

# Eagle Mountain Mining Limited(ASX: EM2) Well Leveraged to the Rising Copper Price

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Reading Time: 5 Mins

By Team Ace Investors

Stock Code	ASX: EM2
Shares O/S	229.60 million
Closing Price	AUD 0.56
Market Cap	128.57 million
52 High/Low	1.39/0.315
One Year Stock Performance	46.75%
Avg volume (TTM)	0.34 million
EPS (TTM)	-0.121
P/E	-
Annual Dividend Yield	-
Franking	-
Last Dividend Ex-Date	-
Last Dividend Pay Date	-
DPS (AUD)	-
ROE %	-

## COMPANY OVERVIEW

Eagle Mountain Mining Limited (**“EM2” or the “Company”**) is a copper focused exploration and development Company with a key objective of becoming a low emission producer at its high-grade Oracle Ridge project in Arizona, USA, to supply the rapidly growing green energy market. Eagle Mountain Mining's main focus in the Oracle Ridge Copper Project, a high grade, advanced stage

underground copper/gold/silver project, with a large copper JORC Resource of 12.2Mt at 1.51% Cu for 184 kt Contained Copper. With drilling ongoing at Oracle Ridge, the Company continues to deliver significant high-grade copper mineralization, outside the existing Resource to date.

**On 27th January 2022**, the Company provided an update for the quarter ending 31 December 2021. The Company stated that it has been a very successful quarter with the discovery of further high-grade copper mineralization plus the confirmation of multiple indicators of large prospective systems at Golden Eagle. The Company is working to expand the existing Resource and results received during the quarter continued to deliver a combination of both high-grade and thick mineralized zones. These results will be included in the JORC Mineral Resource Estimate update which is on track to be completed in Q1 2022.

**Significant Maiden JORC Resource**

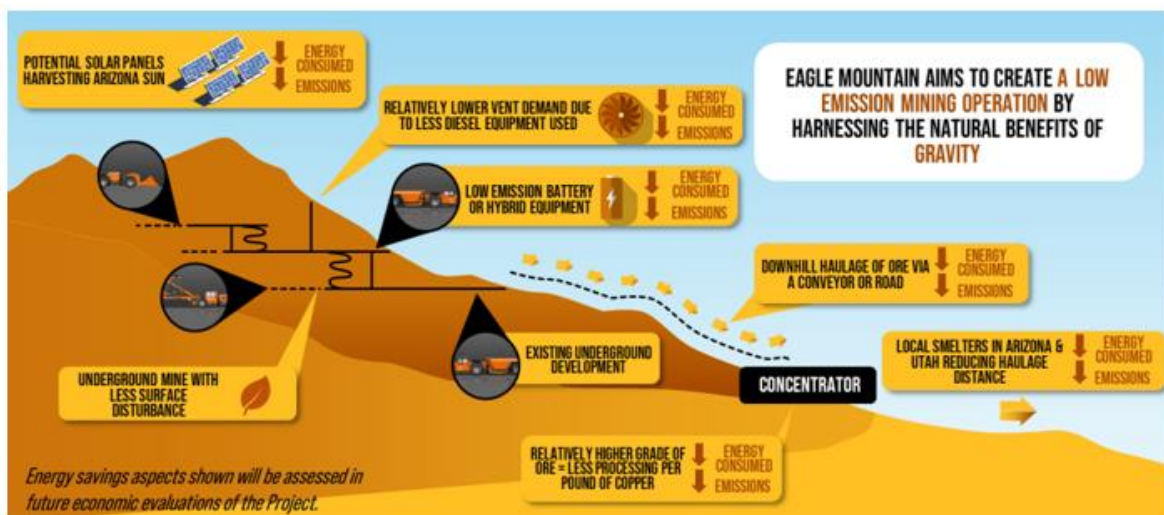
Copper Cut-off (% Cu)	Tonnage (Mt)	Cu (%)	Ag (g/t)	Au (g/t)	Cu (t)	Ag (Oz)	Au (Oz)
0.4	44.5	0.87	9.7	0.11	389,000	13,791,000	158,000
0.6	28.4	1.08	12.0	0.13	309,000	10,923,000	125,000
0.8	18.6	1.30	14.1	0.17	242,000	8,453,000	97,000
<b>1.0</b>	<b>12.2</b>	<b>1.51</b>	<b>16.3</b>	<b>0.19</b>	<b>184,000</b>	<b>6,382,000</b>	<b>73,000</b>
1.2	8.1	1.72	18.5	0.21	140,000	4,845,000	55,000
1.4	5.6	1.91	20.6	0.23	108,000	3,718,000	42,000
1.6	3.7	2.12	22.9	0.25	79,000	2,729,000	29,000

*Source – Company's Report*

This upgrade will see the inclusion of 54 new holes outside the existing Resource plus 5 new holes designed to increase confidence and allow resources in the 'Measured' category to be defined. At Golden Eagle, the Company received the assays from the first two holes which confirmed multiple strong indicators of large mineralized systems. While it awaits assays for a further 10 holes, the Company is planning an Induced Polarization geophysical survey to identify further potential targets in this area. The Company continues to drill with three rigs operating full time. Its goal remains to increase the size and confidence of the existing Resource and also explore other prospective targets, which could result in a 'step change' to the project.

## **INVESTMENT RATIONALE:**

- The Company aims to become a low-emission producer of copper which is vital for the decarbonization of the global economy. Most analysts are anticipating 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 its copper inventory ahead of these strong predictions. The Company sees strong potential for significantly more mineralization to be discovered at and around the Oracle Ridge mine, due to its striking geological similarities with other major deposits in Arizona. Its exploration activities over the last year have focused on developing models to vector towards prospective areas, and now have multiple quality targets including Golden Eagle, OREX, and Red Hawk.



Source – Company's Report

- Infill Drilling Delivers Thick High Grade 15m at 4.1% Cu** – the Company announced further assay results from its ongoing drilling program at its 100% owned Oracle Ridge Project. Drilling results from hole WT-21-51 intersected three high grade zones within a thick mineralized zone. This latest hole has unexpectedly delivered spectacular grades over significant minable widths. The assays from hole WT-21-51 are some of the best results that we have encountered at Oracle Ridge, with copper and gold grades significantly better than the surrounding holes. Interestingly, the very high-grade assays are associated with veins carrying abundant copper sulphides (chalcopyrite) and overprinting the more typical skarn-hosted mineralization. This upgrade will include 59 new holes with the aim of building and upgrading the MRE, including a portion in the Measured category for the first time. The results for WT 21-51 will be included in the next update planned for later in the year.

- **Completion of Placement to Raise \$16 million** – the Company recently confirmed that the second and final tranche of its recently announced placement (ASX 28 September 2021) to raise \$16 million before costs has settled.

#### **ACE's RECOMMENDATION:**

The Company aims to become a lower cost producer of low-emission copper at the Oracle Ridge Copper Project. To achieve this goal, the Company continues to undertake various exploration activities at and around the mine with the aim of growing the existing high-grade mineral resource base. The drilling continues to deliver further strong results which supports the upside prospective at Oracle Ridge. All these results are outside the existing JORC Mineral Resources Estimate (JORC MRE), further supporting the potential to build our mineral resources.

The Company's exploration activities will continue with a two-pronged approach. Firstly, it will continue to hunt for a larger mineralized system, potentially far larger than what has been defined thus far. Secondly, it will continue to grow and upgrade its existing JORC resources to a critical size that supports a reasonable mine life with strong annual production rates. To support future mining studies, the Company will undertake metallurgical test work and other studies in parallel with the resource expansion to enable a faster transition to mining. We recommend the stock as **SPECULATIVE BUY** at a closing price of \$0.56

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