and **2.30g/t Au**⁶
- 15.4m at 1.91% Cu, 15.88 g/t Ag and 0.31 g/t Au (WT-21-64), including:
 - 1.2m at **10.85% Cu**, **121g/t Ag** and **1.09g/t Au**⁶
- 14.6m at 1.72% Cu, 21.30g/t Ag and 0.27 g/t Au (WT-21-67)⁶
- **60.7m at 1.56% Cu**, 14.15 g/t Ag and 0.32 g/t Au (WT-22-99), including:
 - **14.6m at 2.83% Cu**, 27.54 g/t Ag, 0.51 g/t Au⁷

³ Refer ASX Announcement 24 January 2022

⁴ Refer ASX Announcement 3 March 2022

⁵ Refer ASX Announcement 15 March 2022

⁶ Refer ASX Announcement 20 April 2022

- 4.5m at 2.76% Cu, 32.85 g/t Ag and 0.36 g/t Au (WT-22-96)⁷
- 4.5m at 2.92% Cu, 29.14 g/t Ag and 0.66 g/t Au (WT-22-97)⁷

JORC Mineral Resource Upgrades

In March 2022, the Company completed its first upgrade to its JORC Mineral Resource Estimate (“MRE”). The Company then completed a further update to the MRE in October 2022 updating the Resource to 16.5Mt at 1.45% Cu, 15.10/t Ag and 0.19g/t Au for 240kt Cu, 8.0Moz Ag and 102koz of Au (1.0% Cu cut-off) (refer ASX announcement 6 October 2022).

Key results of the updated MRE are outlined below.

- 65% of the Resource is in ‘Indicated’ or ‘Measured’ categories
- 64% increase in Measured and Indicated Resources since December 2020 (see Figure 2)
- 36% increase in contained copper at a 0.8% Copper cut-off (see Figure 3)
- Increasing grades at higher confidence resource categories
- Reviewed by independent consultants SRK Consulting Pty Ltd

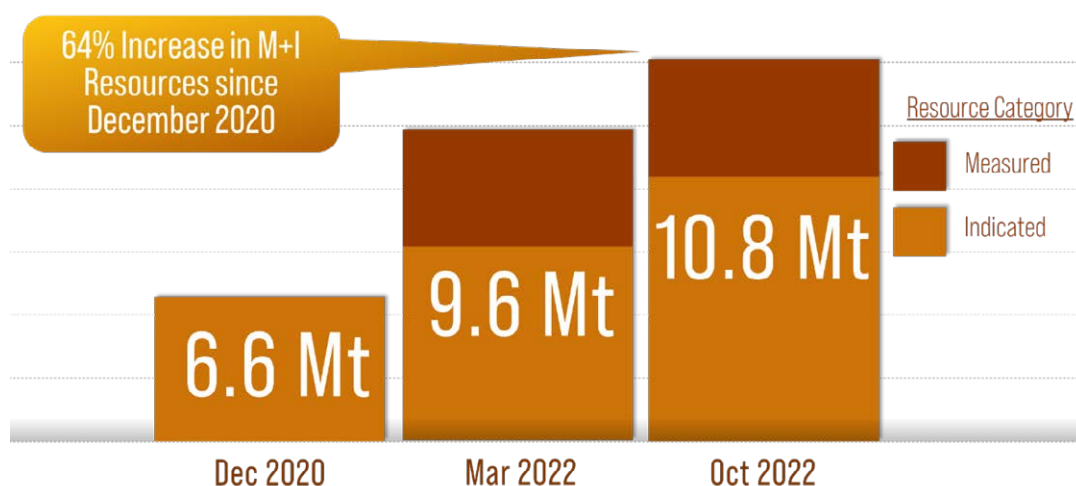


Figure 2 – Diagram showing total Measured and indicated Resources at a 1% Cu cut-off

⁷ Refer ASX Announcement 6 June 2022

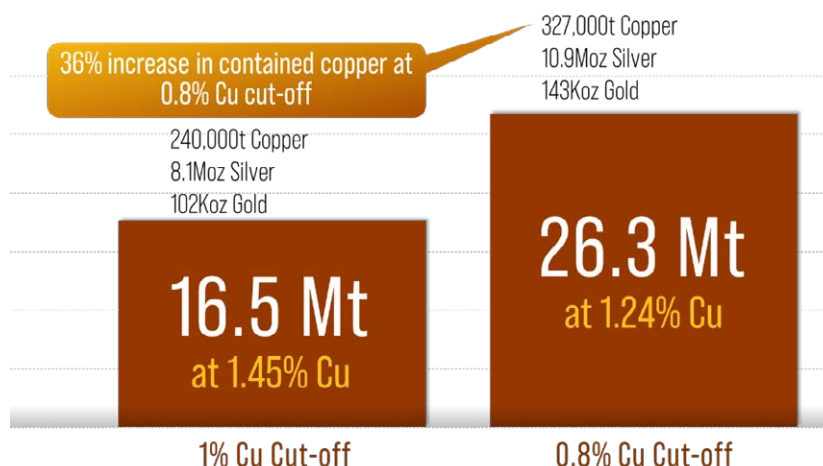


Figure 3 – Diagram showing the increase in contained copper at a 0.8% Cu cut-off as at the October 2022 Resource Update (refer ASX announcement 6 October 2022)

Table 2 – Summary of Updated October 2022 MRE Resource Categories at 1% Cu cut-off (received subsequent to the end of financial year)

Resource Category	Tonnes [Mt]	Cu [%]	Ag [g/t]	Au [g/t]	Contained Cu [t]	Contained Ag [Oz]	Contained Au [Oz]
Measured	2.1	1.57	16.42	0.21	33,000	1,111,000	14,000
Indicated	8.7	1.49	14.94	0.21	129,000	4,178,000	59,000
Subtotal M+I	10.8	1.50	15.23	0.21	162,000	5,290,000	74,000
Inferred	5.7	1.36	14.85	0.15	77,000	2,719,000	28,000
Total M+I+I	16.5	1.45	15.10	0.19	240,000	8,009,000	102,000

Differences may occur in totals due to rounding

Significantly greater tonnages occur at lower copper cut-off grades, providing optionality for future mining and processing studies (refer to Table 3 below and Figure 3 above).

Table 3 – Summary of Updated October 2022 MRE Resource Categories at 0.8% Cu cut-off

Resource Category	Tonnes [Mt]	Cu [%]	Ag [g/t]	Au [g/t]	Contained Cu [t]	Contained Ag [Oz]	Contained Au [Oz]
Measured	2.8	1.40	14.67	0.19	39,000	1,324,000	17,000
Indicated	13.2	1.28	12.91	0.19	170,000	5,496,000	80,000
Subtotal M+I	16.0	1.30	13.22	0.19	209,000	6,820,000	97,000
Inferred	10.3	1.15	12.43	0.14	118,000	4,114,000	46,000
Total M+I+I	26.3	1.24	12.91	0.17	327,000	10,933,000	143,000

Differences may occur in totals due to rounding

Recommissioning of the Underground Mine

The Company's increased confidence in the resource potential of the Project provided the impetus to bring forward plans to invest in the recommissioning of parts of the existing underground mine.

The Oracle Ridge mine includes over 18 kilometres of existing underground development, accessed from two portals, with over 90% of the existing mine accessible from these portals not requiring dewatering. The underground recommissioning includes installation and/or servicing of electrical, water and air services, followed by progressive checks and rehabilitation of underground tunnels as required.

During the year, the Company progressed necessary planning for the recommissioning including emergency escape-way plans, mine ventilation plans, emergency response contracts and other safety-related plans. Many of these documents are necessary for compliance with government agencies. Various inspections were undertaken and tendering for a suitable contractor to undertake the work also progressed. The MSHA (Mine Safety and Health Administration) underground mine status has now moved from non-active to active, non-producing. Subsequent to the end of the financial year, the Company appointed a mining services contractor to undertake the works.

Access to the existing underground mine enables diamond drilling and mapping to be conducted from underground. This has a range of benefits including:

- **Reduced costs and time** – Drilling from underground will allow a reduction in hole length by an estimated 40 to 60% when compared to surface drilling. As the Company is focusing on improving the quality of the resource with higher density drilling, this provides significant time and cost savings.
- **Improved quality** – Shorter holes typically have less deviation which is important for higher density drilling as required for Measured and Indicated mineral resources.
- **Faster delivery of results** – The shorter holes mean quicker turnaround and therefore faster results for future Mineral Resources Estimate updates.
- **Other** – Drilling from underground can reduce the impact of adverse weather events such as monsoons or snow, which have previously impacted surface drilling.

Underground access also facilitates certain studies which will be important aspects of a planned preliminary feasibility study. These activities include:

- **Metallurgical** – collection of bulk samples for metallurgical and comminution test work to design optimal processing circuitry and recoveries.
- **Geotechnical** – collection of structural data for geotechnical evaluation of stopes and development designs.

Access from the underground will also provide optionality to install a future exploration drive from the existing underground towards the Talon area where multiple strong drilling results have been received.



John Perez, Safety Advisor (Left) with Rex McLachlin, Senior Geologist (Right)



Underground secondary fan



Electrical transformer



Underground development drive showing good ground conditions



Underground intersection showing good ground conditions and existing services

Metallurgical Testwork

The metallurgy of the Project has been significantly de-risked by actual production in the early 1990s when a saleable, clean copper-silver-gold concentrate was produced. The mine did encounter some processing challenges due to the lack of comprehensive studies covering different types of skarn mineralisation and poor crushing and grinding processes. During the 2010-2015 period, the previous owners of the project completed additional testwork which highlighted favourable copper, silver and gold recoveries.

The Company has engaged a metallurgist to review the historical production records and metallurgical studies and to recommend additional work to confirm and possibly improve on the previous results. This work will focus on:

- Completing initial metallurgical studies on Talon area mineralisation;
- Reviewing the different mineralogical characteristics of the different skarn and mineralisation styles across the mine. Due to the intrinsic variability of skarn mineralisation, it is important to understand the unique metallurgical characteristics of each area of the mine to assist with mine scheduling and processing down the track;
- Reviewing and optimising crushing and grinding requirements as the early 1990s mill carried up to a 50% recirculating load;
- Reviewing the potential presence of minerals or deleterious elements which could impact processing or concentrate saleability. As discussed above, based on previous processing and concentrate sales it is expected these will not be an issue;
- Evaluating the viability of recovering additional by-products such as magnetite and garnet; and
- Assessing the potential benefits of ore sorting technology to reduce the material to be processed and, consequently, mill size and capital costs.

The first large diameter metallurgical drill hole in the Talon commenced late in the financial year to provide additional material for the necessary tests required for future studies. As the Talon is a new discovery, no previous metallurgical testwork has been completed in this area.

Resource Expansion Potential

OREX

In October 2020, field mapping identified extensive occurrences of outcropping skarn-hosted copper-silver-gold mineralisation to the south of the main mine area (refer ASX announcement 12 October 2020). This new area was called OREX. A detailed mapping programme was undertaken with over 100 grab samples collected. The outcropping mineralisation was in limestone formations, similar to those encountered at the Oracle Ridge mine. The results prompted the staking in 2020 of over 80 additional unpatented mining

claims covering the eastern extension of the lower Leatherwood-Sediments contact. A further 12 unpatented claims were also staked during the reporting year.

The Company believes that the prospective contact exists at depth below the Leatherwood for approximately three kilometres in an east-west direction (see Figure 5).

Permit applications to the United States Forest Service for drilling on parts of the OREX prospect were progressed during the year.

Golden Eagle

Golden Eagle is an area centred approximately two kilometres to the east of the Oracle Ridge mine portals which abuts the OREX project area to the north. Literature and preliminary exploration work by Eagle Mountain showed potential for Golden Eagle to contain a gold-rich mineralised system.

During the year, an additional 27 Unpatented Claims were staked at Golden Eagle to secure exploration rights over prospective areas. Figure 5 below shows the location of the claims staked at Golden Eagle. Drilling results confirmed the two hydrothermal alteration systems at depth. These systems are:

- A vein-hosted polymetallic system characterised by pyrite and silica alteration with localised veins containing lead, zinc and copper sulphides. Interestingly, the intensity of alteration and veining appears to increase to the west and at depth.
- A gold-rich system, confirmed by assay results, displaying abundant hematite (iron oxide) alteration associated with geological structures (e.g. breccias).

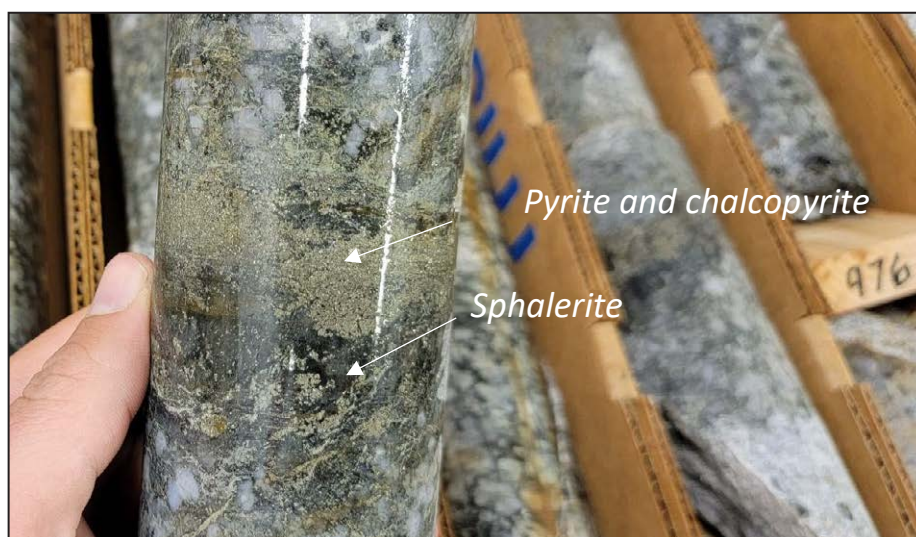


Figure 4 - Example of polymetallic veining seen in silica flooded, pyrite-rich alteration zone at Golden Eagle GE-21-09 at 295 metres downhole depth (refer to ASX announcement 28 October 2021).

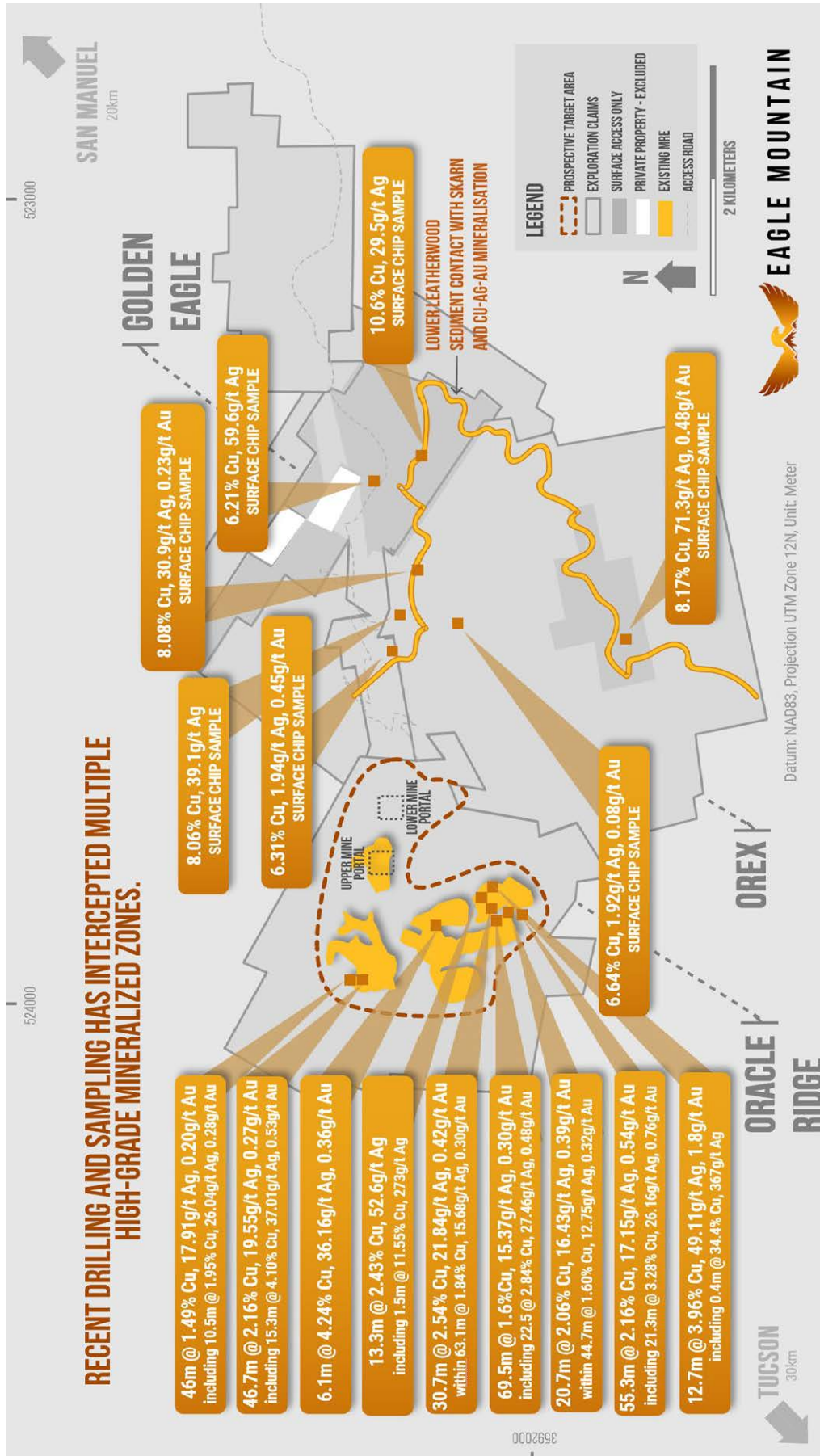


Figure 5 - Plan Map of the Oracle Ridge Claims with selected assay results shown (refer ASX announcement 6 October 2022)



Silver Mountain Copper Project [100%]

The Silver Mountain copper/gold project ("Silver Mountain") is located in central Arizona, approximately 80 kilometres to the northwest of Phoenix.

The project area sits on the Laramide Arc, a northwest-southeast trending 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 that hosts United Verde and Iron King, two historical mines of volcanogenic massive sulphide affinity. The intersection of these two trends results in a favourable geologic setting with high complexity and potential for multiple mineralisation styles.

The northern portion of the project area has a history of prospecting and mining of high-grade copper from the 1890s into the 1920s. Except for very limited campaigns in the 1960s, 1970s and early 1990s, there had been no modern exploration at Silver Mountain. Commencing in 2013, Eagle Mountain and its subsidiaries have been the first companies to complete modern exploration over the Silver Mountain project area.

Eagle Mountain combined the fragmented land ownership along the main copper trend. A portion of the tenements are held in patented claims, which grant royalty-free surface and mineral rights with very low carrying costs.

Silver Mountain encompasses four main prospects known as "Pacific Horizon", "Scarlett", "Red Mule" and "Rhyolite Target", each having a unique mineralisation style.

The Company views Silver Mountain as a very prospective project supported by multiple favourable geological signatures. Initial limited drilling has significantly enhanced the understanding of these different mineralised systems while testing only a small portion of the prospective geology.

While the current activities are currently focussed on the Oracle Ridge Project, the Company believes strong potential still exists at Silver Mountain for the discovery of an economic concentration of copper, gold and silver.

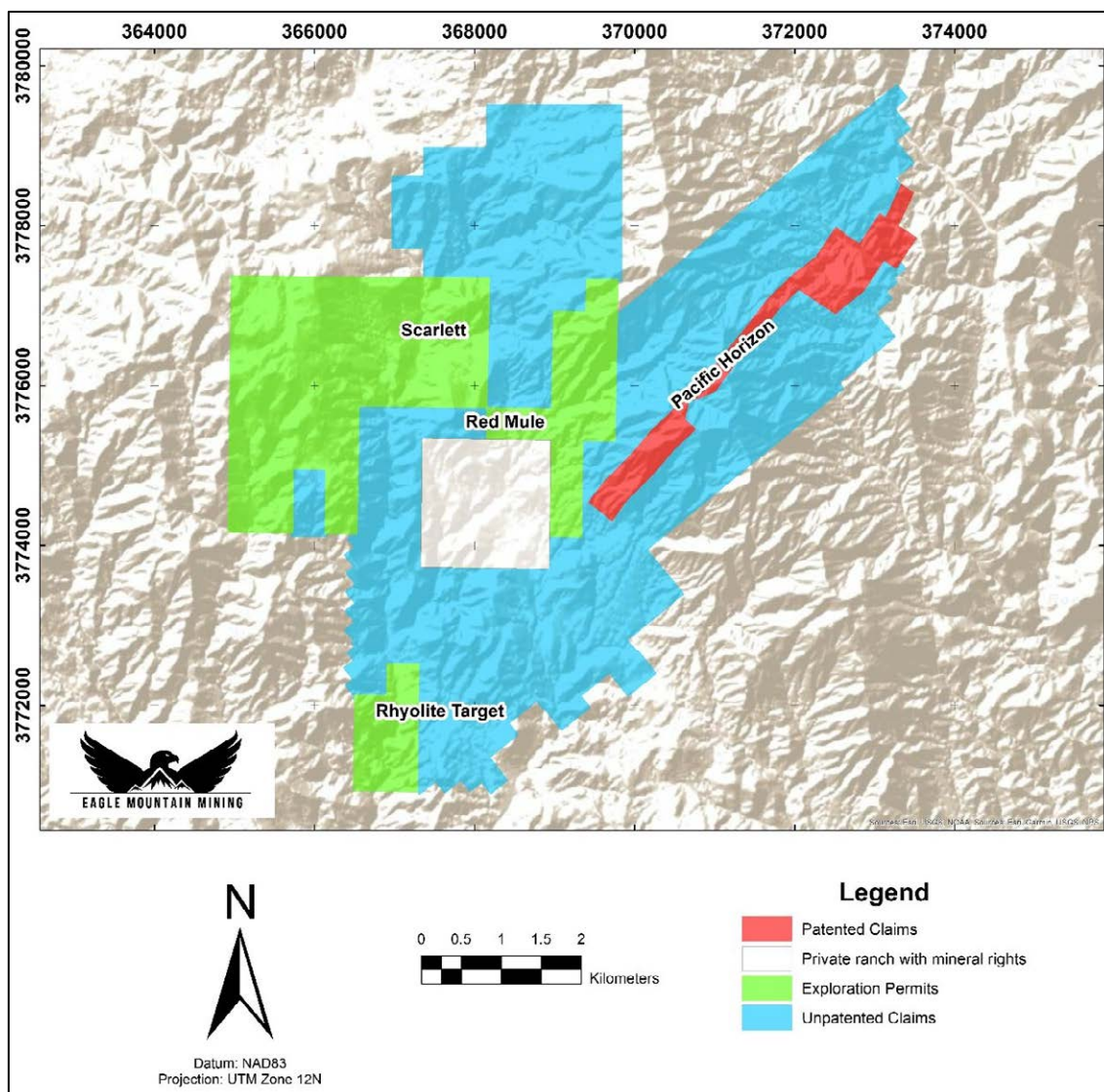


Figure 6 - Map showing the land tenure of the Pacific Horizon, Scarlett, Red Mule and Rhyolite prospects

Figure 7 below shows a hypothetical cross section across the Silver Mountain project illustrating the different types of mineralisation targets and a postulated porphyry source at depth which could explain the different mineralisation styles observed on the property.

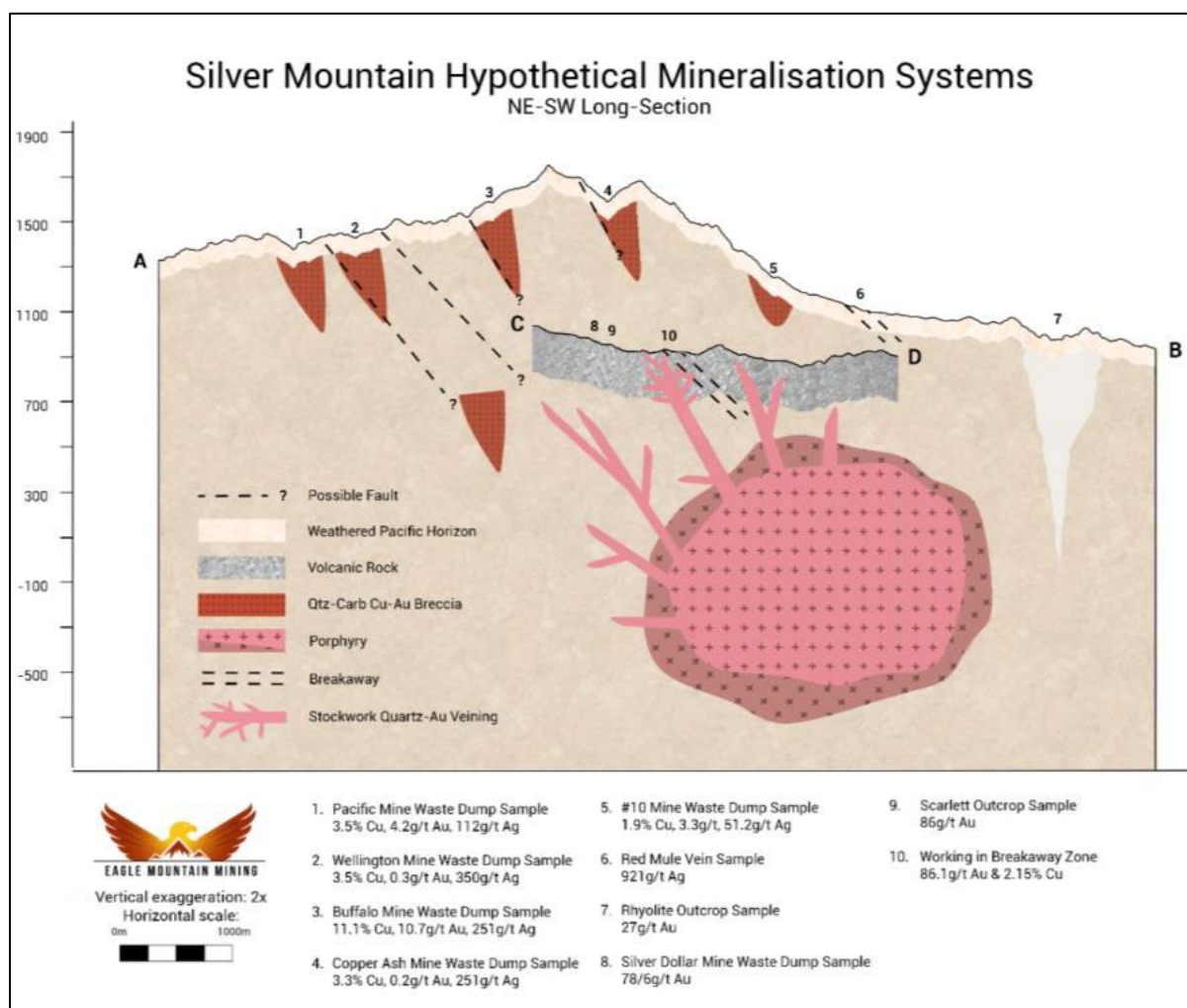


Figure 7 - Conceptual mineralisation system at Silver Mountain Project

COMPETENT PERSON STATEMENTS

The information in this document that relates to Exploration Activities is based on information compiled by Mr Fabio Vergara and Mr Brian Paull who are both Members of The Australasian Institute of Mining and Metallurgy (MAusIMM) and have sufficient experience relevant to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Mr Vergara is the Chief Geologist and Mr Paull Director of Exploration of Eagle Mountain Mining Limited and consent to the inclusion in this document of the information in the form and context in which it appears. Mr Vergara and Mr Paull hold shares and options in Eagle Mountain Mining Limited.

Where the Company references previous exploration results including technical information from previous ASX announcements and historic results, JORC Table 1 disclosures are included within them. The Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements, and all

material assumptions and technical parameters underpinning the results within 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.

Where the Company references the JORC Mineral Resource Estimate announced 6 October 2022 it confirms that it is not aware of any new information or data that materially affects the information included in that announcement, and all material assumptions and technical parameters underpinning the Mineral Resource Estimate within that announcement 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.



ANNUAL MINERAL RESOURCE STATEMENT

The Company's Mineral Resource Statement has been compiled in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31. The Company has no Ore Reserve estimates at the date of this report.

The Company governs its activities in accordance with industry best-practice. The resource reports and supporting data were subjected to internal analysis and peer-review before release.

Mineral Resources

The Company's Mineral Resource Estimate (MRE) at its Oracle Ridge Copper Project ("Oracle Ridge") in Arizona is shown as at 6 October 2022 in Tables 5 and 6 and incorporates a number of positive changes since the MRE highlighted in last year's report including:

- an interim MRE in March 2022 (refer ASX announcement "36% increase in Copper....and Growing", released on 10 March 2022); and
- an updated MRE in October 2022 (refer ASX announcement "Oracle Ridge Mineral Resources estimate Update").

SRK Consulting Pty Ltd ("SRK"), a well-respected international mining consultancy with extensive experience in Resource estimation, was engaged to review and complete the MRE's in conjunction with personnel from the Company. Both MRE's were reported in accordance with the JORC Code 2012.

Both updates to the MRE have incorporated a substantial amount of drilling and a significantly revised geological model. The geological model was created by Company personnel and reviewed by SRK. The October MRE Update was estimated using ordinary kriging ("OK"), constrained to unique geologic units.

Table 4 – Summary of existing Mineral Resources

Resource	Mineral Resource	Organization	ASX Reporting
Project	Competent Person		Date
Oracle Ridge	Rodney Brown	SRK Consulting (Australasia) Pty Ltd	6 October 2022

**Table 5 – Summary of Updated October 2022 Oracle Ridge MRE
Resource Categories at 1% Cu cut-off**

Resource Category	Tonnes [Mt]	Cu [%]	Ag [g/t]	Au [g/t]	Contained Cu [t]	Contained Ag [Oz]	Contained Au [Oz]
Measured	2.1	1.57	16.42	0.21	33,000	1,111,000	14,000
Indicated	8.7	1.49	14.94	0.21	129,000	4,178,000	59,000
Subtotal M+I	10.8	1.50	15.23	0.21	162,000	5,290,000	74,000
Inferred	5.7	1.36	14.85	0.15	77,000	2,719,000	28,000
Total M+I+I	16.5	1.45	15.10	0.19	240,000	8,009,000	102,000

Review of Material Changes

Since the Company announced its maiden JORC 2012 compliant Mineral Resource estimate in December 2020, the key changes in the MRE since last year's Annual Mineral Resource Statement and as presented (at a 1% copper cut-off grade) are as follows:

- Definition of a maiden a Measured Resource under the JORC Code of 2.1Mt, 1.54% Cu, 15.84g/t Ag and 0.22g/t Au for 33kt Cu, 1.1Moz Ag and 15koz of Au
- An overall 30% increase in total contained copper
- An overall 35% increase in total Resource tonnes
- Increased copper and silver grades at higher confidence resource categories.
- Higher confidence Indicated and Measured Resource tonnes have increased by 4.2 million tonnes or 64%
- Inferred Resources have remained mostly unchanged and now stand at 5.7 million tonnes. A large proportion of newly discovered Inferred Resources have been upgraded to Indicated Resources.

Table 6 – Comparison of the October 2022 Mineral Resource Estimates at a 1% Cu cut-off grade to the estimates as at March 2022 and December 2020

	October 2022 MRE						
	Mt	Cu [%]	Ag [g/t]	Au [g/t]	Cu [t]	Ag [Oz]	Au [Oz]
Measured	2.1	1.57	16.42	0.21	33,000	1,111,000	14,000
Indicated	8.7	1.49	14.94	0.21	129,000	4,178,000	59,000
Subtotal	10.8	1.50	15.23	0.21	162,000	5,290,000	74,000
Inferred	5.7	1.36	14.85	0.15	77,000	2,719,000	28,000
Total	16.5	1.45	15.10	0.19	240,000	8,009,000	102,000
	March 2022 MRE						
	Mt	Cu [%]	Ag [g/t]	Au [g/t]	Cu [t]	Ag [Oz]	Au [Oz]
Measured	2.1	1.54	15.84	0.22	33,000	1,093,000	15,000
Indicated	7.5	1.49	14.50	0.18	112,000	3,518,000	44,000
Subtotal	9.6	1.50	14.79	0.19	145,000	4,611,000	59,000
Inferred	7.3	1.45	15.48	0.15	106,000	3,632,000	34,000
Total	17.0	1.48	15.09	0.17	251,000	8,243,000	93,000
	June 2021 MRE (December 2020)						
	Mt	Cu [%]	Ag [g/t]	Au [g/t]	Cu [t]	Ag [Oz]	Au [Oz]
Indicated	6.6	1.52	15.76	0.19	100,000	3,348,000	40,000
Inferred	5.6	1.50	16.96	0.18	84,000	3,033,000	33,000
Total	12.2	1.51	16.31	0.17	184,000	6,382,000	73,000

Note - Totals may not add due to rounding differences

Governance and Internal Controls

The Company ensures good governance in relation to resource estimation. The geological model used for Mineral Resource estimation was prepared by the Company in Leapfrog Geo using implicit modelling techniques and included all available drill hole data as well as surface and underground mapping. The model was independently reviewed by SRK.

All drill hole data is stored in-house within a commercially available purpose designed database management system and subjected to industry standard validation procedures. Quality control on resource drill programs have been undertaken to industry standards with implementation of appropriate drilling type, survey data collection, assay standards, sample duplicates and repeat analyses.

The resource reports and supporting data were subjected to internal analysis and peer review before release. The Company is not aware of any additional information, other than that reported, which would have a material effect on the estimates as reported.

Due to the nature, stage and size of the Company's existing operations, the Board believes there would be no efficiencies gained by establishing a separate mineral reserves and resources committee responsible for reviewing and monitoring the Company's processes for calculating mineral reserves and resources estimates and for ensuring that the appropriate controls are applied to such calculations.

The Company confirms it is not aware of any new information or data since the updated Mineral Resource was declared that materially affects the information included in this Mineral Resource Statement.

COMPETENT PERSONS STATEMENT

The information in this Annual Mineral Resources Statement is based on, and fairly represents information and supporting documentation reviewed by Mr Fabio Vergara, who is a member of The Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Vergara has sufficient experience that 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 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Mr Vergara is the Chief Geologist of Eagle Mountain Mining Limited and consents to the inclusion in this document of the information in the form and context in which it appears. Mr Vergara holds shares and options in Eagle Mountain Mining Limited.

ASX Additional Information

Pursuant to the Listing Requirements of the Australian Securities Exchange, the shareholder information set out below was applicable as at 3 October 2022.

A. Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

Ordinary Fully Paid Shares

Distribution	Number of shareholders	Securities held	% of issued capital
1 – 1,000	135	73,109	0.03
1,001 – 5,000	459	1,425,744	0.53
5,001 – 10,000	321	2,619,484	0.98
10,001 – 100,000	769	29,344,447	10.94
More than 100,000	210	234,802,279	87.52
Totals	1,894	268,265,063	100%

There are 301 shareholders holding less than a marketable parcel of ordinary shares.

B. Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

Shareholder Name	Ordinary Shares - Quoted	
	Number of shares	% of Shares
SILVER MOUNTAIN MINING NOMINEE PTY LTD <THE SILVER MOUNTAIN MINING A/C>	57,270,001	21.35
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,953,915	10.79
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	22,251,409	8.29
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	11,004,041	4.10

	Ordinary Shares - Quoted	
Shareholder Name	Number of shares	% of Shares
METECH SUPER PTY LTD <METECH NO 2 SUPER FUND A/C>	9,800,000	3.65
CITICORP NOMINEES PTY LIMITED	9,120,658	3.40
MR PHILIP JOHN CAWOOD	5,000,000	1.86
VINCERE RESOURCES HOLDINGS LLC	4,950,324	1.85
ARALAD MANAGEMENT PTY LTD	4,000,000	1.49
BNP PARIBAS NOMS PTY LTD <DRP>	3,458,323	1.29
MR GEORGE CHIEN HSUN LU + MRS JENNY CHIN PAO LU	2,806,000	1.05
QUARTZ MOUNTAIN MINING PTY LTD	2,694,000	1.00
GUNSYND PLC	2,500,000	0.93
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,495,430	0.93
EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	2,300,000	0.86
MISS GABRIELLA RUBAGOTTI	2,000,000	0.75
MR ANDREW GRANTON BROWN	1,800,000	0.67
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,666,904	0.62
MR GEORGE CHIEN-HSUN LU	1,527,991	0.57
SNOWBALL 3 PTY LTD <ANTONIO TORRESAN SUPER A/C>	1,500,000	0.56
Total	177,098,996	66.02%

C. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Holder of Relevant Interest	Issued Ordinary Shares	
	Number of shares	% of shares
Silver Mountain Mining Nominee Pty Ltd and Associated Entities	70,664,001	26.34%
Paradise Investment Management Pty Ltd	13,985,296	5.308%
Ausbil Investment Management Limited	19,254,660	7.307%

D. Unquoted Securities

Options over Unissued Shares

Number of Options	Exercise Price	Expiry Date	Number of Holders
6,500,000	20 cents	15 January 2023	6
715,000	20 cents	1 February 2023	2
1,600,000	20 cents	1 July 2023	2
1,500,000	21.5 cents	15 January 2023	1
650,000	20 cents	7 October 2023	1
2,500,000	52 cents	22 February 2024	1
2,800,000	52 cents	1 July 2024	8
6,000,000	55 cents	1 July 2024	6
2,000,000	\$1.25	7 May 2023	1
2,000,000	81.25 cents	12 October 2023	1
26,265,000			

Performance Rights

Number of Rights	Expiry Date	Number of Holders
300,000	1 February 2025	1
300,000		

E. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

There are no voting rights in respect of options or performance rights over unissued shares.

F. Restricted Securities

There are no restricted securities on issue.



ADDITIONAL ASX INFORMATION

Schedule of interests in mining tenements

Eagle Mountain mineral licences as at 10 October 2022 are all presently located in the State of Arizona, United States of America.

Prospect & Tenure type	Claim Reference (Tenement)	Percentage held
SILVER MOUNTAIN PROJECT		
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, SMM#151, SMM#155, SMM#157, SMM#159, SMM#161	100%
Exploration Permit (1 individual permit)	008-012-0870	100%
Scarlett		
Unpatented Claims (92 individual claims)	SCA#1-15, SCA#57-133	100%
Exploration Permit (2 individual permits)	008-120868, 008-120869	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)	008-120871, 008-120872	100%
Rhyolite Target		
Unpatented Claims (70 individual claims)	SMMSO#001 - 015; SMMSO#023 - 048; SMMSO#054; SMMSO#056; SMMSO#058 - 084	100%
Exploration Permit (1 individual permit)	008-120101	100%



Prospect & Tenure type	Claim Reference (Tenement)	Percentage held
ORACLE RIDGE COPPER PROJECT		
Patented Claims (60 individual claims)	Parcel 1 (Roosevelt, Way-up, Homestake, Lone Pine, Imperial and Hidden Treasure)	100%
	Parcel 2 (Eagle, York, Copper Peak and Golden Peak No 2)	
	Parcel 3 (Grand Central Lode)	
	Parcel 4 (Tunnel Site, Major McKinley, Marble Peak, Wedge, Giant, Copper Head, Centennial, General R E Lee and Blizzard)	
	Parcel 5 (Oversight MS3461)	
	Parcel 6 (Daily No3, Daily No5, Sphinx, Roskruge, Calumet, Edith, Daily Extension, Cave, Wedge No3, Wedge No2 and Katherine)	
	Parcel 7 (Copper Princess, Apache Central and Daily Tunnel Site)	
	Parcel 8 (Oversight MS3504)	
	Parcel 9 (Apex, Alabama, Bornite, Contact, Cuprite, Epidote, Embersite, Garnet, Over the Top, Yellow Copper, Valley, Apex No2, Keeney and Wilson)	
	Parcel 10 (Chalcopryrite and Peacock)	
	Parcel 11 (Daily Extension No2, Daily Extension No3, Daily Extension No4)	
	Parcel 12 (H T Fraction)	
	Parcel 13 (Turkey)	
	Parcel 22 (Cochise)	
Unpatented Claims (50 individual claims)	Parcel 27 (Holly Terror)	100%
	Parcel 28 (Precious Metals)	
	That portion of Parcels 24 and 25 lying within: (Apache, Maricopa, Yavapai, Buster, Major, Greenlee)	
	Jody #1 – 20, Lorelei #1 – 7, Olesya #1 – 23	100%
Red Hawk Unpatented Claims (24 individual claims)	WTO 1-24 Lode Claims	100%
OREX Unpatented Claims (93 individual claims)	WTO 25-105, 115-124, 142-144 Lode Claims	100%
Golden Eagle Unpatented Claims (27 individual claims)	WTO 106-114, 125-141 Lode Claims	100%



FINANCIAL REPORT

DIRECTORS' REPORT

The Directors present their report on Eagle Mountain Mining Limited ("Eagle Mountain" or the "Company") and its controlled entities (the "Group") for the year ended 30 June 2022.

DIRECTORS

The names and details of the Group's Directors in office during the year until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

Rick Crabb - B. Juris (Hons), LLB, MBA, FAICD
(*Non-Executive Chairman*)



Rick Crabb holds degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration from the University of Western Australia. He practised as a solicitor from 1980 to 2004 with Robinson Cox (now Clayton Utz) and Blakiston & Crabb (now Gilbert + Tobin) specialising in mining, corporate and commercial law, advised in relation to numerous project developments in Australia and Africa.

Rick has since focused on his public company directorships and investments. He has been involved as a director and strategic shareholder in a number of successful public companies operating in mining, oil production and property development. He is currently Non-executive Chairman of Ora Gold Limited and a former director of Paladin Energy Limited (February 1994 to October 2019).

Charles Bass - B.Sc. Geology, M.Sc. Mining Engineering/Mineral Processing, FAICD, FAusIMM, FAIG;
(*Managing Director*)



Honorary Doctorate of Business, Edith Cowan University, Western Australia; Honorary Doctorate of Commerce, Curtin University, Western Australia.

Charles worked as a geologist and then plant metallurgist at Patino Mines' copper-gold mine in northern Quebec. While there, he won the Canadian Mineral Industry Scholarship to study mineral processing at Queen's University.

After Queens, in 1976, Charles joined AMAX Inc, an American mining company in their Head Office and came to Perth in 1978 for a two-year secondment to Mt Newman Mining. He then spent almost two years at the Twin Buttes copper mine near Tucson, Arizona.

Charles returned to Australia and established a consulting and mining software company, Metech Pty Ltd in early 1982. He formed Eagle Mining Corporation in 1992 with Tony Poli and was responsible for the deal that led to the discovery of the very successful Nimary Gold Mine, now part of Northern Star's Jundee operation. Following an uninvited takeover Charles co-founded Aquila Resources Ltd with Tony Poli in 2000 and helped transition it from a gold explorer to iron ore and coal before it too was subject to a \$1.4 billion takeover in 2014 at the hands of a joint bid between Baosteel and ASX-listed Aurizon.

Eagle Mountain Mining listed on the ASX in 2018 and shortly thereafter Charlie negotiated the deal to bring the Oracle Ridge copper project near Tucson out of receivership.

In addition to his role as Managing Director of EM2, Charles is involved in his various family businesses and is very active in philanthropy. He is the founder and Chairman of the Centre of Entrepreneurial Research and Innovation ("CERI"), a charitable organisation working with post-graduate researchers in fostering a start-up culture for high knowledge and high value industry in WA.

DIRECTORS' REPORT

Roger Port – BA, FCA, FAICD
(Non-Executive Director)



Roger Port was a partner of PricewaterhouseCoopers from 1997 to 2016. He has over 30 years' experience in financial analysis, company and business valuations, transaction due diligence and mergers and acquisitions and led the PricewaterhouseCoopers Perth Deals team from 2009 to 2016. He has had significant experience in the resources sector in his career and jointly led the PwC Australia Deals Energy & Mining industry group for five years.

Roger is a graduate of Macquarie University and gained a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. He is a Fellow of Chartered Accountants Australia and New Zealand and a Fellow of the Australian Institute of Company Directors.

Roger is a board member of MG Kailis Holdings Pty Ltd, the Harry Perkins Institute of Medical Research and Linear Clinical Research Limited.

Brett Rowe - BComm, MAcc, GAICD
(Alternate Director for Charles Bass)



Brett Rowe has over 20 years' experience in the financial services industry and is a graduate of the Australian Institute of Company Directors. He holds a Bachelor of Commerce degree and a Masters of Accounting.

Brett is a director and the chief executive officer of The Bass Group, as well as a director of The Bass Family Foundation and Silver Mountain Mining Pty Ltd. Brett is responsible for managing the global financial interests of the Bass Family, as well as the Foundation's ongoing support of education and health in disadvantaged children and youth in regional Western Australia.

Brett is also a director of the Centre for Entrepreneurial Research and Innovation Limited (CERI). CERI aims to assist the growth of WA's non-mining industry through a strong innovation base where high-knowledge start-up company formation can be accelerated. This is achieved through the co-creation of a WA-based venture capital industry.

CHIEF EXECUTIVE OFFICER

Tim Mason – B. Eng (Hons) MBA; GAICD



Mr Mason has 20 years' experience in the mining and engineering sectors across a broad range of corporate, operations, business development and engineering roles. His recent roles of General Manager Operations and General Manager Projects and Innovation involved conducting feasibility studies, project development and operations start-up, business development, project financing and corporate presentations.

Mr Mason holds a Bachelor of Engineering Honours (Geotechnical) from the Royal Melbourne Institute of Technology, a Masters of Business Administration from Murdoch University and is a Graduate Member of the Australian Institute of Company Directors.

DIRECTORS' REPORT

COMPANY SECRETARY

Mark Pitts - B.Bus; FCA; GAICD
(Company Secretary)



Mark Pitts is a Director of Corporate Advisory firm Endeavour Corporate and has over 30 years' experience in business administration and corporate compliance. Having started his career with KPMG in Perth, Mark has worked at a senior management level in a variety of commercial and consulting roles including mining services, healthcare and property development. The majority of the past 20 years has been spent working for or providing services to publicly listed companies in the resources sector.

Mark holds a Bachelor of Business Degree from Curtin University, is a Fellow of Chartered Accountants Australia and New Zealand and is a graduate of the Australian Institute of Company Directors.

DIRECTORS' INTERESTS

As at the date of this report, the Directors' interests in shares and unlisted options of the Company are as follows:

Director	Directors' Interests in Ordinary Shares	Directors' Interests in Unlisted Options	Options vested at the reporting date
R Crabb	918,000	3,000,000	3,000,000
C Bass	70,664,001	3,000,000	3,000,000
R Port	684,000	3,000,000	3,000,000
B Rowe (alternate for C Bass)	500,000	2,000,000	2,000,000

The Directors' interests include Unlisted Options which are vested or exercisable as at the date of signing this report.

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors held during the year ended 30 June 2022, and the number of meetings attended by each Director are as follows:

Director	Board of Directors' Meetings	
	Eligible to Attend	Attended
R Crabb	9	9
C Bass	9	9
R Port	9	9
B Rowe (alternate for C Bass)	9	9

PRINCIPAL ACTIVITIES

The Company's principal activities for the year ended 30 June 2022 focussed on exploration activities at the Oracle Ridge Copper Mine. Field work, mapping, geophysical interpretation, targeted diamond drilling programs for both resource expansion, infill and metallurgical drilling were conducted during the year. The Company also engaged in capital raising activities to fund ongoing exploration at its projects.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

Exploration activities

Exploration activities for the financial year have been primarily focussed at the Group's Oracle Ridge Copper Mine project in Arizona, United States of America. Drilling during the year was focussed on expanding and upgrading the existing JORC mineral resource. Two large prospective alteration systems were discovered at Golden Eagle, a new geological feature known as the Wave was defined along the Leatherwood contact and mineralisation has been extended to far eastern Talon. The first upgrade to the JORC Mineral Resource Estimate for the Oracle Ridge Copper Project was completed in the first quarter of 2022 with a 36% increase in contained copper. In early 2022, the decision was made to recommission the underground mine and preparations for the refurbishment are well advanced to enable underground diamond drilling.

During the financial year, land holdings were increased with 39 new claims staked over Golden Eagle and OREX.

Corporate activities

The Group completed two share placements to sophisticated and institutional investors during the financial year, raising a total of \$32 million (before costs) through the issue of 60,175,556 shares. The Group also received approximately \$0.75 million (before costs) through the exercise of options and the issue of 3,640,877 shares.

During the year, the Group repaid a US\$1 million unsecured loan from Quartz Mountain Mining Pty Ltd, an entity associated with the Company's Managing Director, Mr Charles Bass, through the issue of 1,744,000 shares in the Company.

Results of operations and financial position

The operating loss after income tax of the Group for the year ended 30 June 2022 was \$30,058,236 (2021: \$21,070,239). Included in the loss for the year are uncapitalised exploration costs of \$26,984,843 (2021: \$9,306,222) and non-cash items (in respect of depreciation, share based payments expenses and fair value gains/losses) amounting to \$1,290,696 (2021: \$10,265,364).

At 30 June 2022, cash assets amounted to \$11,073,913 (2021: \$9,119,371).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than the matters stated in this report, there have been no significant changes in the Group's state of affairs during the financial year.

EQUITY SECURITIES ON ISSUE

<i>Class of Security</i>	<i>30 June 2022</i>	<i>30 June 2021</i>
Ordinary fully paid shares	268,265,063	202,669,630
Unlisted options over unissued shares	27,611,154	29,452,780
Performance rights	300,000	35,000

Subsequent to the end of the financial year, no securities were issued.

DIRECTORS' REPORT

EQUITY SECURITIES ON ISSUE (continued)

Unlisted Options over Ordinary Shares

At 30 June 2022, 27,611,154 unissued ordinary shares of the Company were under option as follows:

<i>Number of Options Granted</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
6,500,000 ¹	20 cents	15 January 2023
715,000 ²	20 cents	1 February 2023
1,600,000 ³	20 cents	1 July 2023
1,500,000 ⁴	21.5 cents	15 January 2023
650,000 ⁵	20 cents	7 October 2023
1,346,154 ⁶	30 cents	1 July 2022
2,500,000 ⁷	52 cents	22 February 2024
2,800,000 ⁸	52 cents	1 July 2024
6,000,000 ⁹	55 cents	1 July 2024
2,000,000 ¹⁰	\$1.25	7 May 2025
2,000,000 ¹⁰	81.25 cents	12 October 2023

¹ Options issued to Directors, Alternate Director, employees and Company Secretary.

² Options issued to employees pursuant to the Company's employee incentive plan.

³ Options issued to employees pursuant to the Company's employee incentive plan.

⁴ Options issued to the Chief Executive Officer.

⁵ Options issued to employees pursuant to the Company's employee incentive plan.

⁶ Options issued to brokers.

^{7,8} Options issued to employees pursuant to the Company's employee incentive plan.

⁹ Options issued to Directors.

¹⁰ Options issued under a corporate advisory mandate.

During the year, 2,000,000 advisory options were issued, 3,640,877 options were exercised and 200,749 options were cancelled.

Subsequent to 30 June 2022 and up to the date of this report, 2,000,000 options have vested, no options were exercised and 1,346,154 options were cancelled without being exercised on their expiry date of 1 July 2022. No options have been issued since 30 June 2022. At the date of this report, there were 26,265,000 unissued ordinary shares of the Company under option.

Options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

DIRECTORS' REPORT

EQUITY SECURITIES ON ISSUE (continued)

Performance Rights over Ordinary Shares

During the year ended 30 June 2022, 300,000 performance rights were issued, 35,000 performance rights vested, and 35,000 performance rights were exercised and converted into shares. No performance rights were cancelled during the reporting period.

Subsequent to 30 June 2022, no performance rights have been issued, vested, exercised or cancelled.

DIVIDENDS

No dividend has been paid during the year and no dividend is recommended for the current financial year.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING YEAR

The impact of the COVID-19 pandemic is ongoing. The situation is dependent on measures imposed by the Australian Government, United States Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. It is not practicable to estimate the potential impact, positive or negative, after the reporting date.

Other than as stated above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group intends to undertake further exploration programs at the Oracle Ridge Copper Mine and the Silver Mountain Project in Arizona in the United States of America.

Any other likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL ISSUES

The Group's operations are not regulated under any significant environmental regulation under a law of the Commonwealth of Australia, a State or a Territory. The operations and proposed activities of the Group are subject to United States Federal and Arizona State laws and regulations concerning the environment.

DIRECTORS' REPORT

ENVIRONMENTAL ISSUES (continued)

The Board believes that the Group has adequate systems in place for the management of its environmental requirements. The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Group are not aware of any breach of environmental legislation for the financial year under review.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS AND AUDITORS

During the year ended 30 June 2022, the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave to the court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The following non-audit services were provided by William Buck Advisors (WA) Pty Ltd, a related entity of the entity's auditor, William Buck Audit (WA) Pty Ltd. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

William Buck Advisors (WA) Pty Ltd received or is due to receive the following amounts for the provision of non-audit services:

	<i>30 June 2022</i>	<i>30 June 2021</i>
Taxation services for Eagle Mountain Mining Group entities	\$20,350	\$2,460

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Remuneration paid to Directors and Officers of the Company is set by reference to such payments made by other ASX listed companies of a similar size and operating in the mineral exploration industry. In addition, reference is made to the specific skills and experience of the Directors and Officers.

Details of the nature and amount of remuneration of each Director and other Key Management Personnel are disclosed annually in the Remuneration Report.

Remuneration Committee

The Board has adopted a formal Nomination and Remuneration Policy which provides a framework for the consideration of remuneration matters.

The Company does not have a separate remuneration committee and as such, all remuneration matters are considered by the Board as a whole, with no member deliberating or considering such matter in respect of their own remuneration.

In the absence of a separate Remuneration Committee, the Board is responsible for:

1. Setting remuneration packages for Executive Directors, Non-Executive Directors and other Key Management Personnel; and
2. Implementing employee incentive and equity based plans and making awards pursuant to those plans.

Non-Executive Remuneration

The Company's policy is to remunerate Non-Executive Directors, at rates comparable to other ASX listed companies in the same industry, for their time, commitment and responsibilities.

Non-Executive Remuneration is not linked to the performance of the Company, however, to align Directors' interests with shareholders' interests, remuneration may be provided to Non-Executive Directors in the form of equity based long term incentives.

1. Fees payable to Non-Executive Directors are set within the aggregate amount previously approved by shareholders;
2. Non-Executive Directors' fees are payable in the form of cash and superannuation benefits;
3. Non-Executive Directors' superannuation benefits are limited to statutory superannuation entitlements; and
4. Participation in equity based remuneration schemes by Non-Executive Directors is subject to consideration and approval by the Company's shareholders.

The maximum aggregate Non-Executive Directors' fees payable is currently set at \$300,000 per annum.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Executive Director and Other Key Management Personnel Remuneration

Executive remuneration consists of base salary, plus other performance incentives to ensure that:

1. Remuneration packages incorporate a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives; and
2. A proportion of remuneration is structured in a manner to link reward to corporate and individual performance.

Executives are offered a competitive level of base salary at market rates (based on comparable ASX listed companies) and are reviewed regularly to ensure market competitiveness. To date the Company has not engaged external remuneration consultants to advise the Board on remuneration matters.

Incentive Plans

The Company provides long term incentives to Directors and Employees pursuant to the Company's Employee Incentive Plan.

The Board, acting in remuneration matters:

1. Ensures that incentive plans are designed to differentiate between executives and non-executives and have appropriate and realistic performance targets and provide rewards when those targets are achieved;
2. Reviews and approves existing incentive plans established for employees; and
3. Approves the administration of the incentive plans, including receiving recommendations for and the consideration and approval of grants pursuant to such incentive plans.

Engagement of Non-Executive Directors

Non-Executive Directors conduct their duties under the following terms:

1. A Non-Executive Director may resign from his/her position and thus terminate their contract on written notice to the Company; and
2. A Non-Executive Director may, following resolution of the Company's shareholders, be removed before the expiration of their period of office (if applicable). Payment is made in lieu of any notice period if termination is initiated by the Company, except where termination is initiated for serious misconduct.

In consideration of the services provided by Mr Rick Crabb as Non-Executive Chairman, the Company will pay him a fee inclusive of statutory superannuation of \$50,000 per annum.

In consideration of the services provided by Mr Roger Port as Non-Executive Director, the Company will pay him a fee inclusive of statutory superannuation of \$50,000 per annum.

Messrs Crabb and Port are also entitled to fees for other amounts as the Board determines where they perform special duties or otherwise perform extra services or make special exertions on behalf of the Company. There were no such fees paid during the year ended 30 June 2022.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Engagement of Managing Director

The Company has entered into an executive service agreement with Mr Charles Bass in his role as Managing Director on the following material terms and conditions.

Mr Bass received a base salary inclusive of statutory superannuation of \$50,000 per annum from the commencement of the agreement. Mr Bass' remuneration remains unchanged as at the date of this report.

Either party may terminate the agreement by providing 30 days written notice to the other party. Eagle Mountain may otherwise terminate the Managing Director's employment in accordance with the Constitution or the Corporations Act. Upon termination of the agreement, Mr Bass will cease employment with Eagle Mountain as its Managing Director and will become a Non-Executive Director of Eagle Mountain.

Mr Bass may, subject to shareholder approval, participate in Eagle Mountain's Employee Incentive Plan and other long term incentive plans adopted by the Board.

Engagement of Chief Executive Officer

The Company has entered into an executive service agreement with Mr Timothy Mason, effective 15 January 2020, in his role as Chief Executive Officer ("CEO") on the following material terms and conditions.

Mr Mason initially received a base salary inclusive of statutory superannuation of \$300,000 per annum which is subject to annual review and is currently \$340,000 per annum inclusive of superannuation.

The CEO may terminate the agreement by providing 3 months' written notice. Eagle Mountain may terminate the agreement with 3 months' written notice or the provision of 3 months' salary in lieu of notice; or may otherwise terminate the CEO's employment in accordance with the Constitution or the Corporations Act.

Upon commencement of his employment, Mr Mason received 1,500,000 unlisted options and 150,000 unlisted performance rights over unissued shares of the Company. An expense of \$30,100 (2021: \$54,556) was recognised through the consolidated statement of profit or loss and other comprehensive income in the current reporting period in respect of the issue of these securities.

Mr Mason is eligible to participate in Eagle Mountain's Employee Incentive Plan and other long term incentive plans adopted by the Board.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Short Term Incentive Payments

The Non-Executive Directors may set annual Key Performance Indicators ("KPIs") for the Executive Director and the CEO. The KPIs are chosen to align the reward of the individual Executives to the strategy and performance of the Company.

If KPIs are set, performance objectives, which may be financial or non-financial, or a combination of both, are weighted when calculating the maximum Short Term Incentives payable to Executives. At the end of the year, the Non-Executive Directors will assess the actual performance of the Executives against the set performance objectives. The maximum amount of the Short Term Incentive, or a lesser amount depending on actual performance achieved, is paid to the Executives as a cash payment.

No Short Term Incentives are payable to Executives where it is considered that the actual performance has fallen below the minimum requirement.

Shareholding Qualifications

The Directors are not required to hold any shares in Eagle Mountain under the terms of the Company's Constitution.

Group Performance

In considering the Company's performance, the Board provides the following indices in respect of the current financial year:

	2022	2021	2020	2019
Loss for the year/period attributable to shareholders	\$(30,058,236)	\$(21,070,239)	\$(3,985,856)	\$(6,890,466)
Closing share price at 30 June	\$0.215	\$1.00	\$0.16	\$0.125

As a Group focussed on exploration activities, the Board does not consider the loss attributable to shareholders as one of the performance indicators when implementing Short Term Incentive payments.

In addition to technical exploration success, the Board considers the effective management of safety, environmental and operational matters and successful management, acquisition and consolidation of high quality landholdings, as more appropriate indicators of management performance for the financial year.

Remuneration Disclosures

The Key Management Personnel of the Company have been identified as:

Mr Rick Crabb	Non-Executive Chairman
Mr Charles Bass	Managing Director
Mr Roger Port	Non-Executive Director
Mr Brett Rowe	Alternate Director for Charles Bass
Mr Tim Mason	Chief Executive Officer

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

The details of the remuneration of each Director and member of Key Management Personnel of the Company is as follows:

Year Ended 30 June 2022	Short Term		Post Employment	Other Long Term		
	Base Salary \$	Short Term Incentive \$	Superannuation Contributions \$	Value of Equity Based Remuneration ¹ \$	Total \$	Value of Equity as Proportion of Remuneration %
Rick Crabb	45,455	-	4,545	-	50,000	-
Charles Bass	45,455	-	4,545	-	50,000	-
Roger Port	45,455	-	4,545	-	50,000	-
Brett Rowe	-	-	-	-	-	-
Tim Mason	311,431	-	23,568	214,966	549,965	39.1%
Total	447,796	-	37,203	214,966	699,965	-

Year Ended 30 June 2021	Short Term		Post Employment	Other Long Term		
	Base Salary \$	Short Term Incentive \$	Superannuation Contributions \$	Value of Equity Based Remuneration ¹ \$	Total \$	Value of Equity as Proportion of Remuneration %
Rick Crabb	41,857	-	3,976	1,484,013	1,529,846	97.0%
Charles Bass	41,857	-	3,976	1,484,013	1,529,846	97.0%
Roger Port	41,857	-	3,976	1,484,013	1,529,846	97.0%
Brett Rowe	-	-	-	1,464,150	1,464,150	100.0%
Tim Mason	283,595	-	21,405	85,334	390,334	21.9%
Total	409,166	-	33,333	6,001,523	6,444,022	-

¹ The fair value of options and performance rights is calculated at the date of grant using a Black Scholes option pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed in the above tables is the portion of the fair value of the securities recognised in the reporting period. The basis of the fair value is disclosed later in this Remuneration Report.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Details of Performance Related Remuneration

During the year ended 30 June 2022, no Short Term Incentive payments were paid to the Directors or Key Management Personnel.

Equity Based Remuneration - Options

During the year ended 30 June 2022, no options were granted to the Directors and Key Management Personnel as remuneration.

The fair value of options is determined using the Black Scholes option pricing model. Fair value of options issued as remuneration is allocated to the relevant vesting period of the securities. Options and performance rights are provided at no initial cost to the recipients.

Exercise of Options Granted as Remuneration

During the year ended 30 June 2022, 905,000 ordinary shares were issued in respect of the exercise of options previously granted as remuneration to Directors or Key Management Personnel of the Company.

Equity Instrument Disclosures Relating to Key Management Personnel

Option Holdings

Key Management Personnel have the following interests in unlisted options over unissued shares of the Company.

Year ended 30 June 2022	Balance at beginning of the year	Received during the year as remuneration	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Name					
Rick Crabb	3,125,000	-	(125,000)	3,000,000	3,000,000
Charles Bass	4,075,000	-	(1,075,000)	3,000,000	3,000,000
Roger Port	3,125,000	-	(125,000)	3,000,000	3,000,000
Brett Rowe	2,000,000	-	-	2,000,000	2,000,000
Tim Mason	3,030,000	-	(530,000)	2,500,000	500,000

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Equity Based Remuneration – Performance Rights

During the year ended 30 June 2022, 300,000 performance rights were granted as remuneration to Key Management Personnel as follows:

Name	Number of rights granted	Grant Date	Vesting Date	Expiry Date	Fair value per right at grant
Tim Mason	100,000	08.04.2022	01.02.2023	01.02.2025	\$0.445
	100,000	08.04.2022	01.08.2023	01.02.2025	\$0.445
	100,000	08.04.2022	01.02.2024	01.02.2025	\$0.445

The fair value of rights is determined using the share price at the date of grant. Fair value of rights issued as remuneration is allocated to the relevant vesting period of the securities. Performance rights are provided at no initial cost to the recipients.

Exercise of Performance Rights Granted as Remuneration

During the year ended 30 June 2022, no ordinary shares were issued in respect of the exercise of performance rights previously granted as remuneration to Directors or Key Management Personnel of the Company.

Performance Rights Holdings

Key Management Personnel have the following interests in unlisted performance rights over unissued shares of the Company.

Year ended 30 June 2022	Balance at beginning of the year	Received during the year as remuneration	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Name					
Rick Crabb	-	-	-	-	-
Charles Bass	-	-	-	-	-
Roger Port	-	-	-	-	-
Brett Rowe	-	-	-	-	-
Tim Mason	-	300,000	-	300,000	-

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Share Holdings

The number of shares in the Company held during the financial year by Key Management Personnel of the Company, including their related parties are set out below. There were no shares granted during the reporting period as compensation.

Year ended 30 June 2022	Balance at beginning of the year	Received during the year as remuneration	Other changes during the year	Balance at the end of the year
Name				
Rick Crabb	793,000	-	125,000	918,000
Charles Bass	62,859,287	-	7,479,685	70,338,972
Roger Port	559,000	-	125,000	684,000
Brett Rowe	500,000	-	-	500,000
Tim Mason	150,000	-	380,000	530,000

Loans made to Key Management Personnel

No loans were made to Key Management Personnel including personally related entities during the financial year.

Loans received from Key Management Personnel

No loans were received from Key Management Personnel including personally related entities during the financial year.

During the financial year ending 30 June 2020, the Company entered into an unsecured loan agreement with a director related entity, Quartz Mountain Mining Pty Ltd ("Quartz") as trustee for the Bass Family Trust. During the prior reporting period, shareholders approved the issue to Quartz of 950,000 options, exercisable at 20 cents each on or before 1 July 2022, as satisfaction of interest owing to 31 December 2021. The principal of US\$1,000,000 was repaid in the current financial year through the issue of 1,744,000 ordinary shares.

Other transactions with Key Management Personnel

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

The Company has entered into a lease agreement with Elk Mountain Mining Limited, an entity associated with Mr Charles Bass, for the lease of the Company's administration offices in Perth, Western Australia. Total lease repayments of \$89,135 (2021: \$87,387) were paid during the year, including interest of \$12,069 (2021: \$19,064) and lease principal repayments of \$77,066 (2021: \$68,323).

Other than the above, there were no transactions with Key Management Personnel.

End of Remuneration Report

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, William Buck Audit (WA) Pty Ltd, to provide the Directors of the Group with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on the following page and forms part of this Directors' report for the year ended 30 June 2022.

This report has been made in accordance with a resolution of the Board of Directors.



Rick Crabb
Chairman

Dated at Perth this 13th day of September 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF EAGLE MOUNTAIN MINING LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CM

Conley Manifis

Director

Dated this 13th day of September 2022

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2022

	Notes	Year ended 30 June 2022 A\$	Year ended 30 June 2021 A\$
Other income		-	45,231
Interest income		1,096	746
Forgiveness of loan – Paycheck Protection Program		-	147,921
Administration and other costs		(1,365,698)	(882,695)
Employee expenses – non-exploration		(631,630)	(661,145)
Equity based payments	4	(1,539,736)	(7,544,069)
Finance costs		(398,152)	(394,736)
Depreciation expense	9, 10	(582,588)	(444,220)
Exploration and evaluation costs		(26,984,843)	(9,306,222)
Net change in fair value of convertible notes	13	760,670	(2,277,075)
Fair value gain on loan repayment	13	70,958	-
Gain on foreign currency exchange		611,687	246,025
Loss before income tax	4	(30,058,236)	(21,070,239)
Income tax expense	5	-	-
Loss after income tax from continuing operations		(30,058,236)	(21,070,239)
Other comprehensive income net of income tax			
Other comprehensive income that may be re-classified to profit or loss in subsequent years net of income tax		-	-
Unrealised loss on foreign currency exchange	16a	(88,163)	(100,418)
Total comprehensive loss for the year		(30,146,399)	(21,170,657)
Loss attributable to:			
Owners of the parent		(30,058,236)	(19,199,277)
Non-controlling interests		-	(1,870,962)
		(30,058,236)	(21,070,239)
Total comprehensive loss attributable to:			
Owners of the parent		(30,146,399)	(19,317,968)
Non-controlling interests		-	(1,852,689)
		(30,146,399)	(21,170,657)
Basic and diluted loss per share	28	(13.0)	(12.1)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		30 June 2022	30 June 2021
	Note	A\$	A\$
Current Assets			
Cash and cash equivalents	6	11,073,913	9,119,371
Trade and other receivables	7	310,680	306,131
Total Current Assets		11,384,593	9,425,502
Non-Current Assets			
Exploration and evaluation expenditure	8	10,774,803	9,474,278
Property, plant and equipment	9	1,222,386	977,951
Right-of-use assets	10	592,606	531,202
Bonds and security deposits		284,241	260,459
Total Non-Current Assets		12,874,036	11,243,890
TOTAL ASSETS		24,258,629	20,669,392
Current Liabilities			
Trade and other payables	11	1,000,636	1,073,654
Employee leave liabilities		143,431	105,268
Lease liabilities	12	246,870	211,127
Borrowings	13	3,797	1,340,297
Provisions	14	435,477	-
Total Current Liabilities		1,830,211	2,730,346
Non-Current Liabilities			
Lease liabilities	12	385,182	340,781
Employee leave liabilities		15,104	9,708
Borrowings	13	11,515,078	11,006,713
Total Non-Current Liabilities		11,915,364	11,357,202
TOTAL LIABILITIES		13,745,575	14,087,548
NET ASSETS		10,513,054	6,581,844
Equity			
Issued capital	15	78,501,878	45,601,593
Option capital		-	4,500
Reserves	16	6,615,965	5,526,540
Accumulated losses		(74,604,789)	(44,550,789)
TOTAL EQUITY		10,513,054	6,581,844

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2022

	Issued capital A\$	Option capital A\$	Foreign currency translation reserve A\$	Share based payment reserve A\$	Common control reserve A\$	Accumulated losses A\$	Non- controlling interest A\$	Total A\$
Balance at 1 July 2020	15,322,265	4,500	390,899	1,105,348	(3,014,276)	(12,381,375)	(189,929)	1,237,432
Loss for the year	-	-	-	-	-	(19,199,277)	(1,870,962)	(21,070,239)
Other comprehensive income for the year net of income tax	-	-	(118,691)	-	-	-	18,273	(100,418)
Total comprehensive loss for the year	-	-	(118,691)	-	-	(19,199,277)	(1,852,689)	(21,170,657)
Acquisition of non-controlling interest	-	-	-	-	-	(12,970,137)	2,042,618	(10,927,519)
Issue of shares and options (<i>note 15, 17</i>)	26,441,000	-	-	-	-	-	-	26,441,000
Capital raising costs (<i>note 15</i>)	(1,211,131)	-	-	-	-	-	-	(1,211,131)
Exercise of options/performance rights	5,049,459	-	-	(758,841)	-	-	-	4,290,618
Vesting of options/performance rights	-	-	-	7,922,101	-	-	-	7,922,101
Balance at 30 June 2021	45,601,593	4,500	272,208	8,268,608	(3,014,276)	(44,550,789)	-	6,581,844
Balance at 1 July 2021	45,601,593	4,500	272,208	8,268,608	(3,014,276)	(44,550,789)	-	6,581,844
Loss for the year	-	-	-	-	-	(30,058,236)	-	(30,058,236)
Other comprehensive income for the year net of income tax	-	-	(88,163)	-	-	-	-	(88,163)
Total comprehensive loss for the year	-	-	(88,163)	-	-	-	-	(88,163)
Share issue for loan repayment (<i>note 13</i>)	1,299,280	-	-	-	-	-	-	1,299,280
Issue of shares and options (<i>note 15, 17</i>)	32,003,000	-	-	-	-	-	-	32,003,000
Capital raising costs (<i>note 15</i>)	(1,550,275)	-	-	-	-	-	-	(1,550,275)
Exercise of options/performance rights	1,148,280	(4,500)	-	(357,912)	-	-	-	785,868
Cancellation of options	-	-	-	(4,236)	-	4,236	-	-
Vesting of options/performance rights	-	-	-	1,539,736	-	-	-	1,539,736
Balance at 30 June 2022	78,501,878	-	184,045	9,446,196	(3,014,276)	(74,604,789)	-	(10,513,054)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2022

	Note	Year ended 30 June 2022 A\$	Year ended 30 June 2021 A\$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(1,918,592)	(1,593,606)
Payments for exploration and evaluation		(27,261,149)	(8,330,815)
Payments for interest and other financing costs		(50,007)	(34,089)
Interest received		1,096	732
Government assistance received		-	50,000
Net cash used in operating activities	18	(29,228,652)	(9,907,778)
Cash Flows from Investing Activities			
Payments for purchase of fixed assets		(504,480)	(122,605)
Refunds/(payments) for bonds and deposits		1,379	(144,701)
Net cash used in investing activities		(503,101)	(267,306)
Cash Flows from Financing Activities			
Proceeds from the issue of shares and options		32,003,000	15,500,000
Proceeds from the exercise of share options		754,868	4,291,118
Payments for the issue of shares and options		(1,603,995)	(943,054)
Proceeds from borrowings		-	144,701
Repayments of borrowings		(10,520)	(154,926)
Repayment of lease liabilities		(213,467)	(129,019)
Net cash generated by financing activities		30,929,886	18,708,820
Net increase in cash held		1,198,133	8,533,736
Cash and cash equivalents at the beginning of the year		9,119,371	507,750
Effect of foreign exchange on cash and cash equivalents		756,409	77,885
Cash and cash equivalents at the end of the year	6	11,073,913	9,119,371

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

These consolidated financial statements and notes represent those of Eagle Mountain Mining Limited and its controlled entities (the "Group"). Eagle Mountain Mining Limited is a public limited liability company, incorporated and domiciled in Australia.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements for the year ended 30 June 2022 were approved and authorised for issue by the Board of Directors on 13th September 2022.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) *Basis of Preparation*

These general purpose financial statements for the reporting year ended 30 June 2022 have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements and notes comply with International Financial Reporting Standards.

The financial report has been prepared on an accruals basis and is based on historical cost and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(i) *Going Concern*

The Group has incurred a loss of \$30,058,236 and a net operating cash outflow of \$29,228,652 during the year ended 30 June 2022. Cash assets at 30 June 2022 were \$11,073,913 and current liabilities at that date were \$1,830,211.

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

During the financial year, the Group successfully raised \$32 million (before costs) pursuant to share placements to institutional and sophisticated investors. The Directors will continue to manage the Group's activities with due regard to current and future funding requirements. The Directors reasonably expect that the Company will be able to raise sufficient capital to fund the Group's exploration and working capital requirements, and that the Group will be able to settle debts as and when they become due and payable. On this basis, the Directors are of the opinion that the use of the going concern basis is appropriate in the circumstances.

(ii) *Basis of Consolidation*

The financial information comprises the financial information of Eagle Mountain and entities (including special purpose entities) controlled by Eagle Mountain (its "subsidiaries").

Control is achieved when Eagle Mountain:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Eagle Mountain reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Preparation (continued)

(ii) Basis of Consolidation (continued)

The financial information of subsidiaries is prepared for the same reporting period as Eagle Mountain, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Total comprehensive income of subsidiaries is attributed to the owners of Eagle Mountain and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date Eagle Mountain gains control until the date when Eagle Mountain ceases to control the subsidiary.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to Eagle Mountain.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit and loss or transferred to another category of equity as specified/permitted by the applicable Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(iii) New Accounting Standards Adopted in the Current Year

Application of New and Revised Accounting Standards

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group for the reporting year ended 30 June 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) New Accounting Standards Adopted in the Current Year (continued)

New Accounting Standards and Interpretations Not Yet Mandatory or Early Adopted

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application date for future reporting periods. There are no material new or amended Accounting Standards which will materially affect the Group.

(b) *Exploration, Evaluation and Development Expenditure*

Exploration and evaluation expenditure is generally written off in the year incurred, except for acquisition of exploration properties which is capitalised and carried forward.

When production commences, any accumulated costs for the relevant area of interest which have been capitalised and carried forward will be amortised over the life of the area according to the rate of depletion of the economically recoverable resources. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to the area of interest. The carrying value of any capitalised expenditure is assessed by the Directors each reporting period to determine if any provision should be made for the impairment of the carrying value. The appropriateness of the Group's ability to recover these capitalised costs has been assessed at the end of each reporting period and the Directors are satisfied that the value is recoverable.

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at an overall level whenever facts and circumstances suggest that the carrying amount of the assets may exceed recoverable amount. An impairment exists when the carrying amount of the assets exceeds the estimated recoverable amount. The assets are then written down to their recoverable amount. Any impairment losses are recognised in the income statement.

(c) *Trade and Other Receivables*

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(d) *Interest Income*

Interest income is recognised as it accrues.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) *Foreign Currency Transactions*

The financial statements are presented in Australian dollars, which is the functional currency of the Group.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency at the rates of exchange prevailing at the dates of the transaction. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the consolidated statement of profit or loss and other comprehensive income. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the consolidated statement of profit or loss and other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rate at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates for the period, which approximate the rates at the dates of the transactions. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(f) *Operating Segments*

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. The chief operating decision maker has been identified as the Board of Directors taken as a whole. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the Board of Directors.

(g) *Borrowings*

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(h) *Convertible Note – Derivative Liability*

Derivative financial instruments are stated at fair value. The fair value of the derivative has been valued using a valuation technique, including inputs that include reference to similar instruments and option pricing models, which is updated each period. Gains and losses arising from changes in fair value of these instruments together with settlements in the period are accounted for through the consolidated statement of profit or loss and other comprehensive income through net finance costs. The convertible note liability and derivative are removed from the statement of financial position when the obligations specified in the contract are discharged, cancelled or expired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Convertible Note – Debt Liability

The embedded derivative component of a convertible note is recognised initially at fair value and the debt liability component is calculated as the difference between the financial instrument as a whole and the value of the derivative liability at inception. Any directly attributable transaction costs are allocated to the convertible note debt liability and convertible note derivative liability in proportion to their initial carrying amounts. Subsequent to initial recognition, the debt liability component of the convertible note is measured at amortised cost using the effective interest method.

(j) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(k) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(l) Impairment of Non-financial Assets

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from the other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generated unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation increase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Property, Plant and Equipment

Property, plant and equipment assets are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for the assets to be capable of operating in the manner intended by the Group's management.

Property, plant and equipment assets are subsequently measured using the cost model which reflects cost less subsequent depreciation and impairment losses. Depreciation is recognised on a diminishing value basis to write down the cost less estimated residual value of the assets.

Leasehold improvements are capitalised and subsequently amortised over the term of the respective lease.

The following depreciation rates are applied to property, plant and equipment assets on the diminishing value basis:

- Motor vehicles: 25%
- Other property, plant and equipment: 20-50%

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

(n) Right-of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Taxation

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit and loss is the tax payable on the taxable income using applicable income tax rates enacted or substantially enacted as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial information. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Where temporary differences exist in relation to investments in subsidiaries and associates, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

(q) Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(r) Provisions and Contingencies

Provisions are recognised when the Group has a legal or constructive obligation, as a result of a past event, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

The Group's exploration activities are subject to various laws and regulations governing the protection of the environment. A rehabilitation provision is made for the present value of anticipated costs for future rehabilitation of land explored or mined, based on management's best estimate for assets retirement obligations and site rehabilitations, in the period in which the costs are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations and discount rates could affect the carrying amount of this provision.

(s) Employee Benefits

Short Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) *Employee Benefits (continued)*

Other Long Term Employee Benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined Contribution Superannuation Expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(t) *Share Based Payment Transactions*

The Group recognises the fair value of options and performance rights granted to Directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the consolidated statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

The Group provides benefits to employees (including Directors) of the Group in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees (including Directors) is measured by reference to fair value at the date they are granted. The fair value is determined using the Black Scholes option pricing model.

(u) *Issued Capital*

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(v) *Critical Accounting Estimates and Judgments*

In preparing the financial information, the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

(i) **Significant Accounting Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of Operating Leases

Determination of lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Determination of lease term (continued)

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Determination of incremental borrowing rate

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used.

To determine the incremental borrowing rate, where possible recent third party financing received by the individual lessee is used as a starting point and adjusted to reflect changes in financing conditions since third party financing was received. If there was no recent third party financing agreement, a build-up approach is used that starts with a risk-free interest rate adjusted for credit risk for the lessee and any further relevant adjustments specific to the lease (such as term, country, currency and security).

(ii) Significant Accounting Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Key Estimates – Impairment of Capitalised Exploration and Evaluation Expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Key Estimates – Share Based Payment Transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Fair values of share options are determined using the Black Scholes option pricing model. Should the assumptions used in these calculations differ, the amounts recognised could significantly change.

Key Assumptions – Oracle Ridge Mine Acquisition: Valuation of derivative liability

As part of the acquisition of the Oracle Ridge Copper Mine, a US\$6,423,000 secured note was issued to Vincere Resource Holdings LLC. Up to US\$3,000,000 of the secured note can be converted into shares of the Company upon the occurrence of various conversion trigger events at variable conversion prices. To derive the fair value of the embedded derivative liability component of the secured note, a number of assumptions have been made. These assumptions are outlined in note 13.

Key Judgement – Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation. At the current stage of the Group's development and its current environmental impact, the Directors believe such treatment is reasonable and appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) *Critical Accounting Estimates and Judgments*

Key Judgement – COVID-19 pandemic

Judgement has been exercised in considering the impact of the COVID-19 pandemic on the Group based on known information. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

(w) *Fair Value of Assets and Liabilities*

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy based on the lowest level of input that is significant to the entire fair value measurement, being Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date and is based on the fair value hierarchy.

(x) *Government Assistance and Grants*

Assistance received from the government by way of grant or other forms of assistance designed to provide an economic benefit to the Group, is presented in the statement of financial position as deferred income, in instances where the grant is related to assets. In all other cases, grant money is presented in the profit and loss as other income. Grants are recognised when there is reasonable assurance that conditions will be complied with and the grant will be received.

(y) *Earnings Per Share*

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the parent entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

2. RELATED PARTY TRANSACTIONS

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

- During the financial year ended 30 June 2020, the Company entered into an unsecured loan agreement with a director related entity, Quartz Mountain Mining Pty Ltd ("Quartz") as trustee for the Bass Family Trust. The principal of US\$1,000,000 attracted interest at 2% per annum with the first three months being interest free. The loan's initial maturity date of 27 October 2020 was subsequently deferred to 31 December 2021. In the prior financial year, shareholders approved the issue to Quartz of 950,000 options, exercisable at 20 cents each on or before 1 July 2022, as satisfaction of interest owing to 31 December 2021. Interest expense of A\$14,683 was recognised during the reporting period. In August 2021, Quartz agreed to accept 1,744,000 shares in consideration for the repayment of US\$1,000,000 which represented an effective issue price of 78.4 cents per share (a premium of 10% to the closing price on 25 August 2021). The share issue was completed following shareholder approval in October 2021 and resulted in a fair value gain of \$70,958.
- The Company has entered into a lease agreement with Elk Mountain Mining Limited, an entity associated with Mr Charles Bass, for the lease of the Company's administration offices in Perth, Western Australia. Total lease repayments of \$90,835 (2021: \$87,387) were paid during the year, including interest of \$16,227 (2021: \$19,064) and lease principal repayments of \$74,608 (2021: \$68,323).

3. REMUNERATION OF AUDITORS

	Year ended 30 June 2022 A\$	Year ended 30 June 2021 A\$
Audit and review of the financial statements	31,350	26,300
Taxation services	20,350	2,460
Total	51,700	28,760

The auditor of Eagle Mountain Mining Limited is William Buck Audit (WA) Pty Ltd. During the reporting period, a related entity of William Buck Audit (WA) Pty Ltd provided non-audit services amounting to \$20,350 (2021: \$2,460) to companies in the Group.

4. LOSS FROM ORDINARY ACTIVITIES

	Year ended 30 June 2022 A\$	Year ended 30 June 2021 A\$
Included in the loss before income tax are the following specific items of income/(expenses):		
Interest paid/payable on borrowings	(348,971)	(363,822)
Interest paid/payable on leases	(49,181)	(30,914)
Share based payments expense - employees	(736,936)	(6,450,069)
Share based payments expense - suppliers	(802,800)	(1,094,000)
Insurances	(335,357)	(180,453)
Movements in employee leave liabilities	(28,544)	(27,558)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

5. INCOME TAX EXPENSE

	Year ended 30 June 2022 A\$	Year ended 30 June 2021 A\$
Current tax:		
Current income tax charge/(benefit)	-	-
Current income tax benefit not recognised	-	-
Deferred tax:		
Relating to origination and reversal of timing differences	(936,847)	(424,539)
Deferred tax benefit not recognised	936,847	424,539
	-	-
(a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss before tax	(30,058,236)	(21,070,239)
The prima facie tax on loss from ordinary activities attributable to parent entity before income tax:		
Prima facie tax (benefit) on loss from ordinary activities before income tax at 30% (2021: 30%)	(9,017,471)	(6,321,072)
Add/(Less) tax effect of:		
Non-assessable income	-	(15,000)
Exploration costs not deducted for tax	8,095,447	2,169,118
Non-deductible share based payments	461,921	2,263,221
Share issue costs deducted	(211,960)	(94,486)
Unrealised movement in fair value of financial liabilities	(232,211)	683,123
Deferred tax asset not brought to account	904,274	1,315,096
Income tax attributable to entity	-	-
(b) Deferred tax – statement of financial position		
<i>Liabilities</i>		
Prepaid expenses	42,688	42,999
Foreign exchange	-	41,228
	42,688	84,227
<i>Assets</i>		
Employee leave and other employee liabilities	54,926	41,830
Liability for tailings storage facility	130,643	-
Right-of-use asset	11,834	6,212
Revenue losses available to offset against future taxable income	1,994,871	1,502,046
Deductible equity raising costs	555,641	302,519
	2,747,915	1,852,607
Net deferred tax asset not recognised	2,705,227	1,768,380

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

5. INCOME TAX EXPENSE (continued)

	Year ended 30 June 2022 A\$	Year ended 30 June 2021 A\$
(c) Deferred tax – income statement		
<i>Liabilities</i>		
Prepaid expenses	311	(17,834)
Foreign exchange	41,228	(41,228)
<i>Assets</i>		
Accrued expenses and provisions	130,643	-
Employee leave and other employee liabilities	13,096	25,626
Right-of-use asset	5,623	6,212
Deductible equity raising costs	253,122	89,756
Increase in tax losses carried forward	492,824	362,007
Deferred tax benefit movement not recognised	936,847	424,539

The deferred tax benefit of tax losses not brought to account will only be obtained if:

- The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the tax losses to be realised;
- The Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- No changes in tax legislation adversely affect the Company realising the benefit from the deduction of the losses.

6. CASH AND CASH EQUIVALENTS

	30 June 2022 A\$	30 June 2021 A\$
Cash at bank	11,073,913	9,119,371
Deposits at call	-	-
Total	11,073,913	9,119,371

Included in cash at bank of \$11,073,913 (2021: \$9,119,371) are amounts held in US dollar denominated bank accounts equivalent to \$4,063,402 (2021: \$5,306,502).

7. TRADE AND OTHER RECEIVABLES

	30 June 2022 A\$	30 June 2021 A\$
GST receivable	6,341	4,511
Accrued income and other receivables	162,045	158,291
Prepaid expenses and deposits	142,294	143,329
Total	310,680	306,131

The carrying amounts of trade and other receivables are assumed to approximate their fair values due to their short term nature.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

8. EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2022 A\$	30 June 2021 A\$
Movement during the year		
Carrying value – beginning of year	9,474,278	10,378,496
Capitalisation of tailings storage facility costs ¹	435,477	-
Effect of movement in foreign exchange rates	865,048	(904,218)
Carrying value – end of the year	10,774,803	9,474,278

¹ Refer to note 14.

Carried forward exploration and evaluation expenditure represents the exploration asset acquisition costs recognised on the acquisition of Silver Mountain Mining Pty Ltd and the Oracle Ridge Copper Mine.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improve- ments A\$	Office equipment and furniture A\$	Field equipment and vehicles A\$	Mine plant and equipment A\$	Total A\$
Cost at the beginning of the year	352,409	100,965	294,591	1,003,309	1,751,274
Effect of foreign exchange movements	-	(2,085)	25,412	91,607	114,934
Additions	100,456	24,897	262,967	149,821	538,141
Disposals	(55,563)	-	-	-	(55,563)
Cost at the end of the year	397,302	123,777	582,970	1,244,737	2,348,786
Accumulated depreciation at the beginning of the year	(262,863)	(76,811)	(151,270)	(282,379)	(773,323)
Disposals	55,563	-	-	-	55,563
Effect of foreign exchange movements	(1,550)	(3,825)	(15,917)	(35,601)	(56,893)
Depreciation charged in the year	(88,270)	(13,348)	(66,998)	(183,131)	(351,747)
Accumulated depreciation at the end of the year	(297,120)	(93,984)	(234,185)	(501,111)	(1,126,400)
Net book value at the beginning of the year	89,546	24,154	143,321	720,930	977,951
Net book value at the end of the year	100,182	29,793	348,785	743,626	1,222,386

Assets with a net book value of A\$23,278 (2021: A\$28,440) held by Silver Mountain Mining Operations Inc. are pledged as security in respect of vehicle loan liabilities (refer note 13).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

10. RIGHT-OF-USE ASSET

	30 June 2022 A\$	30 June 2021 A\$
Opening balance	531,202	208,493
Right-of-use asset additions	261,426	439,957
Depreciation expense	(230,840)	(129,324)
Foreign currency differences	30,818	12,076
Total	592,606	531,202

The Group leases land and buildings for its offices in Perth, Australia and Arizona, United States of America under agreements with terms of up to five years.

11. TRADE AND OTHER PAYABLES

	30 June 2022 A\$	30 June 2021 A\$
Current		
Trade creditors and accrued expenses	846,813	853,254
Other payables	1,415	1,797
Payroll liabilities	152,408	218,603
Total	1,000,636	1,073,654

The carrying amounts of trade and other payables are assumed to approximate their fair values due to their short term nature.

12. LEASE LIABILITIES

	30 June 2022 A\$	30 June 2021 A\$
Current liability	246,870	211,127
Non-current liability	385,182	340,781
Total	632,052	551,908
Movement in lease liabilities		
Opening balance	551,908	229,210
Increase in liability ¹	261,426	439,957
Principal repayments	(249,703)	(129,017)
Foreign currency differences	68,421	11,758
Lease liabilities at the end of the year	632,052	551,908

¹ During the current financial year the option to extend the lease on the office premises in Nedlands, Australia was exercised with the lease extended for a further period of three years.

Refer to note 23 for details of short term leases or leases of low value assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

13. BORROWINGS

	30 June 2022 A\$	30 June 2021 A\$
Current		
Vehicle loan amounts due within one year ¹	3,797	10,156
Loans from related parties ²	-	1,330,141
	3,797	1,340,297
Non-Current		
Loan – derivative liability	2,797,229	3,297,591
Loan – debt liability	8,717,849	7,705,643
Subtotal loan ³	11,515,078	11,003,234
Vehicle loan amounts due after one year	-	3,479
	11,515,078	11,006,713

¹ Vehicle loan amounts are secured over assets with a net book value of A\$23,278 (2021: A\$28,440) held by Silver Mountain Mining Operations Inc. (refer note 9).

² The Company entered into an unsecured loan agreement with a Director-related entity, Quartz Mountain Mining Pty Ltd ("Quartz") as trustee for the Bass Family Trust. The principal of US\$1,000,000 attracted interest at 2% per annum with the first three months being interest free. The loan's maturity date was deferred from 27 October 2020 to 31 December 2021. In September 2020, shareholders approved the issue of 950,000 options to Quartz as satisfaction of interest owing to 31 December 2021. In August 2021, Quartz agreed to accept 1,744,000 shares in consideration for the repayment of US\$1,000,000 which represented an effective issue price of 78.4 cents per share (a premium of 10% to the closing price on 25 August 2021). The share issue was completed following shareholder approval in October 2021 and resulted in a fair value gain of \$70,958.

³ In November 2019, the Group acquired an 80% interest in the Oracle Ridge Copper Mine in Arizona in the United States of America, and during the prior reporting period acquired the additional 20% interest. Under the terms of the purchase agreement, Wedgetail Operations LLC, a subsidiary in which the Company now holds a 100% interest, entered into a US\$6,423,000 secured loan with Vincere Resource Holdings LLC. The loan is secured over all of the assets of Wedgetail Operations LLC, has a ten year term and accrues interest at 3.15% per annum for the first five years with no interest accruing thereafter.

Under the terms of the agreement, the lender has the right to convert up to US\$1,000,000 of the secured loan into ordinary shares of the Company upon each of the following three conversion trigger events:

- The completion of a preliminary feasibility study;
- A commitment is made to proceed with a bankable feasibility study; and
- A commitment is made to commission the financing of the project as evidenced by a feasibility study sufficient to obtain third party financing.

The terms of the agreement prevent the issue of ordinary shares to the lender where the cumulative amount of shares held as a result of exercising the conversion rights would exceed 10% of the Company's ordinary shares on issue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

13. BORROWINGS (continued)

The conversion price of each conversion right held by the lender is an amount equal to a 20% discount to the 30 day volume weighted average price of the Company's shares for the 30 days immediately after the date of public announcement of the applicable conversion trigger event.

The face value of US\$6,423,000 is deemed to comprise of the value of the derivative liability (or conversion right), with the residual being the debt liability component. The debt liability component of the secured loan is amortised at each reporting period using the effective interest method. The derivative liability component is revalued at each reporting date over the life of the secured loan.

Fair Value Measurement

The derivative liability component of the US\$6,423,000 loan is measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement. Refer to accounting policy note 1(w) for a description of the three levels. The derivative liability has been categorised as Level 3 in the fair value hierarchy and the fair value at the end of the reporting period was A\$2,797,229.

There were no transfers between levels during the financial year.

An independent valuation of the derivative liability has been undertaken at 30 June 2022 using a Monte Carlo simulation model with the following assumptions:

Assumptions	Conversion Event 1	Conversion Event 2	Conversion Event 3
Valuation date	30 June 2022	30 June 2022	30 June 2022
Spot price (A\$) ¹	\$0.215	\$0.215	\$0.215
Exercise price ²	\$0.180	\$0.186	\$0.193
Risk free rate	2.73%	2.73%	3.16%
Expected future volatility	90%	90%	90%
Expiry date ³	25 November 2023	25 November 2024	25 November 2025

¹ The share price of an EM2 share traded on the ASX to market close on 30 June 2022.

² Exercise price is equal to a 20% discount to the estimated volume weighted average price of the Company's shares for the 30 days immediately after the public announcement of the applicable conversion trigger event.

³ The expiry date is the estimated date on which the conversion right will be exercised, for each tranche of conversion rights and is estimated from the date of the agreement.

Based on the above assumptions, the revaluation of the derivative liability resulted in a fair value gain of US\$552,118 (A\$760,670) which has been recognised through the profit and loss.

In relation to the restriction of conversion rights up to 10% of the ordinary shares on issue, the valuation is based on the number of shares on issue at valuation date.

<i>Reconciliation of movement in Level 3 derivative liability</i>	30 June 2022 A\$	30 June 2021 A\$
Movement during the year		
Balance at the start of the financial year	3,297,591	1,134,644
Loss/(gain) recognised in profit or loss	(760,670)	2,277,075
Effect of movement in foreign exchange rates	260,308	(114,128)
Balance at the end of the financial year	2,797,229	3,297,591

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

13. BORROWINGS (continued)

Unobservable inputs for fair value measurement

In determining the fair value measurement of the derivative liability, certain observable inputs such as the share price and exercise price of the conversion rights are used, together with unobservable inputs.

The unobservable inputs used in the valuation of the derivative liability are deemed to be:

1. Issued capital – as the conversion rights are restricted to not more than 10% of the ordinary shares on issue, any increase in issued shares may impact the number of conversion rights that can be exercised; and
2. Timing of the three milestones to be achieved (conversion trigger events).

The Level 3 unobservable inputs and sensitivity are as follows:

Unobservable Input	Change in input	Sensitivity
Shares on Issue	+15%	A 15% increase in share capital will result in no change in fair value
Date of conversion trigger event	-6 months	A decrease of 6 months in achieving the first and subsequent milestones will result in a decrease in fair value of approximately \$263,000
Date of conversion trigger event	+6 months	An increase of 6 months in achieving the first and subsequent milestones will result in an increase in fair value of approximately \$220,000

14. PROVISIONS

	30 June 2022 A\$	30 June 2021 A\$
Current		
Provision – Tailings Storage Facility	435,477	-

The Group acquired an existing tailings storage facility ("TSF") with the purchase of the Oracle Ridge Copper Project. The TSF is covered by a permit issued by the Arizona Department of Environmental Quality which includes a condition that the TSF be upgraded to meet current engineering standards. At the reporting date, the cost of the upgrade is estimated to be approximately US\$300,000 and has been provided for in the financial statements as an adjustment to the cost of acquisition of the Oracle Ridge Copper Project (refer note 8).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

15. ISSUED CAPITAL

<u>Shares</u>	<i>Issue price</i>	Year ended 30 June 2022		Year ended 30 June 2021	
		Shares	A\$	Shares	A\$
Balance at the beginning of the year		202,669,630	45,601,593	115,901,045	15,322,265
Shares issued on exercise of options	\$0.20 \$0.30	3,640,877	1,137,080	16,953,090	5,011,009
Shares issued on exercise of performance rights	-	35,000	11,200	210,000	38,450
Placement shares issued	\$0.13	-	-	23,076,923	3,000,000
Placement shares issued	\$0.30	-	-	5,000,000	1,500,000
Placement shares issued	\$0.35	-	-	31,428,572	11,000,000
Placement shares issued	\$0.65	24,620,001	16,003,000	-	-
Placement shares issued	\$0.45	35,555,555	16,000,000	-	-
Shares issued for acquisition	\$1.09	-	-	10,000,000	10,900,000
Issued in lieu of loan repayment		1,744,000	1,299,280	-	-
Employee incentive shares issued	\$0.41	-	-	100,000	41,000
Less: share issue costs – cash *	-	-	(1,550,275)	-	(1,211,131)
Balance at 30 June		268,265,063	78,501,878	202,669,630	45,601,593

* No deferred tax asset has been recognised in respect of the share issue costs as at the date of the financial report as it is not probable that it will be realised (refer note 5).

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

16. RESERVES

	30 June 2022 A\$	30 June 2021 A\$
Foreign currency translation reserve	184,045	272,208
Share based payments reserve	9,446,196	8,268,608
Common control reserve	(3,014,276)	(3,014,276)
	6,615,965	5,526,540

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

16. RESERVES (continued)

Movements in reserves:

	Year ended 30 June 2022 A\$	Year ended 30 June 2021 A\$
a) Foreign currency translation reserve		
Balance at the beginning of the year	272,208	390,899
Exchange loss for the year	(88,163)	(100,418)
Non-controlling interest in translation differences	-	(18,273)
Balance at the end of the year	184,045	272,208

Foreign currency translation reserve

The foreign currency translation reserve records unrealised exchange gains and losses on translation of controlled entities accounts during the year.

	Year ended 30 June 2022 A\$	Year ended 30 June 2021 A\$
b) Share based payments reserve		
Balance at the beginning of the year	8,268,608	1,105,348
Fair value vesting expense of options and performance rights	1,539,736	7,922,101
Fair value of options/performance rights exercised during the year	(357,912)	(758,841)
Fair value of options cancelled during the year	(4,236)	-
Balance at the end of the year	9,446,196	8,268,608

Share based payments reserve

The share based payments reserve has been used to recognise the fair value of options and performance rights issued and vested but not exercised as at the end of the reporting year.

	Year ended 30 June 2022 A\$	Year ended 30 June 2021 A\$
c) Common control reserve		
Balance at the beginning of the year	(3,014,276)	(3,014,276)
Common control transactions during the year	-	-
Balance at the end of the year	(3,014,276)	(3,014,276)

Common control reserve

The amount recognised in the common control reserve represents the excess in fair value consideration given, over the net assets acquired, on the acquisition of Silver Mountain Mining Pty Ltd from Silver Mountain Mining Nominees Pty Ltd on 7 December 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

17. OPTIONS AND EQUITY BASED PAYMENTS

<u>Options – Reconciliation of Movements</u>	30 June 2022 No.	30 June 2021 No.
Options on issue at the beginning of the year	29,452,780	26,409,716
Broker options issued ¹	-	3,846,154
Options issued to employees ²	-	6,825,000
Options issued to Directors	-	6,375,000
Options issued to Quartz Mountain Mining Pty Ltd ³	-	950,000
Options issued pursuant to corporate advisory mandate ⁴	2,000,000	2,000,000
Options cancelled on expiry – employee options	(200,749)	-
Options exercised	(3,640,877)	(16,953,090)
Options on issue at the end of the year	27,611,154	29,452,780

¹ Unlisted broker option issued pursuant to a capital raising mandate.

² Unlisted options issued to employees of the Company pursuant to the Company's employee incentive plan.

³ Unlisted options issued in lieu of interest payable on a loan from Quartz Mountain Mining Pty Ltd.

⁴ Unlisted options issued pursuant to a corporate advisory agreement with Canaccord Genuity (Australia) Limited.

<u>Option Capital – Reconciliation of Movements</u>	30 June 2022 A\$	30 June 2021 A\$
Balance at the beginning of the year	4,500	4,500
Movements during the year	(4,500)	-
Balance at the end of the year	-	4,500

	No.	2022 Weighted Average Exercise Price (cents)	No.	2021 Weighted Average Exercise Price (cents)
Options outstanding at the beginning of the year	29,452,780	41.56	26,409,716	23.49
Options granted during the year	2,000,000	81.25	19,996,154	51.65
Options exercised during the year	(3,640,877)	21.58	(16,953,090)	25.31
Options cancelled and expired unexercised during the year	(200,749)	139.55	-	-
Options outstanding at 30 June	27,611,154	46.36	29,452,780	41.56

Basis and Assumptions Used in the Valuation of Options

The options issued during the year were valued using the Black Scholes option valuation methodology, using the following inputs:

Date granted	Number of options granted	Exercise price (cents)	Expiry date	Risk free interest rate used	Volatility applied	Value of Options
12 October 2021	2,000,000	81.25	12 October 2023	0.16%	115.9%	\$802,800

Historical volatility over the previous 12 months has been used as the expected share price volatility. An expense of \$1,511,654 has been recognised through the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2022 (2021: \$7,498,742) in respect of the vesting of options during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

17. OPTIONS AND EQUITY BASED PAYMENTS (continued)

Weighted Average Contractual Life

The weighted average contractual life for unexercised options is 16.2 months (2021: 26.2 months).

Performance Rights

During the year ended 30 June 2022, the Company issued 300,000 performance rights on the following terms:

Number of Performance Rights	Vesting Date	Expiry date	Value of Rights
100,000	1 February 2023	1 February 2025	\$44,500
100,000	1 August 2023	1 February 2025	\$44,500
100,000	1 February 2024	1 February 2025	\$44,500

The performance rights were granted on 8 April 2022 and valued at 44.5 cents per right based on the determined underlying value of the Company's shares. An expense of \$28,082 (2021: \$4,327) has been recognised through the consolidated statement of profit or loss and other comprehensive income in respect of the vesting of performance rights during the financial year.

During the financial year, 35,000 performance rights vested and no performance rights were cancelled.

18. CASH FLOW INFORMATION

	Year ended 30 June 2022 A\$	Year ended 30 June 2021 A\$
Reconciliation of cash flows from operating activities with loss after income tax		
Loss after income tax	(30,058,236)	(21,070,239)
Non-cash items included in profit or loss		
Depreciation expense	582,588	444,220
Gains on foreign exchange	(611,687)	(246,025)
Fair value loss/(gain)	(831,628)	2,277,075
Share based payment expense	1,539,736	7,544,069
Forgiveness of Paycheck Protection Program loan	-	(147,921)
Accrued interest expense	309,623	361,449
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(5,584)	(116,002)
(Increase)/decrease in prepayments	1,035	(51,820)
(Decrease)/increase in employee leave liabilities	43,559	56,053
(Decrease)/increase in accounts payable and accruals	(198,058)	1,041,363
Net cash outflows from operating activities	(29,228,652)	(9,907,778)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

19. SEGMENT INFORMATION

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group operates in one segment, being exploration for mineral resources. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group.

Following the acquisition of Silver Mountain Mining Pty Ltd on 7 December 2017, and the Oracle Ridge Copper Mine in November 2019, the Group operates in Australia and United States of America.

Information regarding the non-current assets by geographical location is reported below. No segment information is provided for United States of America in relation to revenue and profit or loss for the year ended 30 June 2022 or year ended 30 June 2021.

Reconciliation of Non-Current Assets by Geographical Location

	30 June 2022 A\$	30 June 2021 A\$
Australia	325,526	202,911
United States of America	12,548,510	11,040,979
	<u>12,874,036</u>	<u>11,243,890</u>

20. SUBSEQUENT EVENTS

The impact of the COVID-19 pandemic is ongoing. The situation is dependent on measures imposed by the Australian Government, United States Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. It is not practicable to estimate the potential impact, positive or negative, after the reporting date.

Other than as stated above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

21. KEY MANAGEMENT PERSONNEL

(a) Directors and Key Management Personnel

The following persons were Directors or Key Management Personnel of Eagle Mountain Mining Limited during the financial year:

- (i) *Chairman – Non-Executive*
Rick Crabb
- (ii) *Executive Director*
Charles Bass, Managing Director
- (iii) *Non-Executive Director*
Roger Port
- (iv) *Alternate Director*
Brett Rowe (as Alternate Director to Charles Bass)
- (v) *Chief Executive Officer*
Timothy Mason

There were no other persons employed by or contracted to the Company during the financial year having responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

(b) Key Management Personnel Compensation

A summary of total compensation paid to Key Management Personnel is as follows:

	30 June 2022 A\$	30 June 2021 A\$
Total short term employment benefits	447,796	409,166
Total equity based payments	214,966	6,001,523
Total post employment benefits	37,203	33,333
	<u>699,965</u>	<u>6,444,022</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

22. CONTINGENT ASSETS AND LIABILITIES

The Group has an exploration service agreement with Dragon's Deep Exploration, Inc., an Arizona corporation ("Dragon"). Included in this agreement is a performance bonus payable to Dragon consisting of cash together with shares in Eagle Mountain Mining Limited (shares at market price, escrowed as required by the appropriate exchange) within 10 days of the event detailed below:

Criteria (Specifically related to the Silver Mountain Project)	Cash Bonus	Shares of Value
Commencement of a preliminary feasibility study in respect of any land covered by any mining claims or permits held by Silver Mountain Mining LLC and located in Arizona, USA. ¹	US\$100,000	US\$200,000

- The milestone satisfaction date is the date on which the Company announces to the Australian Securities Exchange that it has commenced a pre-feasibility study on the relevant mining claims or permits. "Pre-feasibility Study" is as defined in the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition).

The Group does not currently foresee a preliminary feasibility study covering the claims held by Silver Mountain Mining LLC commencing in the near future.

Other than the above, the Group has no contingent assets or liabilities outstanding at the end of the year.

23. COMMITMENTS

(a) Exploration Expenditure

In order to maintain the current tenure status of its exploration assets, the Group has certain obligations and minimum expenditure requirements with respect to unpatented claims and Arizona state exploration permits located in Arizona in the United States of America, as follows:

	30 June 2022	30 June 2021
	A\$	A\$
Within 1 year	547,373	495,458
After 1 year but not more than 5 years	2,080,621	1,886,060
Total	2,627,994	2,381,518

(b) Asset Acquisition

The Group has no commitments for asset acquisitions at 30 June 2022 or 30 June 2021.

(c) Operating Leases

During the current reporting period, the Group entered into a low value operating lease to rent storage space in Tucson, Arizona and the Group has availed itself of the recognition exemption under AASB16 Leases. At 30 June 2022, the commitments under the lease agreement are as follows:

	30 June 2022	30 June 2021
	A\$	A\$
Within 1 year	3,484	-
After 1 year but not more than 5 years	7,258	-
Total	10,742	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

23. COMMITMENTS (continued)

(d) Drilling Commitments

The drilling contract with Boart Longyear includes a 30 day notice period during which time Boart Longyear is entitled to claim standby rates. The estimated commitment, should the contract be terminated, is approximately US\$187,000.

(e) Other Commitments

In April 2021, the Company acquired the remaining 20% of the issued capital of Wedgetail Operations LLC ("WTO"). Having completed that acquisition and with the Company considering requirements for development, it identified the existence of a Reversionary Interest in the Mineral Rights held by Marble Mountain Ventures LLC ("MMV") over certain of the Patented Claims covering the mine and also related to surface access rights as noted in an Industrial Property Lease agreement ("Lease Agreement"). In order to maintain access to the surface infrastructure and undertake the current drill program, the Company made lease payments of approximately US\$178,000 this financial year to MMV pursuant to the Lease Agreement (refer note 23(a)) together with additional access payments for drilling. The lease payments are subject to annual escalation for inflation.

The Reversionary Interest is provided for in a deed dated 18 February 2010, with reversion set to occur on 18 February 2025, unless an Extension Option is exercised by WTO. In order to exercise the Extension Option, WTO needs to provide 30 days written Notice, make an Extension Payment in the order of US\$3 million adjusted for CPI and remain in compliance with various related agreements. Should WTO agree to exercise the Extension Option, WTO's interest in the mineral rights related to certain of the Patented Claims will be extended to 18 February 2040.

24. FINANCIAL RISK MANAGEMENT

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Company's exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board of Directors has the overall responsibility for the risk management framework and has adopted a Risk Management Policy.

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and Other Receivables

The nature of the business activity of the Group does not result in trading receivables. The receivables that the Group does experience through its normal course of business are short term and the most significant recurring by quantity is receivable from the Australian Taxation Office. The risk of non-recovery of receivables from this source is considered to be negligible.

Cash Deposits

The Directors believe any risk associated with the use of predominantly one bank is addressed through the use of at least an A-rated bank as a primary banker. Except for this matter the Group currently has no significant concentrations of credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

24. FINANCIAL RISK MANAGEMENT (continued)

(b) *Liquidity Risk*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Company's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

(c) *Market Risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Interest Rate Risk

The Group has cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Group requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements, the Group does mitigate potential interest rate risk by entering into short to medium term fixed interest investments.

Equity Risk

The Group has no direct exposure to equity risk.

Foreign Exchange Risk

The Group holds a portion of its cash assets in US dollar denominated bank accounts and bank deposits. The Group is also significantly exposed to foreign exchange risk through transactions and arrangements in respect of its US based operations.

Other than the above, the Group does not have any direct contact with foreign exchange fluctuations other than their effect on the general economy.

The Group seeks to mitigate foreign exchange risk by considering capital requirements and foreign exchange rates when undertaking treasury transactions, such as utilising US dollar denominated term deposits.

25. FINANCIAL INSTRUMENTS

Credit Risk

The Directors do not consider that the Group's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made (refer note 24(a)).

Impairment Losses

The Directors do not consider that any of the Group's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

25. FINANCIAL INSTRUMENTS (continued)

Interest Rate Risk

At the reporting date the interest profile of the Group's interest-bearing financial instruments was:

	Carrying amount (\$) 2022	Carrying amount (\$) 2021
Fixed rate instruments		
Financial liabilities	(10,110,627)	(8,992,048)
Variable rate instruments		
Financial assets	11,073,913	9,119,371

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
	1% increase	1% decrease	1% increase	1% decrease
2022				
Variable rate instruments	110,739	(110,739)	110,739	(110,739)
2021				
Variable rate instruments	91,193	(91,193)	91,193	(91,193)

Foreign Exchange Risk

At the reporting date the Australian dollar equivalent of amounts recognised by the Group in US dollars were as follows:

	Carrying amount (\$) 2022	Carrying amount (\$) 2021
Financial assets		
Cash at bank	4,063,403	5,306,502
Deposits at call	-	-
	4,063,403	5,306,502
Financial liabilities		
Trade and other payables	(900,226)	(962,703)
Borrowings	(11,518,875)	(12,347,010)
	(12,419,101)	(13,309,713)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

25. FINANCIAL INSTRUMENTS (continued)

Cash Flow Sensitivity Analysis for Foreign Exchange

A change in foreign exchange rates of 5% at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
	5% increase	5% decrease	5% increase	5% decrease
2022				
Financial assets	134,244	(134,244)	68,926	(68,926)
Financial liabilities	620,955	(620,955)	620,955	(620,955)
2021				
Financial assets	217,134	(217,134)	48,191	(48,191)
Financial liabilities	665,486	(665,486)	665,486	(665,486)

Fair Values

Fair Values Versus Carrying Amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Consolidated 2022		Consolidated 2021	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Cash and cash equivalents	11,073,913	11,073,913	9,119,371	9,119,371
Trade and other payables	(1,000,636)	(1,000,636)	(1,073,654)	(1,073,654)
Borrowings	(11,518,875)	(11,518,875)	(12,347,010)	(12,347,010)
Lease liabilities	(632,052)	(632,052)	(551,908)	(551,908)
	(2,077,650)	(2,077,650)	(4,853,201)	(4,853,201)

The Group's policy for recognition of fair values is disclosed at note 1(w).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

25. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements (refer note 24(b)):

Consolidated	Carrying amount	Contractual cash flows	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
	\$	\$	\$	\$	\$	\$	\$

2022

Non-Derivatives

Trade and other

payables	1,000,637	1,000,637	1,000,637	-	-	-	-
Borrowings	8,714,052	8,721,936	4,087	-	-	-	8,717,849
Lease liabilities	632,052	632,052	119,928	126,942	244,122	141,060	-
	10,346,741	10,354,625	1,124,652	126,942	244,122	141,060	8,717,849

Derivatives

Derivative

liability	2,797,229	2,797,229	-	-	-	-	2,797,229
	2,797,229	2,797,229	-	-	-	-	2,797,229

2021

Non-Derivatives

Trade and other

payables	1,073,654	1,073,654	1,073,654	-	-	-	-
Borrowings	9,049,419	9,050,483	1,335,618	5,477	3,745	-	7,705,643
Lease liabilities	551,908	551,908	101,174	109,953	195,370	145,411	-
	10,674,981	10,676,045	2,510,446	115,430	199,115	145,411	7,705,643

Derivatives

Derivative

liability	3,297,591	3,297,591	-	-	-	-	3,297,591
	3,297,591	3,297,591	-	-	-	-	3,297,591

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

26. CONTROLLED ENTITIES

Eagle Mountain Mining Limited is the ultimate parent entity of the Group.

The following were controlled entities at the end of the financial year and have been included in the consolidated financial statements:

Name	Country of Incorporation	Date acquired/incorporated	Percentage Interest Held 2022	Percentage Interest Held 2021
Silver Mountain Mining Pty Ltd	Australia	7 December 2017	100%	100%
Silver Mountain Mining LLC	United States of America	7 December 2017	100%	100%
Silver Mountain Mining Operations Inc	United States of America	18 January 2018	100%	100%
Wedgetail Arizona Pty Ltd	Australia	18 July 2019	100%	100%
Wedgetail Holdings LLC	United States of America	25 June 2019	100%	100%
Wedgetail Operations LLC	United States of America	18 July 2019	100%	100%

Silver Mountain Mining LLC and Silver Mountain Mining Operations Inc are both 100% owned subsidiaries of Silver Mountain Mining Pty Ltd.

Wedgetail Operations LLC and Wedgetail Holdings LLC are both 100% owned subsidiaries of Wedgetail Arizona Pty Ltd.

The following amounts are payable by subsidiary companies to the parent company at the reporting date:

Name	Amount due to Eagle Mountain Mining Limited	
	2022 A\$	2021 A\$
Silver Mountain Mining Pty Ltd	70,183	70,183
Silver Mountain Mining LLC	528,472	528,472
Silver Mountain Mining Operations Inc	10,253,476	9,073,422
Wedgetail Arizona Pty Ltd	620	-
Wedgetail Holdings LLC	49,689,546	22,154,520

The loans to subsidiary companies are non-interest bearing and Eagle Mountain Mining Limited does not intend to call for repayment within 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

27. NON-CONTROLLING INTEREST

During the prior financial year, Wedgetail Holdings LLC, a wholly owned subsidiary of the Company, increased its interest in Wedgetail Operations LLC from 80% to 100%. The non-controlling interest ("NCI") of 20% was previously held by Vincere Resource Holdings LLC.

The following table summarises the NCI information relating to Wedgetail Operations LLC before any intra-group eliminations.

	30 June 2022	30 June 2021
Summarised Statement of Financial Position	A\$	A\$
NCI Percentage	0%	20%
Assets		
Current assets	-	-
Non-current assets	-	-
Total Assets	-	-
Liabilities		
Current liabilities	-	-
Non-current liabilities	-	-
Total Liabilities	-	-
Net Assets	-	-
Summarised Statement of Profit and Loss and Other Comprehensive Income	A\$	A\$
Revenue	-	-
Loss before income tax	-	(11,938,703)
Other comprehensive income	-	33,780
Total comprehensive loss for the year	-	(11,904,923)
Loss allocated to NCI	-	(1,870,962)
Other comprehensive income allocated to NCI	-	18,273
Summarised Statement of Cash Flows	A\$	A\$
Cash flows from operating activities	-	(8,736,291)
Cash flows from investing activities	-	(249,050)
Cash flows from financing activities	-	5,656,454
Net decrease in cash and cash equivalents	-	(3,328,887)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

28. LOSS PER SHARE

	30 June 2022	30 June 2021
Loss used in calculation of loss per share	\$(30,058,236)	\$(19,199,277)
Weighted average number of shares used in the calculation of loss per share	232,005,925	158,953,944
Basic and diluted loss per share	(13.0 cents)	(12.1 cents)

Options and performance rights to acquire ordinary shares granted by the Company and not exercised at the reporting date are included in the determination of diluted loss per share, to the extent that they are considered dilutive.

There are 27,611,154 options and 300,000 performance rights on issue at 30 June 2022 (2021: 29,452,780 options and 35,000 performance rights) that have not been considered in calculating diluted loss per share as they are not considered to be dilutive to the reported earnings per share.

29. PARENT ENTITY INFORMATION

	Parent 30 June 2022 A\$	Parent 30 June 2021 A\$
Assets		
Current assets	9,818,773	8,246,999
Non-current assets ¹	1,196,334	-
Total Assets	11,015,107	8,246,999
Liabilities		
Current liabilities	260,455	1,539,720
Non-current liabilities	241,598	125,436
Total Liabilities	502,053	1,665,156
Net Assets	10,513,054	6,581,843
Equity		
Issued capital	78,501,878	45,601,593
Option capital	-	4,500
Reserves	6,615,965	8,268,608
Accumulated losses	(74,604,789)	(47,292,858)
Total Equity	10,513,054	6,581,843
Loss for the period ¹	(66,144,906)	(21,070,239)
Other comprehensive income	-	-
Total comprehensive loss for the period	(66,144,906)	(21,070,239)

¹ The Company has recognised a provision against the investment in subsidiary holdings to the extent that parent company net assets exceed those of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

29. PARENT ENTITY INFORMATION (continued)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity is the guarantor in relation to the US\$6,423,000 loan from Vincere Resource Holdings LLC ("Vincere"). In addition, the parent entity has entered into a Guarantee of Performance with Vincere under which the parent entity guarantees the full and timely performance of the conversion obligations under the note with Vincere. Refer to note 13.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Commitments

The parent had no exploration or capital commitments as at 30 June 2022 and 30 June 2021.

Accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity as disclosed in note 1.

DIRECTORS' DECLARATION

In the opinion of the Directors of Eagle Mountain Mining Limited ("the Company"):

- (a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (ii) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Group.
- (b) the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures, The Corporations Act 2001 and the Corporations Regulations 2001.
- (c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- (d) the financial statements comply with International Financial Reporting Standards as set out in note 1.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2022.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 13th day of September 2022.



Rick Crabb
Chairman

Eagle Mountain Mining Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Eagle Mountain Mining Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

EXPLORATION COSTS CAPITALISED

Area of focus

Refer also to notes 1(b), 1v(ii) and 8

The Group have recognised exploration costs in relation to the Group's exploration programs at the Silver Mountain Project and Oracle Ridge Copper Mine Project located in Arizona, USA. There is a risk that the capitalisation of exploration and evaluation expenditure may exceed the value in use. An impairment review is only required if an impairment trigger is identified.

Due to the nature of the resources industry, indicators of impairment applying the value in use model could include:

- Viability of the projects
- Changes to exploration plans and permits
- Loss of rights to tenements
- Changes to reserve estimates
- Costs of extraction and production

How our audit addressed it

Our audit procedures included:

- A review of the directors' assessment of the criteria for the capitalisation of exploration expenditure and evaluation as to whether there are any indicators of impairment of capitalised costs.
- An assessment of viability of the tenements and whether there were any indicators of impairment of those costs capitalised in the current period.
- An assessment of the adequacy of the Group's disclosures.

We concluded that the recognition treatment and impairment assessment were in accordance with the relevant Australian Accounting Standards.

SHARE BASED PAYMENTS

Area of focus

Refer also to notes 1(t), 1v(ii) and 17

The Group has entered into share-based payment arrangements during the year. The options and performance rights were issued to provide long term incentives for executives and consultants to deliver long term shareholder returns. Participation in the plan was at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

This was a key audit matter because the arrangements required significant judgements and estimations by management, including the following:

- The evaluation of the grant date of each arrangement, and the evaluation of the fair value of the underlying share price of the Company as at the grant date;
- The evaluation of key inputs into the Black Scholes option pricing model, including the

How our audit addressed it

Our audit procedures included:

- Evaluating the grant dates based on the terms and conditions of the share-based payment arrangements;
- Evaluating the fair values of share-based payment arrangements by understanding and documenting the assumptions used; and
- For the specific application of the Black Scholes model, we assessed the experience of Management in preparing these calculations. We retested some of the assumptions used in the model and recalculated those fair values using volatility applied in the model to be appropriately reasonable and within industry norms.

We also reconciled the vesting of the share-based payment arrangements to disclosures made in both the key management personnel

significant judgment of the forecast volatility of the share option over its exercise period. The results of these share-based payment arrangements materially affect the disclosures.

compensation note and the disclosures in the Remuneration Report.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 43 to 50 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Eagle Mountain Mining Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CM

Conley Manifis
Director

Dated this 13th day of September 2022





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