

E2 Metals Limited

ABN 34 116 865 546

Proposed ASX Code: E2M

REPLACEMENT PROSPECTUS

For an Offer of up to 40,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$8,000,000

This Prospectus has been issued to replace a prospectus dated 15 February 2017 and to provide information on the Offer of a minimum of 30,000,000 Shares (**Minimum Subscription**) and a maximum of 40,000,000 Shares to be issued at a price of \$0.20 per Share to raise a total of a minimum of \$6,000,000 and a maximum of \$8,000,000 (before costs) (**General Offer**).

This Prospectus incorporates a Priority Offer, as part of the General Offer, to Eligible Shareholders of E2 Metals Limited registered on the Record Date of 22 February 2017 (**Priority Offer**).

The General Offer and the Priority Offer (together, **Offers**) pursuant to this Prospectus are conditional on raising the Minimum Subscription and ASX listing of the Company as outlined in Section 3.2 of this Prospectus.

Loyalty Options with an exercise price of \$0.20 (20 cents) and an expiry date of 2 years from Issue date will be issued free attaching on a 1 for 3 basis to every person subscribing for a minimum of \$2,000 shares pursuant to this Prospectus (**Loyalty Options**).

The Offers are not underwritten.

This is an important document that should be read in its entirety.

If after reading this Prospectus you have any questions about the Shares or Loyalty Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus are of a speculative nature.

Sponsoring Broker: Merchant Capital Markets Pty Ltd (ACN 154 848 469) (AFSL No.303566)

CORPORATE DIRECTORY

DIRECTORS

Martin Donohue (Non-executive Chairman)
Simon Peters (Managing Director)
Christopher Spurway (Executive Director)

JOINT COMPANY SECRETARIES

Melanie Leydin
Justin Mouchacca

REGISTERED OFFICE

Level 4, 100 Albert Road
South Melbourne Vic 3205
Telephone: 613 9692 7222
Facsimile: 613 9077 9233
Email: info@e2metals.com.au
Website: <http://e2metals.com.au/>

AUDITOR

William Buck
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Melbourne Vic 3000

INDEPENDENT ACCOUNTANT

Paul Lom
PKF Melbourne Corporate Pty Ltd

INDEPENDENT GEOLOGIST (Australia and New Zealand)

Malcolm Castle
Agricola Mining Consultants Pty Ltd

INDEPENDENT SOLICITOR (New Zealand)

Chapman Tripp
Solicitors

INDEPENDENT TITLE CONSULTANT (Australia)

Mining Title Services Pty Limited

SPONSORING BROKER TO THE ISSUE

Merchant Capital Markets Pty Ltd
ACN 154 848 469
Merchant Capital Markets Pty Ltd is Corporate Authorised Representative
No 415278 of Draupner Investment Management Pty Ltd (ABN 16 112
894 845) (AFSL No. 303 566)

SHARE REGISTRY

Link Market Services Limited
Tower 4, 727 Collins Street,
Melbourne, VIC 3008

IMPORTANT INFORMATION

This Replacement Prospectus is dated 23 February 2017 and was lodged with ASIC on that date. This Replacement Prospectus replaces the Original Prospectus dated 15 February 2017 that was issued by the Company and lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates. No Securities will be issued or allotted on the basis of this Prospectus later than 13 months after the date the Original Prospectus was lodged with ASIC, being 15 February 2017.

This Replacement Prospectus has been issued to, amongst other things:

- Provide updated information in relation to the Company's New Zealand tenements;
- Clarify certain aspects of the remuneration of directors; and
- Provide additional warnings to New Zealand investors in connection with the Offer

Application will be made to ASX within seven days after the date of this Prospectus for the Company's Shares (including the Shares offered under this Prospectus) to be admitted to the Official List. That ASX may admit the Company to its Official List and grant quotation to its Shares, including the Shares offered for subscription by this Prospectus is not to be taken in any way as an indication of the merits of the Company or those Securities. ASX takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of the content of the Prospectus.

Exposure Period

In accordance with Chapter 6D of the Corporations Act, the Original Prospectus was subject to an exposure period of 7 days from the date of lodgement of the Original Prospectus with ASIC ("Exposure Period"). No preference will be conferred on Applications lodged prior to the expiry of the Exposure Period or the date of lodgement of this Replacement Prospectus.

Suitability of Investment and Risk Factors

Before deciding to invest in the Company, Applicants should read the entire Prospectus, and in particular the risk factors that could affect the financial performance, future operations and assets of the Company in Section 7. They should carefully consider these factors in the light of their personal circumstances (including, financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer or other professional advisor before deciding to invest in any securities the subject of this Prospectus. They should understand that exploration for minerals is both speculative and subject to a wide range of risks and that, unless the Company makes a commercial discovery, they may lose the entire value of their investment.

Electronic Prospectus and Application Forms

An electronic copy of this Prospectus can be downloaded from the Company's website: <http://e2metals.com.au/>.

Potential investors should download and read the entire Prospectus before applying for Shares. Applications for Shares can only be made by completing and lodging the personalised Priority Offer Application Form sent with this Prospectus to Eligible Shareholders or by using the General Offer Application Form as provided with a copy of this Prospectus. Instructions on how to apply for Shares are set out in Section 3 (Offer Details) and on the back of the Priority Offer Application Form or General Offer Application Form. The Corporations Act prohibits any person from passing the Application Forms onto another person unless it is attached to a hard copy of this Prospectus or the complete and unaltered electronic copy of this Prospectus. An electronic or hard copy of this Prospectus will be provided free of charge to each Eligible Shareholder with their personalised Priority Offer Application Form and to any other person in Australia or New Zealand with the General Offer Application Form, on request.

The Offers constituted by this Prospectus in electronic form are available only to Australian and New Zealand residents accessing the website from Australia or New Zealand. The Offers are not available to persons in the United States.

Jurisdiction

This Prospectus and the enclosed Application Form do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In particular, the distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Warning Statement Applicable to New Zealand Investors

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001 (Cth)* and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
2. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001 (Cth)* and the regulations made under that Act set out how the offer must be made.
3. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
4. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
5. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
7. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

Additional Warning Statement: Currency Exchange Risk

1. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
2. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

Additional Warning Statement: Trading on Financial Product Market*

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not

operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand

Forward Looking Statements

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. All statements other than historical facts are forward looking statements, particularly those in relation to the future Prospects of the Company, targets and intentions. These forward looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements. The forward looking statements in this Prospectus reflect views held only as at the date of this Prospectus. The Company does not give any assurance that the anticipated results, performance or achievements expressed or implied in these forward looking statements will be achieved.

Definitions

A number of defined terms are used in this Prospectus. Unless the contrary intention appears or the context requires otherwise, words and phrases are as defined in the glossary in Section 15. The financial amounts in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between the totals and sums of components in tables contained in this Prospectus are due to rounding.

Disclaimer

No person is authorised to give any information, or to make any representation in connection with the Offers, that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied upon as having been authorised by the Company in connection with the Offers. Neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Prospectus except as required by law and then only to the extent so required. The Company, the Sponsoring Broker and the Share Registry disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement.

Enquiries

If you have any queries about the terms of the Offers or how to apply for Shares, you should contact your financial adviser or the Share Registry on 1300 554 474. The Company is unable to advise you on the suitability or otherwise of an investment in the Company, and for such advice you must contact your own independent professional adviser.

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Dear Investor

On behalf of the Directors of E2 Metals Limited (**the Company**), I am pleased to present this Prospectus for the Company's Initial Public Offering (IPO).

The Company's main focus is on the development of precious metals projects in prospective areas within existing goldfields where known mineralisation exists and where further exploration success is likely to support production. The Company's Neavesville and Mount Hope Projects follow this model and have the hallmarks of potential gold projects.

Assets

The Company's **Neavesville Project** located in the North Island of New Zealand:

- is an epithermal deposit in the Hauraki Goldfield, New Zealand's major gold producing area. Since mining commenced in the late 1800's, the Hauraki Goldfield has recorded production of approximately 11 Moz of gold and 50 Moz of silver. The region includes a number of world class goldmines including the Waihi Mine which is New Zealand's major current gold producer.
- has 3 principal priority target epithermal centres, being: Neavesville Oneura & Chelmsford.
- the Neavesville Prospect has 6 Prospects in close proximity to major present and past producing mines.

The **Mount Hope Project**, located in the Cobar Goldfield in New South Wales, is the Company's second project. Here drilling has intercepted high grade gold mineralisation at the Mount Solitary Prospect. Recent drilling completed by the Company has confirmed that the Mount Solitary Prospect is open at depth and to the west. The Company currently has a 51% interest in the Mount Hope Project and has agreed to acquire the remaining 49%. The Company will use part of the funds raised by the Offer to pay the balance of the purchase price. Two of the tenements forming the Mount Hope Project expire within the next 12 months but the Company is confident of being able to satisfy the conditions relating to those tenements and renewing them in the ordinary course.

Within the Cobar Goldfield the Perseverance, Chesney, New Cobar, New Occidental and Peak Mines are currently being operated by Newgold Inc¹. Between 2008 and 2014 alone, Newgold Inc has produced 669,546 oz gold from those deposits, indicating the prospectivity of the area.

Mineralisation and Objectives

At the Neavesville Project a recent review undertaken by the Company of historic drilling results has resulted in the resource at the Trig's Bluff Deposit being updated to a JORC 2012 Inferred Mineral Resource, comprising 1,489,500 tonnes at a grade of 2.58 g/t gold (123,600 oz gold) and 9.69 g/t silver (509,100 oz silver) at a gold cut off grade of 0.7 g/t.

In addition to, and exclusive of, the Inferred Mineral Resource, an Exploration Target ranging from 2.5 - 4.2 million tonnes at 1.1 - 1.8 g/t gold (84,200 - 233,000 oz gold) and 3.8 - 6.4 g/t silver (447,000 - 744,000 oz silver) has been defined. See Section 8 for disclosures required by the JORC Code 2012, and section 4 for an overview of the Neavesville, Trig's Bluff Deposit.

Negotiations with the trustees for the Maori landowners in relation to access to Trig's Bluff have not yet been finalised to allow exploration work to commence at Trig's Bluff.

However, the more prospective area of the Neavesville Project is covered by an existing access agreement with trustees for the Maori landowners.

As a consequence, the first drilling proposed at Neavesville will be at the Ajax Prospect, designed to follow up rock chip samples along a 600m exposed strike length of epithermal veining.

Following resolution of the access arrangements at Trig's Bluff, the Company will conduct exploration activities to expand the existing resource and establish further inferred resources at the Trig's Bluff Prospect.

The Company's other main objective is to pursue resource definition at Mount Hope and, in particular, Mount Solitary Prospect, to determine the full extent of the mineralisation identified by the Independent Geologist.

² Refer: www.newgold.com



Board and Management

The Company has an experienced Board of Directors and management team with the requisite skills and experience to pursue the Company's strategy and achieve the short term objectives outlined above.

Executive management will be provided by Simon Peters as Managing Director and Christopher Spurway as an Executive Director and Technical Manager. Simon is an experienced mining executive with 16 years' resources experience, including 12 years in management positions in Africa, Australia and Asia covering all aspects of the exploration and mining development process in iron ore, gold and industrial minerals. Christopher is a geologist with over 25 years' experience, who has worked on the Neavesville Project for 5 years giving him an intimate knowledge of the project and what needs to be done to develop and bring the project into production.

Historical Financial Performance

The Company is an exploration company and has not yet reached commercial production. As such the Company has historically incurred losses due to having no operating revenue stream in place. The Company does not currently have operating revenue and is unlikely to generate any revenue in the short to medium term and will be reliant on further capital raising and other funding to pay operating costs.

Risks

The Company and its activities are subject to a number of risks. These include raising sufficient funds to complete the acquisition of the Mt Hope Project and satisfy its obligations in relation to the acquisition of the Neavesville Project; finalising access arrangements in relation to the Neavesville Project; and complying with its expenditure obligations under, and securing renewal of, its mining tenements. There are a number of other risks, either specific to the Company or to exploration companies generally, which is discussed in detail in this Prospectus. You should read these Risk sections carefully before deciding to invest in the Company.

Offers

Pursuant to this Prospectus, the Company is offering a minimum of 30,000,000 Shares (**Minimum Subscription**) and a maximum of 40,000,000 Shares (**Maximum Subscription**) to be issued at a price of \$0.20 per Share to raise a total of a minimum of \$6,000,000 and a maximum of \$8,000,000 (before costs) (**General Offer**). The General Offer is open for subscription generally, whether from Eligible Shareholders or members of the public, and incorporates a Priority Offer as part of the General Offer to Eligible Shareholders of the Company registered on the Record Date of 22 February 2017 to subscribe for the minimum allocation of 10,000 Shares (\$2,000) (**Priority Offer**).

The Company is issuing 1 free Loyalty Option for every 3 Shares issued for investors who apply for greater than \$2,000 of shares in the IPO with an exercise price of \$0.20 (20 cents) and an exercise date being the day 2 years from Issue date pursuant to this Prospectus (**Loyalty Options**).

The issue of Loyalty Options will be made to those investors who participated in the IPO subscribing for a minimum of \$2,000 pursuant to the Offers. Those investors are not required to take any action to receive Loyalty Options. The Loyalty Options will be issued to those investors on the Issue Date.

An investment in the Company should be considered speculative. Whether you are an existing Shareholder or a new investor, you should read this Prospectus carefully in its entirety before making any decision to invest.

On behalf of my fellow Directors, I encourage you to consider this investment opportunity. To shareholders increasing their holdings through the Priority Offer, I thank you for your ongoing support and, for new investors, I welcome you as a new shareholder of the Company.

Yours faithfully

Martin Donohue
Chairman

SECTION 1

INDICATIVE TIMETABLE AND CAPITAL STRUCTURE SUMMARY

1.1 INDICATIVE TIMETABLE

Prospectus lodged with ASIC	15 February 2017
Replacement Prospectus lodged with ASIC	23 February 2017
Record Date for Priority Offer	22 February 2017
Opening Date for all Offers	2 March 2017
Priority Offer Closing Date	16 March 2017
General Offer Closing Date	22 March 2017
Shares issued and allotted under the Offers	28 March 2017
Dispatch of holding statements	28 March 2017
Issue of Loyalty Options	28 March 2017
Expected date for Official Quotation on ASX	4 April 2017

The dates in the above table are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. The Company reserves the right to vary the opening dates and the closing dates without prior notice, which may have a consequential effect on other dates. Applicants are encouraged to submit their Application Form as soon as possible after the Offers open. The Company reserves the right not to proceed with any of the Offers at any time before the issue of Shares to Applicants.

1.2 CAPITAL STRUCTURE

As at the date of this Prospectus, the Company has 30,370,938 Shares and 2,250,000 performance rights on issue. A summary of the present capital structure of the Company and the pro forma capital structure of the Company following completion of the Offers, illustrating both Minimum and Maximum Subscriptions, is as set out in the table below:

(a) Fully Paid Ordinary Shares

Description	Minimum Subscriptions	Maximum Subscriptions
Existing Shares on Issue (post consolidation)	30,370,938	30,370,938
Issue Price per Share under the Offers	\$0.20	\$0.20
Shares Offered under the Offers	30,000,000	40,000,000
Total Shares on issue on completion of the Offers	60,370,938	70,370,938
Total amount to be raised under the Offers (before costs of the Offers)	\$ 6,000,000	\$ 8,000,000
Undiluted Market Capitalisation on completion of the Offers at \$0.20 per Share	\$ 12,074,188	\$ 14,074,188

(b) Options

Description	No. of Options (Minimum Subscription)	No. of Options (Maximum Subscription)
Options on Issue at the Date of the Prospectus	Nil	Nil
Loyalty Options to be issued pursuant to this Prospectus	10,000,000	13,333,333
Advisor Options to be issued	1,500,000	2,000,000
Total Options on issue on completion of the Offers	11,500,000	15,333,333

Note: Refer to Section 3.13 for further details on terms of the options.

Note: Refer to Section 14.12 for further details on terms of the performance rights.

SECTION 2

INVESTMENT OVERVIEW

2.1 Investment Overview

This Section is a summary of matters relating to the Offers, the Company and the Shares and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

Topic	Summary	Details
Introduction		
Who is the issuer of the Prospectus?	E2 Metals Limited (ACN 116 865 546)	Section 4 and Sections 14.1 and 14.2
What does the Company do?	The Company is a gold exploration company, focussed on becoming a gold mining company, with an initial emphasis on near to medium term gold and silver production primarily from the Neavesville Project in the Hauraki Goldfield in the Coromandel Peninsula of the North Island of New Zealand.	Section 4
Who is the Group?	The Company, its wholly owned subsidiary Land and Mineral Limited, and the wholly owned subsidiaries of Land and Mineral Limited: <ul style="list-style-type: none"> EMX New Zealand (BVI), which owns 100% of Hauraki Gold Limited, the holder of the Neavesville Exploration Permit; Fisher Resources Pty Ltd, which holds the Company's interest in the Mount Hope Tenement. 	Section 14.2
What are the Group's key assets?	<p>The Company's primary asset is the Neavesville Project comprising 6 Prospects in close proximity to major present and past producing mines within the Hauraki Goldfield.</p> <p>Currently defined within the Trig's Bluff Prospect at Neavesville, is a JORC 2012 compliant Inferred Mineral resource comprising 1,489,500 tonnes at a grade of 2.58 g/t Au (123,600 oz Au) and 9.69 g/t Ag (509,100 oz Ag) at a gold cut off grade of 0.7 g/t Au. In addition to, and exclusive of, the Inferred Mineral Resource, an Exploration Target ranging from 2.5 - 4.2 million tonnes at 1.1 - 1.8 g/t Au (84,200 - 233,000 oz Au) and 3.8 - 6.4 g/t Ag (447,000 - 744,000 oz Ag) has been defined. See Section 8 for disclosures required by the JORC Code 2012.</p> <p>Trig's Bluff is open at depth, up dip and down dip.</p> <p>The Company's second asset is the Mount Hope Project located within the Cobar Goldfield in central New South Wales. The Mount Hope Project is a series of five Prospects within 3 Exploration Licences, the most Prospective of which is the Mount Solitary Prospect with high grade mineralisation². There are no Resources reported in accordance with JORC code 2012 at Mount Hope.</p> <p>Historically, exploration work has been done to establish the prospectivity of the tenements and this is referred to in the Independent Geologists Report. However this work was not sufficient to establish and inferred resource under JORC 2012 and should not be taken into account by investors in making a decision whether to subscribe for Shares or not.</p> <p>The Company currently has a 51% interest in the Mount Hope Project</p>	Section 4

² Non 2012 JORC mineralisation: refer Section 4.3

	and will acquire 100% of the project on the payment of the balance of the purchase price and satisfaction of other conditions. The Company proposes to use part of the proceeds from the Offer to pay the balance of the purchase price for Mount Hope.	
What is the Company's financial position?	The Company was incorporated in 2005. Sections 5.6 and 5.7 contains historical financial information for the Company. The Board is satisfied that upon successful completion of the Offers, the Company will have sufficient working capital to meet its stated objectives.	Section 5
What are the Company's Objectives?	<p>Upon successful completion of the Offers, the Company's primary objectives are to carry out exploration programs to upgrade historic resources, to expand resources already identified and establish a maiden resource in accordance with the 2012 JORC Code at each of its Projects, and in particular:</p> <ul style="list-style-type: none"> • Neavesville Project: to carry out an assessment of the known mineralisation at the Trig's Bluff prospect and determine an exploration program to establish further mineral resources to JORC 2012 standard; to expand inferred resources and to upgrade inferred mineral resources to the indicated mineral resources category or better (subject to resolving an access agreement with the Trustees for the Maori landowners); • Ajax Prospect (Neavesville Project): to carry out sufficient drilling to determine the prospectivity of the initial target area; • Mount Hope Project: continue the drilling operations with the intent of expanding the known mineralization and determine a maiden inferred resource; and • to complete the acquisition of the 100% of the Mount Hope Project under the CWC Purchase Agreement summarised in Section 12.6. 	Section 4.1
The Offers		
What are the Offers?	<p>An offer of a minimum of 30,000,000 Shares (Minimum Subscription) and a maximum of 40,000,000 Shares (Maximum Subscription) to be issued at a price of \$0.20 per Share to raise a total of a minimum of \$6,000,000 and a maximum of \$8,000,000 (before costs) (General Offer).</p> <p>The General Offer is open for subscription generally, whether from Eligible Shareholders or members of the public, and incorporates a Priority Offer as part of the General Offer to Eligible Shareholders of the Company registered on the Record Date of 22 February 2017 to subscribe for the minimum allocation of 10,000 Shares (\$2,000) (Priority Offer).</p> <p>Applications under both the General Offer and the Priority Offer must be for a minimum of 10,000 Shares and for additional allocations of 2,000 Shares.</p> <p>Loyalty Options with an exercise price of \$0.20 each and an expiry date 2 years from the Issue date will be issued free attaching and a 1 for 3 basis to every person subscribing for greater than \$2,000 of Shares. The options will vest 3 months following commencement of trading of the Company's Shares on the ASX.</p>	Section 3
What are the Offer Conditions?	<p>The Offers are conditional upon the following events occurring:</p> <ol style="list-style-type: none"> (a) the Company raising the Minimum Subscription (refer Section 3.2); and (b) ASX granting conditional approval for the Company to be admitted to the Official List (see Section 3.2). <p>If these conditions are not satisfied within 3 months of the date of this Prospectus (or such longer period as may be permitted under the Corporations Act), the Company will either refund Application Money in full or issue a supplementary Prospectus and allow Applicants one month to withdraw their Applications and be repaid their Application</p>	Section 3.2

	Money.	
What is the Offer Price?	\$0.20 (20 cents) per share	Section 3
What is the allocation policy for the Offers?	Priority will be given to Eligible Shareholders for at least the minimum allocation of 10,000 Shares under the Priority Offer. Applications under the General Offer, whether received from Eligible Shareholders or non-shareholders will be accorded such priority as the Directors may consider appropriate. There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied.	Section 3.9
When will I receive confirmation that my Application has been successful?	It is expected that holding statements will be sent to successful Applicants by post on or about 27 March 2017.	Indicative Timetable
Will the Shares be quoted on ASX?	Application for Official Quotation of the existing Shares and the Shares offered pursuant to this Prospectus has been made by the Company to ASX. The Loyalty Options will not be quoted on the ASX.	Section 3.9
What are the key dates of the Offer?	The Indicative Timetable for the Offers is set out Section 1.1.	Indicative Timetable
What is the purpose of the Offers?	The purpose of the Offers is to: <ul style="list-style-type: none"> • provide the Company with the funds required to carry out its exploration programs at Neavesville and Mount Hope and to increase its interest in the Mount Hope Project to 100%; • facilitate an application by the Company for admission of the Company to the Official List of the ASX and provide the Company with access to equity capital markets for future funding needs; • enhance the public profile of the company; • meet the costs of the Offers; and • provide working capital. 	Section 3.6
What is the proposed use of funds raised pursuant to the Offers?	The funds will be used to: <ul style="list-style-type: none"> • pay the costs of the issue; • pay the exploration costs for Mount Hope and Neavesville for two years; • pay the acquisition cost for the Mount Hope Project; • fund administration, working capital and contingencies; and • identify additional exploration assets. 	Sections 3.7 and 3.8
What is the effect of the Offers on the capital structure of the Company	The Company has 30,370,938 Shares on issue at the date of this Prospectus. This will increase to: <ul style="list-style-type: none"> • 60,370,938 Shares on achieving the Minimum Subscription; or • 70,370,938 Shares on achieving the Maximum Subscription. <p>Up to 2,000,000 unlisted Options will be issued to the Sponsoring Broker on successful completion of the Offers.</p> <p>In addition, Loyalty Options on the basis of 1 option to every 3 shares will be issued free to all holders subscribing for greater than \$2,000 of Shares at IPO and holding that parcel 12 months from the Issue date.</p>	Section 3.13
Are there any escrow arrangements?	Yes, there are compulsory escrow arrangements under the ASX Listing Rules. No securities under the General Offer or the Priority Offer will be subject to escrow. As at the date of this Prospectus the Company expects approximately: <ul style="list-style-type: none"> • 3,065,000 shares held by Directors and former Directors to be subject to a 24 month escrow; • 1,156,250 shares issued as seed capital to be subject to 12 months escrow based on the cash basis; and • Up to 2,000,000 options issued to the Sponsoring Broker to be subject to 24 month escrow. 	Section 3.18

Are the Offers underwritten?	The Offers are not underwritten.	Section 3.10
Will the Company be adequately funded after completion of the offers?	The Directors are satisfied that upon successful completion of the Offers, the Company will have sufficient funds to meet its stated objectives as set out in this Prospectus.	Section 3.7
What rights and liability attach to the Shares on issue?	The rights and liabilities attaching to the Shares are set out in the Company's Constitution, a summary of which is set out in Section 14.9.	Section 14.9
What are the tax implications of investing in Securities under the Offers?	The tax consequences of any investments in Securities under the Offers will depend upon your particular circumstances. Prospective Investors should obtain their own tax advice before deciding to invest.	Section 3.19
Applications		
How can existing shareholders apply for Shares?	Eligible Shareholders (existing shareholders of the Company as at 22 February 2017) will be sent a letter advising them of their rights under the Priority Offer, which will contain details of how Eligible Shareholders may access their personalised Priority Offer Application Form and a copy of this Prospectus. Applications under the Priority Offer must be made on the Priority Offer Application Form for the Minimum Allocation of 10,000 Shares, and then in increments of 2,000 Shares (\$500) with payment to be made in accordance with Section 3.5. While Directors will endeavour to give Eligible Shareholders priority for applications for the Minimum Allocation, Directors will allocate Shares at their sole discretion (in accordance with the Allocation Policy described in section 3.9) and no guarantee is given that Eligible Shareholders applying for more than the Minimum Allocation will have their Applications accepted in full. Eligible Shareholders are encouraged to submit a Priority Offer Application Form as soon as possible.	Section 3.5(a) and (c)
How can non-shareholders apply for Shares?	By completing and lodging a General Offer Application Form which must be for a minimum of 10,000 Shares and thereafter in multiples of 2,000 Shares.	Section 3.4
How do I pay for the shares applied for?	Eligible Shareholders may pay by BPAY®. Other Applicants must pay by cheque, bank draft or money order. Cash payments will not be accepted.	Section 3.5
Where should I send my application?	<u>By Post to:</u> E2 Metals Limited, C/- Link Market Services Limited, GPO Box 3560, Sydney NSW 2001 <u>By Hand to:</u> E2 Metals Limited, Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or to: E2 Metals Limited, Link Market Services Limited, Tower 4, Collins Square, 727 Collins Street, Melbourne, Vic 3008	Section 3.5(c)
When must applications for the Priority Offer be received?	By the Priority Offer Closing Date 5:00pm on 16 March 2017	Indicative Timetable
When must applications for the General Offer be received?	By the General Offer Closing Date 5:00pm on 23 March 2017	Indicative Timetable
Who should I contact with any queries?	For further information, please contact your accountant, stockbroker or other professional advisor. If you require assistance or additional copies of this Prospectus, please contact your broker or the Company Secretary on +61 3 9692 7222.	

Directors, Related Party Interest and Substantial Holders		
Who are the Directors?	Mr Martin Donohue – Non-executive Chairman Mr Simon Peters – Managing Director Mr Christopher Spurway – Executive Director, Exploration	Section 6.2
What experience do the Directors have?	The Non-executive Chairman, Martin Donohue is the founder of Kidman Resources Limited with 15 years' experience in equity capital markets and the natural resources sector. Executive management will be provided by Simon Peters as Managing Director and Christopher Spurway as an executive Director and the Company's Technical Manager. Simon is an experienced mining executive with 12 years in management positions in Africa, Australia and Asia covering all aspects of the exploration and mining development process in iron ore, gold and industrial minerals. Christopher is a Geologist who has worked on the Neavesville Project for 5 years giving him an intimate knowledge of the Project and what needs to be done to potentially develop and bring the Project into production.	Section 6.2
What benefits are being paid to the Directors?	No fees or benefits have been paid to the Directors prior to the date of this Prospectus other than as detailed in Section 6.4. Upon admission of the Company to the Official List, the Chairman will be paid an annual fee of \$60,000. Simon Peters, as Managing Director, will be paid a salary and benefits as set out in his employment agreement, details of which are in Section 6.5(a), and Christopher Spurway, as Executive Director, will receive consultancy fees as set out in Section 6.5(c). Each of the Directors will also receive back pay equivalent to 3 months' salary upon successful Listing on the ASX as consideration for work undertaken for the 6 months prior to ASX Listing.	Sections 6.4 and 6.5
What interests do Directors have in the Shares of the Company?	Martin Donohue has an interest in 2,865,000 Shares representing 9.43% of the issued Share capital of the Company. Simon Peters has an interest in 200,000 Shares representing 0.66% of the issued Share capital of the Company and 2,250,000 performance rights as detailed in Section 14.12. Christopher Spurway does not hold any shares in the Company. The Directors do intend participating in the General Offer.	Section 6.6
What important contracts with related parties is the Company a party to?	There are no related party contracts other than those relating to the engagement of the Directors and employment of the non-executive Directors set out in Section 6.5	Section 6.5
Who will be the substantial holders of the Company?	A list of substantial shareholders as at the date of the Prospectus are in Section 3.15. The substantial shareholders are entitled to apply for Shares under the Offer and their intentions to participate are detailed in Section 3.15.	Section 3.15
Who are the additional key management personnel?	Melanie Leydin is the Company Secretary and Financial Controller and Justin Mouchacca a joint Company Secretary	Section 6.3

2.2 Major Risks

Applicants should be aware that subscribing for the Shares involves a number of risks and uncertainties. The risk factors set out in Section 7 and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises only some of the major risks which apply to an investment in the Company and investors should refer to Section 7 for a more detailed summary of the risks.

Risk	Summary	Reference
Adequacy of Funding	Given the early stage exploration nature of the Company's main activities, it is likely that the Company will require to raise additional funds in the future. The Company's ability to raise additional funds will be affected by the success or otherwise of the exploration activities to be undertaken with the funds raised by the Offers. That success or failure will, along with other factors such as stock market conditions, the gold	Section 7.2(a) Section 12.2

	<p>price, the A\$/US\$ exchange rate, and the regulatory environment at the time, impact on the Company's Share price and the capacity or otherwise to raise funds.</p> <p>Specifically, the Company will need to raise funds to enable it to meet its contract obligations to Eurasian under the HGL Acquisition Agreement described in section 12.2. Failure to raise such funds could lead to the loss of the Neavesville Project. The exact quantum of the future payments to Eurasian cannot be determined at the date of this Prospectus as the payments are based on proved and probable ore resources in respect of the Neavesville Project published from time to time. As a consequence, it is also not possible to indicate the likely funding requirements. It is currently anticipated that any necessary funds would be raised through further capital raising at the time. Such capital raising may be dilutive of shareholders' interests.</p>	
Title and permit risks	Each permit or licence under which exploration or production activities can be undertaken is issued for a specific term and carries with it work commitments and reporting obligations, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interests in, one or more of its tenements if conditions are not met or if sufficient funds are not available to meet work commitments.	Section 7.2(b)
Native Title, Land Access and associated matters	<p>The Independent Title Report in Section 10 and the Independent Solicitors Report in Section 9 provide details of the native title and land access issues associated with the Mount Hope and Neavesville Projects, respectively.</p> <p>In relation to the Neavesville Project, an access agreement will need to be negotiated with the Trustees for the Maori landowners of the land within the Pakirarahi No.2 Block. These negotiations have commenced and, while the Company is not aware of any reason why an access agreement could not be negotiated, there is no certainty a suitable agreement will be reached in relation to access. If the parties cannot reach agreement, the Company will not be able to carry out its exploration programs within this area, which includes the Trig's Bluff Prospect. This may have a material impact on the future operations of the Company.</p> <p>The Exploration Licences for the Mount Hope Project fall within the boundaries of a native title claim, which is not expected to impact significantly on the Company's operations due to extinguishment of Native Title over the majority of the Project area. Notwithstanding this, the existence of native title and/or native title claims in relation to the land the subject of the Mount Hope Tenements may have an adverse impact on the Company's activities and its ability to fund those activities.</p>	Section 7.2(c)
Exploration and Development Risk	<p>The Company's projects range from early exploration targets through to the Trig Bluff resource reported in accordance with 2012 JORC Code. At the Neavesville Projects Trig Bluff prospect, there is an Inferred Resource reported in accordance with JORC 2012 Code.</p> <p>There is no 2012 JORC Code resources defined at Mount Hope.</p> <p>The prospects of the Company should be considered in light of the risks, expenses and difficulties frequently encountered by companies at this stage of development. Applicants should understand that mineral exploration and subsequent development are high-risk undertakings. Despite the Company's efforts, further exploration success and development of Mineral Resources or Ore Reserves within the meaning of the 2012 JORC Code cannot be guaranteed. Exploration and development operations may be hampered by force majeure circumstances and cost overruns. In 2014 and 2015 the Company was not able to complete the required drilling program in relation to EP 51767 (which is the tenement relating to the Neavesville Project) as a result of inclement weather. The Company was able to reach agreement with the relevant authority to roll forward this drilling program into future years.</p> <p>The Company may not be able to reach a further agreement to this effect in the event of further delays in the drilling program, which would expose the Company to the possible loss of EP 51767.</p>	Section 7.2(d)
Government Approvals	Exploration and development programs are, in general, subject to approval by various government departments. A failure to obtain any approval would mean that the ability to participate in or develop any Project, or possibly acquire any Project, may be limited or restricted either in part or absolutely.	Section 7.2(f)
Geopolitical Risk	Changes in legislation and government policy in Australia and New Zealand (including taxation and monetary policies and corporations laws) could materially affect the operating results of the Company.	Section 7.2(g)

Key People	The responsibility of successfully overseeing the Company's operations and strategic management relies substantially with its Directors and key management personnel. The loss of one or more of these key personnel could adversely affect the Company's business.	Section 7.2(h)
Environmental Risk	The operations and proposed activities of the Company are subject to Australian State and Federal laws and regulations and New Zealand laws and regulations concerning the environment. As with most exploration Projects and mining operations, the Company's activities are expected to have an impact on the environment. There can be no assurance that new environmental laws, regulations or stricter enforcement policies, if implemented, will not oblige any company to incur significant expense and undertake significant investment and which could have a material adverse effect on its business, financial conditions and results of operations.	Section 7.2(i)
Contractual Risk	The Company's material contracts and transactions are described in Section 12. All contracts carry risks associated with the performance by the parties of their obligations and, in the event of default, the Company's business or operations may be adversely affected.	Section 7.2(j)
Share Price and Investment Risk	Applicants should recognise that the prices of shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. None of the Company, its Directors or officers warrant the future performance of the Company or any return on an investment in the Company.	Sections 7.3(a) and (b)
Exchange Rate Risk	Future expenditure and revenues in New Zealand, where the Company's primary focus will be for the Neavesville Project, will be in NZ\$ and future sales of gold (if and as produced) will be in US\$ or reflect the price of gold in US\$. Therefore expenses and revenues of the Company will be affected by the A\$/NZ\$, A\$/US\$, and NZ\$/US\$ exchange rates.	Section 7.3(e)
General Risks	There are a number of general risks including economic and share market conditions, insurance and litigation risk, impact of terrorism and natural disasters, unforeseen expenditure and taxation. These risks are more fully set out in Section 7. All Prospective Applicants should review these general risks identified in Section 7 before making a decision to subscribe for Shares.	Section 7.3

SECTION 3

OFFER AND KEY DATES

3.1 The Offers

(a) General Offer (Incorporating Priority Offer)

Under this Prospectus, the Company offers for subscription a minimum of 30,000,000 Shares (**Minimum Subscription**) and a maximum of 40,000,000 Shares (**Maximum Subscription**) to be issued at a price of \$0.20 per Share to raise a total of a minimum of \$6,000,000 and a maximum of \$8,000,000 (before costs).

The Offers comprise a public General Offer, which also incorporates the Priority Offer to Eligible Shareholders (together, **Offers**).

The Shares to be issued pursuant to the Offers are of the same class and will rank equally in all respects with the existing Shares in the Company. The rights and liabilities attaching to the Shares are further described in Section 14.9 of this Prospectus.

The Offers are not underwritten. Refer to Section 3.10 for details.

(b) Loyalty Options

The Company is issuing 1 free Loyalty Option for every 3 Shares issued for investors who apply for greater than \$2,000 of shares in the IPO with an exercise price of \$0.20 (20 cents) and an exercise date being the day 2 years from Issue date pursuant to this Prospectus.

The issue of Loyalty Options will be made to those investors who participated in the IPO subscribing for a minimum of \$2,000 pursuant to the Offers. Those investors are not required to take any action to receive Loyalty Options. The Loyalty Options will be issued to those investors on the Issue date.

The Loyalty Options are subject to a vesting condition that the Loyalty Option holder hold shares on the "Vesting Date" (being the date that is 3 months following the commencement of trading of the Company Shares on ASX), with the number vesting equal to the lesser of:

- (a) the number of Loyalty Options held on the Vesting Date; and
 - (b) the number of Shares held on the Vesting Date divided by 3,
- (Vesting Condition).

Unvested Loyalty Options will lapse on the Vesting Date. Fractional entitlements will be rounded down to the nearest whole number. (Refer to Section 14.11 for details)

An illustration of how the Vesting Condition operates with various examples of transactions undertaken by Loyalty Option holders prior to the Vesting Date is set out below:

No. of Shares Held on Issue Date	120,000	120,000	120,000	120,000	120,000
No. of Loyalty Options Issued	40,000	40,000	40,000	40,000	40,000
Transactions completing before Vesting Date	No transactions	Shareholder Purchased 10,000 Shares before Vesting Date	Shareholder sells 30,000 Shares before the Vesting Date	Shareholder sells 45,000 Shares then purchases 45,000 shares before the Vesting Date	Shareholder sells 40,000 Shares then purchases 10,000 shares before the Vesting Date
No. Shares Held on Vesting Date	120,000	130,000	90,000	120,000	90,000
No. of Loyalty Options that Vest	40,000	40,000	30,000	40,000	30,000
No. of Loyalty Options that Lapse	Nil	Nil	10,000	Nil	10,000
Reason	Same number of Shares held therefore all Loyalty Options vest.	Shareholders who purchase additional shares such that their shareholding at the Vesting Date is greater than their holding at the Issue Date are not entitled to additional Loyalty Options.	Number of Shares held divided by 3 is now less than the number of Loyalty Options on Vesting Date.	Same number of Shares held therefore all Loyalty Options vest.	Number of Shares held divided by 3 is now less than the number of Loyalty Options on Vesting Date.

Up to the Vesting Date the Loyalty Options are non-transferable. Following the Vesting Date the Loyalty Options will become transferable.

The Rights and Liabilities of the Loyalty Options issued under the Prospectus are set out in Section 14.11.

3.2 Conditional Offer

The Offers are conditional upon the following events occurring:

- (a) the Company raising the Minimum Subscription; and
- (b) ASX granting conditional approval for the Company to be admitted to the Official List.

If these conditions are not satisfied within 3 months of the date of this Prospectus (or such longer period as may be permitted under the Corporations Act), the Company will either refund Application Money in full or issue a supplementary Prospectus and allow Applicants one month to withdraw their Applications and be repaid their Application Money.

Minimum Subscription

The Minimum Subscription level which must be achieved from the Offers is subscription for 30,000,000 Shares to raise an amount of \$6,000,000.

No Shares will be issued or allotted under this Prospectus until the Minimum Subscription has been achieved. If the Minimum Subscription has not been raised within 3 months of the date of this Prospectus (or such longer period as may be permitted by the Corporations Act), the Company will either refund Application Monies in full or issue a supplementary Prospectus and allow Applicants one month to withdraw their Applications and be repaid their Application Monies.

ASX Listing

Application for Official Quotation of the existing Shares and the Shares offered pursuant to this Prospectus will be made by the Company to ASX within 7 days after the date of this Prospectus. If the Shares are not admitted to Official Quotation within 3 months after the date of this Prospectus, or any longer period permitted under the Corporations Act, the Company will either not issue any Shares pursuant to the Offers and will repay all Application Monies without any interest within the time prescribed under the Corporations Act, or the Company will issue a supplementary Prospectus and allow Applicants one month to withdraw their Applications and be repaid their Application Money.

The fact that ASX may admit the Company to its Official List and grant Official Quotation to the existing Shares and the Shares being offered pursuant to this Prospectus is not to be taken in any way as an indication of the merits of the Company, the Shares or the Shares now offered for subscription.

If granted, Quotation of the Shares will commence as soon as practicable after allotment of Shares to Applicants under the terms of the Offers.

3.3 Terms of the Priority Offer

If you are an Eligible Shareholder you are invited to apply for the Minimum Allocation of 10,000 Shares under this Prospectus at an issue price of \$0.20 per Share and a total subscription payment of \$2,000, as part of the General Offer.

You are an Eligible Shareholder if you have a registered address in Australia or New Zealand, and are registered as the holder of Shares at 5:00pm Melbourne time on 22 February 2017 (**Record Date**).

Eligible Shareholders will be sent a letter advising them of their rights under the Priority Offer, which will contain details of how Eligible Shareholders may access their personalised Priority Offer Application Form and a copy of this Prospectus. Applications for Shares under the Priority Offer can only be made using the Priority Offer Application Form. The Priority Offer Application Form must not be circulated to Prospective investors unless accompanied by a copy of this Prospectus.

The Priority Offer is not renounceable and it cannot be transferred. The Priority Offer is not a rights issue or entitlement offer.

Eligible Shareholders on the Record Date may apply for as many Shares as they wish, subject to the Minimum Allocation of 10,000 Shares and minimum application amount of \$2,000 and for additional allocations thereafter in increments of 2,000 Shares (\$500) and payment being made in accordance with Section 3.5.

No brokerage, stamp duty or other costs are payable by Applicants.

Directors will allocate Shares in accordance with the Allocation Policy referred to in Section 3.9.

3.4 Terms of the General Offer

Any Shares which are not applied for by Eligible Shareholders by the Priority Offer Closing Date and accepted by the Company, will be issued to Applicants under the General Offer. The Priority Offer closes five days before the General Offer Closing Date, to facilitate this process.

Potential investors who are not Eligible Shareholders may apply for Shares under the General Offer by completing the General Offer Application Form accompanying this Prospectus. Applications from the general public must be for a minimum of 10,000 Shares (\$2,000) and thereafter in multiples of 2,000 Shares, with payment to be made in accordance with Section 3.5.

Eligible Shareholders may apply for as many Shares as they wish, subject to the Minimum Allocation of 10,000 Shares and minimum application amount of \$2,000 and for additional allocations thereafter in increments of 2,000 Shares (\$500), by completing the Priority Offer Application Form and ensuring payment is made in accordance with Section 3.5.

No brokerage, stamp duty or other costs are payable by Applicants.

Directors will allocate Shares in accordance with the Allocation Policy in Section 3.9.

3.5 How to Apply and Pay for Shares

(a) How Eligible Shareholders may apply and pay for Shares under the Priority Offer and General Offer

Pay by BPAY®

Only Eligible Shareholders may apply and pay by BPAY®. If you wish to pay by BPAY®, you do not need to return your Priority Offer Application Form. Eligible Shareholders paying by BPAY® should refer to the Section titled "Payment using BPAY®" on their Priority Offer Application Form for further details.

Payment must be received via BPAY® before the Priority Offer Closing Date, 5.00pm Melbourne time on 16 March 2017. You should ensure that you make your payment in sufficient time for the financial institution through which the payment is being made and for BPAY® to process your payment so that the Company receives it by 5.00pm Melbourne time on 16 March 2017.

You must take up at least the Minimum Allocation of 10,000 Shares (\$2,000). If you wish to take up more than the Minimum Allocation, complete the Priority Offer Application Form for the number of additional Shares you wish to take up in increments of 2,000 Shares (\$500) and ensure payment is made in accordance with this section for the number of Shares applied for multiplied by the Offer Price of \$0.20 (20 cents).

By paying by BPAY® you will be deemed to have completed a Priority Offer Application Form for the number of Shares that your application payment equates to.

Please make sure to use the specific Biller Code and unique Customer Reference Number on your Priority Offer Application Form. If you received more than one personalised Priority Offer Application Form, you will need to complete individual BPAY® transactions using the Customer Reference Number specific to each individual personalised Priority Offer Application Form that you receive.

Pay by cheque, bank draft or money order

If you wish to pay by cheque, bank draft or money order, complete your personalised Priority Offer Application Form in accordance with the instructions set out on the form. Cheques must be in Australian currency only, made payable to "**E2 Metals Limited**" and crossed "**Not Negotiable**". Applicants must not forward cash. Receipts for payment will not be issued.

Priority Offer Application Forms, together with payment, should be sent by post to the Company's Share Registry at the address detailed below in paragraph (c), to arrive no later than the Priority Offer Closing Date, 5.00pm Melbourne time on 16 March 2017. Payments by cheque, bank draft or money order will be deemed to have been made when the cheque, bank draft or money order is honoured by the bank on which it is drawn.

Applications made by Eligible Shareholders in excess of the Minimum Allocation will be deemed to be an Application under the General Offer. The Company reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for in excess of the Minimum Allocation.

(b) How non-Shareholders may apply for Shares under the General Offer:

If you are not an Eligible Shareholder and you wish to subscribe for Shares under the General Offer, you must:

- complete the General Offer Application Form accompanying this Prospectus according to the instructions on that form; and
- forward the completed form together with payment by cheque, bank draft or money order of the appropriate Application Monies (at \$0.20 per Share subscribed for) to the address in paragraph (c) below by no later than 5.00pm Melbourne time on 23 March 2017.

If you are not an Eligible Shareholder, your Application must be for a minimum of 10,000 Shares (\$2,000) and thereafter in multiples of 2,000 Shares (\$500).

The Directors will allocate Shares under the General Offer in their absolute discretion and reserve the right to reject any Application for Shares or to allot a lesser number of Shares than applied for.

Cheques, bank drafts or money orders must be in Australian currency only, made payable to "**E2 Metals Limited**" and crossed "**Not Negotiable**".

Applicants must not forward cash. Receipts for payment will not be issued.

(c) Submitting Application Forms and Application Cheques

Completed Priority Offer Application Forms and General Offer Application Forms together with the appropriate Application Monies (which may be paid by cheque, bank draft or money order) may be delivered by hand or forwarded by mail to the Company's Share Registry at the following addresses.

Eligible Shareholders making payment for Shares under the Priority Offer or General Offer using BPAY® do not need to return their Application Forms.

Payments by cheque, bank draft or money order will be deemed to have been made when the cheque, bank draft or money order is honoured by the bank on which it is drawn.

Delivery by Mail	Delivery by Hand	
E2 Metals Limited C/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001	E2 Metals Limited C/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138	E2 Metals Limited Link Market Services Limited Tower 4, Collins Square, 727 Collins Street Melbourne Vic 3008
<i>Please do not use the above addresses for mailing purposes</i>		

Full instructions on how to apply for Shares under the Offers and how to complete the relevant Forms are set out on the reverse side of the relevant Form. If you have any doubt on how to make an Application or complete your Application Form, please consult your professional adviser.

3.6 Purpose of the Offers

The purpose of the Offers is to:

- provide the Company with the funds required to carry out its exploration programs at Neavesville and Mount Hope and to increase its interest in the Mount Hope Project to 100%
- facilitate an application by the Company for admission to the Official List of the ASX and provide access to equity capital markets for future funding needs;
- enhance the public profile of the Company;
- meet the costs of the Offers; and
- provide working capital.

Further details of the Company's exploration programs and strategies in relation to each of its Projects are detailed in Section 4 and are reported on in detail in the Independent Geologist's Report in Section 8.

3.7 Use of funds raised under this Prospectus

The funds raised pursuant to the Offers are intended to be applied as set out in the tables below depending on whether the Maximum Subscription or the Minimum Subscription is achieved.

The table set out below is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. Actual expenditure may differ significantly from the above estimates due to a number of factors including the results of its exploration activities, regulatory developments, development of new opportunities, market and general economic conditions and other risk factors set out in Section 7. The Board reserves the right to alter the way funds are applied on this basis.

The Directors are satisfied that upon successful completion of the Minimum Subscription under the Offers, the Company will have sufficient funds to meet its stated objectives as set out in this Prospectus.

Item of Expenditure	Minimum \$	Maximum \$
Funds to be raised	6,000,000	8,000,000
Year 1		
Costs of the issue remaining to be paid	399,500	522,500
Exploration Expenditure		
Neavesville	1,100,000	1,850,000
Mount Hope	435,000	635,000
Mt Hope Acquisition	235,000	235,000
Administration Costs	753,113	753,113
Year 2		
Exploration Expenditure		
Neavesville	1,400,000	2,350,000
Mount Hope	770,000	770,000
Administration Costs	593,950	593,950
Working Capital	313,437	290,437
Total	\$6,000,000	\$8,000,000

Notes:
<ul style="list-style-type: none"> • Exploration expenditure in Years 1 and 2 is that necessary to satisfy the Company's minimum stated objectives which are discussed in Section 4, work commitments under various tenements held by the Group and summarised in the Independent Titles Report in Section 10 or the Independent Solicitor's Report in Section 9 and the requirements of Material Contracts related to the various tenements in Section 12. • Unallocated working capital will be utilised by the Company to meet general corporate costs, to pay for cost overruns in budgeted expenditures (if any), or in expenditure depending on results achieved and in the administration of the Company.

3.8 Costs of the Issue

The total expenses estimated to be incurred by the Company in relation to this Prospectus are expected to be in the range \$549,500 to \$672,500 depending on the quantum of funds raised pursuant to the Offers. Included in Commission and Sponsoring Broker's Fees are all fees and charges estimated to be payable to the Sponsoring Broker pursuant to the terms of its appointment together with commission payable on funds raised by the Sponsoring Broker or through the Sponsoring Broker pursuant to the Offers. It has been assumed for the purpose of calculating such expenses that commission will be equivalent 6% on all funds raised under the Offers.

Item of Expenditure	Minimum \$	Maximum \$
ASX and ASIC	68,000	71,000
Legal Fees	42,500	42,500
Independent Expert Reports	49,000	49,000
Printing Postage and Stationery	30,000	30,000
Lead Manager Commission	360,000	480,000
Total	549,500	672,500

It is noted that the Company has paid approximately \$150,000 of the costs noted above to date using its existing cash reserves.

3.9 Allocation policy

Directors will allocate Shares at their sole discretion but will give priority to applications by Eligible Shareholders under the Priority Offer for the Minimum Allocation in the order in which such Applications are received and processed by the Company. While it is intended that as many Eligible Shareholders as possible receive at least the Minimum Allocation under the General Offer, there is no guarantee that Eligible Shareholders will have their Applications accepted in full. Eligible Shareholders are encouraged to submit a Priority Offer Application Form as soon as possible.

All other Applications for Shares, whether received from existing Shareholders or non-shareholders, will be accorded such priority as the Directors may consider appropriate at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward. The Company reserves the right to allocate to any Applicant a lesser number of Shares than are applied for, or to decline any Application. Where no allocation is made to a particular Applicant or the number of Shares allocated is less than the number applied for by an Applicant, surplus Application Monies will be refunded to that Applicant as soon as practicable.

Directors will not exercise their discretion in relation to the allocation of Shares so that entities associated with the Directors are advantaged as against other Eligible Shareholders or non-shareholders who apply for Shares.

In accordance with the provisions of the Corporations Act, all Application Monies shall, pending allotment and issue of the Shares pursuant to the Offers, be held by the Company in trust in a bank account established solely for the purpose of depositing the Application Monies received. Any interest earned on such Application Monies shall be to the Company's account. No interest will be paid on Application Monies held and returned.

Subject to ASX granting approval for Official Quotation of the Shares, the issue of Shares under the Offers will occur as soon as possible after the General Offer Closing Date.

If you are a successful Applicant, you will be notified in writing of the number of Shares allocated to you as soon as possible following the allocation being made after the General Offer Closing Date. It is anticipated that Holding Statements will be dispatched on or about 27 March 2017.

It is your responsibility to confirm the number of Shares allocated to you prior to trading in the Shares. If you sell any Shares before you receive notice of the number of Shares allocated to you, you do so at your own risk.

No Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of the Original Prospectus, being 15 February 2017.

The Company will not issue Shares where it is aware that to do so would result in a breach of the Corporations Act or any other relevant legislation or law. In particular, no Applicant will be permitted to acquire Shares under the Offers to the extent that such acquisition would result in that Applicant having voting power in the Company in excess of 20% (after the close of the General Offer and allocation of the Shares).

If you wish to apply for Shares, you must consider whether the issue of the Shares applied for would breach any laws, including the Corporations Act or the Foreign Acquisitions and Takeovers Act, having regard to your own circumstances.

3.10 Underwriting

The Offers are not underwritten.

3.11 Overseas Applicants

No action has been taken to register or qualify the Shares, the Offers or this Prospectus in any jurisdiction outside of Australia and New Zealand. This Prospectus does not constitute an offer of Shares in any jurisdiction outside of Australia and New Zealand, or to any person to whom it would not be lawful to make the offer or issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should inform themselves about, and observe any such restrictions. Failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus may not be released or distributed in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States, and may not be offered or sold in the United States, or to, or for the account or benefit of a US Person, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

Potential investors who are not residents in Australia or New Zealand or nominees applying for Shares on behalf of overseas residents or Applicants outside Australia or New Zealand are responsible for ensuring that such an Application does not breach any regulation or law applicable to any such overseas resident. If you are a nominee, or a person proposing to act as a nominee, or a person resident in countries other than Australia or New Zealand, you should seek independent advice as to how you should proceed.

If you are a foreign person within the meaning of the Foreign Acquisitions and Takeovers Act 1975, you should seek independent legal advice as to how you should proceed before making any Application for Shares.

If you lodge an Application Form accompanied by the relevant Application Monies this will be taken by the Company to constitute a representation from you that no breaches of any law or regulation in any jurisdiction has occurred and that all necessary approvals and consents have been obtained.

3.12 Ineligible Shareholders

At the date of this Prospectus, the Company has only five (5) Ineligible Shareholders who are not resident in Australia or New Zealand who hold, in aggregate, 514,932 Shares and would, if the Priority Offer was made to them, have the right to subscribe for approximately 50,000 Shares only, with a total subscription value of approximately \$10,000.00.

The Company has decided that it is unreasonable to make the Priority Offer to any Shareholder with a registered address outside Australia or New Zealand as at the Record Date (**Ineligible Shareholder**), having regard to:

- the small number of Shareholders with addresses in such other countries;
- the number and value of the Shares they hold; and
- the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

Accordingly, the Priority Offer is not being extended to, and does not qualify for distribution or sale by or to Ineligible Shareholders having registered addresses outside Australia or New Zealand.

3.13 Proposed Capital Structure

(a) Shares

As at the date of this Prospectus, the Company has 30,370,938 Shares and 2,250,000 performance rights on issue (Refer Section 14.12). A summary of the present capital structure of the Company and the pro forma capital structure of the Company following completion of the Offers assuming both minimum subscription and maximum subscriptions is as set out in the table below.

Description	Minimum Subscriptions	Maximum Subscriptions
Existing Shares on Issue (post consolidation)	30,370,938	30,370,938
Issue Price per Share under the Offers	\$0.20	\$0.20
Shares Offered under the Offers	30,000,000	40,000,000
Total Shares on issue on completion of the Offers	60,370,938	70,370,938
Total amount to be raised under the Offers (before costs of the Offers)	\$ 6,000,000	\$ 8,000,000
Undiluted Market Capitalisation on completion of the Offers at \$0.20 per Share	\$ 12,074,188	\$ 14,074,188

(b) Options

Description	No. of Options (Minimum Subscription)	No. of Options (Maximum Subscription)
Options on Issue at the Date of the Prospectus	Nil	Nil
Loyalty Options to be issued pursuant to this Prospectus	10,000,000	13,333,333
Advisor Options to be issued	1,500,000	2,000,000
Total Options on issue on completion of the Offers	11,500,000	15,333,333

Sponsoring Broker Options

There are no Options on issue at the date of this Prospectus. On successful completion of the Offers, the Company has agreed to issue to the Sponsoring Broker unlisted Options priced at 25 cents and expiring 3 years from the date of Official Quotation, as follows:

On reaching the Minimum Subscription: 1,500,000 Options

On reaching the Maximum Subscription: 2,000,000 Options

Refer to Section 12.7 for details of the Company's agreement with the Sponsoring Broker and Section 14.10 for information on the terms of the Options.

Loyalty Options

The Company is issuing 1 free Loyalty Option for every 3 Shares issued for investors who apply for greater than \$2,000 of shares in the IPO with an exercise price of \$0.20 (20 cents) and an exercise date being the day 2 years from Issue date pursuant to this Prospectus.

Refer to Section 3.1(b) for details on the Loyalty Options and Section 14.11 for information on the terms of the Options.

3.14 What is the effect of the Offer on Shareholders?

Eligible Shareholders whether they take up the Priority Offer and/or apply for additional Shares under the General Offer, may be diluted. Ineligible Shareholders will have their holdings diluted by the Offer. The extent of any dilution will depend on the level of participation in the Offers, and the number of Shares issued to Applicants under the Priority Offer and the General Offer.

3.15 Potential effect on Control

As at the date of this Prospectus there are the following Shareholders who have a substantial shareholding in the Company:

Substantial Shareholder	Shares Held	Register Holders	% issued capital and voting power
Mr Martin Donohue	2,865,000	OLIVERS HILL PTY LTD	9.43%
		PENSTOCK ADVISORY PTY LTD	
Capri Trading Pty Ltd	2,875,000	CAPRI TRADING PTY LTD	9.47%
Dominique Stewart	1,625,000	DOMINIQUE STEWART	8.64%
		COMMODITY HOUSE PTY LTD	
Tykune Pty Ltd	1,750,000	TYKUNE PTY LTD	5.76%

The potential effect the Offers will have on the control of the Company's undiluted share capital will depend on the extent to which Shareholders take up Shares under the Priority Offer and the General Offer and the extent to which other investors subscribe for Shares under the General Offer.

Mr Donohue has indicated that he proposes to participate through his related entities. See Section 6.6.

Capri Trading Pty Ltd, Tykune Pty Ltd and Dominique Stewart have not as at the date of this Prospectus indicated their intentions in regard to participation in the Offers.

3.16 Withdrawal

The Directors may at any time decide to withdraw the Prospectus and the Offers, in which case the Company will return all Application Money received, without interest, within 28 days of giving notice of the withdrawal.

3.17 CHESS

The Company will apply to participate in CHESS. All trading on the ASX will be settled through CHESS.

ASX Settlement, a wholly owned subsidiary of the ASX, operates CHESS in accordance with ASX Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of Shares and Options (if quoted on ASX).

Under CHESS, the Company will not issue certificates to Shareholders. Rather holding statements will be sent to Shareholders as soon as practicable after allotment, which will set out the number of Shares allotted to you under this Prospectus. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Shares Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares allotted under this Prospectus and provide details of a Shareholder's Holder Identification Number (in the case of a holding on the CHESS sub-register) or Shareholder Reference Number (in the case of a holding in the issuer-sponsored sub-register). Updated holding statements will be sent to you at the end of any subsequent month during which the balance of your holding changes.

3.18 Restricted Securities

As a condition of granting the Company's application for admission to the Official List, the ASX may classify certain Shares as Restricted Securities. Chapter 9 of the Listing Rules prohibits holders of Restricted Securities from disposing of those Securities or an interest in those Securities or agreeing to dispose of those Securities or an interest in those Securities for the relevant restriction periods. The holder is also prohibited from granting a security interest over those Securities.

Subject to the Company being admitted to the Official List, certain Shares on issue prior to the Offers held by Directors, past Directors or other related parties of the Company may be classified by ASX as Restricted Securities and may be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Securities are prohibited from being transferred, trading in Securities may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

Prior to Official Quotation of the Company's Shares, the Company will enter into escrow agreements with the recipients of the Restricted Securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow.

None of the Shares issued under the Offers are expected to be Restricted Securities.

It is anticipated that the following Shares will be classified as restricted securities and be subject to escrow for a period of twenty-four (24) months from the date of commencement of Official Quotation:

Name of Director	Relationship to Company	Reason for Restriction	No. of Shares anticipated to be escrowed	Anticipated Restriction Period
Mr Martin Donohue	Non-Executive Chairman	Related Party	2,865,000	24 months
Mr Simon Peters	Managing Director	Related Party	200,000	24 months
TOTAL NUMBER OF SHARES ANTICIPATED TO BE SUBJECT TO ESCROW			3,065,000	

During the 12 months prior to IPO the Company issued 2,312,500 (post consolidation) shares to seed investors. It is expected that 1,156,250 of these shares will be subject to a 12 month escrow from the date of issue of the seed shares.

3.19 Taxation Implications

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. The Company, and its advisors and officers, do not accept any responsibility or liability for any taxation consequences to you in respect of this issue of the Shares pursuant to this Prospectus, or the subsequent sale or other disposal of those Shares. All Applicants should therefore, consult your own professional tax advisor in connection with the taxation implications of the issue of Shares pursuant to this Prospectus, or the subsequent sale of those Shares.

3.20 Risk Factors

An investment in the Company is speculative and involves a number of risks associated with small companies involved in mineral exploration, production and processing and general risks associated with any share investment. The principal risks that could affect the performance of the Company are detailed in Section 7 of this Prospectus. Before deciding to invest in the Company, Applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate advice.

3.21 Privacy

By completing an Application Form, you will be providing personal information to the Company (directly or via the Share Registry). The Company will collect, hold and use that information to assess the Application and, for successful Applications, to service your needs, communications and related administration. The information may also be disclosed to persons inspecting the register, including bidders for securities in the context of takeovers, regulatory bodies, print service providers, mail houses and share registry activities generally. You can access, correct and update the personal information that the Company holds for you by contacting the Company.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth), the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. You may request access to your personal information held by or on behalf of the Company. You can request access to your personal information or obtain further information about the Company' privacy practices by contacting the Share Registry or the Company. The Company aims to ensure that the personal information it retains about you is accurate, complete and up to date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

3.22 Enquiries

If you have any enquiries as to the terms of the Offers please contact the Company's Share Registry, Link Market Services Limited on 1300 784 494.

SECTION 4

E2 METALS LIMITED: ITS BUSINESS AND PROJECTS

4.1 Corporation Strategy and Objectives

The Company is focussed on becoming a mining company, with the objective of exploring and developing precious and base metals projects, with a particular emphasis on gold. To accelerate the path to potentially becoming a producer the Company has adopted a strategy of searching for potentially major deposits in prospective areas within existing goldfields where known mineralisation exists and where further exploration success is likely to support development and production. Consistent with this strategy and the Company has acquired the Neavesville Project and entered into an agreement to acquire the 49% of the Mount Hope Project that it does not own. The Company has undertaken exploration at both the Neavesville Project and the Mount Hope Project that has established the presence of gold mineralisation and refined the geological understanding of the projects. In particular, the Company has undertaken work in relation to Trig's Bluff which has enabled the reclassification of an historic resource into the Inferred Category and an Exploration Target.

The Company has a Board of Directors and management team with a strong development and operational background focused on realising the potential near term of the projects.

Upon successful completion of the Offers, the Company's primary objective is to expand the existing historic and JORC 2012 resources at both Neavesville and Mount Hope Projects. The Company will:

- (a) carry out exploration programs to upgrade historic resources, expanding resources already identified and establish where possible maiden resources reported in accordance with 2012 JORC Code at exploration Prospects for each of its projects, and in particular:
 - (i) at the Trig's Bluff Deposit (Neavesville Project) carry out an assessment of the known mineralisation to determine an appropriate exploration program to establish further mineral resources (subject to the resolution of an access agreement with the Trustees for the Maori Landowners, see below in section 4.2);
 - (ii) at the Ajax Prospect (as referred to in Section 4.2) undertake sufficient drilling to determine the prospectivity of the identified targets;
 - (iii) at the Mount Hope Project continue the drilling operations with the intent of expanding the known mineralisation;
 - (iv) at both the Mount Hope and Neavesville Projects undertake exploration with a view of defining maiden resources at other prospects within the project areas; and
- (b) complete the acquisition of the 100% of the Mount Hope Project under the CWC Purchase Agreement summarised in Section 12.6.

4.2 Neavesville Project: New Zealand

Gold production in the Hauraki Goldfields has primarily been from epithermal style gold deposits. The Hauraki Goldfield has been, and continues to be New Zealand's most productive gold producer.

The Hauraki Goldfield contains about 50 known epithermal gold-silver deposits related to Miocene to Pliocene age hydrothermal systems. These deposits have total recorded production of approximately 11 M oz of gold and 50 M oz of silver since production began in 1862.

The Neavesville Project is within a short distance from some of the largest producers within the Hauraki Goldfield. The Neavesville Project is surrounded by many significant present and past major producing epithermal goldmines. The Company's Neavesville Project is located approximately:

- 15 km south-east of the historic Thames Mine, which had past bonanza style production of approximately 1,441,864 oz Au.
- 25 Kilometres North west of Waihi township and the Martha Mine (including Waihi, Favona and Correnso deposits), a giant epithermal gold deposit and major current producer which accounts for most past production of gold and silver from the Hauraki Goldfield.
- 20 kilometres northwest of Golden Cross, which was the fourth largest gold producer the Hauraki Goldfield with production, from 1991 to 1998, of a total of 662,000 oz of gold produced from 5,136,300 tonnes of ore.

Figure 12 on page 25 of the Independent Geologist's Report shows the location of these and other present or past producing mines in close proximity to Neavesville.

The Neavesville Project contains 3 principal target areas, Neavesville, Oneura & Chelmsford. The Neavesville target area contains 6 known Prospects, with the two most advanced being the Trig's Bluff Deposit and the Ajax Prospect.

At Trig's Bluff, an inferred mineral resource based on review and modification of historic existing lithological and mineralization wireframes was estimated by Mr D Coventry, Member AusIMM and AIG, following industry standard procedures in accordance with 2012 JORC Code.

The Inferred Mineral resource comprises 1,489,500 tonnes ore at a grade of 2.58 g/t Au (123,600 oz Au) and 9.69 g/t Ag (509,100 oz Ag) at a gold cut off grade of 0.7 g/t. In addition to, and exclusive of, the Inferred Mineral Resource, an exploration target ranging from 2.5 - 4.2 million tonnes at 1.1 - 1.8 g/t Au (84,200 - 233,000 oz Au) and 3.8 - 6.4 g/t Ag (447,000 - 744,000 oz Ag) has been defined.

See Section 8 for disclosures required by the 2012 JORC Code.

While the Company is of the view that the Inferred Resource and the Exploration Target at Trig's Bluff provide a very good foundation for the project and highlight the significant exploration potential for the Neavesville Project, the Exploration Target is an estimate of the exploration potential only and any discussion in relation to exploration targets or resource potential is only conceptual in nature.

Metallurgical testing on samples from Trig's Bluff was carried out by Amdel Mineral Laboratories in Australia on a composite sample of the core sample rejects from drill hole NDDH16 that assayed 4.3 g/t Au. Importantly, Amdel's head assays of the composite sample were about 10% higher than the weighted average gold value obtained from initial analyses of the drill core. Cyanide leach tests returned 84% to 89% gold recovery with little difference between 24 and 48-hour leach times, and grinding the samples to a 38 and 75 micron particle size. (refer page 31 of the Independent Geologists Report). While the metallurgy and recovery rates are attractive it would, however, be inappropriate to conclude, on such limited results, that this will be typical across the spectrum of the known mineralisation.

The initial exploration drilling focus at Neavesville will be on the Ajax Prospect where rock chip sampling has given results of up to 1,605 g/t gold with other significant results along a 600-meter exposed strike length of epithermal vein material (refer pages 43 - 44 of the Independent Geologists Report).

The Company considers the Ajax Prospect to be highly Prospective and is preparing to commence drilling shortly after successfully listing on the ASX. Preparation for drilling, including, the establishment of drilling pads and obtaining the necessary approvals has been completed.

As noted in the Independent Title Report (see page 121 in relation to EP 51769), the requirement relating to the minimum drilling commitment in 2014 and 2015 in respect of the Ajax Prospect was not met, due to inclement weather making access and drilling unsafe. EP51767 in relation to the Ajax Prospect has been renewed for a further 5 year term, on the basis that the drilling not performed in 2014 and 2015 would be rolled forward into the work programme for the renewed tenement. The Company has prepared its exploration budgets on this basis.

Geophysical surveys carried out over the Ajax and Chelmsford areas confirm the exploration prospectivity of the targets as the results show that known mineralisation at Neavesville and Chelmsford epithermal centres occurs at the intersection of linear magnetic lows that trend NE (which are interpreted as possible faults or quartz filled fissures) and NW linear features. The Company has designed the initial drilling programmes to test additional magnetic lows located in similar structural settings. See Figure 18 in the Independent Geologist's Report.

The Neavesville Project is situated on land owned by the Trustees of the Pakirarahi Number One B Trust and the Trustees of the Pakirarahi Number Two Trust. A Joint Venture Agreement and an Access Agreement has been entered into with the Trustees of the Pakirarahi Number One B Trust covering 1409.5 hectares (containing principal target areas Oneura and Chelmsford and the Ajax Prospect) out of the 2061 hectares contained in EPM 51767, the terms of which are summarised in Sections 12.3 and 12.4. An access agreement has not been entered into with the Trustees of the Pakirarahi Number Two Trust, whose landholdings include the Trig's Bluff, Graces, Birds, Champion and Southern Bluff Prospects. Until an access agreement or arrangements can be negotiated with the Trustees for the Maori landowners of the land within the Pakirarahi No.2 Block, no access for drilling, mining and other low impact activities is possible. The Company has commenced discussions with the Trustees of the Pakirarahi Number Two Trust. However, no guarantee can be given that access agreements will be secured. Refer to the Independent Solicitor's Report in Section 9 for further details.

Details of the Neavesville Project are set out in the Independent Geologist's Report in Section 8 of this Prospectus.

The Independent Solicitors Report prepared by Chapman Tripp, a firm of New Zealand solicitors, provides details of the status of Exploration Permit 51767 which comprises the Neavesville Project. The Independent Solicitors Report also summarises relevant New Zealand laws relating to exploration and mining activities and resource management in New Zealand generally, and more specifically, as related to Exploration Permit 51767 and the Neavesville Project.

Details of material contracts which govern the Company's rights in relation to Exploration Permit 51767 including land use and access rights are summarised in Sections 12.2 - 12.4, inclusive.

Project specific risks which relate to the Neavesville Project, to the extent not referred to in the above materials or elsewhere generally in this Prospectus, are described in Risk Factors in Section 7.

4.3 Mount Hope Project: New South Wales

The Mount Hope Project is a series of five prospects within 3 Exploration Licences located in the Cobar goldfield in Central New South Wales. The most Prospective of these is EL6837 which contains the Mount Solitary, Little Mount Solitary, Powerline and Mount Solar Prospects. These prospects extend north-south through EL6837 over a distance of 4km.

The Company's interest in the Mount Hope Project is held by its subsidiary, Fisher Resources Pty Ltd, which originally entered into a Farm In and Joint Venture Agreement with Central West Gold NL, (now called China Waste Corporation Limited (CWC)), under which it earned a 51% interest in the Tenements and could elect to earn an additional 19% interest. Fisher Resources Pty Ltd has since entered into an agreement to purchase the balance 49% interest in the Mount Hope Tenements from CWC pursuant to the CWC Purchase Agreement summarised in Section 12.6. A deposit has been paid and the balance of the consideration of \$235,000 will be paid following successful completion of the Offers.

There is no 2012 JORC Code compliant resource at Mount Hope.

The Mount Solitary Prospect has been the subject of historic exploration which has demonstrated the existence of a mineralised system. This mineralisation is open at depth and to the west of the structure in which it is contained. Historically, exploration work has been done to establish the prospectivity of the tenements and this is referred to in the Independent Geologist's report. However, this work was not sufficient to establish an inferred resource under 2012 JORC Code and should not be taken into account by investors in making a decision whether to subscribe for shares or not.

Since acquisition of its interest in the Mount Hope Project from CWC, the Company has drilled 7 reverse circulation holes into the Mount Solitary Prospect. This drilling has confirmed the results of prior drilling and extended the known area of mineralisation. Refer to pages 8 and 9 of the Independent Geologist's Report for details.

Importantly the drilling has confirmed that the Mount Solitary Prospect is open at depth and that high grade gold mineralisation is present. The Independent Geologist notes on page 6 of the Independent Geologist's Report that:

“Recent work undertaken by Land and Mineral Limited (mainly RC drilling) has confirmed that the Mt Hope gold mineralisation is considered to be analogous to other Cobar style deposits such as Peak and Perseverance. High-grade mineralisation extends from surface to 220 meters below surface in a NNW trending series of lenses and remains open at depth.”

The Perseverance and Peak Deposits are part of the wider Cobar Gold Field. The Perseverance, Chesney, New Cobar, New Occidental and Peak Deposits (**Peak Gold Mine**) are currently being mined by Newgold Inc subsidiary Peak Gold Mines Pty Ltd (**Peak Gold**)³. These deposits are within a 10 kilometer stretch of historic copper and gold mines that extends from the workings in the north to the Perseverance-Peak Gold Mine in the south. This highly mineralised belt has, in the past, produced over 200,000 tonnes of copper and three million ounces of gold since mining commenced in the area in 1870.

The Company proposes to continue drilling operations at Mount Hope with the intent of significantly expanding the known mineralisation.

Details of the Mount Hope Project are also set out in Independent Geologist's Report in Section 8.

The Independent Titles Report prepared by Mining Title Services Pty Ltd and attached in Section 10 provides details of the status of each of the Mount Hope Tenements as at the date of that report and includes a Native Title report on the Mount Hope Tenements and an overview of the application of Native Title laws as applicable within Australia generally and to the Mount Hope Tenements in particular.

Project specific risks which relate to the Mount Hope Project, to the extent not referred to in the above materials or elsewhere generally in this Prospectus, are described in Risk Factors in Section 7.

³ Refer to: www.newgold.com/operations/peak-mines/geology

SECTION 5

FINANCIAL INFORMATION

This Section contains a summary of the Company's financial position and is to be read in conjunction with the Independent Accountant's Report by PKF Melbourne Corporate Pty Ltd in Section 11. The financial information comprises of the Company's Historical Financial Information and the Pro Forma Financial Information, which shows the effect of the offers on the Company.

5.1 PRO FORMA FINANCIAL INFORMATION

The accounting policies used to prepare the Pro Forma Financial Information are the same as the accounting policies used in preparation of the reviewed financial statements of the Company for the half-year period ended 31 December 2016 and are set out in this Section. The pro forma assumptions on which the Pro Forma Financial Information has been based are set out in clause 5.4 below.

The audited financial reports for 30 June 2014, 30 June 2015 and 30 June 2016 and the reviewed financial report for 31 December 2016 were audited and reviewed by William Buck Audit (Vic) Pty Ltd who issued unqualified audit opinions in respect of these years. However the audit and review reports for each of these years were issued with an emphasis of matter paragraph which indicates the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

5.2 CONSOLIDATED INCOME STATEMENTS AND PRO FORMA CONSOLIDATED INCOME STATEMENT

Set out below are the Consolidated Statement of Profit and Loss and other comprehensive income for the Company for financial years ended 30 June 2014, 30 June 2015 and 30 June 2016 as well as for the 6 month period ended 31 December 2016.

	Audited Historical 30/06/14	Audited Historical 30/06/15	Audited Historical 30/06/16	Reviewed Historical 31/12/16
Income				
Other Income (Reversal of creditors)	-	-	6,735	-
Foreign exchange Gains	-	-	-	1,406
Interest Income	4,319	4,693	34	-
Expenditure				
Exploration and evaluation of costs written off	(496,440)	(17,390)	-	-
Administration and Corporate costs	(188,384)	(205,028)	(60,431)	(221,544)
Cost of reverse acquisition	-	(378,379)	-	-
Loss for the period before Tax	(680,505)	(596,104)	(53,662)	(220,138)
Other comprehensive income (foreign currency translation)	-	6,849	23,644	-
Total comprehensive income for the period	(680,505)	(589,255)	(30,018)	(220,138)

The Consolidated Statement of Profit and Loss for 30 June 2014 represents Land and Mineral Limited, the accounting parent for 30 June 2015, 30 June 2016 and 31 December 2016.

This Consolidated Statement of Profit or Loss and other comprehensive income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in clause 5.5 below and the prior year financial information set out in the table above. Past performance is not a guide to future performance.

5.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Set out below is the Consolidated Statement of Financial Position as at 31 December 2016 with the Pro Forma Statement of Financial Position as at 31 December 2016 based on the Pro Forma assumptions set out in clause 5.4 below:

	Notes	Reviewed as at 31-Dec-16 \$	Pro Forma adjustments Minimum \$	Pro Forma adjustments Maximum \$	Pro Forma Minimum \$	Pro Forma Maximum \$
Current Assets						
Cash and cash equivalents	5.5.3	10,724	5,600,500	7,477,500	5,611,224	7,488,224
Trade and other receivables		33,146	-	-	33,146	33,146
TOTAL CURRENT ASSETS		43,870	5,600,500	7,477,500	5,644,370	7,521,370
NON-CURRENT ASSETS						
Exploration expenditure		955,796	-	-	955,796	955,796
Other non-current assets		30,000	-	-	30,000	30,000
TOTAL NON-CURRENT ASSETS		985,796	-	-	985,796	985,796
TOTAL ASSETS		1,029,665	5,600,500	7,477,500	6,630,165	8,507,165
CURRENT LIABILITIES						
Trade and other payables		230,147	-	-	230,147	230,147
Other current liabilities		151,448	-	-	151,448	151,448
TOTAL CURRENT LIABILITIES		381,596	-	-	381,596	381,596
TOTAL LIABILITIES		381,596	-	-	381,596	381,596
NET ASSETS		648,070	5,600,500	7,477,500	6,248,570	8,125,570
EQUITY						
Issued Capital	5.5.4	2,609,390	5,600,500	7,477,500	8,209,890	10,086,890
Foreign Currency Reserve		33,159	-	-	33,159	33,159
Retained Earnings		(1,994,479)	-	-	(1,994,479)	(1,994,479)
TOTAL EQUITY		648,070	5,600,500	7,477,500	6,248,570	8,125,570

5.4 ASSUMPTIONS USED IN PREPARING THE PRO FORMA STATEMENT OF COMPREHENSIVE INCOME AND THE STATEMENT OF FINANCIAL POSITION

The Pro Forma statement of financial position for the Company as at 31 December 2016 has been prepared as if the following transactions had taken place at that date:

- the issue of 30,000,000 fully paid shares at a price of \$0.20 to raise \$6,000,000 in a minimum raise for the initial public offering;
- the issue of 40,000,000 fully paid shares at a price of \$0.20 to raise \$8,000,000 in a maximum raise for the initial public offering; and
- the payment, and recognition directly in equity, as a reduction of the share proceeds received, of the total remaining costs expected to be incurred in connection with the Offer of approximately \$399,500 on a minimum raising and \$522,500 on a maximum raising.

Assumptions as to, or details of, Cash and Cash Equivalents, Issued Capital and No of Shares on Issue are as set in Section 5.6.

5.5 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME AND THE STATEMENT OF FINANCIAL POSITION

5.5.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial information presented herein has been prepared in accordance with the measurement and recognition (but not all disclosure) requirements of applicable Australian Accounting Standards. The financial information is presented in abbreviated form insofar as it does not comply with all disclosure requirements set out in the Australian Accounting Standards and Interpretations and the Corporations Act. Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards ("AIFRS").

The financial information has been prepared on the basis of historical cost and on a going concern basis. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated. In the view of the Directors of The Company, the omitted disclosures provide limited relevant information to potential investors.

The following significant accounting policies have been adopted in the preparation and presentation of the historical and Pro Forma financial information (collectively referred to as the **Financial Statements**):

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Reverse Acquisitions of entities that are not businesses

When an entity obtains control over an entity and that entity is not a business, the company applies its accounting policy for consolidations, and any consideration paid in-respect of the acquisition of that entity in-excess of the net book value of assets and liabilities acquired is expensed to the profit and loss. Where consideration for the acquisition involves the issue of share capital by the accounting acquirer, such equity is measured at its grant date fair value. Grant date is the date in which all parties to the transaction are fully aware of the rights and entitlements attributed to the consideration of the issued capital issued by the accounting acquirer.

In 2014 the Company entered into a share swap agreement with Land & Mineral Limited. The Company acquired 100% of share capital in Land & Mineral Limited on a basis of 1 for 1 share swap. Based on the particulars of the transaction it was deemed that it satisfied the accounting definition of a reverse acquisition, whereby the accounting parent of the newly merged entity would be Land and Mineral Limited, irrespective of the fact that the head legal entity would remain as the Company.

Parent entity information

In accordance with the Corporations Act, these financial statements present the results of the consolidated entity only.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 31 December 2016 and the results of all subsidiaries for the year then ended. E2 Metals Limited and its subsidiaries together are referred to in these financial statements as the **Consolidated Entity**. The comparatives listed in this financial report are that of the accounting parent being Land and Mineral Limited as at 30 June 2015 following the reverse acquisition of the Company during the prior year.

Subsidiaries are all those entities over which the consolidated entity has control. The Consolidated Entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

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 the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. 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.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. Trade and other receivables are initially recognised at fair value less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Income Tax

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

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when tax relates to items that are credited or charged directly to equity.

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 statements. 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 initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of deferred tax assets can be utilised.

When temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, 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.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set off exists, the deferred assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Cash and cash equivalents

Cash and cash equivalents include 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a Project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

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. 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.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

5.5.2 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Deferred tax assets

The Directors have determined that currently the company will not be able to offset its tax losses and temporary tax differences against future taxable income, and on this basis has not recognised a net deferred tax asset in the financial statements.

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

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

5.5.3 CASH AND CASH EQUIVALENTS

	Reviewed 31-Dec-16 \$	Pro Forma Minimum \$	Pro Forma Maximum \$
Cash and cash equivalents	10,724	5,611,224	7,488,224
Reconciled to Pro Forma Balance as follows:			
E2 Metals reviewed balance as at 31 December 2016		10,724	10,724
Pro Forma Transactions:			
Proceeds from Capital Raising		6,000,000	8,000,000
Capital raising costs remaining to be paid		(399,500)	(522,500)
Cash and Cash Equivalents Pro Forma Balance		5,611,224	7,488,224

5.5.4 CONTRIBUTED EQUITY

Fully Paid Ordinary Shares

	Number of shares (Min)	Number of shares (Max)	Minimum \$	Maximum \$
E2 Metals reviewed balance as at 31 December 2016 (post-consolidation)	30,370,938	30,370,938	2,609,390	2,609,390
Reconciled to Pro Forma Balance as follows:				
Pro Forma adjustments:				
Proceeds from shares issued under the Prospectus	30,000,000	40,000,000	6,000,000	8,000,000
Capital raising costs remaining to be paid	-	-	(399,500)	(522,500)
Contributed Equity Pro Forma Balance	60,370,938	70,370,938	8,209,890	10,086,890

Options

Advisor Options

Subject to the successful completion of the Offers, the Company has agreed to issue to the Sponsoring Broker 1,500,000 Options in the Company for the Minimum Raise and 2,000,000 Options in the Company for the Maximum Raise. The Options will be priced at a \$0.25 (25 cents) per option and expire on the date which is 3 years from the listing date.

The Company will not seek ASX listing of these Options pursuant to the ASX Listing Rules.

Loyalty Options

The Company is issuing 1 free Loyalty Option for every 3 Shares issued for investors who apply for greater than \$2,000 of shares in the IPO with an exercise price of \$0.20 (20 cents) and an exercise date being the day 2 years from Issue date pursuant to this Prospectus.

The issue of Loyalty Options will be made to those investors who participated in the IPO subscribing for a minimum of \$2,000 pursuant to the Offers. Those investors are not required to take any action to receive Loyalty Options. The Loyalty Options will be issued to those investors on the Issue Date.

5.5.5 RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interest are disclosed in this Prospectus in Section 6.6.

5.5.6 CONTINGENT LIABILITIES

There are no contingent liabilities of the Company as at 31 December 2016.

5.5.7 COMMITMENTS

Commitments for expenditure for each of the exploration tenements are detailed in the Titles Reports in Section 9 and Section 10.

5.6 Historical Statement of Financial Position

	Audited Historical 30/06/14	Audited Historical 30/06/15	Audited Historical 30/06/16	Reviewed Historical 31/12/16
Current Assets				
Cash and cash equivalents	352,015	15,394	38,776	10,724
Trade and other receivables	10,394	26,943	17,941	33,146
	<u>362,409</u>	<u>42,337</u>	<u>56,717</u>	<u>43,870</u>
Non Current Assets				
Exploration expenditure	341,697	621,853	761,061	955,796
Other non-current assets	10,731	32,805	26,265	30,000
	<u>352,428</u>	<u>654,658</u>	<u>787,326</u>	<u>985,796</u>
Total Assets	<u>714,837</u>	<u>696,995</u>	<u>844,043</u>	<u>1,029,665</u>
Current Liabilities				
Trade and other payables	50,892	228,372	122,581	230,147
Other current liabilities	10,232	59,867	12,724	151,448
	<u>61,124</u>	<u>288,239</u>	<u>135,305</u>	<u>381,596</u>
Total Liabilities	<u>61,124</u>	<u>288,239</u>	<u>135,305</u>	<u>381,596</u>
Net Assets	<u>653,713</u>	<u>408,756</u>	<u>708,738</u>	<u>648,070</u>
Equity				
Issued capital	1,778,288	2,122,586	2,452,586	2,609,390
Reserves	-	6,849	30,493	33,159
Retained earnings	(1,124,575)	(1,720,679)	(1,774,341)	(1,994,479)
Total Equity	<u>653,713</u>	<u>408,756</u>	<u>708,738</u>	<u>648,070</u>

5.7 Historical Statement of Cash Flows

	Audited Historical Year ended 30/06/14	Audited Historical Year ended 30/06/15	Audited Historical Year ended 30/06/16	Reviewed Historical Half-year period to 31/12/16
Cash flows from operating activities				
Payments to Suppliers (inclusive of GST)	(275,931)	(177,371)	(191,975)	(382,976)
Interest received	4,319	4,692	809	10
Interest and other costs of finance paid	(2,450)	-	-	(406)
Net cash used in operating activities	<u>(274,062)</u>	<u>(172,679)</u>	<u>(191,166)</u>	<u>(383,372)</u>
Cash flows from investing activities				
Payments for exploration and evaluation	(226,010)	(106,578)	(35,452)	-
Payments for security deposits	-	(10,000)	-	(10,000)
Acquisition costs for EMX (NZ) BVI Inc.	-	(53,135)	-	-
Net cash used in investing activities	<u>(226,010)</u>	<u>(169,713)</u>	<u>(35,452)</u>	<u>(10,000)</u>
Cash flows from financing activities				
Proceeds from issue of shares	760,000	-	250,000	231,250
Proceeds from borrowings	-	-	-	130,000
Net cash from financing activities	<u>760,000</u>	<u>-</u>	<u>250,000</u>	<u>361,250</u>
Net increase/(decrease) in cash and cash equivalents	259,928	(342,392)	23,382	(32,122)
Cash and cash equivalents at the beginning of the financial year	92,087	352,015	15,394	38,773
Effects of exchange rate changes on cash and cash equivalents	-	5,771	-	4,073
Cash and cash equivalents at the end the financial year	<u>352,015</u>	<u>15,394</u>	<u>38,776</u>	<u>10,724</u>

SECTION 6

DIRECTORS AND MANAGEMENT

6.1 GENERAL

The Company has an experienced Board of Directors and management team with the requisite skills and experience to pursue the Company's strategy and achieve the objectives outlined in this Prospectus.

6.2 Current Directors

Current Directors of the Company are:

Mr Martin Donohue
Non-Executive Chairman
BBus (Economics)

Martin Donohue was the founder of Kidman Resources Limited (ASX:KDR) and Land and Mineral Ltd, now a wholly owned subsidiary of the Company. Martin has had over 15 years' experience in equity capital markets and the natural resources sector where he has been directly involved in evaluating mineral projects at various stages of development and raising capital.

Martin is a Director of several private and public companies focused on base and precious metals with Projects in Australia and Sub-Saharan Africa. He is also the principal of Penstock Advisory, a private consulting and investment company based in Melbourne that specialises in identifying, managing and developing mineral Projects in Australia and overseas.

Mr Simon Peters
Managing Director
BEng (Mining) MAusIMM (Hons)

Simon is a highly qualified Mining Engineer and Executive Manager with 16 years international and Australian experience covering mining, feasibility studies, sensitive permitting and approvals, mineral exploration, strategic planning, development resource definition and Project development.

More recently Simon was project executive for an ASX listed entity Astron Ltd and a Director of 3 subsidiaries including a joint venture subsidiary involved in funding and commissioning an African mineral sands operation and gold exploration programs. He has gained experience in production of industrial minerals, iron ore and gold and has held senior operational and management positions within Rio Tinto and Henry Walker Eltin. He holds a Bachelor of Engineering (mining) with Honors from Federation University Australia and an unrestricted WA Quarry Managers Certificate.

Simon is a partner of Sustainable Project Services which provides strategic & technical management consultancy advice to government, mining and agricultural sectors.

Mr Christopher Spurway
Executive Director
BSc (Hons) (Syd), FAusIMM, FSEG, MGSA, MAIG (Member Aust Institute of Geoscientists), Graduate Certificate in Management 1999, UNE Certificate Level III in Frontline Management 2000

Christopher is a highly qualified Exploration & Geology Manager with 26 years international and Australian experience covering mining, mineral exploration, resource definition and strategic planning and development, with a demonstrated track record of mineral discovery and project development.

Christopher joined the Company following the acquisition of the Neavesville Project from Eurasian, where he worked from 2012 managing the Neavesville Project. Christopher has an intimate knowledge of the Neavesville Project, the geology of the Hauraki Goldfield and, more broadly, the Coromandel Peninsula.

Prior to working with Eurasian, Christopher worked in various Senior Geologist and Exploration Manager roles with companies such as Acacia Resources, Anglo Gold, Troy Resources, Emmerson Resources, TriAusMin and Serabi Mining PLC.

Christopher will commence as an Executive Director of the Company however it is envisaged he will become a Non-Executive Director following the completion of the first drill program.

6.3 Senior Management

Company Secretary and Financial Controller

Ms Melanie Leydin
B.Bus (Acc), CA

Melanie is a qualified Chartered Accountant and a Registered Company Auditor with over 25 years of experience gaining most of her early experience in small to medium sized practices. In 2000, Melanie established her own chartered accounting practice initially specialising in audit services for small and large private companies and junior listed resources entities. In 2005, Melanie went on to establish an outsourced company secretarial and CFO services provider for small ASX listed resources and biotechnology companies.

As part of this service, Melanie and her team provide expertise to these companies in accounting, financial reporting, company secretarial, ASX listing, due diligence, ASX reporting and corporate compliance. Melanie's day to day exposure as a Director and Company Secretary to a large number of companies together with her experience in the auditing field provides an invaluable asset to many clients.

Joint Company Secretary

Mr Justin Mouchacca
B.Bus (Acc), CA

Justin is a qualified Chartered Accountant with over 9 years' experience in the resources and biotechnology sectors of junior ASX listed companies. Justin graduated from RMIT University in 2008 obtaining with Bachelor of Business majoring in Accounting. He completed the Chartered Accountants Program in 2011 and has recently been appointed as Company Secretary of a number of junior mining exploration companies.

Justin specialises in the preparation of listing companies on stock exchanges, Corporations Act legislation, corporate governance policies, statutory report writing requirements, AGM and EGM requirements and assistance in the preparation of Prospectuses, information memorandums and other disclosure documents.

6.4 Remuneration of Directors and Officers

The Directors will be remunerated by the Company as follows commencing from the date of admission of the Company to the Official List.

Name of Director, Proposed Director or Officer	Role	Amount Payable per Annum	Nature of Benefit	Non-Cash Benefits	Total Amount Paid in previous 12 months (2)
Mr Martin Donohue	Non-Executive Chairman	\$ 60,000	Director Remuneration	Nil	\$ 15,000
Mr Simon Peters	Managing Director	\$ 197,100	Employee benefit including superannuation	Performance Rights ⁽¹⁾	\$ 20,000
Mr Christopher Spurway ⁽³⁾	Technical Executive Director	\$ 40,000	Consultancy Fees	Nil	Nil
Ms Melanie Leydin/Mr Justin Mouchacca	Company Secretaries	\$ 90,000	Company Secretarial and Accounting Services	Nil	Nil
TOTAL		\$ 387,100			
⁽¹⁾ : Performance Rights detailed in Section 6.5					
⁽²⁾ : Each of Messrs Donohue, Peters and Spurway will receive an amount equal to 3 months fees upon ASX Listing to compensate for work undertaken during the last 6 months					
⁽³⁾ : Spurway Geological Services Pty Ltd has also entered into a Consulting Agreement with the Company at a rate of \$800 per day. (Refer Section 6.5)					

6.5 Agreements with Directors and Officers

(a) Simon Peters Employment Agreement

The Company has entered into an employment agreement with Simon Peters (**MD**) dated 8 June 2016 and an Amendment and Restatement Deed dated 14 February 2017 (**MD Agreement**) in respect of his role as Managing Director of the Company.

The MD Agreement commenced 18 June 2016 and will continue until terminated by either party in accordance with its terms.

Total Annual Remuneration under the MD Agreement is \$197,100 per annum comprising a base salary of \$180,000 and superannuation of \$17,100. Remuneration is payable from the date of Official Listing of the Company. In addition, a back payment equivalent to 3 months of the Annual Remuneration is payable within 3 days of Official Listing.

Remuneration is to be reviewed in July of each year by the Board having regard to the MD's individual performance, as measured against any key performance indicators set for the MD. Remuneration may not be reduced at any such review.

A Long Term Incentive (LTI) is included for the achievement of goals linked directly to the long term performance of the Company. The initial LTI will be structured as follows:

- 750,000 class A performance rights that vest once the Company has achieved a total resource inventory in New Zealand, in accordance with JORC 2012 guidelines, of more than 300,000 ounces of gold at a 0.7g/t cutoff grade and expire 3 years from ASX listing date;
- 750,000 class B performance rights that vest once the Company has achieved a total resource inventory in New Zealand, in accordance with JORC 2012 guidelines, of more than 500,000 ounces of gold at a 0.7g/t cutoff grade and expire 3 years from ASX listing date; and
- 750,000 class C performance rights that vest once the Company has achieved a total resource inventory in New Zealand, in accordance with JORC 2012 guidelines, of more than 750,000 ounces of gold at a 0.7g/t cutoff grade and expire 3 years from ASX listing date.

"Total Resource Inventory" means a combination of Inferred, Indicated and Measured Mineral Resources reported in accordance with JORC2012.

If there is a Control Event in the 12 months following the issue date, the above performance rights will vest immediately. The employee must be in direct employment to receive any of the payments for the LTI. A Control Event is where an offer is made by a person/entity for more than 50% or more of the issued ordinary capital of the Company and the offeror acquires control of the Company.

The MD reports to the Board and is required to carry out his duties under the supervision and control of the Board.

Leave entitlements are as required by law, including long service leave.

During the probationary period of 3 months from commencement, either party may terminate the MD Agreement by giving one months' notice. Thereafter, either party may terminate the MD Agreement by giving 3 months' notice in writing. Payment may be made in lieu of notice to be given by the Company.

In the event of termination of the MD Agreement by the Company giving 3 months' notice, the following termination payments will be paid:

- payment of a maximum of 6 months' salary, accrued annual leave and long service leave (if applicable); and
- superannuation payable during the period; and
- unpaid expenses claimed and approved in accordance with the agreement.

The MD Agreement is an exclusive arrangement and the MD may not be engaged in any other business or entity, except for pre-existing businesses, without the prior written consent of a Director and the Chief Financial Officer.

The MD agrees not to engage in any business in competition with the business of the Company for one year after termination and agrees not to solicit any employees or clients of the Company during the same period.

The MD Agreement includes other provisions generally found in agreements of this nature including obligations regarding confidentiality and intellectual property, avoidance of conflicts of interest, notices and disputes.

(b) Spurway Letter of Appointment

The terms of appointment of Christopher Spurway as an executive Director are set out in a letter of appointment dated 24 June 2016 (**Spurway Letter of Appointment**).

The Letter of Appointment is a contract for services and not a contract of employment.

The appointment is for an initial term of 2 years commencing 1 July 2016. Continuation of the appointment is contingent on satisfactory annual review process and re-election at annual shareholders' meeting. In the event that Christopher Spurway ceases to be a director, no termination benefits are payable by the Company.

An annual fee of \$40,000 excluding GST will be paid to Spurway Geological Services Pty Ltd for the services of the Director, commencing from the date of Official Listing of the Company. Further within 7 days of Listing, the Company will back pay a fee equivalent to 3 months of the Annual Fee.

The Fee will be reviewed in July of each year by the Board, having regard to the individual and company performance, as measured against any key performance indicators set from time to time.

It is accepted that the Director may have outside interests and potential conflicts must be disclosed.

Other conditions are included in relation to the role and responsibility of the Director, confidentiality, intellectual property, access to minutes and papers, insurance, trading in securities and other general conditions usually found in appointment letters for Directors.

(c) Consulting Agreement with Spurway Geological Services Pty Ltd

Under a Consultancy Agreement dated 29 August 2016 (**Consultancy Agreement**), between the Company and Spurway Geological Services Pty Ltd (**Consultant**), it is provided that the Consultant will provide services including assistance to Directors, office administration, tenement management and geological services on an ad hoc basis, as requested from time to time by the Company.

The term of the Agreement is from 1 September 2015 until 1 September 2017, subject to earlier termination in accordance with the Consultancy Agreement.

A consultancy fee is payable in monthly, at the rate of \$800 per day (excluding GST) for services performed by the Consultant. The Company expects the Consultant to perform up to 81 days of work in the first 12 months.

Under the contract the Consultant:

- provides services as an independent contractor;
- agrees to provide the services personally by Mr Spurway unless otherwise agreed;
- will provide the services when requested by the Company from time to time, in a lawful, competent, professional and timely manner with the degree, skill, care and diligence expected of a consultant experienced in providing the same or similar services;
- will not commit any act or omission which directly or indirectly may cause damage to the Company's business, interests or reputation;
- is subject to standard restrictions as to confidentiality.

The Company may terminate the Consultancy Agreement by giving 30 days written notice to the Consultant and may terminate with immediate effect following serious misconduct, any unlawful act or omission, unremedied breach or insolvency event. The Consulting Agreement was concluded on an arm's length basis and is on normal commercial terms and conditions.

(d) **Deeds of Access, Indemnity and Insurance**

The Company has entered into a Deed of Access Indemnity and Insurance with each Director and Officer.

Under the terms of those Deeds, the Company has undertaken, subject to the restrictions under the Corporations Act and any other applicable law, to:

- indemnify each Director and Officer in certain circumstances;
- advance money to a Director and Officer for the payment of any legal costs incurred by a Director and Officer in defending legal proceedings before the outcome of those proceedings is known (subject to an obligation by the Director and Officer to repay any money advanced if the costs become costs in respect of which the Director and Officer is not entitled to be indemnified under the Deed);
- maintain Directors' and Officers' insurance cover (if available) in favour of each Director and Officer whilst they remain a Director and Officer of the Company and for a run out period after ceasing to be such a Director and Officer; and
- provide each Director and Officer with access to Board papers and other documents provided or available to the Director and Officer as an officer of the Company.

Deeds of Access, Indemnity and Insurance on similar terms were also entered into with the former Directors of the Company who resigned on 27 June 2016.

(e) **Donohue Letter of Appointment**

The terms of appointment of Martin Donohue as a Non-Executive Chairman are set out in a letter of appointment dated 18 August 2016 (**Donohue Letter of Appointment**).

Mr Donohue's performance as a Director will be reviewed in accordance with the processes agreed by the Board from time to time.

Mr Donohue may cease to hold office at any time by giving written notice or otherwise in accordance with the law or the Company's constitution. The appointment will continue for further terms subject to re-election at future annual general meetings. In the event that Martin Donohue ceases to be a director, no termination benefits are payable by the Company.

The annual remuneration to be paid for the non-executive Chairman, inclusive of the Director's fee, statutory superannuation and other amounts is \$60,000. The fee will commence in the month of the Company's Listing on ASX. The remuneration level will be reviewed by the Board as required.

Further within 7 days of Listing, the Company will back pay a fee equivalent to 3 months of the annual fee.

In the event the Chairman is required to perform services for the Company that are outside the scope of the ordinary duties of a Director, the Company may pay the Director for those services in addition to the annual remuneration, as agreed in advance by the Board.

The Chairman is entitled to be reimbursed for all reasonably out of pocket expenses incurred in carrying out his duties.

It is accepted that the Director may have outside interests and potential conflicts must be disclosed.

Other conditions are included in relation to time commitments, Director's power and duties, confidentiality, intellectual property, access to information and professional advice, insurance, trading in securities and other general conditions usually found in appointment letters for Directors.

The letter of appointment also includes terms of the agreement between the Director and the Company so that the Company can satisfy its obligations to inform ASX of details of the Director's interest in security of the Company and any contracts or contractual interests that they Director may have that involve the Company.

(f) Leydin Freyer Engagement

The terms of appointment of Leydin Freyer Corp Pty Ltd (of which Melanie Leydin and Justin Mouchacca are Directors) as Company Secretarial and Accounting services are set out in a letter of appointment dated 30 September 2016 (**Leydin Freyer Letter of Appointment**).

The Letter of Appointment is a contract for services and not a contract of employment.

The appointment has no term and commenced on 1 July 2016.

An annual fee of \$90,000 excluding GST will be paid to Leydin Freyer Corp Pty Ltd for company secretarial and accounting services, commencing from the date of Official Listing of the Company.

The fee will be reviewed in July of each year by the Board, having regard to the individual and company performance, as measured against any key performance indicators set from time to time.

(g) Penstock Advisory Pty Limited Loan Agreement

On 23 September 2016 the Company entered into a Loan Agreement with a related party, Penstock Advisory Pty Limited, a company of Mr Martin Donohue is a Director. The Loan Agreement provides for an A\$130,000 cash advance facility to be used for the payment of the Eurasian Minerals payment referred to in Section 12.2(b)(i) of this Prospectus. This amount has been drawn down and the payment to Eurasian has been made. The loan bears interest at the rate of 8.5%. All money owing under the loan is repayable on the earlier of:

- (a) 90 days from the date of the Loan Agreement; or
- (b) 30 days following the Company's listing on ASX.

The Loan Agreement contains other terms and conditions usual in agreements of this nature.

The Loan Agreement was concluded on an arm's length basis and is on normal commercial terms and conditions. On 14 February 2017, the parties agreed to an extension of the repayment date to 30 April 2017.

6.6 Directors and Officers Shareholdings and Intentions

The interests of Directors and Officers in Shares in the Company at the date of this Prospectus is as set out in the following table:

Ordinary Shares			
Director/Officer	Held	Registered Holders	% Capital Held
Mr Martin Donohue	2,865,000	Oliver Hill Pty Ltd <Donohue Family Trust> Penstock Advisory Pty Ltd	9.43%
Mr Simon Peters *	200,000	Mr Simon A Peters & Ms Emma F Vogel <Perseus Superannuation Fund>	0.66%
Mr Christopher Spurway	Nil		0.00%
Ms Melanie Leydin/Mr Justin Mouchacca	791,800	TMENA Pty Ltd <Combivan A/C>	2.61%
Ms Melanie Leydin	25,000	Mr Roger T Leydin & Mrs Melanie J Leydin <Leydin Superannuation Fund>	0.08%

*: Mr Peters also holds 2,250,000 performance rights as detailed in Section 14.12.

Both Mr Donohue and Mr Peters intend to participate in the General or Priority Offer up to a maximum subscription amount of \$50,000 each and therefore their shareholding detailed in the table may change upon listing on ASX.

SECTION 7

BUSINESS AND INVESTMENT RISKS

7.1 Risk Factors

The Shares offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consult their professional advisers and consider the risks factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares pursuant to this Prospectus.

The risks identified in this Section are not exhaustive and the information set out in this Section should be considered in conjunction with other information disclosed in this Prospectus. The proposed future activities of the Company are subject to a number of risks and other factors which may affect its future performance. In particular, exploration for minerals is speculative and, unless the Company makes a commercial discovery, investors may lose the entire value of their investment. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company or the Directors and cannot be mitigated.

The risk factors below, and others not specifically referred to, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Accordingly, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

7.2 Company and Project Specific Risks

(a) Adequacy of Funding

The Company will have no operating revenue and it is unlikely to generate any revenue from operations in the short to medium term. It anticipates that its existing cash resources, together with the net proceeds of the Offers, will be sufficient to cover its projected funding requirements for not less than the next 2 years.

Beyond that, if its exploration program is successful it is likely that, additional funds will be required to advance one or more of the Projects toward production. Some level of debt financing may be available to construct processing facilities as and when and if the Company makes a decision to commence mining operations. Until such time as any such debt financing is available, funding will likely be by way of the issue of shares, which may dilute existing Shareholders.

Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development or force the Directors to pursue transactions which they would not pursue had sufficient funding been available.

The Company's ability to raise additional funds will be affected by the success or otherwise of the exploration activities to be undertaken with the funds raised by the Offers. The success or failure of exploration activities will, along with other factors such as stock market conditions, the gold price, the A\$/US\$ exchange rate and the regulatory environment at the time, all impact on the Company's share price and the capacity or otherwise to raise such funding.

Specifically, the Company will need to raise funds to enable it to meet its contract obligations to Eurasian under the terms of acquisition of HGL at the end of the third year of the agreement, provided that the Company has continued with the Neavesville Project. The contractual obligations under the HGL Acquisition Agreement are described in Section 12.2. Failure to raise such funds could lead to the loss of the Neavesville Project.

(b) Title and permit risks

Each permit or licence under which exploration or production activities can be undertaken is issued for a specific term and carries with it work commitments and reporting obligations, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interests in, one or more of its tenements if conditions are not met or if sufficient funds are not available to meet work commitments. Any failure to comply with the work commitments or other conditions on which a permit or tenement is held exposes the permit or tenement to forfeiture or may result in it not being renewed as and when renewal is sought. Where tenements are cancelled, forfeited or refused renewal, no compensation is payable to the holder of the tenements except possibly in extreme circumstances.

One of the Mount Hope tenements, EL8058 expired on 19 February 2017. Another Mt Hope tenement, EL8290, is due to expire on 20 August 2017. These tenements are not material to the Mount Hope Project; and renewal of these tenements is expected to be granted in the ordinary course based on the Company's experience in these matters. In the event one or both of the tenements are not renewed, there will be no material adverse impact on the Mt Hope Project.

(c) Native Title, Land Access and associated matters.

The Independent Title Report in Section 10 and the Independent Solicitor's Report in Section 9 provide details of the native title and land access issues associated with the Mount Hope and Neavesville Projects, respectively.

The Neavesville Project is situated on land owned by the Trustees of the Pakirarahi Number One B Trust and the Trustees of the Pakirarahi Number Two Trust. A Joint Venture Agreement and an Access Agreement has been entered into with the Trustees of the Pakirarahi Number One B Trust covering 1409.5201 hectares (containing principal target areas Oneura and Chelmsford and the Ajax Prospect) out of the 2061 hectares contained in EPM 51767, the terms of which are summarised in Sections 12.3 and 12.4. An access agreement has not been entered into with the Trustees of the Pakirarahi Number Two Trust, whose landholdings include the Trig's Bluff, Graces, Birds, Champion, Southern Bluff Prospects. Until an access agreement or arrangements can be negotiated with the Trustees for the Maori landowners of the land within the Pakirarahi No.2 Block, no access for drilling, mining and other non-low impact activities is possible. The Company has commenced discussions with the Trustees of the Pakirarahi Number Two Trust, however, no guarantee can be given that access agreements will be secured. Failure to negotiate acceptable access arrangements may have a material impact on the Company's operations. Refer to the Independent Solicitor's Report in Section 9 for further details.

In relation to the Mount Hope Project, the Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with the impact of Native Title laws in Australia and this may impact on the Company's operations and future plans.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of exploration or mining operations.

The Exploration Licences for the Mount Hope Project fall within the boundaries of a native title claim, which is not expected to impact significantly on the Company's operations due to extinguishment of Native Title over the majority of the Project area. Further details in this regard are contained in the Independent Title Report in Section 10. Notwithstanding this, the existence of native title and/or native title claims in relation to the land the subject of the Mount Hope Tenements may have an adverse impact on the Company's activities and its ability to fund those activities. It is impossible at this stage to quantify the impact that these matters may have on the Company's operations but the main risks include:

- (i) delays or difficulties in obtaining the grant of the applications for tenements, renewals or conversions of the tenements, or further applications, as a result of the right to negotiate (or alternative State) process as this process can take as long as 12 months to complete;
- (ii) compensation may be payable by the Company as a result of agreements made pursuant to the right to negotiate or the Indigenous Land Use Agreement and associated agreements;
- (iii) if native title is found to exist the nature of the native title may be such that consent to mining is required from the native title holders and such consent is withheld or only granted on conditions unacceptable to the Company; and
- (iv) the risk that Aboriginal sites and objects exist on the land the subject of the tenements, the existence of which sites and objects may preclude or limit mining activities in certain areas of the tenements.

Further, the disturbance of such sites and objects is likely to be an offence under the applicable legislation, exposing the Company to fines and other penalties.

(d) Exploration and development risks

The business of exploration for gold and other minerals and their development involves a significant degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. To prosper, the Company depends on factors that include successful exploration and the establishment of resources and reserves within the meaning of the 2012 JORC Code. While at present the Company has established or acquired interests in tenements which it considers highly Prospective, other than in relation to Trig's Bluff it has not established such resources or reserves and may not be successful in doing so.

The general risks associated with exploration and development include that the costs of exploration and development can exceed planned expenditure due to inherent uncertainties.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. No assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

Increases in exploration and drilling activities may create cost pressures for services and skilled personnel in the industry. Increases in the costs of exploration and development may affect the company's ability to invest in Projects, to purchase or hire equipment, supplies and services and to recruit skilled personnel. In addition, the availability of drilling rigs and other equipment and services is affected by the level and location of exploration and drilling activity around the world. An increase in exploration activity or drilling activity in any region where the Company carries on business may reduce the availability of equipment and services to the company. The reduced availability

of equipment, services and skilled personnel may delay planned exploration and development activities, which may adversely affect operations and increase costs.

Exploration and development operations can be hampered by force majeure circumstances and cost overruns for unforeseen events, including unexpected variations in geology and equipment malfunction. Losses resulting from any of these risks could have a material adverse effect on the Company's financial resources or could result in a total loss of the assets affected, and accordingly, may affect the market price of the shares.

In 2014 and 2015 the Company was not able to complete the required minimum drilling relation to EP 51767 as a result of inclement weather. The Company was able to reach agreement with the relevant authority to roll forward this drilling program into future years. The Company may not be able to reach a further agreement to this effect in the event of further delays in the drilling program, which would expose the Company to the possible loss of EP 51767.

Apart from being able to obtain all legal and regulatory approvals necessary to commence or carry out operations, success in exploration and Project development is dependent on many factors such as:

- access to adequate capital for Project development;
- design and construction of efficient development and production infrastructure within capital expenditure budgets;
- securing and maintaining title to interests;
- securing plant and equipment on competitive and acceptable terms and conditions as and when required; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Operations may be affected by various factors, including failure to achieve predicted grades or production rates in exploration and production; operational and technical difficulties encountered in production; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(e) Historic References and Resource and reserve estimates may be inaccurate

Resource and reserves estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserves estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development plans which may, in turn, adversely affect the Company's operations. The variables on which estimates of resources and reserves are made include a number of factors and assumptions such as historical production, assumed effects of regulation by government agencies, assumptions regarding future prices and future capital and operating costs, all of which may vary considerably from those initially planned or used in determining any such resources or reserves. Changes in any underlying assumptions that affect either the cost of recovery or the viability of recovery of any resource will affect any calculation of Reserves.

(f) Government approvals

Exploration and development programs are, in general, subject to approvals by various government departments responsible to monitor and control exploration and mining in each of the countries in which exploration or development occurs. There is a risk that these approvals may not be forthcoming, either at all or in a timely manner, or that they may not be able to be obtained on acceptable terms.

While it may be reasonably expected that all requisite approvals will be forthcoming, and whilst obligations for expenditure may be predicated on any requisite approvals being obtained, it cannot be guaranteed that any or all requisite approvals will be obtained.

A failure to obtain any approval would mean that the ability to participate in or develop any project, or possibly acquire any project, may be limited or restricted either in part or absolutely.

(g) Geopolitical and sovereign risks generally

Changes in legislation and government policy in Australia and New Zealand (including taxation and monetary policies and corporations laws) could materially affect the operating results of the Company.

The Company will be subject to the risks associated with operating in Australia and New Zealand generally. Various issues relevant to operating in New Zealand are dealt with in the Independent Titles Report. Other aspects are dealt with elsewhere in these risk factors or this Prospectus generally. Risks not otherwise specifically identified may include economic, social or political instability or change, hyperinflation, currency non-convertibility and instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations and government control over mineral properties.

(h) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of any company depends substantially on its senior management and key personnel and their geological experience and expertise. One or more of these key employees could leave their employment, and this may adversely affect the ability of the Company to conduct its business and, accordingly, affect its financial performance and its share price. Furthermore, if the Company is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected.

(i) Environmental risk

The operations and proposed activities of the Company are subject to Australian State and Federal laws and regulations and New Zealand laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws, in order to minimise damage to the environment and risk of liability. Nevertheless, there are certain risks inherent in the Company's activities which could subject the Company to extensive liability.

New environmental laws, regulations or stricter enforcement policies, if implemented, may oblige the Company to incur significant expense and undertake significant investment and which could have a material adverse effect on its business, financial conditions and results of operations.

Further, whether in Australia or New Zealand or any other jurisdiction in which operations may be carried on, following cessation of any production from any future operations, the Company will be required to participate in clean-up programmes resulting from any contamination from operations in which it participates, removal of disused plant and equipment and where necessary, restoring the environment that has been disturbed in the course of operations. The cost of that participation may be considerable if operations result in significant environmental liabilities being incurred. In such a case, any allowance made for rehabilitation would possibly be inadequate.

Relevant government departments from time to time review the environmental bonds that are placed on tenements. The Company is not in a position to know or disclose what future bonding requirements might be imposed or whether the imposition of any bonding requirement would be detrimental to the funding needs of the Company.

(j) Contractual Risk

All companies operate through a series of contractual relationships with operators, technical experts, Project managers and contractors generally. Joint venture, access and farm in contracts may also be entered into in relation to various Projects. All contracts carry risks associated with the performance by the parties of their obligations as to time and quality of work performed.

The Company's material contracts and transactions are described in Section 12. While there are no specific currently known issues relating to the Company's material contracts currently known to the Company, the inability of contracting parties to meet contracted obligations can adversely affect the capacity of the other parties to carry out their own obligations or can cause a Project to be unable to be implemented or continued because of their own lack of adequate financial capacity to meet the obligations of the defaulting party. To the extent that third parties default in their obligations under such documents, it may be necessary for the Company to approach a court to seek legal remedy. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

7.3 General Risks

(a) Share price risks

Applicants should recognise that the prices of shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Many factors affect the price of shares including local and international stock markets, movements in interest rates, economic and political conditions, investor and consumer sentiment, terrorism or other hostilities and currency fluctuations.

(b) Investment risks generally

Holding shares will be subject to risks of a general nature relating to investment in shares and securities. The Company will be small company in terms of market capitalisation. As a consequence there may be relatively few buyers and sellers of securities on ASX at any given time and the market price may be highly volatile, particularly in times of share market turbulence or negative investor sentiment. This may present difficulties for shareholders seeking to liquidate their holdings. None of the Company, its Directors or officers warrant the future performance of the Company or any return on an investment in the Company.

(c) Insurance risks

Insurance of all risks associated with exploration, mining and production activities may not be available at all, or may only be able to be obtained at an unacceptable cost, and so in certain circumstances the company's insurance may not be of a nature or level to provide

adequate coverage. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the company.

(d) **Fiscal risks**

These risks involve the imposition of additional taxes, imposts and other charges by government from time to time relating to revenue or cash flow. Industry profitability can be affected by changes in tax policies and the interpretation and application thereof.

(e) **Commodity prices and exchange rate fluctuations**

As an explorer for gold, silver and, potentially, other minerals, any future earnings of the Company are expected to be closely related to the price of those commodities.

Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration and Project development plans, together with the ability to fund those plans and activities.

The international price of gold and silver are denominated in United States dollars, exposing any producer outside the United States to the fluctuations and volatility of the rates of exchange between the United States dollar and other relevant currencies. The Company's expenses, revenues and its Prospects and profitability or otherwise will be affected by those exchange rates and by volatility in any such exchange rates.

Future expenditure in New Zealand, where the Company's Neavesville Project is located, will be in NZ\$ and future sales of gold (if and as produced) will be in US\$ or, if in the local currency, reflect the price of gold in US\$. Therefore expenses and revenues in New Zealand will be affected by the A\$/NZ\$, A\$/US\$ and NZ\$/US\$ exchange rates.

(f) **Litigation**

The Company is presently not involved in litigation and the Directors are not aware of any basis on which any litigation against the Company may arise. However, there is always the risk that the Company may become exposed to litigation and to the extent that such risks are not covered by insurance, an adverse outcome in litigation or the cost of responding to potential or actual litigation may have a material adverse impact on financial performance.

(g) **Industrial action**

The Company will be subject to the risk of industrial action and work stoppages by future employees and employees of contractors who provide services which are necessary for the continued operation of the Company's operations, which may have a material adverse effect on the Company.

(h) **Safety legislation**

Current and future exploration and production facilities are subject to a range of safety legislation which may change in a manner that may include requirements, in addition to those now in effect, and a heightened degree of responsibility for companies and their Directors and employees.

(i) **Changes in accounting policies**

The Company will be subject to the usual business risk that there may be changes in accounting policies which have an adverse impact on the Company.

(j) **Wars, terrorism, political and natural disasters**

Events may occur within or outside Australia that could impact upon the world economy, the operations and exploration activities of the Company and the market price of the Company's Shares. These events include war, acts of terrorism, civil disturbance, political intervention and natural events such as earthquakes, floods, fires and poor weather.

(k) **Valuation**

No formal valuation has been completed of the Company's Projects or the Company itself. The Company makes no representation as to the value of the Company or its assets. It is recommended that intending investors and their advisers make their own assessment as to the value of the Company and its assets.

(l) **Unforeseen Expenditure**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(m) **Taxation**

An investment in the Shares involves tax considerations which may differ for each Shareholder. Each Prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in the Company

SECTION 8

INDEPENDENT GEOLOGIST'S REPORT



Malcolm Castle
Agricola Mining Consultants Pty Ltd
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Email: mcastle@castleconsulting.com.au
ABN: 84 274 218 871

10 February 2017

The Directors

E2Metals Limited

Suite 3, Level 4

12-20 Flinders Lane

MELBOURNE VIC 3000

Dear Sirs,

**Re: INDEPENDENT GEOLOGIST'S REPORT ON MINERAL
PROJECTS IN NEW SOUTH WALES AND NEW ZEALAND**

Agricola Mining Consultants Pty Ltd (“Agricola”) has been commissioned by the Directors of E2Metals Limited (the “Company”) to provide an independent technical report (“Report”) on mineral exploration projects in New South Wales and New Zealand (“Projects”) held by the Company through its subsidiaries Land and Mineral Limited (“L&M”), Fisher Resources Pty Ltd (“FR”) and Hauraki Gold Limited (“HGL”). This Report is to be included in a Prospectus to be lodged by the Company with the Australian Securities and Investments Commission (“ASIC”). The funds raised under the Offer will be used for undertaking detailed geological exploration and working capital requirements.

The Projects

The Mt Hope Project is located approximately 220km west-northwest of Parkes in the central west of New South Wales. The five gold prospects present in the Mt Hope Project area are; Mt Solitary, Little Mt Solitary, Powerline Hill, Mt Solar and the Main Road prospect. The first four prospects are aligned north south over a distance of 8km within the Company’s tenement. The Main Road prospect is located several kilometres west of Mt Solar. The Broken Range Project is located near Mount Hope, approximately 70 kilometres northwest of Condobolin in NSW.

The Neavesville gold-silver property is located in the Hauraki goldfield in the North Island of New Zealand. The property covers historic underground and shallow open cut workings of the Neavesville gold-silver mining field. Epithermal gold-silver mineralization at Neavesville includes similar geologic features to other deposits of

the Hauraki goldfield, including OceanaGold Corporation's Waihi gold-silver mine located 25 kilometers to the southeast.

The present status of the tenements listed in this Report is based on information provided by the Company and is set out in the Tenement Schedule. The Report has been prepared on the assumption that the tenements are lawfully accessible for evaluation.

DECLARATIONS

Relevant codes and guidelines

This Report has been prepared as a technical assessment and valuation in accordance with the Australasian Code for Public Reporting of Technical Assessment and Valuation of Mineral Assets (the "VALMIN Code", 2015 Edition), which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"), as well as the rules and guidelines issued by the Australian Securities and Investments Commission ("ASIC") and the ASX Limited ("ASX") which pertain to Independent Expert Reports (Regulatory Guides RG111 and RG112, March 2011).

Where exploration results and mineral resources have been referred to in this report, the information was prepared and first disclosed under the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code", 2012), prepared by the Joint Ore Reserves Committee of the AusIMM, the AIG and the Minerals Council of Australia.

The author of this Report is not aware of any new information or data that materially affects the information included in the earlier reports and all the material assumptions and technical parameters underpinning the estimates in the report continue to apply and have not materially changed.

Under the definition provided by the VALMIN Code, the mineral projects are classified as 'early stage exploration projects' where mineralisation may or may not have been identified, but where Mineral Resources have not been identified. The properties are considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential.

This Report is not a Valuation Report (as defined in the VALMIN Code) and does not express an opinion as to the value of the mineral assets or make any comment on the fairness and reasonableness of any transactions related to the Offer. Aspects reviewed in this Report may include prices, socio-political issues and environmental considerations; however, the author does not express an opinion regarding the specific value of the assets and tenements involved.

Sources of Information

The statements and opinion contained in this Report are given in good faith and this Report is based on information provided by the title holders, along with technical reports prepared by consultants, previous tenements holders and other relevant published and unpublished data for the area. I have endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this Report is based. A final draft of this Report was provided to the Company along with a written request to identify any material errors

or omissions prior to lodgement.

In compiling this Report, Agricola did not carry out a site visit to the Project areas. Based on professional knowledge and experience, earlier visits to the areas in New South Wales and New Zealand and the availability of extensive databases and technical reports made available by various government agencies, Agricola considered that sufficient current information was available to allow an informed appraisal to be made without such a visit.

This Report has been compiled based on information available up to and including the date of this Report. Consent has been given for the inclusion of this Report in the Prospectus relating to the Offer and distribution of this Report in the form and context in which it appears. I have no reason to doubt the authenticity or substance of the information provided.

This Report contains statements attributable to third persons. These statements are made in, or based on statements made in previous geological reports that are publicly available from either a government department or the ASX. The authors of these previous reports have not consented to the statements' use in this Report, and these statements are included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72.

CSA Global Limited ("CSA") prepared an Independent Geologist's Report on the Land and Mineral Ltd ("LDM") Projects ("Projects") in New South Wales and the Northern Territory. This report will be used for due diligence documentation purposes and to raise funds for exploration and evaluation programs on their tenements. CSA consents to the inclusion of this letter and the IGR in the IPO Documentation, with the inclusion of its name, in the form and context in which it appears, to be published in connection with LDM ASX application. (reference: Muggeridge, G & Sergeev, R, 2013)

Qualifications and Experience

The person responsible for the preparation of this report is:

Malcolm Castle, B.Sc.(Hons), GCertAppFin (Sec Inst), MAusIMM

Malcolm Castle has over 40 years' experience in exploration geology and property evaluation, working for major companies for 20 years as an exploration geologist. He established a consulting company over 20 years ago and specializes in exploration management, technical audit, due diligence and property valuation at all stages of development. He has wide experience in a number of commodities including uranium, gold, base metals, iron ore and mineral sands. He has been responsible for project discovery through to feasibility study in Australia, Fiji, Southern Africa and Indonesia and technical audits in many countries. He has completed numerous Independent Geologist's Reports and Mineral Asset Valuations over the last decade as part of his consulting business.

Mr Castle is a qualified and competent witness in a court or tribunal capable of supporting his valuation reports or to give evidence of his opinion of market value issues.

Mr Castle completed studies in Applied Geology with the University of New South Wales in 1965 and has been awarded a B.Sc.(Hons) degree. He has

completed postgraduate studies with the Securities Institute of Australia in 2001 and has been awarded a Graduate Certificate in Applied Finance and Investment in 2004.

Declaration – VALMIN Code: The information in this report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Malcolm Castle, who is a Member of The Australasian Institute of Mining and Metallurgy. Malcolm Castle is not a permanent employee of the Company.’

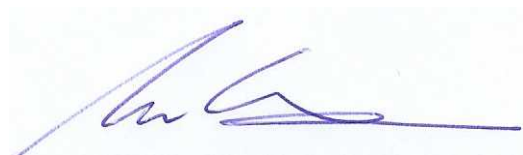
Malcolm Castle has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity, which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the ‘Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets’. Malcolm Castle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.’

Competent Persons Statement – JORC Code: The information in this report that relates to Exploration Results and Mineral Resources of the Company has been reviewed by Malcolm Castle, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Castle has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Castle consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

Independence

Agricola or its employees and associates are not, nor intend to be a director, officer or other direct employee of the Company and have no material interest in the projects. The relationship with the Company is solely one of professional association between client and independent consultant. The review work and this report are prepared in return for professional fees of \$2,500 plus GST based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Yours faithfully



Malcolm Castle

B.Sc.(Hons), MAusIMM,

GCertAppFin (Sec Inst)

Agricola Mining Consultants Pty Ltd

TENEMENT SCHEDULE

Project	Tenement	Status	Grant Date	Expiry Date	Blocks	Sq Kms
New South Wales						
Mt Hope	EL6837	Granted	24/07/07	24/07/2018	6	18
Main Road	EL8058	Granted	19/02/13	18/02/17	1	3
Broken Range	EL8290	Granted	20/08/14	20/08/17	45	135
New Zealand						
Neavesville,	EPM51767	Granted	12/04/10	12/04/20	-	29.75
TOTAL AREA						185.75

Table 1: Tenement Schedule

The status of the NSW tenements has been reviewed and confirmed by reference to the online database of the Department of Industry, Resources and Energy, NSW, pursuant to section 7.2 of the Valmin Code, 2015. The tenements are believed to be in good standing.

Future events such as the grant (or otherwise) of expenditure exemptions and plaint action may impact of the valuation and may give grounds for a reassessment.

MT HOPE PROJECT

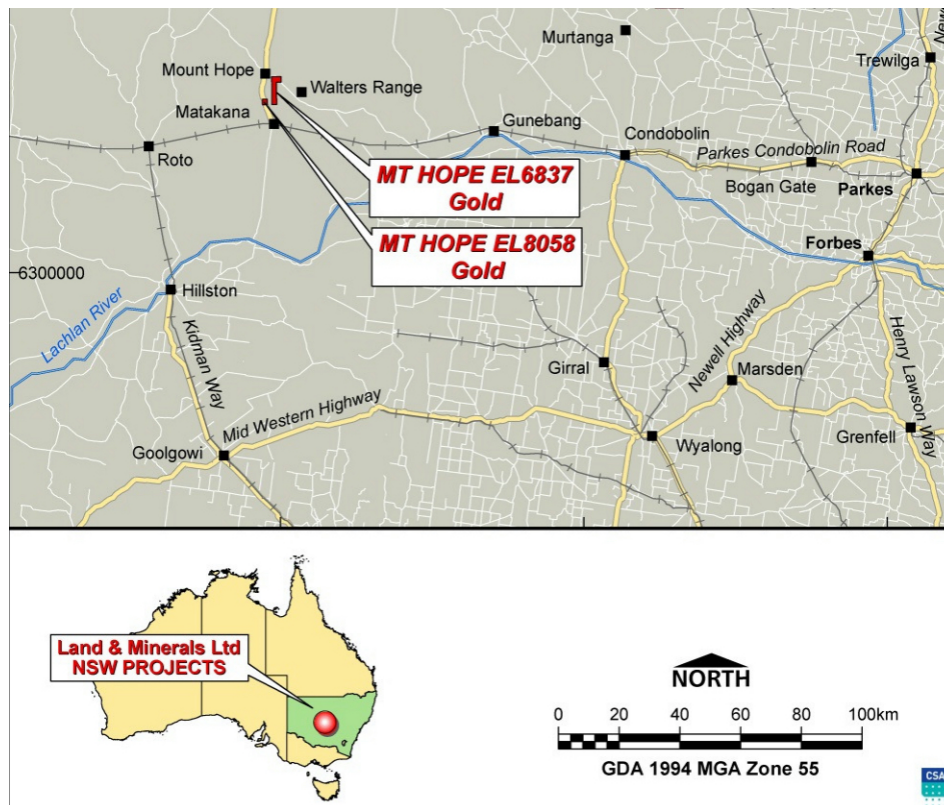


Figure 1: Location Map – New South Wales: E2Metals Limited Mount Hope Gold Project

The Mt Hope project, including Mt Hope, Main Road and Broken Range, is located in the central west of New South Wales in the Cobar goldfield within the Cobar Basin approximately 220km west-northwest of Parkes.

The underlying geology is the early Devonian Broken Range Group comprised of laminated sandstone with minor imbedded siltstone. These rocks form part of a turbidite sequence deposited in the Mt Hope/Rast Trough and are part of the Cobar Super Group of the central Lachlan Fold Belt.

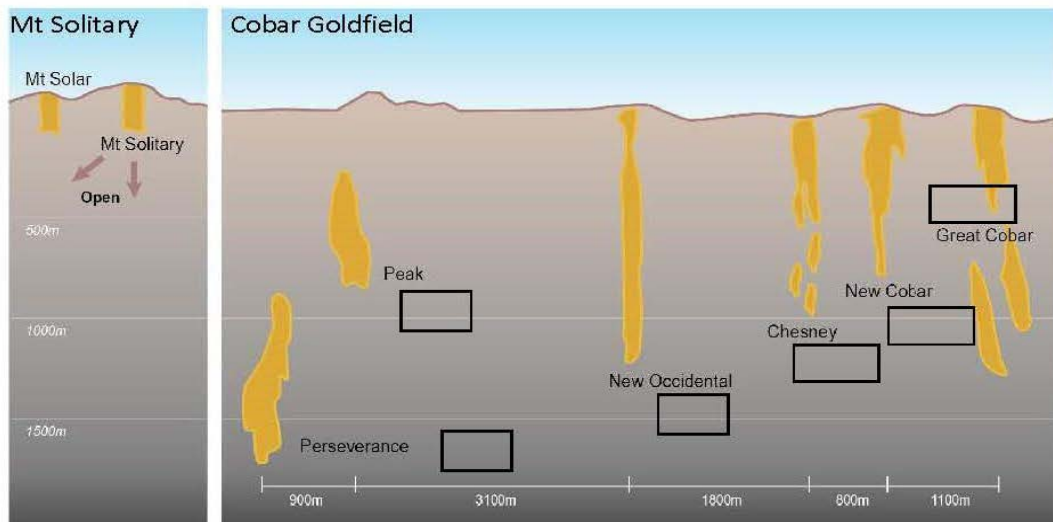


Figure 2: A generalized cross section of the Cobar Basin gold field with a comparison of the known Mt Solitary prospect and the Mt Solar prospect in context: showing Mt Solitary open down dip as indicated by the known drilling results set out in this report

Recent work undertaken by Land and Minerals Limited (mainly RC drilling) has confirmed that the Mt Hope gold mineralization is considered to be analogous to other Cobar style deposits such as Peak and Perseverance. High-grade mineralisation extends from surface to 220 meters below surface in a NNW trending series of lenses and remains open at depth.

Location and Tenure

The Mt Hope Project includes three granted Exploration Licences EL 6837, EL 8058 and EL 8290 covering 156 square kilometres. The Project is located approximately 70km northwest of Lake Cargelligo in the central-west of New South Wales. The historic Mt Hope copper prospect is located 2km to the northwest of EL 6837. The Broken Range Project is located within EL 8290, near Mount Hope, approximately 70 kilometres northwest of Condobolin in NSW.

Geological Setting

The underlying geology consists of the Early Devonian Broken Range Group, which includes thin to thickly bedded fine to coarse grained laminated quartz rich and lithic sandstone with minor interbedded siltstone. This unit is a turbidite sequence deposited in the Mt Hope/Rast Trough and is part of the Cobar Super Group of the central Lachlan Fold Belt.

Five gold prospects southeast of Mt Hope are Mt Solitary, Little Mt Solitary, Powerline Hill, Mt Solar and the Main Road prospect. The first four prospects are aligned north south over a distance of 8km within EL 6837.

The Main Road prospect is located several kilometres west of Mt Solar in the separate EL 8058.

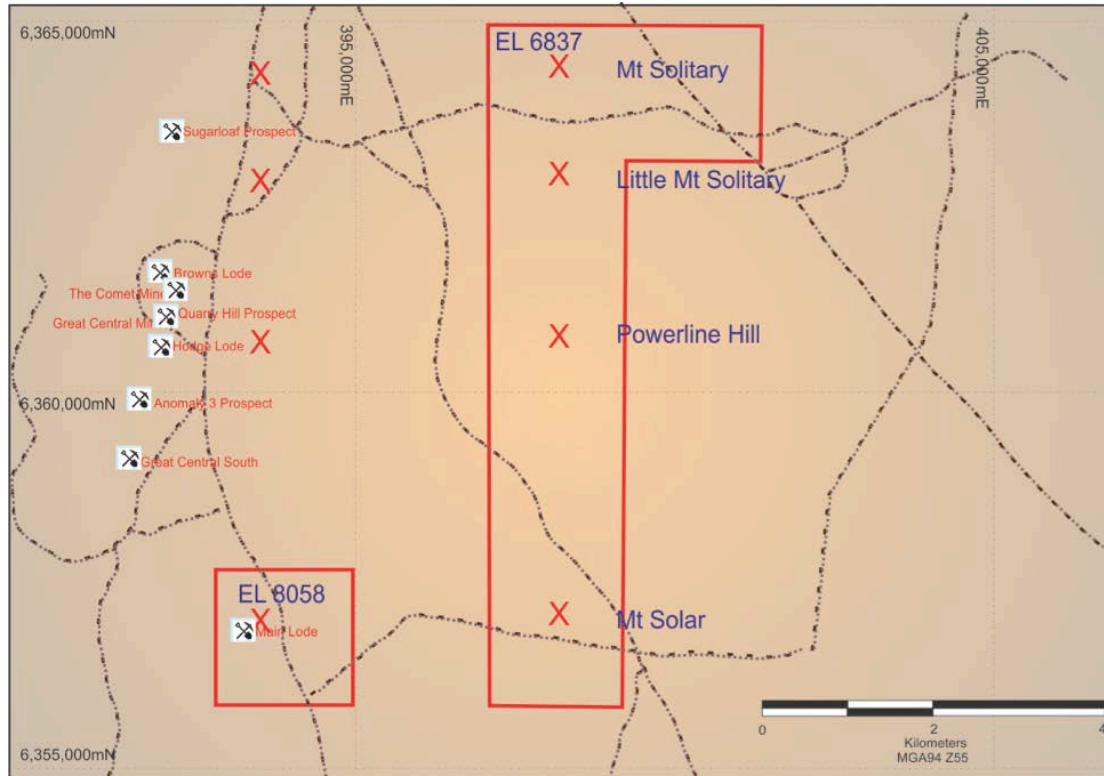


Figure 3: Location of the Mt Hope Tenements (EL 6837 and EL 8058) and associated prospects

Mineralisation

The **Mount Solitary prospect** occurs on a small ridge rising to a height of about 300 meters that is about 100 metres above the surrounding plain. The gold mineralisation zone comprises a broad NNW shear zone of strongly iron stained, silicified, sericite altered complexly folded sediments hosting abundant short patchy quartz veins. There is a zoned alteration pattern that changes from silica and sericite dominant to chlorite dominant. The mineralised zone transgresses the sericite - chlorite boundary and contains quartz veins, pyrite and attendant gold mineralisation. The surface indications of gold mineralisation lie within an area of 250 by 250 metres. Within the broader mineralised envelope there is a steepening shoot (from 80-90° NNE to 70-90° SSW) within the “Main Lode” zone and an array of closely spaced, parallel subsidiary lode structures.

Mining History

Historic mining in the 1930’s produced 41kg of gold from 12,000 tonnes of ore with an average grade of 3.42 g/t. This production was mined from the ‘Glory Hole’ and associated underground development.

Recent Exploration

In early 2013, the Company's subsidiary Fisher Resources Pty Ltd (FR) (under the farm-in with CWG) referred to below, drilled a further seven reverse circulation drill holes at Mount Solitary for a total of 1,540 metres. These drill holes were situated to the west of the line of surface gold mineralization and designed to test explore for zones or shoots of enriched gold mineralisation.

FR's drilling program was successful with several high-grade gold intersections encountered (as set out in table 2) including:

- 8.24g/t Au over a drilled thickness of 6 metres in 13MSR01 at a depth of 148 metres, including an interval of 19.91g/t Au over 2 metres (Figure 5).
- 9.98g/t Au over a drilled thickness of 4 metres in 13MSR05 from a depth of 49 metres, including an interval of 36.60g/t Au over 1 metre from 51 metres.
- 9.01g/t Au over a drilled thickness of 2 metres in 13MSR06 from a depth of 172 metres, including an interval of 17.30g/t Au over 1 metre from 173 metres (Figure 6).

That drilling and the figures set out below indicate that mineralisation within the Mount Solitary prospect is open at depth and is open at depth.

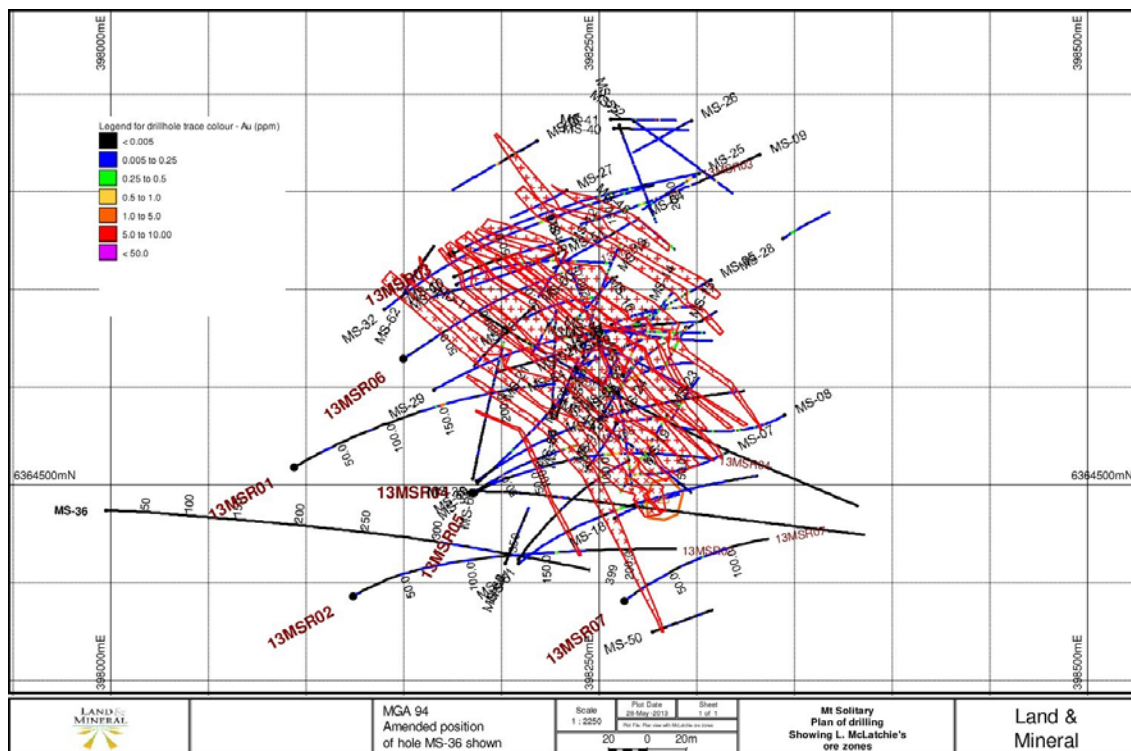


Figure 4: Mt Solitary Drill Holes traces (black) and gold bearing zones (red)

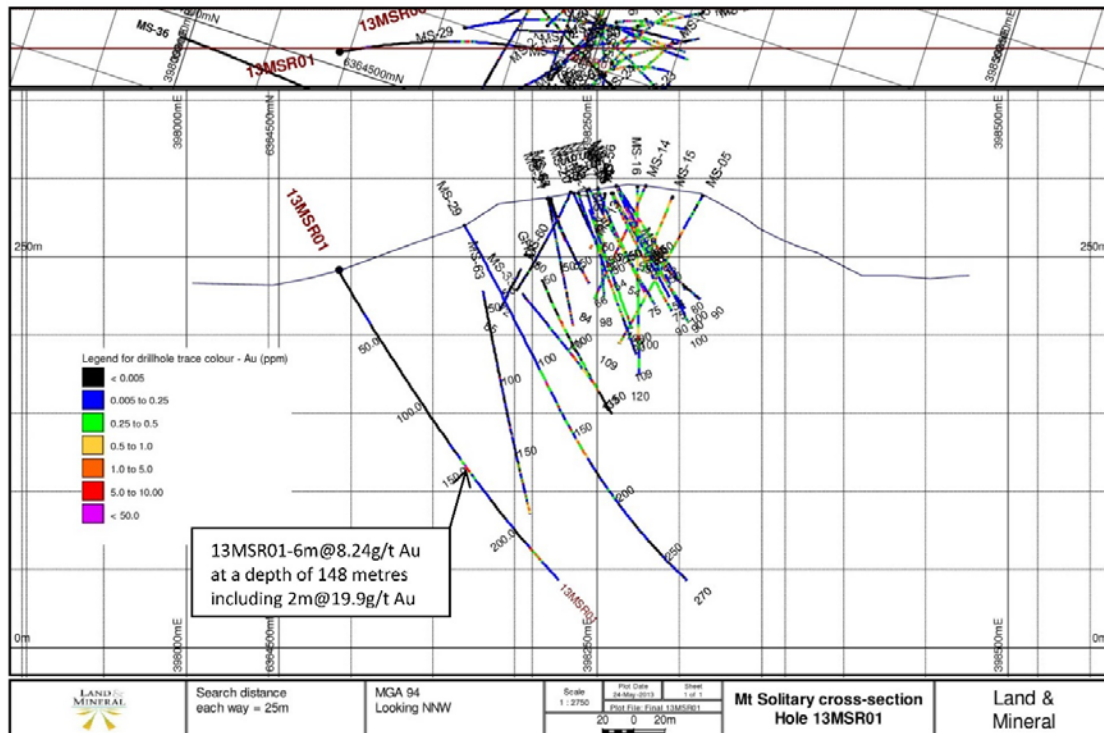


Figure 5. Mt Solitary Drill Section – 13MSR01 drilled by FR showing interpreted zones of mineralisation

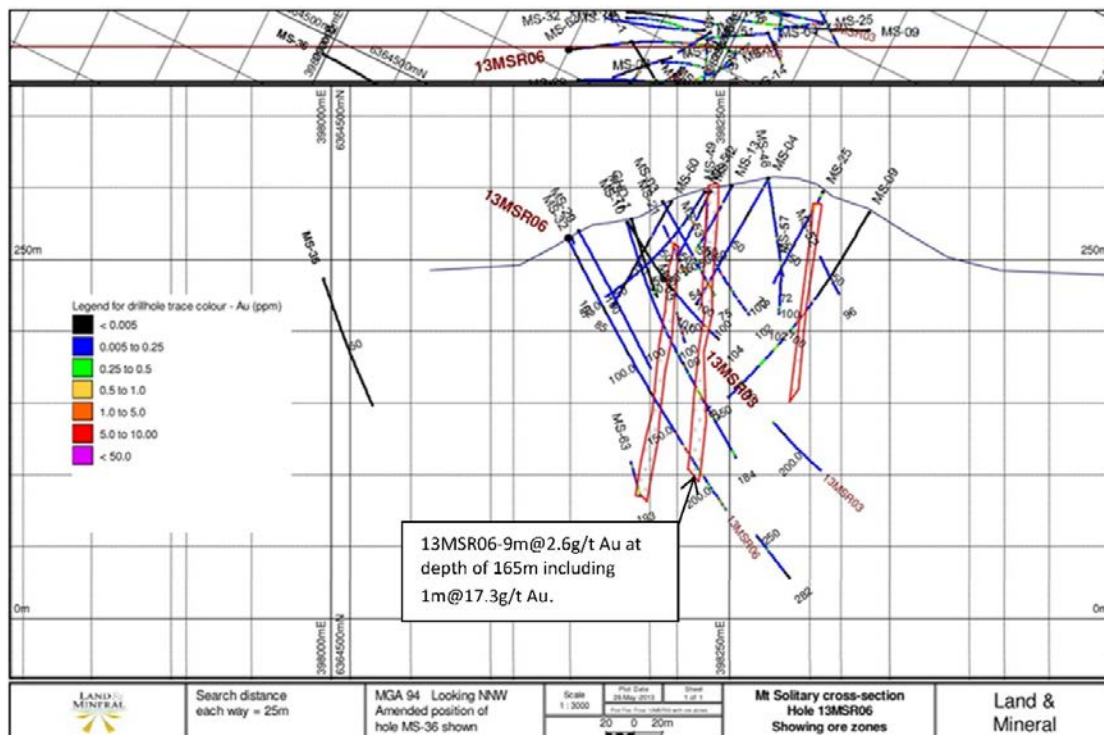


Figure 6: Mt Solitary Drill Sections – 13MSR06 & 13MSR03 drilled by FR showing interpreted zones of gold mineralization.

Previous Exploration

The Mt Hope project has been the target of intensive exploration but limited mining activity by various companies. Mining activity took place in the 1930's between 1935 and 1940 during which 41kg of gold was extracted. In 1982 Electrolytic Zinc Co of

A/Asia (EZ) held EL 1466 and drilled two partly cored holes at Mt Solitary for 569.5 metres including 319.5m of core and two open percussion holes at Mt Solar for 465m. EZ also carried out Induced Polarization (IP) lines along three east-west traverses over Mt Solitary and two IP lines over Mt Solar. This survey defined steeply dipping resistivity zones, which correspond with surficial silicification but no significant chargeability anomalies were defined on three of the lines. Line 5200N however did show a zone of elevated chargeability corresponding with a shallow zone of high resistivity.

Aberfoyle Exploration PL drilled eight open holes at Mt Solitary for a total of 731.5m between 1983 and 1984. This work was completed via a joint venture with EZ. Between 1985 and 1986 Amad NL (Normandy Resources NL) drilled 23 partly cored holes at Mt Solitary for a total of 2,596.65m including 560.5m of core and eight open holes at Mt Solar for a total meterage of 460m in addition to a single percussion open hole at Powerline.

EZ (Norgold Ltd) drilled four partly cored holes between 1987 and 1989 at Mt Solar for a total of 1,087.35m including 910.35m of core. Between 1991 and 1994 Placer Exploration drilled nine part cored drill holes at Mt Solitary for a total of 2,045.3m including 1,725.3m of core in addition to one percussion open hole at Mt Solar to a depth of 140m and three percussion open holes at Little Mt Solitary for total depth of 307m. Placer also carried out IP geophysics along five east-west lines at Mt Solitary and Little Mt Solitary. The Placer IP results indicated a consistent “pant-leg” style of resistivity plus complex chargeability results indicating variable sulphides and silicification. Placer also carried out an electromagnetic survey (EM) at Mt Solitary with two loops but found no conductors. Similarly downhole EM in drill holes MS33-38 revealed no off-hole EM anomalies.

Central West Gold and Mt Conqueror Minerals explored EL 1466 between 1996 and 2004 after entering an option to purchase the EL from Placer in 1996. This purchase was completed in 1999. These companies drilled 15 partly cored holes at Mt Solitary for a total of 7,287.85m including 2,760.2m of core and 20 partly cored holes at Mt Solar for a total of 2,505.35m including 910.35m of core. Geological interpretation of the drilling data at this time defined the gold mineralisation at Mt Solitary as being present in a series of fracture controlled, close space, more or less parallel, west-north westerly trending, steeply dipping zones with greater vertical than lateral extent. Within these zones very steep north northwesterly pitching shoots up to 90m long and 10m wide have been outlined in seven principal zones (Main Zone, S1-S4 and S6-7) with down-dip extensions of up to 190m. The gold mineralization at Mt Solitary is fine-grained and somewhat patchy and probably associated with one particular stage of quartz veining.

Simulated heap leaching testing was carried out on a sample of Mt Hope gold ore. The test sample assayed between 1.1 to 1.4g/t Au and percolation leaching over 11 days recovered 6% of the gold. Following the percolation period the column was flooded with leach liquor for four days, which recovered another 44.3% of the gold.

Seven mining companies have undertaken modern exploration since the early 1980's including Electrolytic Zinc Co of A/Asia (EZ), Aberfoyle, Amad, Aztec, Normandy, Placer, Mt Conqueror Minerals (MCM) and Central West Gold (CWG).

Collectively those companies drilled 73 drill holes for 9,113.5 metres consisting of 53 part cored drill holes and the remainder being open hole percussion or reverse circulation drill holes.

Apart from the most recently drilled holes (13MSR01 to 07) it has not been possible to accurately locate the historical drill holes. In some cases these are identified by remnant PVC casing in place but mostly without a drill hole ID marked. Most of the early drill holes were drilled on several different local imperial grids used by the various explorers since the 1960's. These grids were aligned to the strike of the mineralised horizons with little records available on the relationship with the Australian map grid datum being used at the time. It would appear that there is still doubt about the precise locations of these early drill holes. This doubt is also present for the other Mt Hope prospect sites. 63 holes have been drilled in the Mount Solitary prospect totaling approximately 7000m and numerous high-grade drill assays have been obtained.

The Mt Solitary prospect has demonstrated by a significant number of drill holes that high-grade gold mineralisation has been identified and commonly encompassed by an envelope of potentially economic lower grade gold mineralisation. The higher-grade mineralisation is known to be present in steeply dipping shoots, which raises the exploration possibility that blind deposits of gold mineralisation similar to the Perseverance and Peak gold deposits in the Cobar field could be present at greater depth.

Oxidation within the Mount Solitary prospect extends to depths of around 50m, where it passes into a mixed oxidised/primary environment. It should be noted that significant primary gold has been intersected at depths of up to 220m below surface.

Similar potential is present at the Mt Solar prospect where the gold mineralisation is accompanied by relatively significant copper mineralisation.

Hole No	Coordinates GDA94		Significant Assay Results (0.5g/t cut off)			
	Easting	Northing	From (m)	To (m)	Width (m)	Gold Grade g/t
MS1	398263.8	6364553.2	1.5	3	1.5	0.55
MS1	398263.8	6364553.2	4.5	6	1.5	0.72
MS1	398263.8	6364553.2	6	7.5	1.5	0.61
MS1	398263.8	6364553.2	9	10.5	1.5	1.72
MS1	398263.8	6364553.2	12	13.5	1.5	6.55
*MS2	398241.6	6364572.4	66	75	9	7.57
Including						
MS2	398241.6	6364572.4	66	67.5	1.5	1.26
MS2	398241.6	6364572.4	67.5	69	1.5	7.65
MS2	398241.6	6364572.4	69	70.5	1.5	11
MS2	398241.6	6364572.4	70.5	72	1.5	12
MS2	398241.6	6364572.4	72	73.5	1.5	9.6

MS2	398241.6	6364572.4	73.5	75	1.5	3.89
*MS3	398212.7	6364585.5	63	69	6	4.58
Including						
MS3	398212.7	6364585.5	63	64.5	1.5	1.64
MS3	398212.7	6364585.5	64.5	66	1.5	12.92
MS3	398212.7	6364585.5	66	67.5	1.5	1.92
MS3	398212.7	6364585.5	67.5	69	1.5	1.82
MS6	398218.2	6364675.9	43.5	45	1.5	5.61
MS7	398315.9	6364517	85.5	87	1.5	4.68
MS9	398332.1	6364668.9	88	90	2	5.7
*MS11	398176.9	6364602.7	146	150	4	9.95
Including						
MS11	398176.9	6364602.7	146	148	2	18
MS11	398176.9	6364602.7	148	150	2	1.9
MS14	398273.8	6364589.5	22	24	2	2.13
*MS14	398273.8	6364589.5	32	42	10	3.4
Including						
MS14	398273.8	6364589.5	32	34	2	10
MS14	398273.8	6364589.5	34	36	2	2.97
MS14	398273.8	6364589.5	36	38	2	0.65
MS14	398273.8	6364589.5	38	40	2	1.01
MS14	398273.8	6364589.5	40	42	2	2.38
*MS14	398273.8	6364589.5	76	80	4	13.63
Including						
MS14	398273.8	6364589.5	76	78	2	25.4
MS14	398273.8	6364589.5	78	80	2	1.85
*MS23	398285	6364535.8	36	48	12	4.19
Including						
MS23	398285	6364535.8	36	38	2	3.31
MS23	398285	6364535.8	38	40	2	14.7
MS23	398285	6364535.8	40	42	2	0.76

MS23	398285	6364535.8	42	44	2	1.31
MS23	398285	6364535.8	44	46	2	2.91
MS23	398285	6364535.8	46	48	2	2.12
*MS23	398285	6364535.8	54	68	14	6.14
Including						
MS23	398285	6364535.8	54	56	2	1.11
MS23	398285	6364535.8	56	58	2	3.21
MS23	398285	6364535.8	58	60	2	4.75
MS23	398285	6364535.8	60	62	2	4.41
MS23	398285	6364535.8	62	64	2	1.76
MS23	398285	6364535.8	64	66	2	24
MS23	398285	6364535.8	66	68	2	3.71
MS33	398187.8	6364501.2	56	58	2	11.46
*MS33	398187.8	6364501.2	102	108	6	4.79
Including						
MS33	398187.8	6364501.2	102	104	2	11.1
MS33	398187.8	6364501.2	104	106	2	2.3
MS33	398187.8	6364501.2	106	108	2	0.98
*MS35	398188	6364496.8	184	190	6	10.48
Including						
MS35	398188	6364496.8	184	186	2	7.02
MS35	398188	6364496.8	186	188	2	5.22
MS35	398188	6364496.8	188	190	2	19.2
*MS48	398256.6	6364582	16	23	7	7.8
Including						
MS48	398256.6	6364582	16	17	1	3.32
MS48	398256.6	6364582	17	18	1	20.1
MS48	398256.6	6364582	18	19	1	7.53
MS48	398256.6	6364582	19	20	1	0.88
MS48	398256.6	6364582	21	22	1	8.53
MS48	398256.6	6364582	22	23	1	6.43
*MS49	398234.2	6364613.6	1	9	8	17.24

Including						
MS49	398234.2	6364613.6	1	2	1	9.34
MS49	398234.2	6364613.6	2	3	1	53.3
MS49	398234.2	6364613.6	3	4	1	48
MS49	398234.2	6364613.6	4	5	1	2.96
MS49	398234.2	6364613.6	5	6	1	2.63
MS49	398234.2	6364613.6	7	8	1	0.92
MS49	398234.2	6364613.6	8	9	1	3.52
*MS56	398260.1	6364547.7	63	66	3	10.67
Including						
MS56	398260.1	6364547.7	63	64	1	29.55
MS56	398260.1	6364547.7	64	65	1	1.04
MS56	398260.1	6364547.7	65	66	1	1.43
*MS58	398261.8	6364556.7	16	20	4	7.2
Including						
MS58	398261.8	6364556.7	16	17	1	26.1
MS58	398261.8	6364556.7	17	18	1	0.72
MS58	398261.8	6364556.7	18	19	1	0.55
MS58	398261.8	6364556.7	19	20	1	1.42
*MS58	398261.8	6364556.7	22	24	2	6.96
MS58	398261.8	6364556.7	22	23	1	3.51
MS58	398261.8	6364556.7	23	24	1	10.4
*MS61	398208.8	6364462.1	111	116	5	7.23
Including						
MS61	398208.8	6364462.1	111	112	1	19.5
MS61	398208.8	6364462.1	112	113	1	8.02
MS61	398208.8	6364462.1	113	114	1	2.24
MS61	398208.8	6364462.1	114	115	1	2.82
MS61	398208.8	6364462.1	115	116	1	3.56
MS65	398226	6364535	31	32	1	3.91
Including						
MS65	398226	6364535	90	91	1	5

MS65	398226	6364535	104	105	1	2.72
*13MSR01	398093.6	6364509	148	154	6	8.24
Including						
13MSR01	398093.6	6364509	148	149	1	32.8
13MSR01	398093.6	6364509	149	150	1	7.01
13MSR01	398093.6	6364509	150	151	1	2.85
13MSR01	398093.6	6364509	151	152	1	2.94
13MSR01	398093.6	6364509	152	153	1	2.24
13MSR01	398093.6	6364509	153	154	1	1.62
13MSR05		6364496	49	53	4	9.98
Including						
13MSR05	398185	6364496	49	50	1	0.78
13MSR05	398185	6364496	50	51	1	1.99
13MSR05	398185	6364496	51	52	1	36.6
13MSR05	398185	6364496	52	53	1	0.53
13MSR06	398149.6	6364564.3	172	174	2	9.01
Including						
13MSR06	398149.6	6364564.3	172	173	1	0.73
13MSR06	398149.6	6364564.3	173	174	1	17.3

Note: all aggregated intervals shown in the above table, the average grade has been calculated by simple arithmetic mean using all contiguous intervals greater than 0.5g/t Au with uniform drilled thickness no internal dilution, true widths are not known at this stage of understanding. ("na" - GDA coordinates not available)

Table 2: Significant gold Intercepts for the Mt Solitary and Main Road Prospects. This includes holes 13MSR01, 13MSR05 and 13MSR06: being three of the seven reverse circulation drill holes drilled by FR. Source: Muggeridge & Servgeev, 2013.

In 2006 an independent consultant, Hellman and Schofield (H&S), developed a grade-tonnage model in accordance with the JORC Code 2004 for the Mt Solitary gold deposit which focused on the bulk mining potential of the Mt Solitary gold prospect rather than focusing on the higher grade gold mineralization that is known to be present in steeply plunging mineralized shoots. The work demonstrated the consistency of the mineralisation.

Other prospects

The **Little Mount Solitary prospect** lies 1100 metres further south along the same ridge line that contains the Mt Solitary prospect. Only two small pits excavated by the early prospectors are evident at Little Mount Solitary where a narrow zone of heavily

haematite/limonite stained sediments is present. Two grab rock samples of this outcropping material did not return significant gold assays. A single diamond drill hole (MS34) was drilled at the prospect by EZ in 1991 to a depth of 307.2 metres without intersecting any significant gold mineralization, although altered clastic sediment with prevalent quartz veining was present. This drill hole was designed to test an earlier I.P. anomaly. A further three I.P. lines were completed by Central West Gold in 2010 with the definition of several unconnected chargeability zones. These zones have not been drill tested and will be tested by the Company.

The **Powerline Hill prospect** is located further south within EL 6837 and occupies another small hill rising to an elevation of several hundred metres. As with Mt Solitary and Little Mt Solitary the hill is underlain by silicified and iron stained altered fine grained sandstone of the Broken Group. A number of prospector diggings are located on the hill. One percussion drill holes (PL1) was completed by EZ in 1986 and further three percussion drillholes (PL2-3) completed by MCM/CWG in the late 1990s. The four drillholes indicate that gold enrichment occurs in several sub-adjacent, parallel, northerly trending (possibly very steeply north-westerly dipping) zones known from current knowledge to have only small strike and down dip extension.

The **Mt Solar prospect** is located at the southern end of the line of prospects aligned north south from Mt Solitary. Mt Solar shows similar geological characteristics to Mt Solitary with pervasive alteration including silicification and chlorite alteration and zones of vein quartz. Several shallow gold prospectors' pits and the "main shaft" are scattered along the main zone which trends NNW-SSE through the prospect over a distance of about 700 metres and includes the surface indications of gold mineralisation.

At Mt Solar a total of 28 holes have been reported in legacy data including 4 core holes amongst a series of percussion and RC drill holes. This drilling has reported a number of gold significant gold intercepts including:

Hole No	Coordinates GDA94		Significant Assay Results (0.5g/t cut			
	Easting	Northing	From (m)	To (m)	Width (m)	Gold Grade g/t
SL003	398297.6	6356957	14	24	10	1.11
SL005	398296.5	6356988	24	36	12	3.78
SL007	398280.2	6356992	42	48	6	1.86
SL008	398283.9	6356960	28	42	14	2.74
SL009	398301.1	6357008	24	30	6	2.3
SL017	398271	6356963	48	67	19	1.46
SL018	398288	6357014	44	50	6	2.47
SL021	398243	6357040	102	108	6	1.53
SL023	398270	6357075	86	101	15	1.19
SLPD014	398083.3	6357002	310	318	8	1.99

Table 3 a Source: Muggeridge & Servgeev, 2013.

In addition a number of significantly anomalous Cu intercepts were returned including:

	Coordinates GDA94	Significant Assay Results (0.3% cut off)

Hole No	Easting	Northing	From (m)	To (m)	Width (m)	Gold Grade g/t
SL019	398294	6357100	48	50	2	0.59
SL022	398270	6357075	83	88	5	0.46
SL023	398284	6357122	87	98	11	0.79
SLD012	398192.7	6357043	174	176	2	0.53
SLD012	398192.7	6357043	196	200	4	0.43
SLD012	398192.7	6357043	204	208	4	0.39
SLD012	398192.7	6357043	212	214	2	0.33
SLP015	398225	6357011	98	102	4	0.36
SLPD014	398083.3	6357002	346	348	2	0.55

Table 3 b Source: Muggeridge & Servgeev, 2013.

Base metal values are higher at Mt Solar than at Mt Solitary and appear to occur within separate but overlapping lodes along the mineralized structure, although drill spacing and density does not allow any conclusions to be drawn.

Between 2003 and 2012 Central West Gold took over the Mt Hope project area under EL 6055, which was granted in 2005. During this time nine percussion open drill holes were completed for a total of 1,043 metres at Mt Solitary and three percussion drill holes were drilled at Mt Solar for a total of 260 metres.

The **Main Road prospect** lies within the separate EL 8058, which is located 2.5km west of the Mt Solar prospect.

The main prospect area is located in the northwest corner of the EL. In this area there is a northeasterly trending zone of moderately iron oxide impregnated early Devonian sediments (sandstone and pelite) containing relatively minor quartz veining.

Rock chip samples from those outcrops have returned gold assays from between 17 to 120g/t Au. These high gold grades are only found in an area of approximately 20m x 20m. RGC Exploration drilled 13 reverse circulation and nine air core drillholes in the early 1990's to test the anomalous rock chips. Central West Gold drilled two diamond drill holes (DDMR14 and 15).

Hole No	From	To	Interval	Gold g/t
RC09	0.0	3.0	3.0	12.7
including				
RC09	0.0	1.0	1.0	16.7
RC09	1.0	2.0	1.0	18.2
RC09	2.0	3.0	1.0	3.26
DDMR15	24.0	25.2	1.2	2.34

Table 4: Results from Main Road Prospect drilling. Source: Muggeridge & Servgeev, 2013.

The high-grade surface gold mineralisation at the Main Road prospect is believed to be due to surface enrichment, which does not extend to any significant depth. Alternatively a relatively small steeply dipping shoot of gold mineralisation could be present that has not yet been intersected.

Exploration Potential

The Mt Solitary prospect has demonstrated that high-grade gold mineralisation is present and commonly surrounded by an envelope of potentially economic lower grade gold mineralisation.

The higher-grade mineralisation is known to be present in steeply dipping shoots, which raises the possibility that blind deposits of gold mineralisation similar to the Perseverance and Peak gold deposits in the Cobar field could be present at greater depth.

Similar potential is present at the Mt Solar prospect where the gold mineralisation is accompanied by relatively significant copper mineralisation.

Broken Range

Geological Setting

The project is situated within the Lachlan Orogen in NSW. The eastern boundary of the Lachlan Orogen with the New England Orogen is obscured by younger rocks of the Sydney and Gunnedah Basins. The western boundary with the Orogen is controversial and the Lachlan Zone boundary lies east of the Coongee Break (east of the Stawell gold mine) and it is here taken to lie along the Avoca Fault, west of the Bendigo Zone. Extensions of the Stawell and Bendigo zones into southwestern NSW have considerable economic implications. The northern boundary with the Thomson Orogen occurs in the Tibooburra-Brewarrina area of far northwestern NSW and is a curvilinear east-west trending, north-dipping crustal scale thrust.

Ordovician quartz-rich turbidites and shales formed in separate terranes that show differences in lithology, thickness and fauna: one was probably in situ, deposited in a back arc basin, but the others formed off present-day west Antarctica. One of these, the Bega Terrane, lies east of the Macquarie Arc and was transported northwards along a largely transform plate boundary in the Late Ordovician. It and the Macquarie Arc were accreted by a combination of thick and thin-skinned thrusting and multiple deformation around the Ordovician-Silurian boundary in the Benambran Orogeny. The largely Ordovician oceanic Narooma Terrane was accreted to the Bega Terrane in the Benambran Orogeny as well. MORB-like mafic volcanic + chert terranes represent ocean crust formed during mid-Ordovician seafloor spreading and were imbricated with other terranes during closure of ocean basins in the Benambran Orogeny.

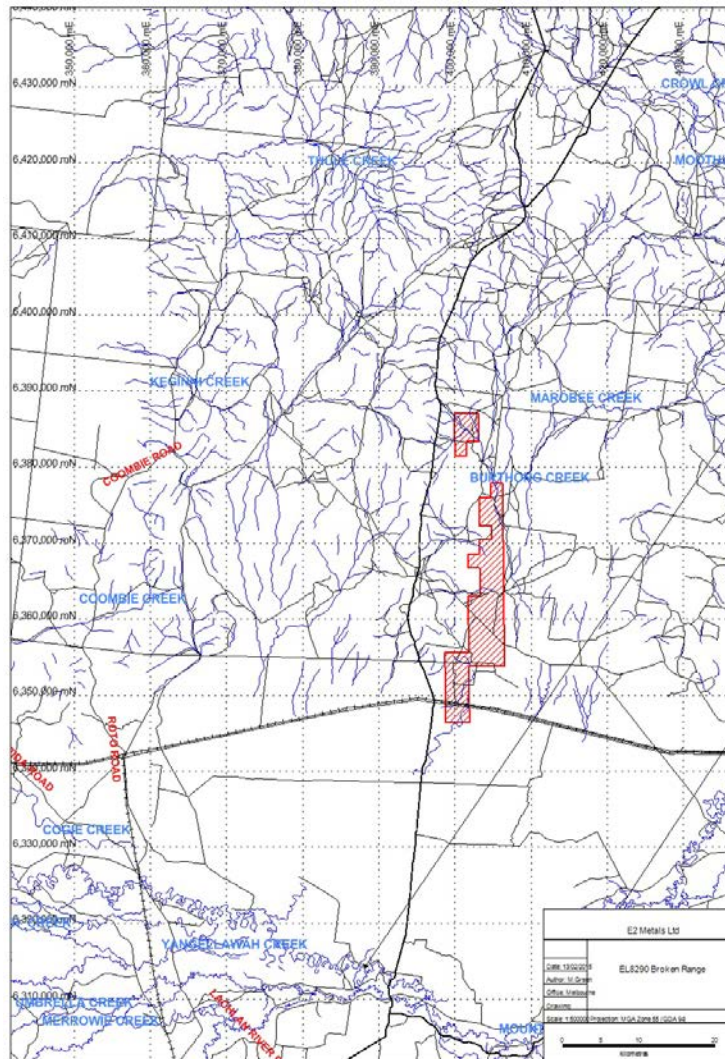


Figure 7: Location of EL8290: Broken Range Project

Mineralisation

Rocks of the Benambran Cycle contain the two world-class groups of deposits in the Lachlan Orogen: structurally controlled gold deposits in the Bendigo Zone and porphyry gold-copper deposits (and other styles) in the Macquarie Arc. Although both underwent major mineralising events, the terrane model for the Benambran cycle suggests that they formed thousands of kilometres apart. Bendigo zone gold is syndeformational. Porphyry gold copper deposits in the Macquarie Arc formed during critical events in the evolution of the arc, related to interruptions, cessation or restarts of magmatism, not to steady-state subduction. Critically the ~440 Ma porphyries were emplaced during accretion of the arc in the Benambran Orogeny, with control apparently exercised by cross structures.

Previous Exploration and Mining Activity

Earlier exploration focused on the vicinity of known mineral occurrences in the Mt Hope area and airborne geophysics was used to penetrate the surface alluvium to provide a geological framework. Several anomalies were identified by Australian Selection and are believed to be due to surface maghemite accumulations.

Geochemical surveys were carried out on lag or surface rock exposures and this was followed by wide spaces RAB drilling. A total of 155 lag samples and 154 RAB holes were completed leading to two anomalous zones.

Anomaly RA5 was characterized by >400ppm As and 300ppm Zn over an area of 1.5km by 1.5km. Follow up RAB drilling defined a north trending zone of >1000ppm Zn and >170ppm Pb. Eight RC holes tested the zone for 801 metres. Anomaly RA6 is a single point anomaly with an elevated As, Sb and Au (320ppb) signature followed up with RAB drilling which confirmed and extended the anomalous zone.

Exploration Potential

The early work did not sufficiently test the anomalies and the possibility of deeper mineralizing sources consistent with the Cobar – Mt Hope styles remains a valid target.

NEAVESVILLE, NEW ZEALAND

Gold production in New Zealand

The major goldfields of New Zealand are set out in the following figure. As can be seen the Hauraki gold field, in which Neavesville is situated, is New Zealand’s largest historic and current gold producer.

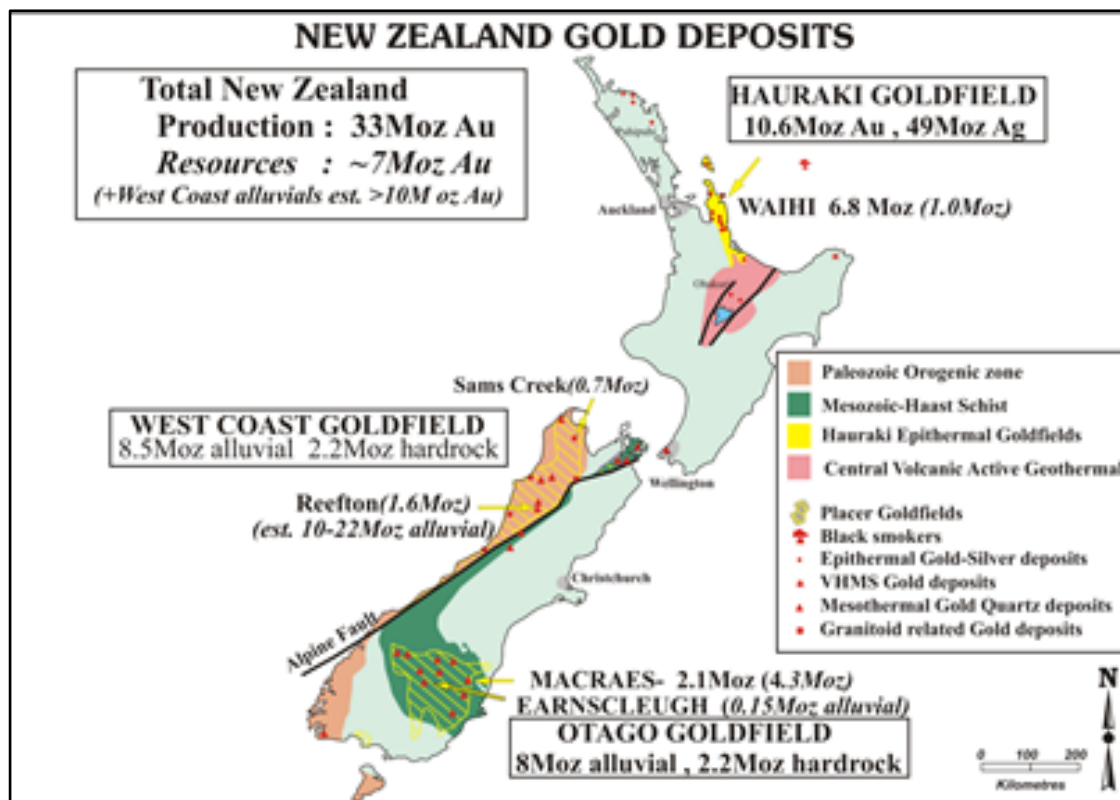


Figure 8: New Zealand Gold Deposits

Neavesville: Location and Tenure

The Hauraki Goldfield is located about 80 km west of Auckland within the Coromandel Volcanic region, a 200 km long by 40 km wide north-south trending belt

that includes Great Barrier Island, the Coromandel Peninsula and the northern end of the Kaimai Ranges.

The Hauraki Goldfield contains about 50 known epithermal gold-silver deposits related to Miocene to Pliocene age hydrothermal systems. The deposits have total recorded production of about 11 M oz of gold and 50 M oz of silver since production began in 1862.

About 70 per cent of the gold produced from the Hauraki goldfield has been produced from the world-class Martha deposit at Waihi, approximately 25 kilometres south east of Neavesville in the south of the goldfield.

The Coromandel Volcanic region comprises a calc-alkaline volcanic arc that developed in the early Miocene. A thick sequence of Miocene to Pliocene sub-aerial andesitic and dacitic volcanic rocks of the Coromandel Group overlie Late Jurassic greywacke and argillite basement rocks. In the east of the peninsula, late Miocene to Pliocene Whitianga Group dacite and rhyolite volcanic rocks consist of flow-dome and caldera complexes. To the south the rocks of the Coromandel Volcanic Zone merge with and are overlain by those of the Quaternary Taupo Volcanic Zone.

Volcanism spans a period from 18 to 2 Ma. Although mineralisation occurred throughout most of this period it was concentrated in two periods – epithermal veins (including bonanza veins) and porphyry style mineralisation in the north of the region between 16.3 to 10.8 Ma associated with andesitic volcanism and epithermal mineralisation mainly in extensional veins between 6.9 and 6.0 Ma in the east and south of the goldfield during a period of andesite and rhyolite volcanism.

About 97 per cent of total gold production has been derived from deposits hosted in Miocene andesite and dacite of the Coromandel Group (Christie et al, 2007) and most of it was formed during a period of about 0.9 million years.

The Martha mine at Waihi, located 25 kilometres from Neavesville, and operated by Newmont and more recently OceanaGold Corporation, since 2002, accounts for most past production of gold and silver from the Hauraki Goldfield and is a giant epithermal gold deposit by world standards. At the Martha mine, andesite-hosted quartz veins form an extensive braided system 1600 m long by 500 m wide, which was worked to a depth of 600 m between 1883 and 1952. Exploration of a semi-parallel network of narrow linking splay quartz veins between the previously worked Martha and Welcome lodes defined an open pit resource of about 10 Mt with a gold-equivalent grade of 2.6 g/t.

The discovery of the Favona deposit in 2001 in close proximity to Martha demonstrated that blind epithermal deposits could be successfully located at Waihi despite the combination of the proximity of the town of Waihi, which overlies much of the prospective area and thick (generally >50 m) post-mineralisation cover rocks. A combination of available geological, geochemical and geophysical data, including aeromagnetic, gravity and resistivity data, have been used to create a geological model that is used to assess exploration potential.

The current mining operations at Waihi by OceanaGold Corporation include the Correnso Underground operation, which began producing in early 2015. Mining targets at Waihi also include an open pit mine (the Martha Open Pit) and extensions to the underground vein system, including Correnso Deeps, Empire and Daybreak. As of the end of December 31, 2015, Waihi reserves were estimated at 2.13 million tonnes grading 5.55 g/t, and containing approximately 380,000 ounces of gold.

The Neavesville gold-silver prospect is located within the Hauraki goldfield near the crest of the Coromandel Range. Neavesville is about 15 km south-east of Thames (with bonanza style production of approximately 1,441,900 oz of gold and 25 Kilometres North west of Waihi and the Martha mine (including Waihi, Favona and Correnso) which accounts for most past production of gold and silver from the Hauraki Goldfield and is a giant epithermal gold deposit by world standards.

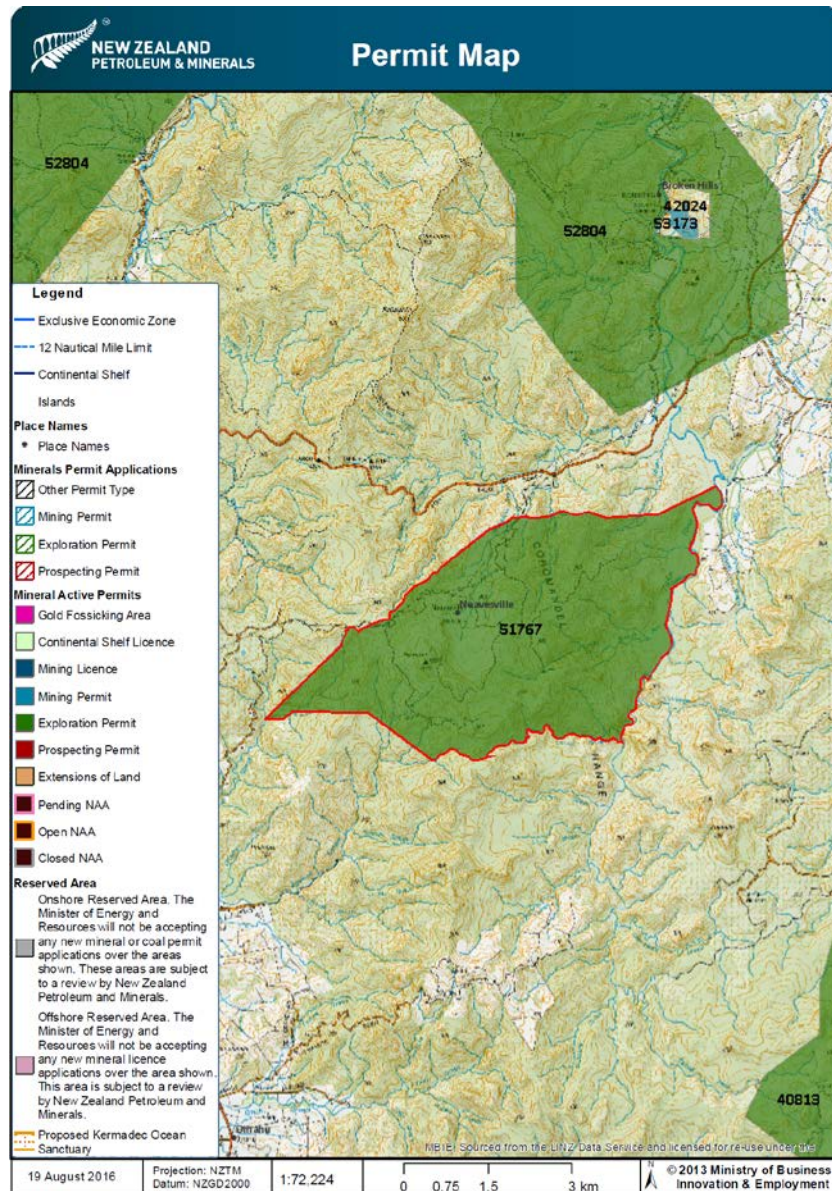


Figure 9: Location of the Neavesville Project – Coromandel Peninsula, showing Permit EMP 51767 subsequent to amalgamation of EMP 52759

The prospect is 12 kilometres northwest of the Wharekirauponga project (WKP), another epithermal quartz vein gold-silver prospect. Neaveville is 20 kilometres northwest of Golden Cross which was the fourth largest producer of Au in the Hauraki Goldfield with production from 1991 to 1998, of a total of 662 000 oz Au from 5 136 300 t of ore.

At Neavesville, small amounts of gold and silver were produced from five sets of workings between 1875 and 1940 prospects within a 2km² zone of alteration and mineralisation. Mineralization at Neavesville occurs within Coromandel Group andesite and dacite, extending up into overlying Whitianga Group rhyolite pyroclastics and carbonaceous sediments. The Neavesville epithermal gold-silver mineralization includes similar geologic features to other deposits of the Hauraki goldfield, including the Martha Hill gold-silver mine referred to above.

The Neavesville project is held by the granted Exploration Permit EPM51767 has been reduced and now covers 20.61 square kilometers that covers multiple centers of epithermal gold-silver mineralization.

On November 13, 2014 the Company’s subsidiary, L&M, entered into an agreement with Eurasian Minerals Inc. (“EMX”) to acquire HGL (a subsidiary of EMX), which holds Exploration Permit EPM51767. HGL has also entered into a Joint Venture Agreement and Access Agreement with the Trustees of the Pakirarahi 1B Trust, who control surface rights across a majority of the project area.

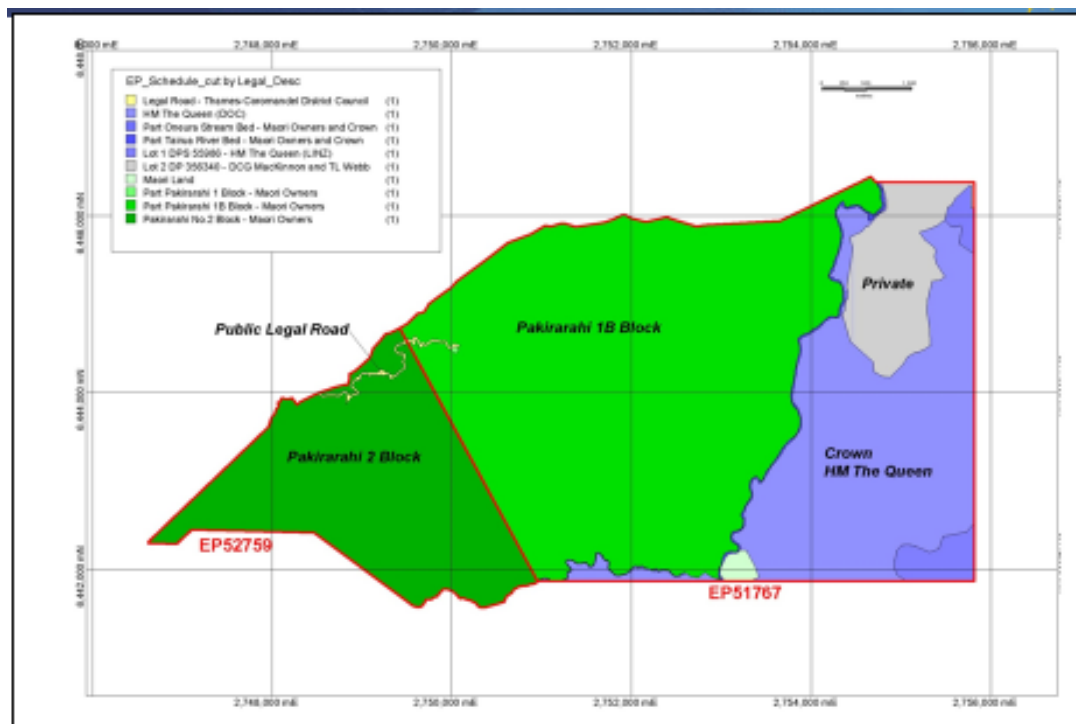


Figure 10: Map of Permit area showing Pakirarahi 1B Block (covered by Access Agreement) and Pakirarahi 2 Block (Previously Permit EP 52759)

Geological Setting

The largest of the gold bearing systems defined by historic drilling is centered on Trig Bluffs, and measures approximately 2.5 by 1.5 kilometers. Gold-silver mineralization is developed in a large multiphase breccia complex that cuts faulted volcanic and minor sedimentary sequences, as well as along steeply dipping quartz-adularia veins, and as stockworks in breccias and dacite porphyry.

The greywacke basement of the peninsula is divided into sub-rectangular fault blocks with north-northwest and east-northeast trends. These fault blocks are downthrown to the south, such that the volcanic cover becomes progressively thicker towards the

southern end of the peninsula. Volcanic activity began in the north at approximately 18 Ma and progressed gradually southward during the Miocene and Pliocene. Early phases of volcanism were andesitic and dacitic in nature (Coromandel Group) with volcanism becoming more silicic with time (Whitianga Group). This trend continues southward along the peninsula. Volcanic activity in the Coromandel ended at approximately 1.5Ma and transferred to the TVZ without any obvious breaks in activity.

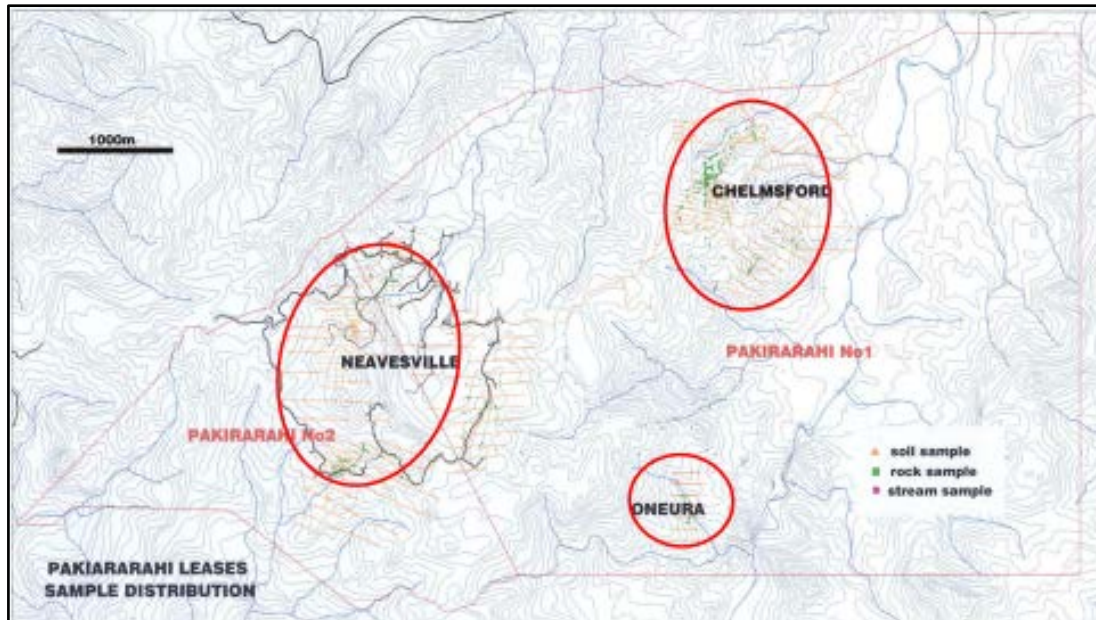


Figure 11: Permit EMP 51767 (as amalgamated) showing principal target areas

The Hauraki Goldfield in the Coromandel Region contains over 50 separate mineral deposits within a zone approximately 40km wide and 200km long. The majority of these are epithermal quartz vein gold-silver deposits hosted in Tertiary volcanics.

The Waihi (Martha, Favona and Correnso,) Thames, Karangahake and Golden Cross deposits account for over 85% of the Au-Ag bullion produced from the Hauraki Goldfield.

The EPM51767 tenement area is located at the southern end of the Coromandel Peninsula within the Hauraki Goldfield. The Coromandel Peninsula is a Miocene to Quaternary volcanic province built on Mesozoic greywacke basement of the Manaia Hill Group. It is bound to the west by the Hauraki Rift, a large graben filled with Quaternary and Tertiary sediments. To the south, the Coromandel Volcanic Zone is overlain by the presently active Taupo Volcanic Zone (TVZ).

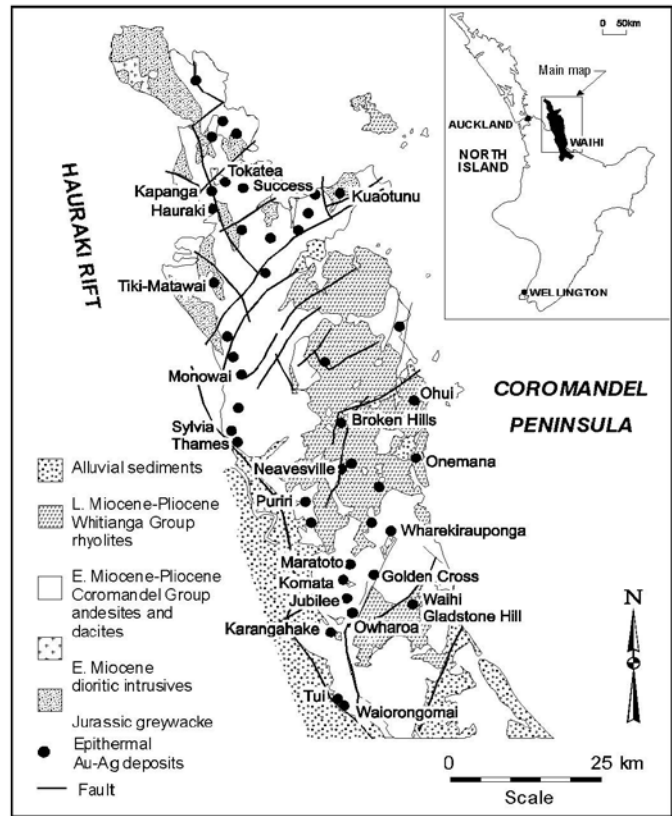


Figure 12. The Coromandel Au-Ag province showing generalised geology and the location of epithermal deposits.

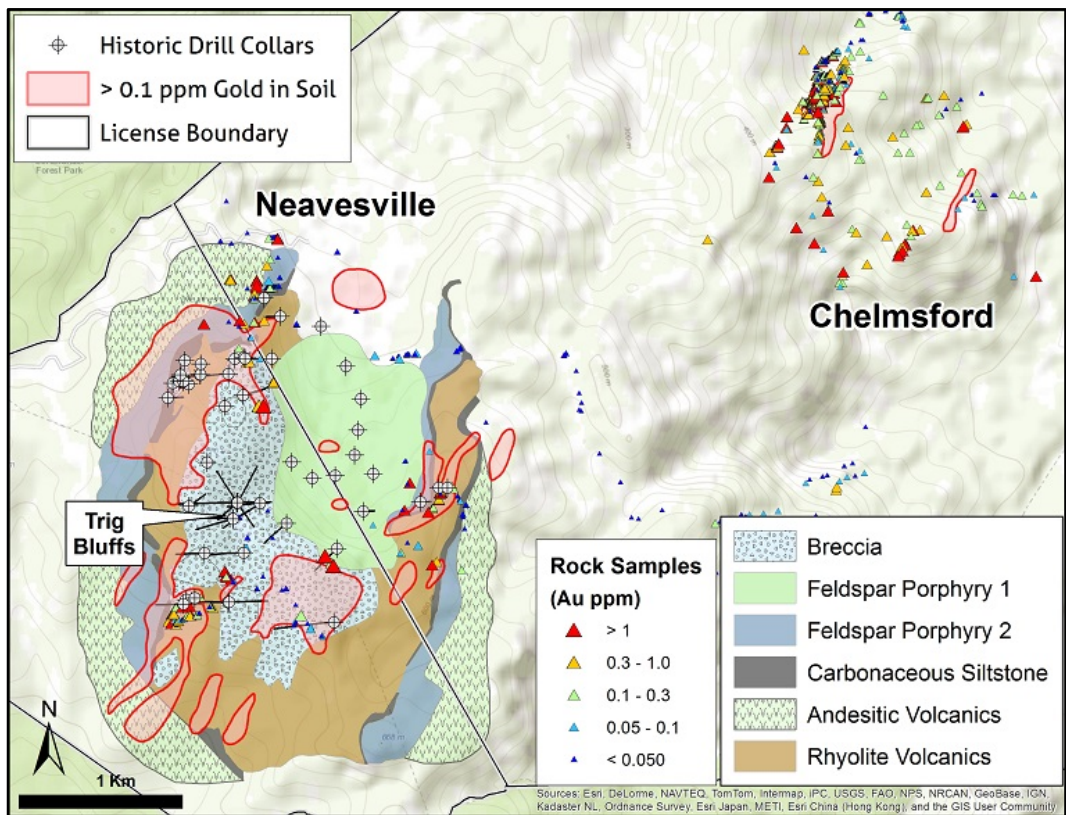


Figure 13: Geological Setting of Neavesville

Epithermal gold-silver mineralisation at Pakirarahi occurs in quartz veins within Coromandel Group andesite, and extends up into silicified breccias and stockworks developed in the overlying rhyolite pyroclastic and carbonaceous siltstone of the Whitianga Group. Diatreme breccias have been recognized that intrude the rhyolitic rocks and are capped locally by tuff rings.

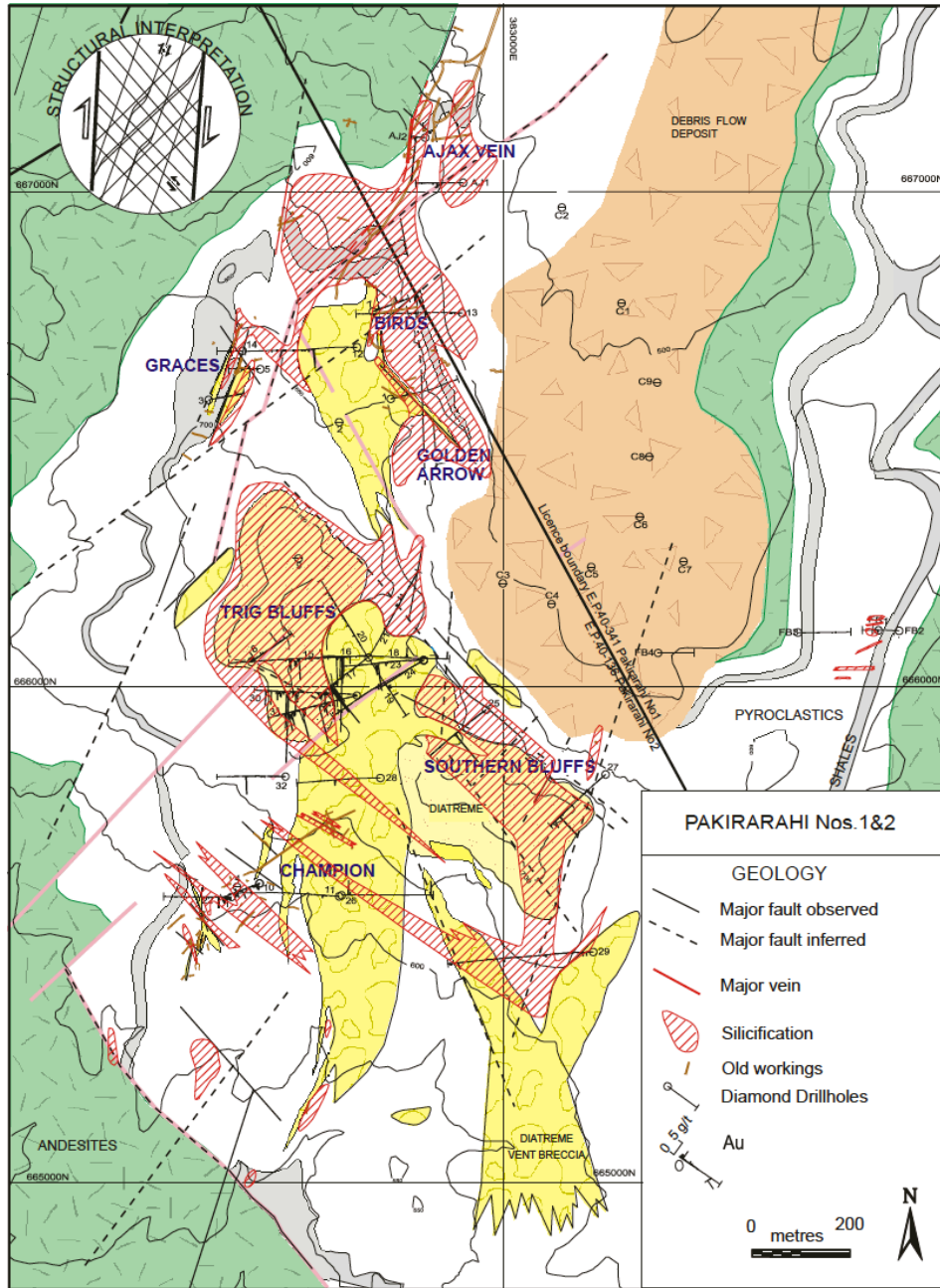


Figure 14: Detailed Geological Map of the Neavesville Project (From Braithwaite 2006)

Six prospects have been defined within the Pakirarahi Trust land and all of these have been investigated by drilling. The Pakirarahi gold-silver prospects occur with a 2km² zone of hydrothermal alteration and anomalous gold and silver values in stream sediments and soils.

Geological mapping, drilling and an aeromagnetic survey have established that the prospects occur within a north northeast trending rift about 1 km wide in the andesite basement rocks. The rift is filled with rhyolite pyroclastic and sedimentary rocks that

are intruded by elongate breccia bodies ranging in width from 1 to 100 metres. The breccias consist of a clay-pyrite \pm carbonate altered matrix supporting milled and altered clasts of andesite, carbonaceous shale and rhyolite tuff.

At shallow levels hydrothermal alteration consists mainly of quartz, adularia, kaolinite, and illite-smectite, grading at depth to quartz, adularia-kaolinite-chlorite and illite-sericite assemblages at depth.

Mineralisation occurs mainly around the margins of the breccias and along major structures within the rift zone. Mineralised structures (and the Ajax vein in the north of the prospect on the adjoining No 1 block) have a dominant north-northeasterly trend, and mineralisation is often developed at their intersection with younger, crosscutting northwesterly trending structures.

Mineralisation is controlled both by lithology and structure and the main styles recognized are:

- Disseminated pyrite and electrum in carbonaceous shale and in veins and fractures
- Electrum in cockscomb quartz veins stockworks in brittle, silicified rocks
- Electrum in epithermal veins (eg the Ajax vein)
- Electrum resulting from secondary enrichment of electrum

These areas are primarily within the area covered by the Access Agreement entered into by HGL as permit holders with the Maori Trustees of the Pakirarahi 1B area.



Figure 15: Black shale hosted mineralization at Neavesville.



Figure 16: Quartz-adularia vein hosted mineralization at Neavesville.

Previous Exploration and Mining Activity

Following the discovery of gold at Pakirarahi in 1875, small scale surface and underground workings were established at numerous locations including the Ajax mine (the largest producer which worked quartz veins in Coromandel Group andesite by underground methods) the Birds, Golden Arrow and Champion workings that worked stockwork zones in rhyolitic rocks, and Graces mine where locally very high grade mineralisation is exposed at the surface in hydraulically fractured silicious carbonaceous shale.

Exploration at Neavesville since 1978 has included geological mapping, geochemical sampling, geophysical surveys (ground and airborne magnetic and resistivity) and diamond drilling of 33 holes in six prospect areas. A low level aeromagnetic survey was flown by Norex in 1995 using a helicopter with lines 50m apart and a terrain clearance of 50 ± 10 m.

This clearly defined the north-north-east trending graben structure that traverses the prospect. An orientation resistivity survey suggested the method can delineate resistive, silicified zones that are favourable for hosting gold mineralised veins.

As a result of its exploration, Normandy concluded that hydrothermal alteration and associated gold-silver-molybdenum mineralisation is concentrated around the margins of diatremes within and beneath the carbonaceous shale beds (shale-associated mineralisation) and along fault structures.

The association of epithermal gold-silver mineralisation with diatremes breccias is new to the Hauraki Goldfield but this may be due to breccias of this type not having been recognized previously. Traces of chalcopyrite have been reported in quartz veinlets at deeper levels below 450 metres above sea level and in combination with molybdenum mineralisation and diatreme intrusions suggest that porphyry-style copper-molybdenum-gold mineralisation may occur at depths of 1 to 2 km in the hydrothermal system at Pakirarahi.

Trig Bluffs prospect

The best results to date at Neavesville have been obtained at the Trig Bluffs prospect, which is located near the highest point of the prospect area at Pakirarahi Trig (elevation 787 metres above sea level).

The main basis of the assessment of the prospects at Pakirarahi is from diamond drilling with PQ (85mm) and mainly HQ (63.5mm) core.

Core has been logged and photographed, and from drillhole NDDH16 onwards core has been oriented to enable collection of structural/bedding data. The percentage of core recovery has been recorded for all of the holes drilled by Welcome, and is generally excellent at mainly 99-100% with only a few intercepts at 96-99% recovery.

Two mineralised zones are recognised at Trigs Bluffs: a lower shale associated zone within and beneath silicified black shale adjacent to a diatreme intrusion, and an upper zone of electrum in quartz vein stockworks in rhyolite tuffs and silicified fluidised breccia.

Metallurgical testing was carried out by Amdel in Australia on a composite sample of the core sample rejects from NDDH16 that assayed 4.3 g/t gold. Importantly, Amdel's head assays of the composite sample were about 10% higher than the weighted average gold value obtained from initial analyses of the drill core. Cyanide leach tests returned 84% to 89% gold recovery with little difference between 24 and 48-hour leach times, and grinding the samples to a 38 and 75 micron particle size.

Drilling at Trigs Bluffs

Diamond drilling here has intersected potentially ore grade mineralisation.

Hole	Interval (m)	Intercept (m)	Au (g/t)	Ag (g/t)	Zone
NDDH15	84.0 – 90.0	6	2	12.2	Upper
incl.	89.3 – 90.0	0.7	12.1	14.9	Upper
NDDH15B	159.0 – 162.0	3	1.25	2.2	?
	195.0 – 225.0	30	1.66	7	Shale
incl.	195.0 – 198.0	3	4.8	4	Shale
and	220.5 – 222.0	1.5	4.7	6.8	Shale
	234.0 – 237.0	3	0.79	0.7	Shale
NDDH16	112.0 – 113.5	1.5	2.93	1.3	Upper
	151.0 – 175.0	24	4.3	17.2	Shale
incl.	152.5 – 154.0	1.5	8.37	85	Shale
and	157.0 – 163.0	6	10.68	24	Shale
and	172.0 – 173.5	1.5	8.03	32.1	Shale
NDDH17	156.0 – 181.5	25.5	0.6	4.2	Shale
incl.	178.5 – 181.5	3	1.01	8.3	Shale
	178.5 – 198.0	19.5	4.3	19.6	Shale
incl.	181.5 – 198.0	16.5	4.89	21.7	Shale

incl.	183.0 – 184.5	1.5	8.39	28.6	Shale
and	186.0 – 187.5	1.5	6.15	25	Shale
and	190.5 – 192.0	1.5	18.8	15.7	Shale
and	196.5 – 198.0	1.5	12.48	119	Shale
	217.5–223.5	6	2.43	2	Shale
incl	220.5–222.0	1.5	6.35	3.5	Shale
NDDH18	151.5–156.0	4.5	1.92	1.6	Upper
	216.0–220.5	4.5	0.72	4	Shale
NDDH19	144.5–149.0	4.5	0.98	1.7	Upper
	153.5–156.5	3	1.63	1.3	Upper
	189.5–191.0	1.5	1.51	1.2	Shale?
NDDH20	243.5–245.0	1.5	1.93	4.9	Shale
NDDH21	184.0–188.5	4.5	0.89	6.5	Upper
	208.0–212.5	4.5	1.12	6.6	Shale?
	223.0–224.5	1.5	1.54	0.4	Shale?
NDDH23	147.0–153.0	6	0.9	2.6	Upper
	180.0–195.0	15	3.37	21.5	Shale
incl.	181.5–184.5	3	8.97	15.5	Shale
NDDH24A	148.0–151.0	3	1.01	1.8	Upper
	278.5–280.0	1.5	0.86	0.5	Shale?
NDDH25	105.0–108.0	3	8.31	8.1	Upper?
incl.	106.5–108.0	1.5	15.2	12.8	Upper?
NDDH27	166.5–168.0	1.5	8.4	3.5	?
	186.0–193.5	7.5	1.49	0.6	?
NDDH28	125.5–130.0	4.5	1.29	1.4	?
NDDH30	81.0-105.0	24	1.49	3.9	Upper
incl.	85.5- 87.0	1.5	7.61	10.6	Upper
	163.5-232.5	69	1.83	7.5	Shale
incl.	171.0-172.5	1.5	9.53	12.3	Shale
and	193.5-201.0	7.5	9.39	36.9	Shale
	246.0-247.5	1.5	5.46	5.7	Shale
	255.0-258.0	3	0.71	1.7	Shale
	262.5-264.0	1.5	5.87	7.3	Shale
NDDH 31	69.5-90.5	21	0.51	2.8	Upper
	90.5-114.5	24	2.21	3	Upper
incl.	113.0-114.5	1.5	15.55	10.4	Upper

	114.5-155.0	40.5	0.11	1	?
	155.0-173.0	18	3.03	2.7	Shale
incl.	165.5-171.5	6	6.35	4.1	Shale
	173.0-188.0	15	0.26	2.2	Shale
	188.0-210.5	22.5	1.97	7.4	Shale
incl.	198.5-200.0	1.5	5.52	9.9	Shale
and	207.5-209.0	1.5	7.77	5.7	Shale
	210.5-231.5	21	0.37	2.1	Shale
NDDH 32	108.0 – 111.0	3	4.27	2.8	Shale

Table 5: Trig Bluffs Prospect - significant intersects while especially significant intercepts are summarized following the table. Source: AusIMM,2006, Torkler, 1997, Coventry 2016

Especially significant intercepts of the shale-associated zone are:

- NDDH15B 30.0m @ 1.7 g/t Au from 95m
- NDDH16 24.0m @ 4.3 g/t Au from 152.5m
- NDDH17 16.5m @ 4.9 g/t Au from 181.5m
- NDDH23 15.0m @ 3.4 g/t Au from 180m
- NDDH30 69.0m @ 1.8 g/t Au from 163.5m
- NDDH31 18.0m @ 3.0 g/t Au from 155m, and
22.5m @ 2.0 g/t Au from 188m

Other exploration

As well as Trig Bluffs, EMX's and other legacy explorers geophysical surveys and reconnaissance geologic mapping and sampling confirmed additional targets for follow-up at the Chelmsford and Oneura prospects.

The detailed airborne magnetics show a series of north-northeast striking magnetic highs regarded as due to magnetic andesite. The non- magnetic rocks are possibly pyroclastics or other non- magnetic sediments, or if there is alteration of the scale seen elsewhere on the Coromandel as discussed above, the non- magnetic rocks could be reflecting alteration. The magnetics show a series of inferred north and north-northeast striking breaks that are possibly faults. In places the boundaries between magnetic and non- magnetic rocks are quite linear and maybe faulted. Veins and faults at Martha Hill strike more to the east.

There are a number of local magnetically quiet zones associated with the magnetic rocks that may represent magnetite destructive alteration.

The airborne EM survey maps out a number of resistive units/zones,. Some of these are coincident with the magnetic andesite and are not considered prospective. The broad resistive non- magnetic features may be reflecting silica alteration and the linear resistive features may be reflecting quartz veins. A number of these resistive non- magnetic features appear spatially related to the known veins and alteration at Neavesville,

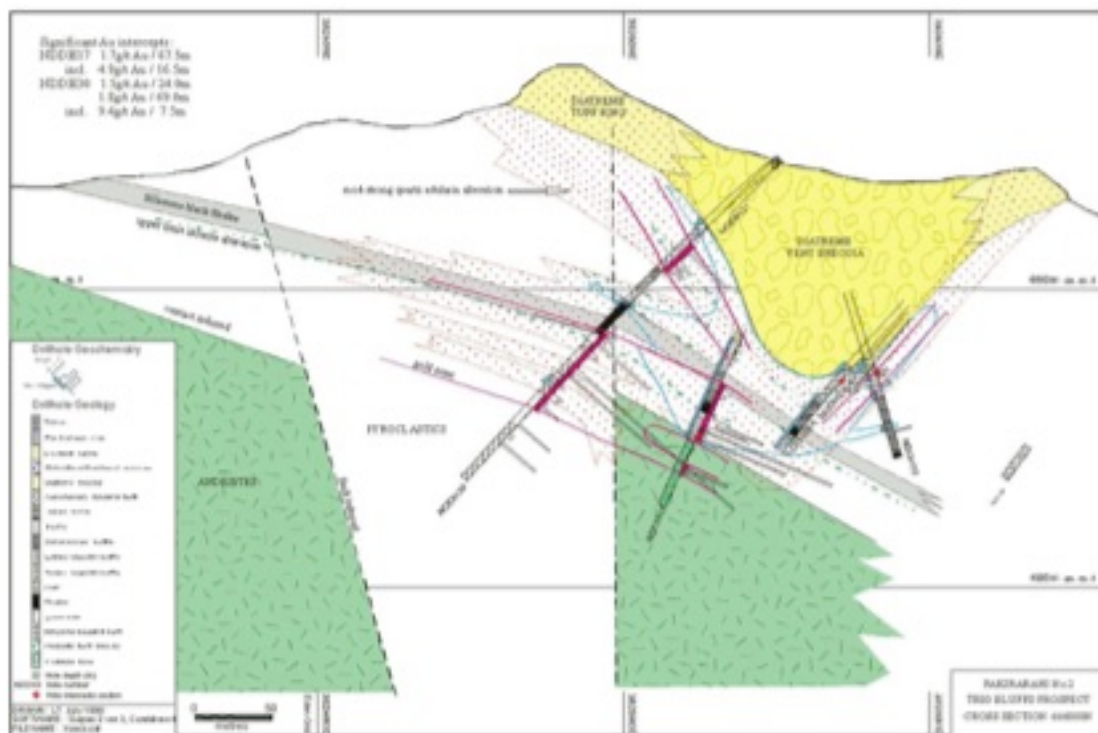


Figure 17: Trigs Bluff Cross section at 666000N showing geology and drill holes (From Braithwaite 2006)

There are a number of interesting breaks and inferred alteration zones on the western side of the area, not covered by the airborne EM. There is also a deep magnetic feature in this area, that may reflect an intrusive or a down dropped block of magnetic andesite.

Aeromagnetic surveys highlight known mineralisation (Neavesville, Chelmsford and possibly Oneura) that occurs in magnetic lows (potentially a result of magnetite destruction by circulating hydrothermal fluids), along NE trending linear features (possible faults or quartz filled fissures) at intersections of NW linear features (possible fault structures resulting in dilatant features at the intersection of the two orthogonal linear trends). The interpreted linear NE trending features in the magnetic lows (ie Ajax and Chelmsford) may represent viable exploration targets. This pattern is consistent with most other mineralized locations in the Coromandel apart from Waihi.

Eurasian Minerals Inc completed an initial drill test that confirmed the presence of quartz veins in strongly resistive anomalies identified by CSAMT geophysical profiles. Although vein materials are not exposed at the surface in those areas, the CSAMT data indicates that veins are present in the subsurface at shallow depths.

EMX's reverse circulation drilling encountered vein materials where strong CSAMT anomalies were recorded. However, recovery was poor, and the drill samples collected are not considered to be adequate for gold analyses, but instead serve to provide clear evidence that veins are present where predicted. Similar geophysical methods were also used in New Zealand's Waihi district to identify unexposed veins and exploration targets.

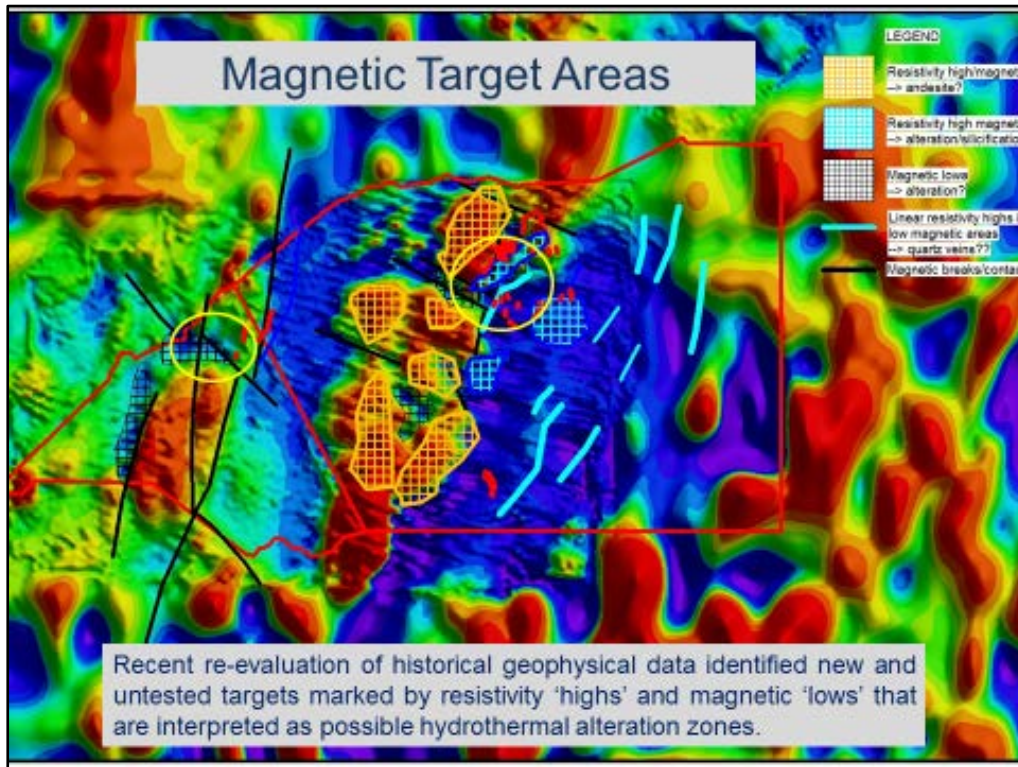


Figure 18: Target areas generated by the aeromagnetic surveys referred to above.

Neavesville Drilling 2015.

In the period March-May 2015, Hauraki Gold Ltd completed a three hole drilling program at the Neavesville Project to test the depth and strike potential of the historical Ajax Mine, a fissure vein array and a number of untested CSAMT geophysical anomalies located nearby the Ajax Vein.

All three drill holes intercepted significant propylitic and intense argillic alteration zones in hydraulically brecciated andesite. Each hole encountered distinct zones of intense clay alteration and fault gouge material with some containing zones of silica cementation and quartz veining. These zones occurred within a broader package of hydraulically brecciated propylitic altered andesite in a chlorite/sericite/pyrite matrix.

The alteration and brecciation encountered indicate a significant amount of mineralised fluid movement occurred along the intersected structures and through the host rock. Although epithermal quartz veins and silica cementation were encountered, the paucity in the development of significant gold bearing vein zones imply that the conditions for metal precipitation were not ideal. Where quartz veining developed, anomalous Au and Ag suggests veining developed from a fertile metal bearing fluid. In the absence of quartz veining or silica cementation of the breccia, there is no development of precious metal anomalism. Anomalous molybdenum appears to be associated with the zones of stronger argillic/clay alteration and shearing.

Mineral Resource Estimates - Mining Plus August 2016

Exploration has shown that hydrothermal alteration and associated Au-Ag-Mo mineralisation is focused around the margins of the diatremes, within and beneath the shale unit (shale-associated mineralisation), and along fault structures, especially where these features coincide. The diatreme bodies only carry gold mineralisation along their margins and along major penetrative structures, because their clay-rich nature makes them impermeable to hydrothermal fluids.

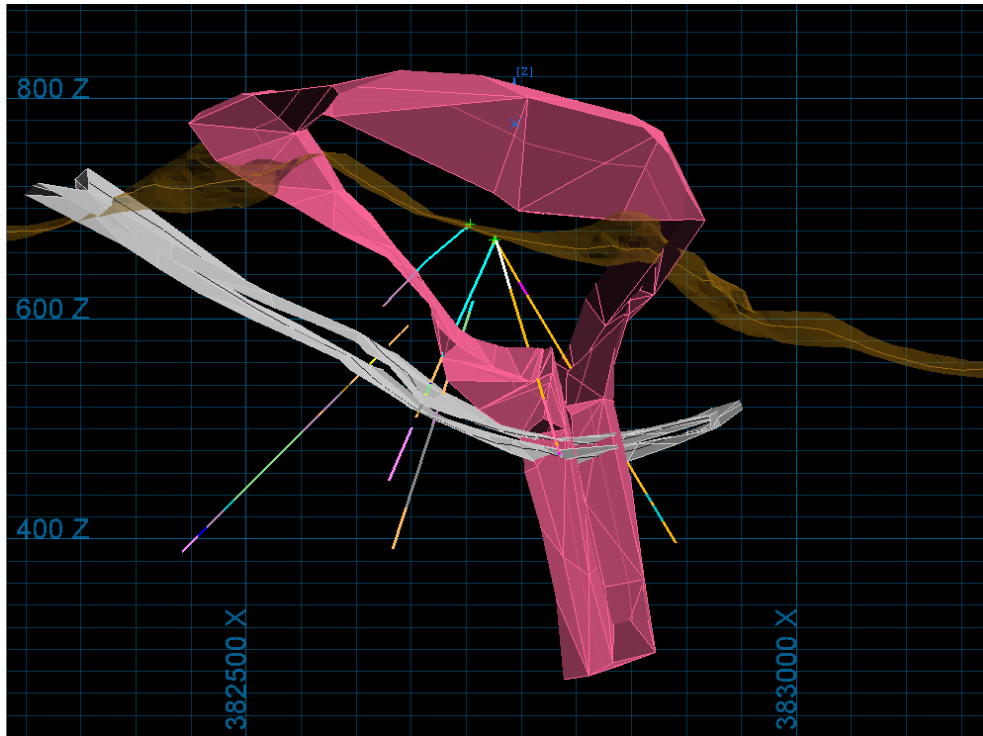


Figure 19: Cross sectional view of diatreme (pink) and shale (grey) geological wireframes used in the Neavesville Mineral Resource Estimate

Mining Plus Pty Ltd (“Mining Plus”) developed geological wireframes for the shale unit and the diatreme, these wireframes have been used to code the drillhole database before compositing has been completed.

The mineralisation wireframes have been generated in relation to the diatreme and shale lithological units, since they are seen to exert a level of control on the mineralisation.

The vertical distribution of potentially economic gold values (>1g/t) in drillholes suggests that the main gold zone extends from a base at about 400m above sea level to at least 670m above sea level.

The association of epithermal gold-silver mineralisation with diatreme vent breccias is new to the Hauraki Goldfield, but this may be due to the presence of diatreme breccias not having been previously recognised in the region. The association of diatreme breccias with epithermal gold deposits is relatively common in the western Pacific in deposits such as Wau in PNG and Kelian in Kalimantan.

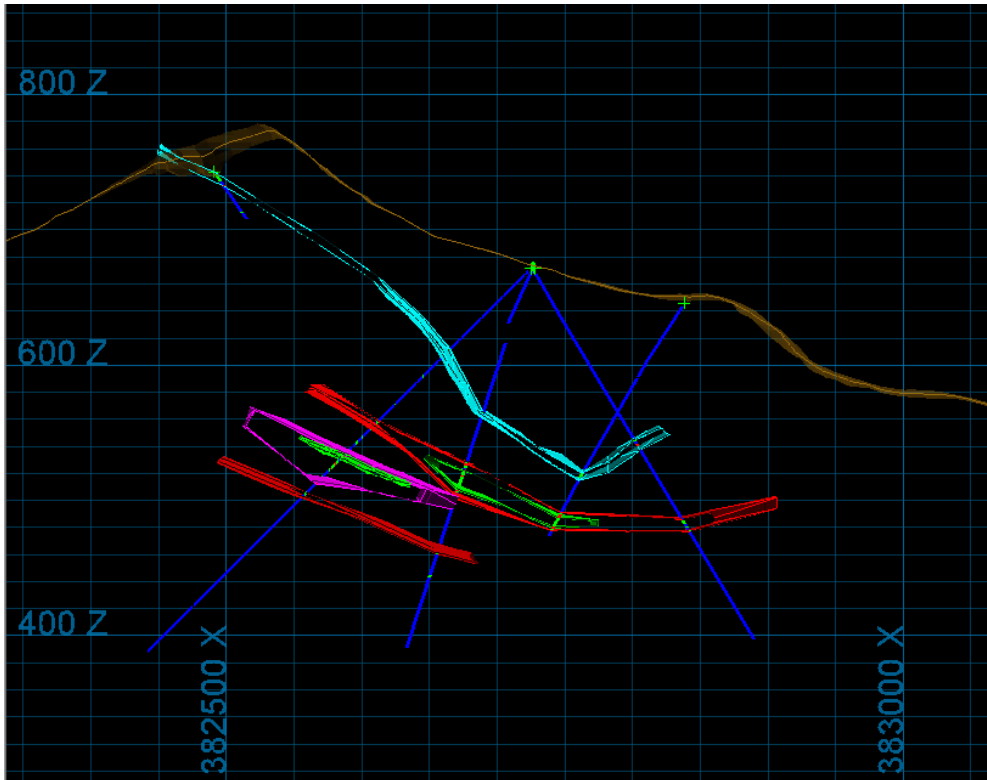


Figure 20: Cross section view of mineralisation wireframes at Neavesville; High grade internal mineralisation in green, Low grade wireframes in cyan, red and magenta

An Inferred Mineral resource based on review and modification of historic existing lithological and mineralization wireframes, including the most recent drilling, was estimated by Mining Plus in accordance with JORC Code 2012 in early August 2016.

Neavesville Inferred Resource

Global Mineral Resource Estimate for the Neavesville Deposit - August, 2016						
Cut-off	Category	Tonnes	Au Grade (g/t)	Ounces	Ag Grade (g/t)	Ounces
0.7	Inferred	1,489,500	2.58	123,600	9.69	509,100
The preceding statements of Mineral Resources conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition. All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.						

Coventry also identified an unclassified portion of the resource, not possible to be classified under the Inferred category, can be reported as an Exploration Target. It was found that it may be possible to increase the classification of this material to Inferred by increasing the drilling density across these areas, by collecting and analysing bulk density determinations and by reviewing the historical source data in detail.

Neavesville Exploration Target

Tonnes (Mt)		Grade (g/t Au)		Ounces (Oz Au)		Grade (g/t Ag)		Ounces (Oz Ag)	
Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit
2.5	4.2	1.1	1.8	84,200	233,800	3.8	6.4	447,000	744,000

Notes:

- 1) **Cautionary Statement: The potential quantity (tonnage) and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of Mineral Resources.**
- 2) Mining Plus created a mineralisation model to identify the potential location and size of the immediate strike and dip extensions to the current mineralised system utilising Maptrek Vulcan v10.0 modelling software to create solids at a 0.4g/t cut-off grade.
- 3) The Exploration Target has been based on drilling data from 49 drill holes completed at the Neavesville Project.
- 4) The Exploration Target has been estimated using a SG of 2.5 g/cm³
- 5) The Exploration Target has been reported exclusive of the Mineral Resource Inventory

Exploration Targets:

*While the Company remains optimistic that it will report resources and reserves in the future, any discussion in relation to **exploration targets** or resource potential is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

Competent Persons Statement – JORC Code: The information in this report that relates to Mineral Resources and Exploration Targets has been compiled by Mr David Coventry BSc (Hons). Mr Coventry is a full time employee of Mining Plus Pty Ltd and has acted as an independent consultant during the estimation of the mineral resources and exploration target. Mr Coventry is a member of the Australian Institute of geoscientists and has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Coventry consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

Competent Persons Statement – This Report: The information in this report that relates to Exploration Results and Mineral Resources of the Company has been reviewed by Malcolm Castle, who is a Member of the Australasian Institute of Mining and Metallurgy. [Please refer to Competent Persons Statement on page 4]

Exploration Potential

The project covers an historic gold-silver deposit. The property hosts a variety of mineralization styles that include replacement bodies in black shales and breccias, as well as higher-grade, structurally controlled quartz veins.

The Neavesville prospects are now at an advanced stage with a defined drill target and further drilling is required to upgrade and expand the mineral resource estimate.

Trig Bluffs

The model in figure 21 below shows possible extensions to the mineralisation assuming continuity up dip to the surface and down dip to an arbitrary depth.

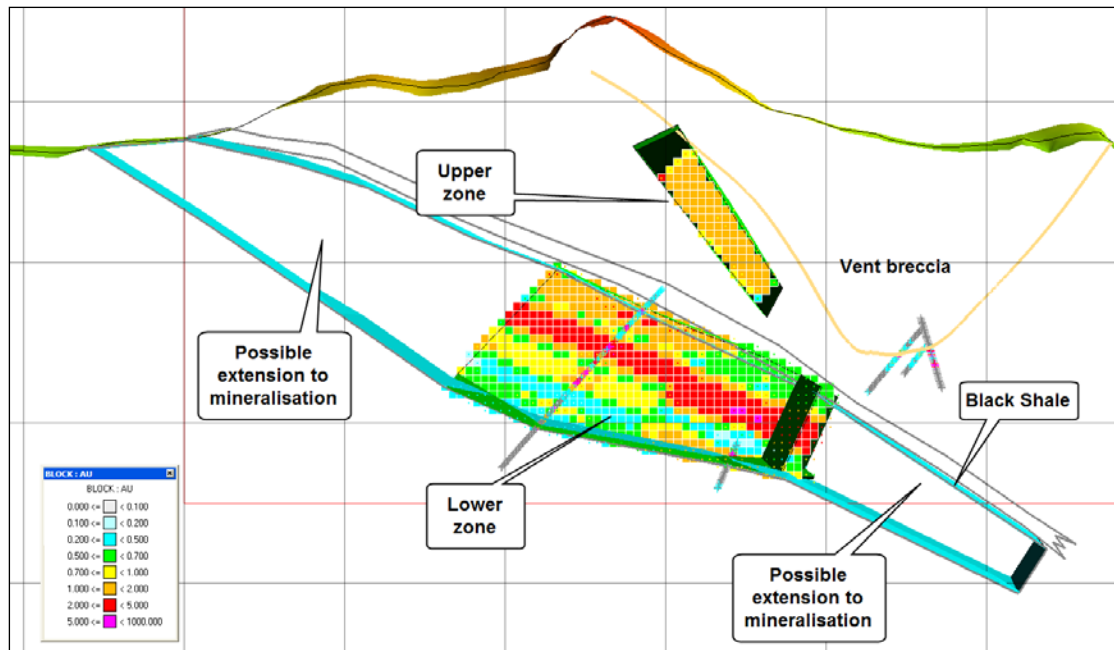


Figure 21: Section 666000N showing possible extension to known mineralisation

A 3D model was created showing possible extensions to the mineralisation assuming continuity up dip to the surface and down dip to an arbitrary depth. Strike extensions were also modelled 20m to the north of the resource and 60m to the south (half the distance to the next drillhole section with no significant mineralisation). Based on the model an Exploration Target has been estimated in accordance with the JORC Code as shown in Figure 22.

The other prospects all have significant intersections and therefore display potential but the limited data from each prospect makes quantifying potential very uncertain.

The untested areas where potential to extend resources at Trigs Bluff are evident and the first exploration priority as Trigs Bluff would be to conduct step out drilling to assess the true size of Trigs Bluffs.

The additional drilling will be required to prove and extend resources would be in the order of 7000m. The IGNS report estimated 34 holes averaging 200m would be required to assess the extent of dip and strike and infill to 25m centres. This is a fair estimate.

Trig Bluffs Drill Proposal

Save as referred to above in relation Trigs Bluff where it is proposed drilling would be both up dip to the surface and down dip to test extensions of the known mineralisation, the concept for future drilling at Neavesville is to focus exploration drilling within the underlying andesite where the vein structures are constrained rheologically within the boiling zone, in a similar geological environment to the Waihi veins (Martha, Favona, Correnso).

There are a number of appropriate targets for such drilling in the Neavesville project. These are

- Ajax Vein – Neavesville western graben margin
- Ajax East CSAMT anomalies – Neavesville western graben margin
- Trig Bluffs at depth - Neavesville western graben margin

Champion at Depth - Neavesville western graben margin

Fifth Branch CSAMT anomaly – Neavesville eastern graben margin

Chelmsford Target Area – Western Tairua Valley graben

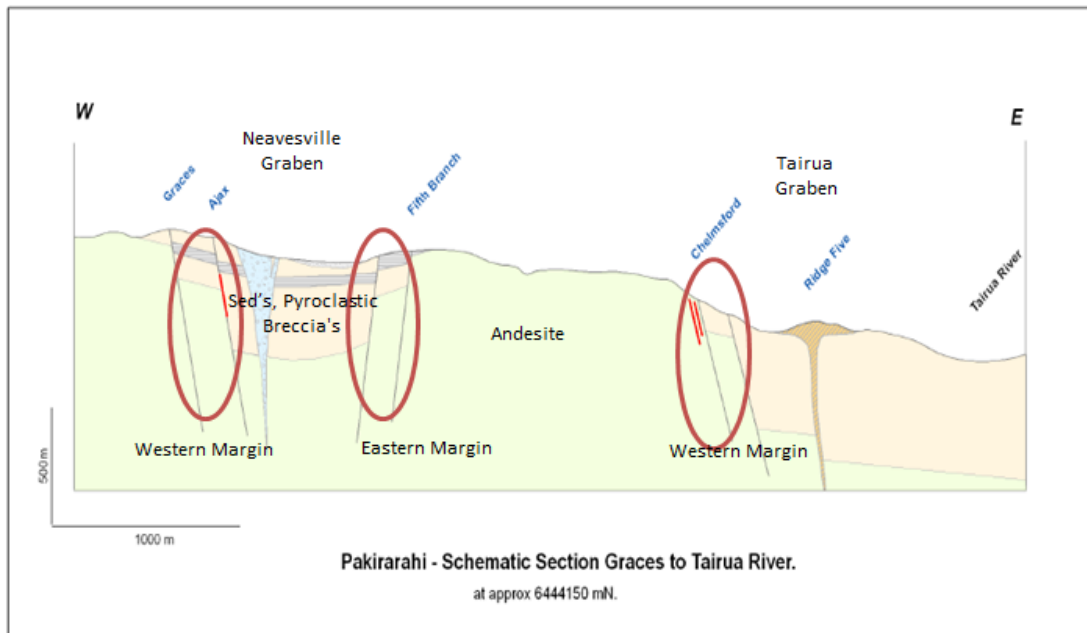


Figure 22: Pakirahi: Schematic Section: Graces to Tairua River (at approximately 6444150mN)

Ajax Target

The Ajax vein, part of the “Golden Belt” mine was exploited from 1906 to 1920, producing 23,160oz of bullion from 11,666 tonnes of ore at a grade of 19.6g/t Au and 41g/t Ag mined over three 15m spaced levels, historical reports state the vein zone mined reached a maximum width of 5.1m.

The Ajax vein occurs along an interpreted normal fault on the western margin of the Neavesville graben. The vein at surface is hosted within graben fill lake sediments and pyroclastic tuffs, but at the lower level of the mine is hosted in andesite volcanics. Andesite volcanics are the preferred host for mineralisation in the Coromandel region, with 95% of mineralisation contained within the andesite basement.

The Ajax vein has been targeted by two previous drill holes completed by Welcome Gold Mines in 1997.

Hole AJDDH01 located 125m east of the vein outcrop, drilled from east to west at 60 degrees intersected overlying sediment to 65m, pyroclastic breccias and rhyolites to 100m before intersecting a 3m fault zone and andesite through to 162.6m.

Hole AJDDH02 targeted the vein immediately adjacent to the significant 1605g/t Au rock chip result. Drilled 25m east of the vein at a 60 degree angle, the hole collared in sediment and after intersecting a quartz vein zone from 19.00m-32.65m entered a narrow cavity/stope before encountering andesite to 40.5m. The drill log also stated abundant visible gold was encountered in veinlets around 25.95m depth.

Hole AJDDH03 intersected a broad zone of fluidised brecciated andesite flows between 123m and 187m downhole, hosting zones of intense argillic/clay alteration between 139m – 154m and 166m and 187m downhole.

Hole AJDDH04 intersected similarly fluidised brecciated andesite between 130m and 202m down hole, with narrower zones of intense argillic clay alteration and faulting between 150m -155m and 174m – 185m.

Hole AJDDH05 intersected fluidised brecciated andesite between 129m and 183m down hole, with intense argillic/clay alteration intersected between 138m – 153m and 160m – 183m downhole. A strong quartz vein zone was developed between 172m - 175m down hole.

Hole	From	To	Width	Au g/t	Ag g/t	Geology
AJDDH1	88	91.5	3.5	0.99	3.8	Pyro Bx
	102	103.5	1.5	0.48	26.1	PyBx/And Faulted Contact
AJDDH2	10.5	12	1.5	1	0.1	Siltstone Sediment
	24	34.5	10.5	2.72	3.77	PyroBx-And contact
includes	24	27	3	7.73	9.3	Pyro Bx -abundant Vis Au
includes	28.5	33	4.5	1.01	1.9	Pyro Bx

Table 7: Significant intersections: Ajax Prospect. Source: Torkler, 1997

A trial CSAMT geophysical survey conducted in 2012 completed a single profile across the Ajax vein zone and defined a moderate to strong resistor coincident with the Ajax Vein along with two other resistive anomalies to the south-east of the Ajax Vein, one of which has a coincident Au and As in soil anomaly.

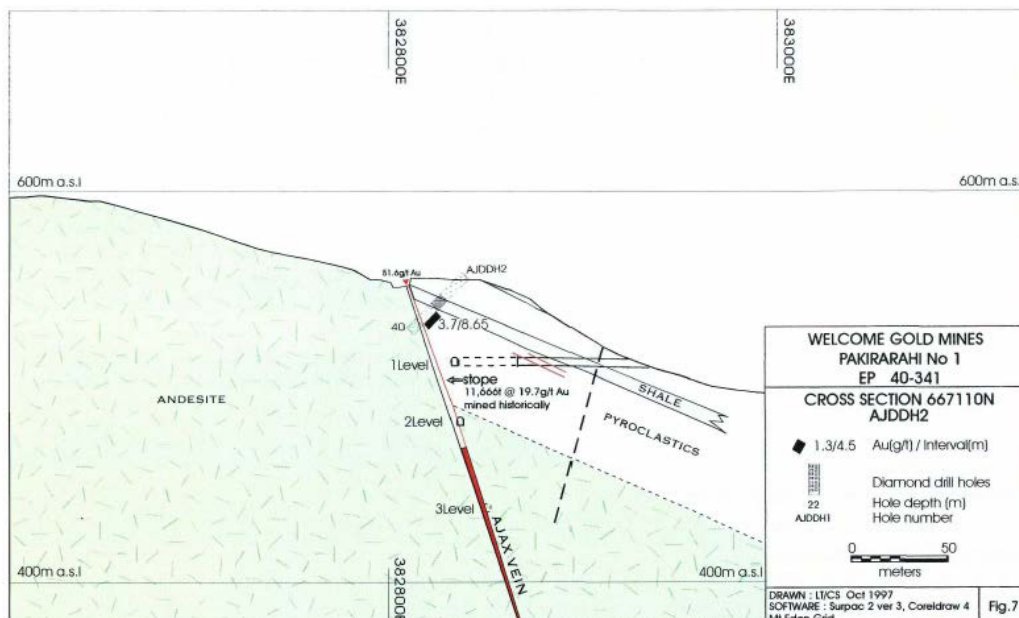


Figure 23: From Torkler 97– Section of AJDDH 2 showing interpretation

Ajax Drill Proposal

The boiling zone (gold bearing) of epithermal fissure vein deposits typically range from 150m to 250m in vertical extent. Assuming the Ajax vein represents the upper portion of this vertical extent, the potential remains a further 100 – 200m of unexploited vertical extent to be tested.

The objective of the proposed drilling program for the Ajax vein is to test the immediate vertical extent below the Ajax vein workings at 100m and 200m vertical depth below the lowest workings at 100m horizontal pierce points.

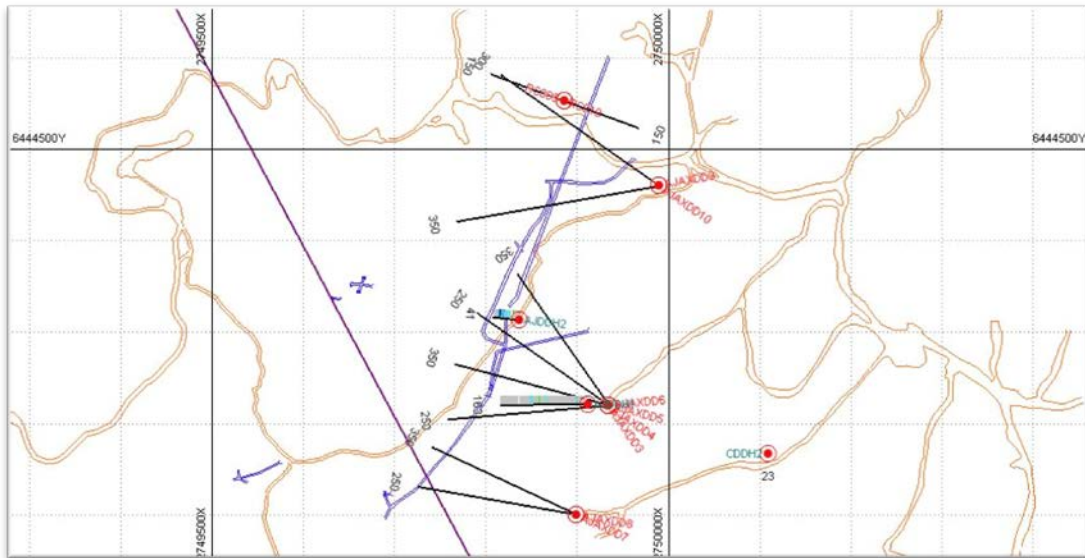


Figure 24: Drill Plan of Proposed Holes into Ajax Zone

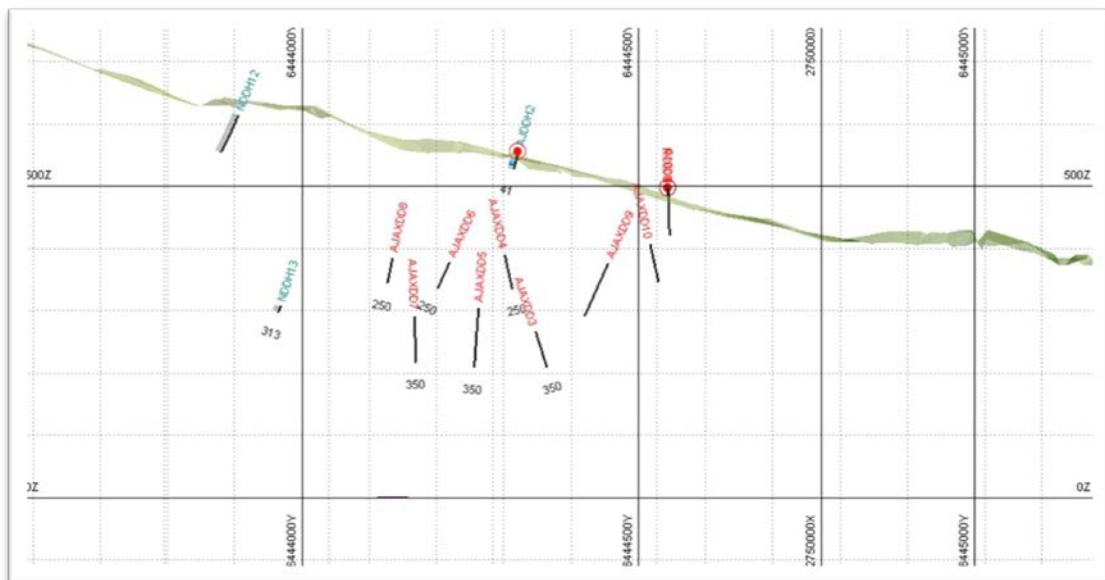


Figure 25: –Drill Long Section of Proposed Holes into Ajax Zone

Additionally 1-2 holes will target the adjacent CSAMT anomaly with coincident 0.45g/t Au in soil. Depending on visual results of the first shallow hole, a second hole may be drilled at a lower stratigraphic level.

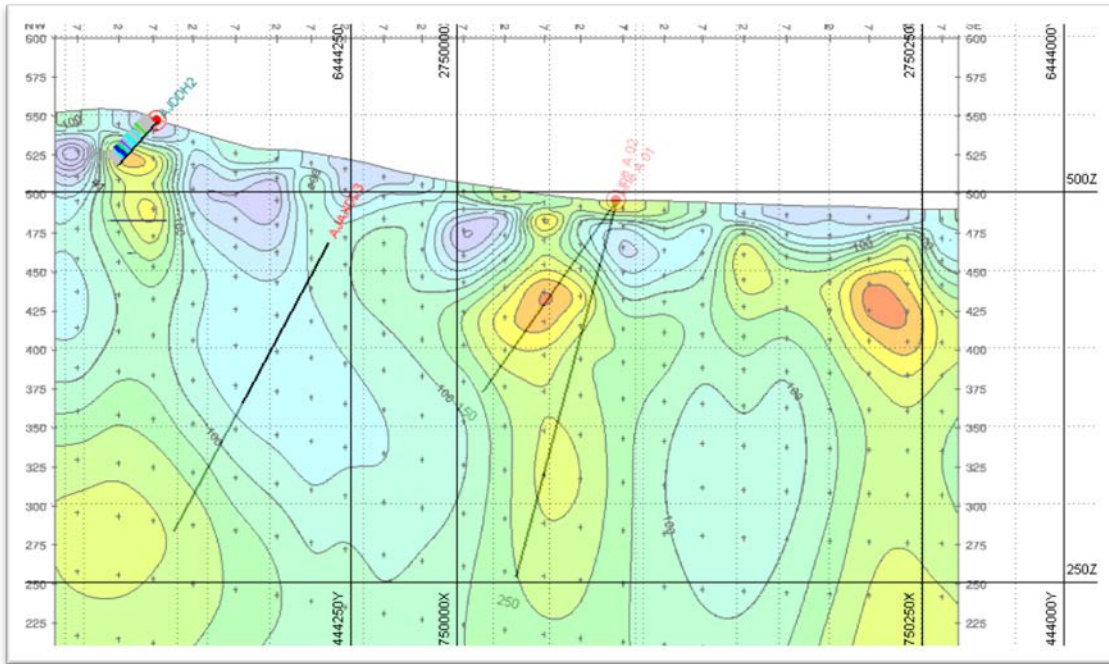


Figure 26: –Drill Cross Section of Proposed Holes into Ajax East CSAMT Anomaly

PROPOSED EXPLORATION AND BUDGET

The Company is planning an exploration program to expand known resources and drill test identified regional targets. Exploration at the Mt Hope and Neavesville Projects has defined a number of exploration areas discussed above. The Company has proposed the following exploration budget.

The highest priority is the further drill definition of the Mount Solitary gold project with closer spaced drilling within the currently drilled area and to greater depths. The Mt Solar and Main Road prospects have lower priority. The exploration programs are designed to achieve the company objective to define Mineral Resources and progress towards mining. The strategy is flexible enough to be revised in the light of results, to ensure that it is adding value.

Mount Solitary, Mt Solar and Main Road - At Mt Solitary in Year 1, The Company proposes to complete geophysical IP work in the project area with a follow up RC Drilling program. In Year 2 it is proposed that a drilling program consisting of both RC and Diamond techniques is completed with provision made for a downhole EM geophysical survey. At the Mt Solar prospect in Year 2 it is proposed that both a geophysical and RC drilling program takes place. At the Main Road prospect in Year 1; The Company proposes to complete geophysical IP work in the project area. In Year 2 a follow up RC drilling program is proposed.

Broken Range - In Year 1, The Company proposes to complete geophysical IP work in the project area with a follow up RC Drilling program. In Year 2 it is proposed that both a geophysical and RC drilling program will followup the anomalous zones.

Prospect	Year 1	Year 2	Total
Mt Solitary	\$300,000	\$370,000	\$670,000
Mt Solar	\$270,000	\$300,000	\$570,000
Main Road	\$50,000	\$50,000	\$100,000
Broken Range	\$50,000	\$50,000	\$100,000
TOTAL	\$670,000	\$770,000	\$1,440,000

Table 8: Projected exploration expenditure on Mount Hope Project

Neavesville – The Company intends to re-interpret geological model & recalculate resource potential and undertake further drilling as required. It will follow-up on multiple targets identified (CSAMT reconnaissance profiles followed by drilling) along with mapping and geochemical sampling of new targets leading to drill testing

Step-out drilling to test for shale-associated mineralisation along strike and dip from the Trig Bluffs zone. An initial program could consist of 10 holes at 200m centres to an average depth of 200m. Closer definition of the shale-associated zone is required to firm up its potential as an underground mine. This would require drilling on 25m centres.

The CSAMT data indicates that veins are present in the subsurface at shallow depths. Similar geophysical methods were also used in New Zealand’s Waihi district to identify unexposed veins and exploration targets. Having confirmed the presence of concealed vein materials in this program, the Company now intends to use geophysical surveys across the project area to identify additional exploration targets. A total of 3,000 meters of drilling will be completed during the first three years after the agreement date (November 13, 2014).

Project	Year 1	Year 2	Total
Neavesville	\$1,100,000	\$1,400,000	\$2,500,000

Table 9: Projected exploration expenditure on Neavesville Project

The exploration budget will be subject to modification on an ongoing basis depending on the results obtained from exploration and development activities as they progress. It is also noted that proposed expenditure under the minimum raise scenario is sufficient to cover the minimum expenditure obligation.

It is considered that the Company has a reasonable proposed exploration budget over two years consistent with its stated objectives and that this program is warranted and justified on the basis of the historical exploration activity and demonstrated potential for discovery of gold mineralisation.

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GLOSSARY OF TECHNICAL TERMS

aeolian	Formed or deposited by wind.
aerial photography	Photographs of the earth's surface taken from an aircraft.
aeromagnetic	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the earth's magnetic field.
airborne geophysical data	Data pertaining to the physical properties of the earth's crust at or near surface and collected from an aircraft.
aircore	Drilling method employing a drill bit that yields sample material which is delivered to the surface inside the rod string by compressed air.
alluvial	Pertaining to silt, sand and gravel material, transported and deposited by a river.
alluvium	Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries.
alteration	The change in the mineral composition of a rock, commonly due to hydrothermal activity.
andesite	An intermediate volcanic rock composed of andesine and one or more mafic minerals.
anomalies	An area where exploration has revealed results higher than the local background level.
anticline	A fold in the rocks in which strata dip in opposite directions away from the central axis.
antiformal	An anticline-like structure.
Archaean	The oldest rocks of the Precambrian era, older than about 2,500 million years.
assayed	The testing and quantification of metals of interest within a sample.
auger sampling	A drill sampling method using an auger to penetrate upper horizons and obtain a sample from lower in the hole.
axial plane	The plane that intersects the crest or trough of a fold, about which the limbs are more or less symmetrically arranged.
basalts	A volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene.
polymetallics	A non-precious metal, usually referring to copper, lead and zinc.
bedrock	Any solid rock underlying unconsolidated material.
BIF	A rock consisting essentially of iron oxides and cherty silica, and possessing a marked banded appearance.
brittle	Rock deformation characterised by brittle fracturing and brecciation.
Cainozoic	An era of geological time spanning the period from 65 million years ago to the present.

carbonate	Rock of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and CO ₃ . Essential component of limestones and marbles.
chert	Fine grained sedimentary rock composed of cryptocrystalline silica.
chlorite	A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks.
clastic	Pertaining to a rock made up of fragments or pebbles (clasts).
clays	A fine-grained, natural, earthy material composed primarily of hydrous aluminium silicates.
colluvium	A loose, heterogeneous and incoherent mass of soil material deposited by slope processes.
conduits	The main pathways that facilitate the movement of hydrothermal fluids.
conglomerate	A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
dacite	An extrusive rock composed mainly of plagioclase, quartz and pyroxene or hornblende or both.
depletion	The lack of gold in the near-surface environment due to leaching processes during weathering.
diamond drill hole	Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock.
dilational	Open space within a rock mass commonly produced in response to folding or faulting.
dolerite	A medium grained mafic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar.
ductile	Deformation of rocks or rock structures involving stretching or bending in a plastic manner without breaking.
dykes	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
en-echelon	Repeating parallel, but offset, occurrences of lenticular bodies such as ore veins.
erosional	The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the earth's surface.
fault zone	A wide zone of structural dislocation and faulting.
feldspar	A group of rock forming minerals.
felsic	An adjective indicating that a rock contains abundant feldspar and silica.
folding	A term applied to the bending of strata or a planar feature about an axis.
foliated	Banded rocks, usually due to crystal differentiation as a result of metamorphic processes.
follow-up	A term used to describe more detailed exploration work over targets generated by regional exploration.

g/t	Grams per tonne, a standard volumetric unit for demonstrating the concentration of precious metals in a rock.
gabbro	A fine to coarse grained, dark coloured, igneous rock composed mainly of calcic plagioclase, clinopyroxene and sometimes olivine.
geochemical	Pertains to the concentration of an element.
geophysical	Pertains to the physical properties of a rock mass.
GIS database	A system devised to present partial data in a series of compatible and interactive layers.
gneissic	Coarse grained metamorphic rocks characterised by mineral banding of the light and dark coloured constituent minerals.
granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
granoblastic	A term describing the texture of a metamorphic rock in which the crystals are of equal size.
granodiorite	A coarse grained igneous rock composed of quartz, feldspar and hornblende and/or biotite.
greenschist	A metamorphosed basic igneous rock which owes its colour and schistosity to abundant chlorite.
greenstone belt	A broad term used to describe an elongate belt of rocks that have undergone regional metamorphism to greenschist facies.
greywackes	A sandstone like rock, with grains derived from a dominantly volcanic origin.
GSWA	Geological Survey of Western Australia.
gypsum	Mineral of hydrated, or water-containing, calcium sulphate.
halite	Impure salt deposit formed by evaporation.
hangingwall	The mass of rock above a fault, vein or zone of mineralization.
hematite	Iron oxide mineral, Fe ₂ O ₃ .
hinge zone	A zone along a fold where the curvature is at a maximum.
hydrothermal fluids	Pertaining to hot aqueous solutions, usually of magmatic origin, which may transport metals and minerals in solution.
igneous	Rocks that have solidified from a magma.
infill	Refers to sampling or drilling undertaken between pre-existing sample points.
insitu	In the natural or original position.
interflow	Refers to the occurrence of other rock types between individual lava flows within a stratigraphic sequence.
intermediate	A rock unit which contains a mix of felsic and mafic minerals.
intrusions	A body of igneous rock which has forced itself into pre-existing rocks.
intrusive contact	The zone around the margins of an intrusive rock.
ironstone	A rock formed by cemented iron oxides.
isoclinal	A series of folds that dip in the same direction at the same angle.

joint venture	A business agreement between two or more commercial entities.
komatiitic	Magnesium-rich mafic to ultramafic extrusive rock.
laterite	A cemented residuum of weathering, generally leached in silica with a high alumina and/or iron content.
lineament	A significant linear feature of the earth's crust, usually equating a major fault or shear structure.
lithological contacts	The contacts between different rock types.
lithotypes	Rock types.
metamorphic	A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.
metasedimentary	A rock formed by metamorphism of sedimentary rocks.
monzogranite	A granular plutonic rock containing approximately equal amounts of orthoclase and plagioclase feldspar, but usually with a low quartz content.
Moz	Millions of ounces.
Mt	Million Tonnes.
mylonite	A hard compact rock with a streaky or banded structure produced by extreme granulation of the original rock mass in a fault or thrust zone.
nickel laterite	Nickel ore hosted within the laterite profile, usually derived from the weathering of olivine-rich ultramafic rocks.
open pit	A mine working or excavation open to the surface.
Orthoimage	A geographically located composite plan using aerial photography as a base.
outcrops	Surface expression of underlying rocks.
palaeochannels	An ancient preserved stream or river.
pegmatite	A very coarse grained intrusive igneous rock which commonly occurs in dyke-like bodies containing lithium-boron-fluorine-rare earth bearing minerals.
pisolitic	Describes the prevalence of rounded manganese, iron or alumina-rich chemical concretions, frequently comprising the upper portions of a laterite profile.
playa lake	Broad shallow lakes that quickly fill with water and quickly evaporate, characteristic of deserts.
polymictic	Referring to coarse sedimentary rocks, typically conglomerate, containing clasts of many different rock types.
porphyries	Felsic intrusive or sub-volcanic rock with larger crystals set in a fine groundmass.
ppb	Parts per billion; a measure of low level concentration.
Proterozoic	An era of geological time spanning the period from 2,500 million years to 570 million years before present.
pyroxenite	A coarse grained igneous intrusive rock dominated by the mineral pyroxene.

quartz reefs	Old mining term used to describe large quartz veins.
quartzofeldspathic	Compositional term relating to rocks containing abundant quartz and feldspar, commonly applied to metamorphic and sedimentary rocks.
quartzose	Quartz-rich, usually relating to clastic sedimentary rocks.
RAB drilling	A relatively inexpensive and less accurate drilling technique involving the collection of sample returned by compressed air from outside the drill rods.
RC drilling	A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
regolith	The layer of unconsolidated material which overlies or covers insitu basement rock.
residual	Soil and regolith which has not been transported from its point or origin.
resources	Insitu mineral occurrence from which valuable or useful minerals may be recovered.
rhyolite	Fine-grained felsic igneous rock containing high proportion of silica and felspar.
rock chip sampling	The collection of rock specimens for mineral analysis.
saprolite	Disintegrated, in-situ rock, partially decomposed by the chemical and physical processes of oxidation and weathering.
satellite imagery	The images produced by photography of the earth's surface from satellites.
schist	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
scree	The rubble composed of rocks that have formed down the slope of a hill or mountain by physical erosion.
sedimentary	A term describing a rock formed from sediment.
sericite	A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks.
shale	A fine grained, laminated sedimentary rock formed from clay, mud and silt.
sheared	A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.
sheet wash	Referring to sediment, usually sand size, deposited over broad areas characterised by sheet flood during storm or rain events. Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
silcrete	Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
silica	Dioxide of silicon, SiO ₂ , usually found as the various forms of quartz.
sills	Sheets of igneous rock which is flat lying or has intruded parallel to stratigraphy.

silts	Fine-grained sediments, with a grain size between those of sand and clay.
soil sampling	The collection of soil specimens for mineral analysis.
stocks	A small intrusive mass of igneous rock, usually possessing a circular or elliptical shape in plan view.
strata	Sedimentary rock layers.
stratigraphic	Composition, sequence and correlation of stratified rocks.
stream sediment sampling	The collection of samples of stream sediment with the intention of analysing them for trace elements.
strike	Horizontal direction or trend of a geological structure.
subcrop	Poorly exposed bedrock.
sulphide	A general term to cover minerals containing sulphur and commonly associated with mineralization.
supergene	Process of mineral enrichment produced by the chemical remobilisation of metals in an oxidised or transitional environment.
syenite	An intrusive igneous rock composed essentially of alkali feldspar and little or no quartz and ferromagnesian minerals.
syncline	A fold in rocks in which the strata dip inward from both sides towards the axis.
talc	A hydrous magnesium silicate, usually formed due to weathering of magnesium silicate rocks.
tectonic	Pertaining to the forces involved in or the resulting structures of movement in the earth's crust.
tholeiitic	A descriptive term for a basalt with little or no olivine.
thrust fault	A reverse fault or shear that has a low angle inclination to the horizontal.
tremolite	A grey or white metamorphic mica of the amphibole group, usually occurring as bladed crystals or fibrous aggregates.
ultramafic	Igneous rocks consisting essentially of ferromagnesian minerals with trace quartz and feldspar.
veins	A thin infill of a fissure or crack, commonly bearing quartz.
volcaniclastics	Pertaining to clastic rock containing volcanic material.
volcanics	Formed or derived from a volcano.
zinc	A lustrous, blueish-white metallic element used in many alloys including brass and bronze.

Appendix 1 – JORC table 1

Section 1 Sampling Techniques and Data –

Criteria	Explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	<ul style="list-style-type: none"> • Whole core sampling was undertaken on holes NDDH01 to NDDH16 (lesser the amount retained for skeleton samples). • Half sawn core was sampled for holes from NDDH17 to NDDH32 (with half core retained at the time, subsequent sampling however has diminished the retained core specimens available to the current permit holder).
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<ul style="list-style-type: none"> • Whole core sampling was justified due to the coarse nature of the gold within the prospect. Holes NDDH30 to NDDH32 resolved to average a minimum of 2 fire assays on different splits from the jaw crush to resolve the representative sampling issue. • The standard sampling interval collected was 1.5m, providing a dry sample weight ranging from 3-5.5kg for 1/2HQ core.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	<ul style="list-style-type: none"> • All skeleton and core samples were retained and stored by Welcome Gold and subsequently the Pakirarahi No.2 Trust holding procession. The core has not been accessed by E2 Metals to verify its condition. All residues of the crushed sample were reported to have been retained as of 2001 (Braithwaite), by Welcome Gold however these residues have not be accessed or verified by E2 Metals.

<i>Drilling techniques</i>	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method,).</i>	<ul style="list-style-type: none"> The resource assessment of the prospects Neavesville uses diamond drilling taking PQ (85mm) and mainly HQ (63.5mm) diameter core.
<i>Drill sample recovery</i>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<ul style="list-style-type: none"> The percentage of core recovery has been recorded for all of the holes drilled by Welcome Gold, and is generally reported as excellent, dominantly 99-100% with only a few intercepts at 96-99% recovery.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	<ul style="list-style-type: none"> Normal professional drilling techniques were used to ensure maximum recovery of core
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	<ul style="list-style-type: none"> No relationship was observed and no nugget effects were apparent.
<i>Logging</i>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	<ul style="list-style-type: none"> Core has been logged and photographed, and from drill hole NDDH16 onwards core was oriented to enable collection of structural/bedding data where possible using weight tube plasticene impression of the drilled face which enabled a reference line to be marked on the top of the core.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	<ul style="list-style-type: none"> Structural/bedding data was logged by recording the angle to core axis and the clockwise circumferential distance from the reference line to the bottom trace of the structure/bedding looking downhole.
	<i>The total length and percentage of the relevant intersections logged.</i>	<ul style="list-style-type: none"> The recognition of a diatreme-mineralisation association in later part of drilling program prompted the re-logging of all earlier drill holes.

<i>Sub-sampling techniques and sample preparation</i>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	<ul style="list-style-type: none"> • Whole core sampling was undertaken on holes NDDH01 to NDDH16 (lesser the amount retained for skeleton samples). • Half sawn core was sampled for holes from NDDH17 to NDDH32 (with half core retained at the time, subsequent sampling however has diminished the retained core specimens available to the current permit holder).
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	<ul style="list-style-type: none"> • No non core drilling was included in the programs.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<ul style="list-style-type: none"> • Whole core sampling was justified due to the coarse nature of the gold within the prospect. Holes NDDH30 to NDDH32 resolved to average a minimum of 2 fire assays on different splits from the jaw crush to resolve the representative sampling issue.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	<ul style="list-style-type: none"> • The standard sampling interval collected was 1.5m, providing a dry sample weight ranging from 3-5.5kg for 1/2HQ core.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	<ul style="list-style-type: none"> • Duplicate and standards were included with the assay sample batches to ensure QA/QC standards were met.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	<ul style="list-style-type: none"> • Alteration assemblages were determined by XRD up to NDDH16 , the results of which were used as standards for interpreting PIMA spectral analysis of all the drillholes
<i>Quality of assay data and laboratory tests</i>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<ul style="list-style-type: none"> • Sample preparation comprised : <ul style="list-style-type: none"> - wet and dry weighing - jaw crushing twice to nominally -3mm - one kilogram split milled to nominally 80% -75 microns

	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	<ul style="list-style-type: none"> • Not Applicable – no hand held instruments were used in the assessment and resource estimate
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	<ul style="list-style-type: none"> • Pulps were forwarded to SGS , Waihi for 50g aqua regia/AAS analysis for Au , Ag , • As , Mo and gold anomalous (>0.5g/t) samples subsequently fire assayed (30g) from the same pulp • Every 10th sample was duplicated from a fresh 1-kg split of crushed residue and standard samples were included with each batch of samples. • Gannet standards were inserted at approximately 1 in 30 with the samples sent to SGS laboratories. No verification of standard perform has been undertaken. • Significant increases in gold content were found on fire assay of two aqua regia/AAS anomalous samples from DDH12. These samples have a high carbonaceous content and it was concluded that carbon interfered with the aqua regia digest. Consequently all core intervals with high (visible) carbonaceous material were fire assayed. <p>All intervals with core loss were weighted for lost core assumed barren of gold.</p>
<i>Verification of sampling and assaying</i>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	<ul style="list-style-type: none"> • Verification of significant intercepts has not been practical due to access to core samples and/or residues.
	<i>The use of twinned holes.</i>	<ul style="list-style-type: none"> • No holes have been twinned • Intersections however appear to correlate well between holes, partly confirming their representivity.

	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<ul style="list-style-type: none"> • Primary Data – all digital data is based on the compilation of Welcome Gold open file reports and appears to correlate with other data reported by subsequent exploration data compilations conducted by previous explorer prior to E2 Metals.
	<i>Discuss any adjustment to assay data.</i>	<ul style="list-style-type: none"> • No adjustment to assays has been made.
<i>Location of data points</i>	<i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	All collars locations are as described sourced from legacy reports. No verification of their accuracy has been undertaken.
	<i>Specification of the grid system used.</i>	<ul style="list-style-type: none"> • All co-ordinates are in a UTM format.
	<i>Quality and adequacy of topographic control.</i>	<ul style="list-style-type: none"> • The topographic survey supplied by E2 metals is of good quality and adequate for the MRE undertaken
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	Drilling data is approximately 75-120m North x 100-150m East.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	<ul style="list-style-type: none"> • Data spacing and distribution is commensurate with the Mineral Resource classification category applied.
	<i>Whether sample compositing has been applied.</i>	<ul style="list-style-type: none"> • Raw samples have been composited to a length of 1.5m for the completion of the Mineral Resource Estimation
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	<ul style="list-style-type: none"> • Where possible, sampling has been completed perpendicular to the mineralisation
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	<ul style="list-style-type: none"> • None observed

<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	<ul style="list-style-type: none"> • It is not known what measures regarding sample security were conducted at the time of sampling.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	<ul style="list-style-type: none"> • Braithwaite 2001 verified procedures used by Welcome Gold in respect to drilling, drill core sampling, sample preparation and analysis methods were conducted with industry best practice at the time. • Braithwaite completed a review of the drill core as part of the 2001 JORC estimation. • E2 have not verified these practices or conducted any audit of the Welcome Gold protocols.

Section 2 Reporting of Exploration Results–

Criteria	Explanation	Commentary
<p><i>Mineral tenement and land tenure status</i></p>	<p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></p>	<ul style="list-style-type: none"> • The Neavesville deposit is located in the North Island of New Zealand 25km NNW of the 2.0Moz Martha gold mine. The work for the mineral resource estimate was completed on Exploration Permit (EP) 51767 held by Hauraki Gold Limited (HGL) a wholly owned subsidiary of EMX New Zealand (BVI) Inc. (EMX-NZ). EMX-NZ is owned by Land and Mineral Limited (ACN152947601) (L&M) a wholly owned subsidiary of E2Metals Ltd. • A milestone and royalty agreement was put in place when Land & Mineral acquired EP51767 and associated holding companies, EMX-NZ and HGL with Eurasian Holdings (BVI) Inc (Eurasian). • EP51767 was granted to Hauraki Gold Ltd on the 12th April 2010 for a period of 5 years covering an area of 2,363 hectares. In March 2014 Hauraki Gold applied to the NZP&M to have the adjoining permit EP52759 (granted 20th December 2011) covering 613 hectare amalgamated with EP51767. On the 26th May 2014, the NZP&M granted the amalgamation of EP51767 with EP52759. As a result, EP51767 was extended to cover 2,976 hectares, incorporating the area previous held under EP52759 and EP52759 was cancelled. In January 2015, Hauraki Gold Ltd applied for an Extension of Duration (EOD) on permit EP51767 for a further 5 years, on a reduced area of 2061 hectares, a reduction of 915 hectares. On the 8th June the EOD for EP51767 was granted for a period of 5 years until 11th April 2020 EP 51767 is located within Maori freehold land. The EP area is split into two areas, each owned

		<p>by separate Maori trusts. HGL has entered into an access agreement and waiver agreement with the trustees of the Pakirarahi Number One B Trust being owners of that block of freehold land containing 1409.52 hectares known as Pakirarahi 1B Block. No access agreement or arrangement is yet in place in relation to the balance of the area held by Pakirarahi No. 2 Block Maori Owners, of the permit although discussions have been and continue to be held with the owners of the remaining hectares of Maori freehold land covered by the EP. The current resource lies on Pakirarahi No 2 Block. Access to this is currently being negotiated by the company.</p>
<p><i>Exploration done by other parties</i></p>	<p><i>Acknowledgment and appraisal of exploration by other parties.</i></p>	<ul style="list-style-type: none"> • Numerous phases of drilling have been completed at Neavesville by several previous owners. The most recent phases of drilling have been undertaken by Welcome Gold Mines between 1995 and 1997.
<p><i>Geology</i></p>	<p><i>Deposit type, geological setting and style of mineralisation.</i></p>	<ul style="list-style-type: none"> • At Neavesville mineralisation extends from sulphide-bearing quartz veins in andesite of the Coromandel Group up into silicified breccias and vein stockworks in the overlying rhyolitic tuffs and carbonaceous siltstone (shale) of the Whitianga Group.

<p><i>Drill hole Information</i></p>	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length.</i></p>	<ul style="list-style-type: none"> • 27 of the 76 drillholes have been removed from the MRE due to the lack of an Easting co-ordinate.
<p><i>Data aggregation methods</i></p>	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p>	<ul style="list-style-type: none"> • Assay data has been composited to 1.5m and no grade capping has been undertaken in estimating the Exploration Target.
	<p><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p>	<ul style="list-style-type: none"> • ~96% of assay samples use a length of 1.5m or less, estimation of the the Exploration target uses length weighting of composites.
	<p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<ul style="list-style-type: none"> • Not applicable. Gold was the only metal assessed.
<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<p><i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’).</i></p>	<ul style="list-style-type: none"> • All widths are downhole lengths, true width is unknown
<p><i>Diagrams</i></p>	<p><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></p>	<ul style="list-style-type: none"> • Drill dollar locations are shown in Figure 3-1

<p><i>Balanced reporting</i></p>	<p><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></p>	<ul style="list-style-type: none"> • Tables of drilling results are included in the mail report which illustrates the spread of results obtained
<p><i>Other substantive exploration data</i></p>	<p><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></p>	<ul style="list-style-type: none"> • All meaningful data has been included in the main report.
<p><i>Further work</i></p>	<p><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	<ul style="list-style-type: none"> • Exploration target boundary is shown in Figure 5-6

Section 3 Estimation and Reporting of Mineral Resources

Criteria	Explanation	Commentary
Database integrity	<i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</i>	<ul style="list-style-type: none"> The database is managed by E2 Metals. Data files for Collar, Survey, and Geology and Assay data have been made available to Mining Plus. No review of this data has been undertaken by Mining Plus
	<i>Data validation procedures used.</i>	<ul style="list-style-type: none"> Data validation has been conducted on the input files made available to Mining Plus. High level review of the input files found 21 holes without local easting records in the Collar file Five holes, well outside of the MRE area, have been removed due to excessive amounts of overlap errors in the Geology and Assay data. All drillholes with missing Collar, Geology and Assay data have been removed from the MRE and data visually validated using Maptek Vulcan Software.
Site visits	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i>	<ul style="list-style-type: none"> No site visit has been undertaken.
	<i>If no site visits have been undertaken indicate why this is the case.</i>	<ul style="list-style-type: none"> It is the view of the Competent Person that a site visit is not required at this time since the project is in the early exploration phase of development.
Geological interpretation	<i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i>	<ul style="list-style-type: none"> The confidence in the geological interpretation of Neavesville is considered satisfactory for an early exploration project. A consistent geological model has been developed and drill-tested over the history of the project.
	<i>Nature of the data used and of any assumptions made.</i>	<ul style="list-style-type: none"> Geological data has been collected, logged and collated over several drilling campaigns. The oxidation state has not been captured in the logs.
	<i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i>	<ul style="list-style-type: none"> No alternative interpretations have been considered during the generation of the geological interpretation.

	<i>The use of geology in guiding and controlling Mineral Resource estimation.</i>	<ul style="list-style-type: none"> • Diatreme and shale units have been used to guide the MRE. These units have been found to control the mineralisation at the margins of the diatreme and beneath the shale unit.
	<i>The factors affecting continuity both of grade and geology.</i>	<ul style="list-style-type: none"> • Mineralisation remains open North and South of the resource area. Structural controls of the project need to be developed. • Insufficient data is present to determine the continuity of grade using standard variographic techniques.
<i>Dimensions</i>	<i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource</i>	<ul style="list-style-type: none"> • The Neavesville Resource has an extent of 300 m (north), 500 m (east) and 400 m (RL).
<i>Estimation and modelling techniques</i>	<i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i>	<ul style="list-style-type: none"> • Grade estimation of gold and silver has been completed using Inverse Distance weighted to the power of two (ID2) into nine mineralisation domains using Maptek Vulcan 10.0 software. • Dynamic anisotropic modelling techniques have been applied, whereby local search ellipse orientations are derived for each domain in order to reflect the differing strike and dip orientations.
	<i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i>	<ul style="list-style-type: none"> • The August 2016 MRE has been compared to the April 1999 (amended in November 2001) Mineral Resource estimate completed by IGNS Pty Ltd. Overall there has been a decrease in tonnes of 53% and a decrease in gold grade of 4%.
	<i>The assumptions made regarding recovery of by-products.</i>	<ul style="list-style-type: none"> • No assumptions have been made regarding recovery of any by-products.
	<i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i>	<ul style="list-style-type: none"> • No deleterious elements have been estimated.

	<p><i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></p>	<ul style="list-style-type: none"> • The drillhole spacing varies from 75 m (northing) by 100 m (easting) to 250 m (northing) by 250 m (easting). • The block model utilises a parent block size of 50 m (northing) by 50 m (easting) by 10 m in (rl); which is sub-blocked to 5 m (northing) by 5 m (easting) by 1 m (rl). Gold has been estimated at the parent block scale. • Pass 1 estimations have been undertaken using a minimum of 6 and a maximum of 24 samples into a search ellipse 50 m x 50 m x 10 m (direction 1, direction 2, direction 3) in size for all domains. A maximum of 3 samples per drillhole has been applied. Pass 2 estimations have been undertaken using a minimum of 6 and a maximum of 24 samples into a search ellipse 100 m x 100 m x 20 m (direction 1, direction 2, direction 3) in size for all domains. A maximum of 3 samples per drillhole has been applied. • Pass 3 estimations have been undertaken using a minimum of 3 and a maximum of 24 samples into a search ellipse 200 m x 200 m x 40 m (direction 1, direction 2, direction 3) in size for all domains, with no limit to the number of samples per drillhole.
	<p><i>Any assumptions behind modelling of selective mining units.</i></p>	<ul style="list-style-type: none"> • No selective mining units are assumed in this estimate.
	<p><i>Any assumptions about correlation between variables</i></p>	<ul style="list-style-type: none"> • No assumptions about correlations between variables have been made.

	<i>Description of how the geological interpretation was used to control the resource estimates.</i>	<ul style="list-style-type: none"> • Drillhole sample data has been flagged using domain codes generated from three dimensional mineralisation domains. • Sample data has been composited to a 1.5 metre downhole length using a run length-method • Intervals with no assays have been excluded from the compositing routine.
	<i>Discussion of basis for using or not using grade cutting or capping.</i>	<ul style="list-style-type: none"> • No top-cuts have been deemed necessary in either gold or silver.
	<i>The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.</i>	<ul style="list-style-type: none"> • Model validation has been carried out, including visual comparison between composites and estimated blocks; check for negative or absent grades; statistical comparison against the input drillhole data and graphical plots.
<i>Moisture</i>	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	<ul style="list-style-type: none"> • The tonnes are estimated on a dry basis.
<i>Cut-off parameters</i>	<i>The basis of the adopted cut-off grade(s) or quality parameters applied</i>	<ul style="list-style-type: none"> • The Neavesville domain wireframes have been generated at a nominal cut-off grade of 0.4 g/t gold.
<i>Mining factors or assumptions</i>	<i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>	<ul style="list-style-type: none"> • No minimum mining assumptions are made during the resource wire framing or estimation process.

<p><i>Metallurgical factors or assumptions</i></p>	<p><i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i></p>	<ul style="list-style-type: none"> • No metallurgical factors or assumptions are made during the Mineral Resource estimation process.
<p><i>Environmental factors or assumptions</i></p>	<p><i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made</i></p>	<ul style="list-style-type: none"> • No environmental factors or assumptions are made during the resource estimation process.
<p><i>Bulk density</i></p>	<p><i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i></p>	<ul style="list-style-type: none"> • A bulk density of 2.5 g/cm³ has been assumed based on historic reports. No bulk density measurements have been undertaken at Neavesville.
	<p><i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit,</i></p>	<ul style="list-style-type: none"> • A program of bulk density testing is a requirement of any future drilling program.
	<p><i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i></p>	<ul style="list-style-type: none"> • Bulk density was based on average bulk density of similar nearby deposits..
<p><i>Classification</i></p>	<p><i>The basis for the classification of the Mineral Resources into varying confidence categories</i></p>	<ul style="list-style-type: none"> • Classification of the Mineral Resource estimate is based primarily on drill density in conjunction with composite counts for each block estimate.

	<i>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i>	<ul style="list-style-type: none"> • The classification takes into account the relative contributions of geological and data quality and confidence, as well as grade confidence and continuity.
	<i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i>	<ul style="list-style-type: none"> • The classification reflects the view of the Competent Person.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of Mineral Resource estimates.</i>	<ul style="list-style-type: none"> • This Mineral Resource estimate for Neavesville has not been audited by an external party.
<i>Discussion of relative accuracy/confidence</i>	<i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate</i>	The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code.
	<i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used</i>	<ul style="list-style-type: none"> • The statement relates to global estimates of tonnes and grade.
	<i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available</i>	<ul style="list-style-type: none"> • No historical production data is available for the Neavesville project.

SECTION 9

INDEPENDENT SOLICITOR'S REPORT – NEAVESVILLE PROJECT

22 February 2017

The Directors
E2Metals Limited
Level 4
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Australia

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CAPITAL RAISING BY E2METALS – REPORT ON NEW ZEALAND EXPLORATION PERMIT 51767

INTRODUCTION

We have prepared the following report for inclusion in a Prospectus to be issued by E2Metals Limited (ACN 116 865 546) (*E2Metals*) to raise capital by way of an offer of shares by a Prospectus to be issued under the Corporations Act 2001 (Cth) (*Corporations Act*) as in force in Australia (the *Offer*).

SCOPE OF REPORT

- 1 We have been asked to:
 - 1.1 advise on the status of New Zealand Minerals Exploration Permit number 51767 held by Hauraki Gold Limited (*HGL*) as more particularly described in Schedule 1 to this report (the *Permit*); and
 - 1.2 provide a high level overview of the Crown Minerals Act 1991 (*CMA*) and the Resource Management Act 1991 (*RMA*).
- 2 We are instructed that:
 - 2.1 Land and Mineral Limited (ACN152 947 601) (*L&M*) has, pursuant to a Sale and Purchase Agreement (*SPA*) made 30 September 2014 between Eurasian Holdings (BVI) Inc (*Eurasian*) L&M and Eurasian Minerals Inc. (*EMX*), purchased all of the issued share capital of EMX New Zealand (*BVI*) Inc. (*EMX-NZ*) which is the parent entity of HGL (the *Acquisition*);
 - 2.2 HGL is the registered holder of the Permit;
 - 2.3 L&M is a wholly owned subsidiary of E2Metals which we are instructed is an unlisted public company limited by shares which proposes to make application for listing on ASX Limited (*ASX*);
 - 2.4 HGL has entered into an Access Agreement and Waiver Agreement (*Access Agreement*) dated 10 November 2014 with the Trustees of the Pakirarahi Number One B Trust (*Trustees*) being the owners of that block of Maori freehold land containing 1409.5201 hectares known as Pakirarahi 1B

Block identifier 471296 (South Auckland Land Registry) (*Area of Interest or Pakirarahi Block 1B*) pursuant to sections 54 and 59 of the CMA;

- 2.5 no access agreement or arrangement has yet been entered into in relation to the balance of the area of the Permit although we are instructed that limited discussions have been held with the owners of the remaining hectares of Maori freehold land covered by the Permit;
- 2.6 a Joint Venture (*JV*) has been entered into pursuant to a Joint Venture Agreement (*JVA*) dated 10 November 2014 between HGL and the Trustees in relation to Pakirarahi Block 1B pursuant to which JVA HGL holds an 80% Participating Interest and the Trustees hold a 20% Participating Interest in the Joint Venture Property as defined therein (including the Permit) and that thereunder HGL, as Manager of the JV, shall carry out Exploration (as defined in the CMA) including establishing reserves, establishing grade and recoverability and carrying out a preliminary study of the feasibility of commercial recovery of all mineralisation including the commercial recovery of gold from the Area of Interest;
- 2.7 due to problems with access and dangerous drilling conditions within the Area of Interest:
- (a) HGL did not complete the 1500 metre drilling commitment for Permit Year four (being the year ended 11 April 2014);
 - (b) HGL has not carried out the 3,000 metre drilling commitment for Permit Year five which will end on 11 April 2015; and
 - (c) HGL has failed, generally, to comply with the requirements of the work programme set out in the Permit for Permit Year five;
- 2.8 HGL applied to extend the term of the Permit by 5 years to a term of 10 years with a proposed relinquishment of an area of 914.953 hectares to reduce the size of the area covered by the Permit on extension to approximately 2061 hectares. The extension of duration of permit was granted on 8 June 2015 for a reduced permit area of 2060.175 hectares (being a reduction of 915.238 hectares); and
- 2.9 HGL has granted a security interest (as that term is defined in the Personal Property Securities Act 1991 (the *PPSA*)) to Eurasian in all of its present and after acquired personal property, which includes "*all of the Mining Property (as that term is defined in the Agreement) that may be held by the Debtor from time to time including New Zealand Exploration Permit 51767, any application for, and any extension, renewal, conversion or substitution of New Zealand Exploration Permit 51767, including any conversion or substitution into the right to extract or mine minerals from the areas comprising 1 kilometre from the outside boundaries of the area that New Zealand Exploration Permit 51767 relates to*" in pursuant to a General Security Deed. Eurasian has registered a financing statement on

the Personal Property Securities Register in respect of that security interest.

Materials considered

- 3 For the purposes of this report we have reviewed and considered the following materials:
- 3.1 the information publicly available on the register of permits maintained by New Zealand Petroleum and Minerals (*NZP&M*), a business unit of the Ministry of Business, Innovation and Employment, in accordance with the CMA (the *Register*) as at 22 February 2017 including a copy of the Permit, as varied by a certificates dated 8 June 2015, 26 May 2014, 25 November 2013 and 13 May 2013;
 - 3.2 a copy of a letter from NZP&M acknowledging that minerals exploration permit 52759 was accepted for surrender on 26 May 2014;
 - 3.3 a copy of form 3 under the CMA:
 - (a) providing notice under section 41A of the CMA of a change of control of HGL as Permit holder as a result of the entering into of the SPA;
 - (b) advising of a dealing under section 41B of the CMA being the JVA seeking the Minister's consent thereto as required under section 41B; and
 - (c) advising of the entering into of the Access Agreement;

and we are instructed that a copy of each of the documents referred to above was enclosed with the form 3 and that the form 3 was lodged with NZP&M on 27 November 2014;
 - 3.4 an unsigned copy of an Application to extend the duration of the Permit to a term of 10 years which we are instructed was lodged with the Minister in January 2015;
 - 3.5 searches of titles and the interests registered against those titles as set out in Schedule 1 from Landonline and title details reports from Maori Landonline as at 22 February 2017;
 - 3.6 a Company extract obtained from the online register of the NZ Companies Office as at 22 February 2017 showing:
 - (a) HGL is incorporated as a company in New Zealand as a limited liability company with registration number 2263913 and NZBN: 9429032196887;
 - (b) HGL's registration is current;

- (c) HGL's directors are Martin James Donohue, Simon Andrew Peters and Christopher Charles Spurway;
- (d) HGL has an issued capital of 1,200 shares and that those shares are owned by EMX New Zealand (BVI) Inc¹, whose address in New Zealand is C/-JB Lloyd, Chartered Accountants, 7 Totara Street, Mount Maunganui, 3116, NZ.

Matters not considered or dealt with in this report

- 4 We have not reviewed, and this report does not comment or advise on:
- 4.1 the Acquisition;
 - 4.2 the Offer and any obligations in respect of the Offer including under the Corporations Act;
 - 4.3 the terms, effect or operation of any of the SPA, the JVA, the Access Agreement, the financing statement or the General Security Deed under which we are instructed HGL has charged the collateral referred to in 2.9 above. We understand that each of the forgoing documents are separately reported on and summarised in the prospectus of which this report forms part and we refer all persons reading this report thereto;
 - 4.4 the requirements under the CMA, the RMA or any other legislation to be satisfied before mining activities may be carried out in relation to any minerals that may be delineated within the area of the Permit save to say that, for mining activities to be carried out, the Permit Holder must obtain the grant of a mining permit under the CMA and comply with the requirements under the RMA;
 - 4.5 the status of any of HGL, EMV-NZ, L&M or E2Metals except as noted in 3.6 above;
 - 4.6 any third party interests or claims in respect of the Permits or any minerals in the land which is the subject of the Permit. In particular, we have not been provided with a minerals status report and we have not verified whether minerals are Crown owned minerals or privately owned minerals;
 - 4.7 the records of the Maori Land Court; or
 - 4.8 the suitability and/or adequacy of the conditions of the Permit.

¹ We have not verified that these details are correct, for example, by sighting a copy of HGL's share register. The New Zealand Companies Office records in relation to shareholding may not be up to date as there is no statutory requirement to update these records as changes in shareholding occur. Rather the obligation is to ensure these details are correct at the time of the company's annual return (which in HGL's case was March 2016).

CONFIRMATION

- 5 Based solely on our review of the material referred to in section 3 of this report and subject to the assumptions and qualifications at 49 to 56 below, we confirm that as at 22 February 2017, the details of the Permit as set out in Schedule 1 to this report are current and accurate.

OVERVIEW OF LEGISLATIVE REGIME GOVERNING EXPLORATION, MINING AND ACCESS TO LAND IN NEW ZEALAND

- 6 The Permit is issued under and subject to the CMA and associated regulations which together govern the allocation of rights to, and management of, Crown owned minerals in their natural state in New Zealand.
- 7 Under the CMA, all gold, silver, uranium and petroleum existing in its natural condition in land is the property of the Crown. Other minerals may also be Crown owned minerals depending on the date and manner in which the land was alienated from the Crown.
- 8 The RMA is New Zealand's principal statute relating to the use of, and effects on, land, water, minerals, the coast, air and physical resources. The RMA aims to promote "sustainable management of physical and natural resources".
- 9 Permits granted under the CMA and access arrangements do not exclude the need for any resource consents required under the RMA for prospecting, exploration and mining activities. Compliance with the RMA requires a permit holder to:
- 9.1 comply with district and regional plans;
 - 9.2 obtain resource consents for land use, water use, discharges into air, land and water where such activities are not permitted activities under the relevant district and/or regional plan;
 - 9.3 obtain consents for mining activities in coastal areas; and
 - 9.4 comply with other instruments such as national environmental standards, heritage orders and water conservation orders.
- 10 When read together these two pieces of legislation establish a dual regime that regulates the allocation, development, and use of mineral resources and seeks to manage the environmental impacts associated with mining activities.

Minerals permits

- 11 Generally, no person may prospect, explore for or mine Crown owned minerals in any land except in accordance with a permit to do granted under the CMA. A holder of a permit owns the minerals lawfully obtained from the activities authorised by the permit.

- 12 Permits are granted by the Minister of Energy and Resources in respect of specific land and specific minerals. The Minister has a wide discretion to grant permits on such conditions as the Minister thinks fit. Permit holders must:
- 12.1 comply with the conditions of the permit (including the work programme set out in the permit);
 - 12.2 pay annual permit fees; and
 - 12.3 submit certain reports.
- 13 The Minister may revoke any permit if the Minister has reasonable grounds for believing that the permit holder is contravening or not complying with, or is not making reasonable efforts to comply with, the CMA or any conditions of the permit and fails to remedy that contravention or non-compliance after being notified to do so.
- 14 Permits for minerals are classified as tier 1 (complex, high risk/return operations including prospecting permits for gold, silver and other metallic minerals) or tier 2 (lower return, industrial, small business and hobby mining operations). Tier 1 permits are subject to a more proactive management and regulatory regime.

Prospecting permits

- 15 Prospecting permits give an exclusive right (unless the permit states otherwise) for the holder to "prospect" for the mineral(s), in the land, and on the conditions, stated in the permit (whether the mineral is owned by the Crown or privately owned). *Prospecting* means any activity undertaken for the purpose of identifying land likely to contain exploitable mineral deposits or occurrences, including geological, geochemical and geophysical surveying, aerial surveying and sampling by hand or by hand held methods.

Exploration permits

- 16 Exploration permits give an exclusive right (unless the permit states otherwise) for the holder to prospect (as if they were the holder of a current prospecting permit (see above)) and "explore" for the Crown owned mineral(s), in the land, and on the conditions, stated in the permit. *Exploration* means any activity for the purpose of identifying mineral deposits or occurrences and evaluating the feasibility of mining, including drilling, dredging or necessary excavations.

Term of permits

- 17 Generally, exploration permits are granted for a term of five years. The duration of an exploration permit may be extended by application to the Minister up to a maximum term of ten years and for up to a maximum of a further 8 years for appraisal purposes.

Right to subsequent permit

- 18 Generally, the holder of an exploration permit has the right to a subsequent mining permit (giving the right to extract and retain the specified mineral(s)) provided that:
- 18.1 the application for a subsequent permit is lodged before the expiry of the initial permit;
 - 18.2 the Minister is satisfied that
 - (a) a deposit or occurrence of a mineral to which the exploration permit relates has been discovered;
 - (b) the Minister is satisfied that the holder of the initial permit will comply with the requirements of the CMA and the conditions of and give proper effect to the subsequent permit;
 - 18.3 the Minister approves the further work programme that is required to accompany the application for the subsequent permit; and
 - 18.4 for tier 1 permits, the Minister is satisfied that the permit operator has (or will have by the time the relevant work is to be undertaken) the capability and systems in place to meet health and safety and environmental legislative requirements.

Transferring or dealing with permits and change of control of permit participants

- 19 Permits may be transferred, sold, assigned or otherwise dealt with, provided the permit holder (or participant, where there is more than one holder) obtains Ministerial consent where required under the CMA.
- 20 Ministerial consent is required to any agreement (other than a transfer of a participating interest, mortgage or other charge) ("*a dealing*") that imposes any obligation on any permit participant which relates to the sale or the proceeds of production if:
- 20.1 a reasonable person would not consider the agreement to be an arms-length arrangement or otherwise on a fair market basis; or
 - 20.2 the term of the agreement is for 12 months or more.
- 21 The Minister must be notified of any change of control of a permit participant within 3 months after the change of control taking place. If the Minister is not satisfied that the permit holder has the financial capacity to meet its obligations under the permit following the change of control the Minister may revoke the permit. The Minister has 3 months' from the date of the permit holder's notice to exercise the right to revoke the permit.

The Treaty of Waitangi and the CMA

- 22 The CMA requires all persons exercising functions under the CMA “to have regard to the principles of the Treaty of Waitangi”. This requires decision-makers to give genuine attention and thought to:
- 22.1 the matters set out in the RMA (see *NZ Co-operative Dairy Co Ltd v Commerce Commission* [1992] 1 NZLR 601, 612); and
 - 22.2 the importance of consultation with Maori in respect of the preservation of valued land from the effects of mining operations.

Minerals programmes

- 23 When interpreting the principles of the Treaty of Waitangi and the specific requirements for consultation with iwi and hapū including the matters that must be consulted on, the requirements of the 2013 Minerals Programme should also be considered. The largest political grouping in pre-European Māori society was the iwi (tribe). This usually consisted of several related hapū (clans or descent groups).
- 24 A copy of the Minerals Programme for Minerals (Excluding Petroleum) 2013 discussing these issues in detail is available to be downloaded in pdf format from <http://www.nzpam.govt.nz/cms/about-nzpam/doc-library/rules-and-regulations/minerals-programme-2013.pdf>.

Access to land

- 25 Permits do not give a right of access to any land. Before commencing prospecting, exploration or mining activities other than “minimum impact activities”, the permit holder must negotiate and agree an access arrangement with the owner and occupier of the land and the any private mineral owner(s) (if different from the land owner).

Minimum impact activities

- 26 Generally, minimum impact activities (geological, geochemical and geophysical surveying, aerial and land surveying and sampling by hand) carried out on rural land do not require an access arrangement. A permit holder may legally enter land to carry out minimum impact activities by giving 10 days’ notice of its intention to do so to each owner and/or occupier of the land and any customary marine title group, and in the case of Maori land, to the local iwi authority.
- 27 However, owner/occupier consent for minimum impact activities is required for certain classes of “sensitive” land, including conservation land, land under crop, or land within 30 metres of any yard, stockyard, garden, orchard, vineyard, nursery, farm plantation, shelterbelt, airstrip, indigenous forest, cemetery, burial ground, building, waterworks, water race or dam.

28 In addition certain consultation obligations apply to carrying out minimum impact activities on Maori land and land owner/occupier consent is required for minimum impact activities where the land is regarded as *waahi tapu* (any "place sacred to Maori in the traditional, spiritual, religious, ritual, or mythological sense") by the tangata whenua (in relation to a particular area the *tangata whenua* are the *iwi* or *hapu* that holds *mana whenua* (customary authority) over that area).

29 Section 2 of the CMA defines "minimum impact activity" to mean any of the following:

"(a) geological, geochemical, and geophysical surveying:

(b) taking samples by hand or hand held methods:

(ba) taking small samples offshore by low-impact mechanical methods:

(c) aerial surveying:

(d) land surveying:

(e) any activity prescribed as a minimum impact activity:

(f) any lawful act incidental to any activity to which paragraphs (a) to (e) relate,

to the extent that it does not involve any activity that results in impacts of greater than minimum in scale...."

Grant of access may bind successors in title

30 Once a land owner and occupier have entered into an access arrangement it is binding on them. If the access arrangement is for a term of more than 6 months from its commencement date the permit holder can lodge the access arrangement with the Registrar General of Land for registration on the relevant land title(s). Once registered, the arrangements are binding on all successors in title to the land owner and occupier.

31 However, an access arrangement that is obtained by agreement will not be of any effect if the permit holder has failed to comply with certain notice requirements in the CMA in a material way.

Procedure upon refusal of access

32 Where the permit relates to minerals and not petroleum, if the parties are unable to agree on access arrangements, the parties may agree to have the arrangements determined by arbitration or, if an agreement to arbitrate cannot be reached, the permit holder can apply for a declaration by Order in Council that the matter may be determined by an arbitrator on the grounds of public interest.

- 33 An access arrangement determined by an arbitrator specifies the compensation payable to the owner(s) and occupier(s) and binds all successors in title to all owners and occupiers.
- 34 However, a permit holder is not able to obtain a declaration that an access arrangement be determined by arbitration in relation to certain land, including:
- 34.1 in relation to Maori land or conservation land;
- 34.2 land for the time being under crop;
- 34.3 land used as or situated within 30 metres of a yard, stockyard, garden, orchard, vineyard, plant nursery, farm shelterbelt, airstrip, or indigenous forest;
- 34.4 land which is the site of or situated within 30 metres of any building, cemetery, burial ground, waterworks, race, or dam and
- 34.5 land having an area of 4.05 ha or less.

THE PERMIT

- 35 The Permit is a Tier 2 permit. The Permit gives HGL the exclusive right to explore for Crown owned metallic minerals in the permit area for the purpose of identifying mineral deposits and evaluating the feasibility of mining in accordance with the permit, applicable law and good exploration and mining industry practice.
- 36 The Permit area includes both Crown owned metallic minerals and privately-owned metallic minerals. The Permit applies only to Crown owned metallic minerals (including gold and silver).
- 37 The Permit records that, except for that area of land known as part of Neavesville Road all non-statute minerals (metallic minerals excluding gold and silver) in the permit area are held in private ownership. Separate authorisation will be required from the private mineral owners to explore for (and extract) privately-owned metallic minerals.
- 38 We are instructed that clause 7 of the JVA dealing with management of the JV provides that HGL as manager of the JV *"shall carry out the Joint Venture Business as agent on behalf of the parties and shall have the right...To enter upon the Area of Interest to explore, prospect, sample, drill, mine or do any further or other acts or things for all manner of minerals and metals and other materials of a like nature as are permitted under the [CMA]"*. The Area of Interest is the Pakirarahi Block 1B. Accordingly, HGL considers that it has authorisation to explore for (and extract) minerals on that land owned by its JVA partner.

39 The work programme set out in the Permit is as follows:

- 1 By 11 April 2011 " *the permit holder shall (to the satisfaction of the Chief Executive):*
 - (a) *compile all existing data and establish a digital database;*
 - (b) *undertake a programme of geological mapping;*
 - (c) *undertake geological modelling;*
 - (d) *complete a programme of geochemical sampling; and*
 - (e) *provide the Chief Executive with a report detailing the work completed on this phase of exploration, and the results of that work, including the submission of digital data."*

- 2 By 11 April 2012 "*the permit holder shall (to the satisfaction of the chief executive):*
 - (a) *complete a further programme of geochemical sampling;*
 - (b) *complete a ground-based geophysical survey;*
 - (c) *generate targets for drilling; and*
 - (d) *provide the Chief Executive with a report detailing the work completed on this phase of exploration, and the results of that work, including the submission of digital data."*

- 3 By 11 April 2014 "*the permit holder shall (to the satisfaction of the chief executive):*
 - (a) *complete a programme of drilling for a minimum of 1500m, or other such drilling programme as agreed by the Secretary;*
 - (b) *update the database and geological model; and*
 - (c) *provide the Secretary with a report detailing the work completed on this phase of exploration, and the results of that work, including the submission of digital data."*

- 4 By 11 April 2015 "*the permit holder shall (to the satisfaction of the Chief Executive):*
 - (a) *undertake a programme of geochemical mapping within the amalgamated permit area;*
 - (b) *undertake a programme of geochemical sampling within the*

amalgamated permit area;

- (c) *complete a ground-based geophysical survey across at least one defined target within the amalgamated permit area;*
- (d) *complete a further programme of drilling for a minimum of 3000m, or other such drilling programme as agreed to by the Chief Executive;*
- (e) *calculate a resource estimate;*
- (f) *complete and present a geological model of the permit area; and*
- (g) *provide the Chief Executive with a report detailing the work completed on this phase of exploration, and the results of that work, including the submission of digital data."*

5 By 11 April 2018 *"the permit holder shall (to the satisfaction of the chief executive):*

- (a) *commence a programme of geochemical mapping and sampling to cover the extent of the permit area;*
- (b) *complete a minimum of 2 ground based electrical geophysical surveys (CSAMT, Induced Polarisation, EScan or similar resistivity methodology) to generate additional drill targets;*
- (c) *complete a programme of drilling for a minimum of 4500m on existing and new targets, or such other drilling programme as agreed to by the chief executive; and*
- (d) *prepare a technical report detailing all work completed during this stage of the work programme to be submitted to the chief executive in accordance with the regulations."*

6 By 11 April 2020 *"the permit holder shall (to the satisfaction of the chief executive):*

- (a) *complete a programme of geochemical mapping and sampling to cover the extent of the permit area;*
- (b) *complete a programme of resource definition drilling for a minimum of 3000m on existing and new targets, or such other drilling programme as agreed to by the chief executive;*

- (c) *update the digital database with all new geological, geochemical and geophysical data;*
- (d) *complete a geological model of the permit area;*
- (e) *calculate a resource estimate;*
- (f) *commence a preliminary economic assessment or pre-feasibility study or if appropriate a mine feasibility study; and*
- (g) *prepare a technical report detailing all work completed during this stage of the work programme to be submitted to the chief executive in accordance with the regulations."*

40 As stated in 2.7 above, we are instructed that HGL did not complete the 1,500 metre drilling commitment for the Permit Year four ended 11 April 2014 and that HGL did not carry out the 3,000 metre drilling commitment for Permit Year five which ended on 11 April 2015. An applicant's previous compliance record is one of the factors that the Minister may take into account in determining whether to grant a subsequent permit. Previous non-compliance will count against, but not necessarily preclude the granting of a subsequent permit.

41 The Permit contains a number of general conditions including a condition that requires the permit holder to relinquish an area of the permit determined in accordance with the CMA and the Minerals Programme if an extension of duration is granted. As stated in 2.8 above, HGL has been granted an extension of duration for the Permit for 5 years, which extends the term of the Permit to the maximum statutory term of 10 years. Further extensions of time will only be granted to enable HGL to appraise the extent and characteristics of a discovery (see paragraph 17) and, if granted, must be restricted to that area of land that the Minister determines the discovery relates.

LAND ACCESS RIGHTS HELD BY HGL

42 The activities contemplated by the work programme under the Permit include drilling, which is not a "minimum impact activity". Accordingly, HGL will require access arrangements with the relevant land owners and occupiers to carry out the work programme.

43 The land to which the Permit relates is set out in the table in Schedule 2 of this report. That land has been generally identified from the map attached to the Permit. However the permit area has not been, and is not required to be, surveyed so we are unable to verify the actual area and location of land covered by the Permit.

44 We are instructed that HGL has not entered into any access arrangement with any of the owners or occupiers of any of the land covered by the Permit other than the Access Agreement with The Trustees in relation to that block of Maori freehold land containing 1409.5201 hectares known as Pakirarahi 1B Block (provisional interest register number 471296). We have confirmed that notice of the Access Agreement has been registered on the provisional title to that land.

45 As notice of the Access Arrangement has been registered under 83 of the CMA then provided the notice requirements in the CMA have been complied with in all material respects, the Access Arrangement will be binding on any successors in title to the owner and occupier of that land.

RESOURCE CONSENTS

46 We are instructed that HGL has obtained from:

46.1 Thames-Coromandel District Council, a land use consent for indigenous vegetation clearance for a mineral exploration drill programme at 1854B Kopu Hikuai Road, SH25A Hikuai, in accordance with section 104B and 140D of the RMA; and

46.2 Waikato Regional Council, a resource consent to take water from an unnamed tributary of the Takatakahia Stream.

47 We have not been asked to, and do not express any view on these consents including as to whether these consents are adequate for HGL's current or proposed activities and whether any further resource consents are required for HGL's proposed work programme to be carried out if the term of the Permit is extended as applied for.

MARINE AND COASTAL AREA (TAKUTAI MOANA) ACT 2011

48 As none of the land the subject of the Permit falls within the common marine and coastal area the above Act will not apply.

ASSUMPTIONS AND QUALIFICATIONS

49 This report is based on the status of the Permit as it appears on the Register as at 11.00am (NZ time) 22 February 2017 and the status of the Landonline and Maori Landonline records as at 22 February 2017.

50 In preparing this report we have assumed that:

50.1 the entries on the Register, Landonline, Maori Landonline, the Register of Companies, the PPSR (together the Registries) are correct, complete and up to date and were validly authorised and entered on each of the Registries from which they have been obtained;

- 50.2 the information and documents provided to us by or on behalf of HGL, L&M and E2Metals are accurate and complete and are not materially misleading in any way; and
- 50.3 all documents reviewed by us have been validly entered into or obtained by HGL and/or by L&M, are complete and where copies, accurately depict the originals and constitute valid and binding obligations on each of them.
- 51 In preparing this report we did not enquire into and accordingly, express no opinion as to:
- 51.1 any unregistered third party interests or claims in respect of the Permit or the land underlying the Permit. There may be equitable or other interests in existence affecting the Permit or such lands which may not be discoverable from the Registries but which may be enforceable;
- 51.2 the ownership of minerals. In particular we have not verified whether the minerals are Crown owned minerals or privately owned minerals;
- 51.3 the likelihood, cost and timing, of obtaining any mining permit on terms acceptable to all relevant parties; or
- 51.4 the requirement for, or the likelihood, cost and timing, of obtaining any necessary resource consents required under the RMA on terms acceptable to all relevant parties. In particular, we have not investigated whether any resource consents are held in relation to the Permit nor have we reviewed the local and regional authority's plans or policy statements to ascertain what resource consents are required in relation to the Permit or the exercise and performance of the rights and obligations under the Permit and any mining permit.
- 52 While we have:
- 52.1 carried out searches of the lands set out in the table in Schedule 2, we have not carried out further enquiries to determine whether any of that land is regarded as waahi tapu or land to which access restrictions, or prohibition on seeking a requirement for determination for access by arbitrators under the CMA, apply;
- 52.2 reviewed a copy of the Permit, we do not express any opinion on whether the Minister will grant an application for any subsequent permit; and
- 52.3 verified that notice of the Access Agreement has been registered on provisional interest register number 471296, we do not express any opinion as to whether the notice requirements in the CMA were complied with in relation to the Access Agreement.

- 53 In addition, we assume for the purposes of this report that the Minister will not take action to revoke the Permit whether as a result of the change of control of HGL (as the holder of the Permit), or in relation to HGL's non-compliance with the work programme specified in the Permit.
- 54 We are qualified to practice law in New Zealand and our report relates solely to the laws of New Zealand applicable as at the date of this report. We accept no obligation in respect of any changes to the law of New Zealand occurring after that date.
- 55 This report is given solely for the benefit of E2Metals and the directors of E2Metals for the purpose of inclusion in the prospectus for the Offer and is not to be, and may not be, relied on by any other person, or disclosed to any other person or used for any other purpose. We have given, and have not before lodgement of the Prospectus, withdrawn our consent to the inclusion of this report in the Prospectus.
- 56 Chapman Tripp will be paid normal and usual professional fees for the preparation of this report and related matters.

Yours faithfully

Andrew Woods

PARTNER

DIRECT: +64 3 353 0025

EMAIL: andrew.woods@chapmantripp.com

SCHEDULE 1

Permit Number	Holder	Date granted	Expiry date	Status	Area*	Relevant authorities	Minerals
EP 51767	Hauraki Gold Limited	12 April 2010	11 April 2020**	Active	2060.715 hectares**	Territorial Authority: Thames-Coromandel District Council Regional Council: Waikato Regional Council	Crown owned metallic minerals***

* We have not verified the permit area.

** Pursuant to extension of duration granted 8 June 2015.

*** As more particularly set out in the online record for Minerals Exploration Permit 51767.

Land to which Permit EP 51767 relates (as generally identified from the map attached to the permit for which no survey was required or completed – therefore note we have not obtained or been able to obtain an overlay with the cadastral land parcels, or the spatial database held by the Chief Executive)				
Legal description and title (if any)	Area (as generally ascertained where all of a cadastral land parcel appears to lie within the permit area)	Land owner	Ownership of non-statute minerals (initial assessment – a minerals status report would be required to determine ownership)	Registered interests on Landonline (given the timeframes we have not checked the Maori Land Court records – any material entries on Maori Landonline are noted, note Maori Landonline is not accompanied by a State guarantee)
Pakirarahi 2 Block (computer freehold register SA54D/768)	609.0700ha	Terrance John McEnteer, Edwina June Reidy and Peter Bowker as trustees and David Nikorima Robson and Karen Jansen as advisory trustees, of the Pakirarahi No 2 Trust (Ahu Whenua Trust) – full Maori owners recorded on Maori Landonline (not accompanied by a State guarantee)	Private	Subject to Section 215 Te Ture Whenua Maori Act 1993. B202530.1 Status Order determining the status of the within land to be Maori Freehold Land. B344044 Notice pursuant to Section 83 Crown Minerals Act 1991 of access rights in favour of Welcome Gold Mines Limited. The term of this access arrangement is expressed as the term of an associated joint venture agreement which is referred to on Maori Landonline but which we do not hold. The associated minerals permit is EP 40 136. Maori Landonline also refers to EP 40 424 to Pakirarahi No. 2 Trust for 5 years from 1/7/2001.

<p>Pakirarahi 1A Block (provisional computer interest register 471295 recording partition order MFPO 8116377.1)</p>	<p>4.0468ha</p>	<p>Reo Rapana and Hinepupuirangi Hoha Sutherland jointly, as Trustees, of the Pakirarahi No. 1A Trust (Ahu Whenua Trust) – full Maori owners recorded on Maori Landonline (not accompanied by a State guarantee)</p>	<p>Private</p>	<p>The within Order has been embodied in the register pursuant to Section 124(1) Te Ture Whenua Maori Act 1993. It will not be finally constituted a folium of the register until a plan has been deposited pursuant to Section 167(5) Land Transfer Act 1952.</p> <p>8116377.3 Status Order determining the status of the within land to be Maori Freehold Land.</p>
<p>Pakirarahi 1B Block (provisional computer interest register 471296 recording partition order MFPO 8116388.1)</p>	<p>1409.5201ha (note Partition Order and Maori Landonline refer to 1409.5199ha – final area likely to be determined when provisional status removed from the register)</p>	<p>Tamati Jeffrey Wilson, Wayne John Morehu, Josephine Barlow Boldy, Heather Smith, Carol Crawley, Gairn Douglas Terata Robertson, Ernest James Hikairo and David Raymond Ashby jointly, as Trustees of the Pakirarahi No. 1B Trust (Ahu Whenua Trust) – full Maori owners recorded on Maori Landonline (not accompanied by a State guarantee)</p>	<p>Private</p>	<p>The within Order has been embodied in the register pursuant to Section 124(1) Te Ture Whenua Maori Act 1993. It will not be finally constituted a folium of the register until a plan has been deposited pursuant to Section 167(5) Land Transfer Act 1952.</p> <p>8116388.3 Status Order determining the status of the within land to be Maori Freehold Land.</p> <p>9892374.1 Notice of Access Rights pursuant to Section 83 Crown Minerals Act 1991 – referring to the Access Arrangement in favour of Hauraki Gold Limited. Maori Landonline records the Access Arrangement.</p> <p>Maori Landonline refers to EP 40 341 held by Pakirarahi No. 1B Lands Trust.</p>

<p>Part Pakirarahi 1 Block (appears to still be held in part cancelled computer freehold register SA49C/732)</p>	<p>DP 2791 indicates an area of 1 acre, being 0.4047ha. This corresponds with the Partition of the land known as Pakirarahi No. 1C Block as described in SA49C/732 total area 1413.9716ha, minus 4.0468ha for Pakirarahi 1A, minus 1409.5201ha for Pakirarahi 1B)</p>	<p>If held in SA49C/732, then John Hikairo, Phillip Hikairo, Gavin Caird, Hinepupuirangi Hoha Sutherland, Reo Rapana, Shane Leon Ashby, Heather Tini, Hikairo Smith and Carol Crawley</p>	<p>Private</p>	<p>Partition Orders 8116377.1 and 8116388.1</p>
<p>part of Neavesville Road (no title)</p>	<p>-</p>	<p>Thames-Coromandel District Council</p>	<p>Crown</p>	<p>-</p>

SECTION 10

INDEPENDENT TITLE REPORT – MOUNT HOPE PROJECT

Mining Agents & Title Consultants
9 Kinsellas Drive LANE COVE NORTH NSW 2066

3 February 2017

The Directors
E2 Metals Limited
Suite 3, Level 4
12-20 Flinders Lane
Melbourne VIC 3000

Dear Sirs

REPORT ON TITLES & NATIVE TITLE IN NSW

This report is prepared for inclusion in a prospectus ("Prospectus") to be issued by E2 Metals Limited (ACN 116 865 546) (the **Company**) in support of an application by the Company for admission to the Official List of Companies maintained by ASX Limited.

This report relates to applications and titles held in New South Wales (**Titles**), which are detailed in this report in which the Company holds an interest. The notes to the Titles as set out in the Schedule form part of this report.

Mr Robert Harrison is a Director and Consultant with Mining Title Services Pty Limited (**MTS**). He has in excess of 49 years experience as a mining and exploration titles consultant in Australia.

This report has been prepared in accordance with the requirements of the Valmin Code and the relevant provisions of the ASIC Regulatory Guides 111 and 112.

1. Searches and Source Information

We have conducted the following searches and enquiries:

- (a) searches of the NSW Titles as recorded in the Computer Register maintained by the Department of Industry Skills and Regional Development (**DISRD**) pursuant to the *Mining Act 1992* of New South Wales (**NSW Mining Act**), as amended as at close of business on 3rd February 2017 ; and
- (b) searches of the native title application summaries including the registers and schedules maintained by the National Native Title Tribunal (**NNTT**) in the online Computer Register as at 3rd February 2017, in relation to any native title claims which may affect the Titles.

On the basis of the searches of the Titles, we consider that this report provides an accurate statement as to:

- (c) the status of the Titles as at close of business on 3rd February 2017 and the Company's interests therein and we note that based on our searches that the titles and applications detailed herein are all in good standing according to the information contained in the DISRD computer database system, subject to the notations and additional comments in this report.

2. Aboriginal Heritage

There may be sites of Aboriginal heritage or significance located on the land on which the Titles are situated.

In New South Wales the National Parks & Wildlife Act 1974 of New South Wales (**NPWA**) covers the major requirements for protection of Aboriginal objects, Aboriginal places and Aboriginal remains under Part 6 of the NPWA Sections 86 to 90 inclusive. It is an offence to knowingly destroy, deface or damage an Aboriginal object, place or remains without the consent of the Director-General of the

Department of Environment Climate Change and Water (**DECCW**) now operating out of the Office of Environment and Climate Change in accordance with the provisions of Section 90 of the NPWA.

In addition, the *Aboriginal and Torres Strait Islander Heritage Act 1984* (Cth.) (**Commonwealth Heritage Act**) also applies to the Titles and is aimed at the preservation and protection from desecration of significant Aboriginal areas and significant Aboriginal objects. An area or object is found to be desecrated if it is used or treated in a manner inconsistent with Aboriginal tradition.

We have not undertaken searches to ascertain if any Aboriginal sites have been registered in the vicinity of the Titles under any of these Acts listed in Section 2 as there is no obligation, in any of those Acts, to register sites, objects or relics. In any event, their exact location is not ascertainable from such searches. Further, these enquiries are generally done by the exploration company after the tenure applied for is granted and once a particular work programme has been determined. In those cases it may be necessary to enter into separate arrangements with the traditional owners of the sites.

To ensure that it does not contravene any of these Acts listed in Section 2 while carrying out operations on the Titles, the Company would need to conduct heritage surveys and also request the relevant authority to provide a certificate to determine if any Aboriginal sites exist within the area of the Titles. If so, the Company would need to ensure that any interference with such Aboriginal sites is in strict conformity with the provisions of the above, NPWA, Aboriginal Heritage Act 1988 and the Commonwealth Heritage Act as applicable in each State.

3. Native Title – Generally

On 3rd June 1992 the High Court of Australia held in *Mabo -v- Queensland* that the common law of Australia recognises a form of native title. In order to maintain a native title claim, the persons making such claim must show that they enjoyed certain customary rights and privileges in respect of a particular area of land and that they have maintained their traditional connection with that land. Such a claim will not be recognised if the native title has been extinguished, either by voluntary surrender to the Crown, death of the last survivor of a community entitled to native title, abandonment of the land in question by that community or the granting of an “inconsistent interest” in the land by the Crown. An example of an inconsistent interest would be the granting of a freehold or some types of leasehold interest in the land. The granting of a lesser form of interest will not extinguish native title unless it is wholly inconsistent with native title.

The Commonwealth Parliament responded to the *Mabo* decision by passing the *Native Title Act 1993* (**Commonwealth Act**). Amongst other things, the Commonwealth Act:

- (a) regulates the recognition and protection of native title;
- (b) confirms the validity of titles granted by the Federal Government prior to the commencement of that Act on 1st January 1994;
- (c) specifies the procedures to be complied with for certain future acts which affect native title; and
- (d) specifies the procedures by which Aboriginal peoples can claim native title and by which people determined to hold native title holders can claim compensation.

The Commonwealth Act was extensively amended in 1998 by the *Native Title Amendment Act 1998* (Cth.). These amendments include the validation of any titles that may have been invalidly granted over pastoral leases and certain other leasehold interests during the period 1st January 1994 to 23rd December 1996. Other significant amendments include a revised threshold test for the acceptance of native title claims, confirmation of extinguishment of native title by the grant of “exclusive possession” pastoral leases and certain other leasehold interests and provisions intended to deal with overlapping claims.

New South Wales has implemented the *Native Title (New South Wales) Act 1994* which adopts the Commonwealth Act in New South Wales.

We have not researched the underlying land tenure in respect of the Titles in order to determine the extent of extinguishment for the purposes of this report.



4. Native Title – Native Title Claims

Persons claiming to hold native title may lodge an application for determination of native title (being a native title claim) with the Federal Court. Applications which are lodged with the Federal Court will be referred to the NNTT for the purposes of registration of the claim.

If the Native Title Registrar is satisfied that a claim meets the registration requirements set out in the Commonwealth Act (**Registration Test**) it will be entered on the Register of Native Title Claims maintained by the NNTT (**Register**). Claimants of registered claims are afforded certain procedural rights under the Commonwealth Act including the “right to negotiate” discussed further below.

Claims which fail to meet the Registration Test are recorded on the Schedule of Applications Received maintained by the NNTT. Such claims may be entered on the Register at a later date if additional information is provided by the claimant that satisfies the Registration Test. Claims which are deregistered will lose the right to negotiate from the date of deregistration but will still remain on foot in the Federal Court until such time as they are determined by the Court.

(1) Exploration Licences 6837, 8058 & 8290 (Act 1992) fall within the confines of Native Title Claim - NC 2012/001[NSD415/12] by the Ngemba, Ngiyampaa, Wangaaypuwan and Wayilwan Aboriginal People as applied for on 14th March 2012 over an area of some 95,059.4626 km². The claim however has little effect on exploration activity due to the following Court determination.

The areas embraced by these titles fall within the Western Division of NSW the vast majority of tenure within the titles is held under Western Lands Leases in Perpetuity with small areas of freehold title. Under the High Court Decision in Wilson vs Anderson [2002] HCA 29 (8th August 2002) lands in the Western Lands Division subject to Western Lands Leases in Perpetuity were deemed to have extinguished Native Title.

Accordingly the provisions of the Commonwealth Act would only be addressed as required by condition of the various licences if exploration work were to be undertaken on some small area/s of unoccupied Crown Land or land which was held under some alternative form of Western Lands Lease within the licences or determined on searching to be available Crown Land on which native title had not being extinguished, which includes State Forest areas, not previously held under freehold title or Crown Lands dedicated appropriated or resumed for a public purpose. In those circumstances the Right to Negotiate (RTN) process must be followed in accordance with the licence conditions, to determine if there are any prospective claim applicants. If undertaken the RTN process addresses the whole of the specified licence not just the area of land within the licence which has been specifically identified as Crown Lands.

Such lands are normally identified by searching of the areas through the records of the Land Titles Office, prior to implementing exploration activity and as a prerequisite to negotiating access and compensation arrangements with the relevant owners/occupiers, which is a requirement under the Act to be finalised prior to commencing prospecting operations on any parcel of land.

5. Native Title – Validity of Titles

Granted Authorities – New South Wales

- (i) Authorities granted prior to 1st January 1994
Under the Native Title (New South Wales) Act 1994 (**NSW Native Title Act**) Authorities granted in New South Wales prior to 1st January 1994 have been validated to the extent that the grant of the Authority may have been invalid as a result of the existence of native title.
- (ii) Authorities granted between 1st January 1994 and 23rd December 1996
Under the NSW Native Title Act, certain acts which took place between 1st January 1994 and 23rd December 1996, known as “intermediate period acts” were validated.
- (iii) Authorities granted since 23rd December 1996
Authorities affected by native title rights and interests will be valid provided the applicable processes prescribed by the Commonwealth Act were complied with. We understand that it has been the practice of the New South Wales Government to comply with these processes but we have not undertaken any independent enquiries to confirm that this is the case.



Future Titles Grants

As stated above, the valid grant of any of the Titles which may affect native title requires full compliance with the provisions of the Commonwealth Act in addition to compliance with the usual procedures under the relevant State's mining legislation. The primary procedure prescribed under the Commonwealth Act is the "right to negotiate" process. Other procedures generally apply to low-impact titles (such as prospecting and exploration licences) or infrastructure titles.

The right to negotiate process involves the publishing of a notice of the proposed grant of a Titles or permit followed by a minimum 6 month period of negotiation between the relevant State Government, the Titles applicant and any relevant registered native title claimant. If agreement is not reached to enable the grant to occur, the matter may be referred to arbitration before the NNTT, which has a further 6 months to reach a decision. The decision of the NNTT may be reviewed by the relevant Federal Minister.

The Commonwealth Act provides that, in relation to the grant of Titles in certain areas, a State law can operate in lieu of the right to negotiate process of the Commonwealth Act. These areas are principally areas covered by pastoral leases.

The right to negotiate process does not necessarily have to be pursued in cases where either the explorer has previously entered into an agreement with the native title claimants which facilitates the grant of future Titles, or where an indigenous land use agreement (**ILUA**) is negotiated with the relevant Aboriginal people and registered with the NNTT. In such cases, the procedures prescribed by the **ILUA** must be followed to obtain the valid grant of the Titles. These procedures will vary depending on the terms of the relevant **ILUA**.

Renewals

As with the grant of Titles, renewals of Titles granted prior to 1st January 1994, to the extent the renewals were invalid due to native title, have been validated by legislation. Renewals granted between 1st January 1994 and 23rd December 1996 have been similarly validated provided certain statutory criteria have been met.

Renewals made after 23rd December 1996 of Titles validly granted before that date will not be subject to the right to negotiate process provided:

- (i) the area to which the earlier right is made is not extended;
- (ii) the term of the new right is not longer than the term of the earlier right; and
- (iii) the rights to be created are not greater than the rights conferred by the earlier grant.

There is doubt as to whether the right to negotiate process applies to second and subsequent renewals but this matter is yet to be determined by the courts. Other than as stated above, renewals of Titles are subject to the same right to negotiate (or, pending legislation, alternative State) process as is described above.

6. Risk Factors

The existence of native title and/or native title claims in relation to the land the subject of the Titles may have an adverse impact on the Company's activities and its ability to fund those activities. It is impossible at this stage to quantify the impact that these matters may have on the Company's operations but the main risks include;

- (a) delays or difficulties in obtaining the grant of the applications for Titles, renewals or conversions of the Titles, or further applications, as a result of the right to negotiate (or alternative State) process as this process can take as long as 12 months to complete;
- (b) compensation may be payable by the Company as a result of agreements made pursuant to the right to negotiate or the ILUA and associated agreements;



- (c) if native title is found to exist the nature of the native title may be such that consent to mining is required from the native title holders and such consent is withheld or only granted on conditions unacceptable to the Company; and
- (d) the risk that Aboriginal sites and objects exist on the land the subject of the Titles, the existence of which sites and objects may preclude or limit mining activities in certain areas of the Titles. Further, the disturbance of such sites and objects is likely to be an offence under the applicable legislation, exposing the Company to fines and other penalties.

Other risk factors include:

- (e) renewals of exploration licences are matters determined in NSW by representatives of the Department's Titles Branch, Environmental Unit & the Geological Survey who make recommendations as to whether or not a licence should be renewed, the area to be renewed; and as and if required whether or not "*special circumstances are deemed to exist*" to allow a licence to be renewed for an area greater than 50% of the land held in the previous term. These recommendations are based on information supplied by the licence holder at the time of renewal, in regard to work conducted, expenditure requirements for the previous term, work proposals for the renewal term, proposed expenditure and other circumstances which may have delayed work or impacted on the exploration program in the previous term, a renewal offer may then be made by the designated-person.

7. Qualifications

While the status of the Titles is dealt with in detail hereunder, we point out, that:

- (a) we have assumed the results of the searches which we have made or caused to be made of the Registers established and maintained pursuant to the NSW Mining Act are accurate;
- (b) we have relied on the accuracy of the Registers & database records maintained by DISRD; and
- (c) the holding of the Titles is subject to compliance with their terms and conditions and the provisions of the NSW Mining Act.

8. Consent

This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any other public document or filed with any government body or other person (other than as part of the Prospectus) without our prior consent.

Mining Title Services Pty Limited has consented to the inclusion of this report in the Prospectus (including the electronic form of the Prospectus) in the form and context in which it is included and has not withdrawn that consent before the lodgement of the Prospectus with the Australian Securities and Investments Commission.

Title Details – New South Wales

Exploration Licence No 6837 (Act 1992) ("EL 6837") Was Exploration Licence Application 3038 (Act 1992)

Holder	: China Waste Corporation Limited (" CWC ") [formerly known as Central West Gold Limited (" CWG ")]
Grant Date	: 24 th July 2007
Expiry Date	: 24 th July 2018
Status	: Renewed
File Number	: Z07-0143
Total Area	: 6 units as shown by red edging & orange tint on plan "A" attached.
Surface Exception	: Nil
Depth Restriction	: Nil
Location	: About 4.77 km SE of Mount Hope
Map Sheets	: 8032 Mount Allen 1:100,000



- Details of Securities : \$10,000 Cash received 25th February 2011 Receipt No 260674
- Labour Condition : Nil
- Expenditure : \$15,000 for current year to 24th July 2017
- Minerals : Group 1 (Metallic Minerals): These include antimony, arsenic, bismuth, cadmium, caesium, chromite, cobalt, columbium, copper, galena, germanium, gold, indium, iron minerals, lead, lithium, manganese, mercury, molybdenite, nickel, niobium, platinum group minerals, platinum, rare earth minerals, rubidium, scandium and its ores, selenium, silver, sulphur, tantalum, thorium, tin, tungsten and its ores, vanadium, zinc & zirconia.
- Methods/Purpose : Nil methods excluded
- Dealings :
1. A Farmin Agreement between Central West Gold Limited ("CWG") - Now known as China Waste Corporation Limited ("CWC") and Fisher Resources Pty Limited ("FR") dated 19th March 2012 ("**Farm In Agreement**") is registered against this title as of 19th February 2015 (dealing 8). I am instructed that, the Earn In Period 1, as defined by Clause 3.1(b) of the Farm In Agreement was subsequently extended to 19th September 2013, by letter dated 1st May 2013 pursuant to which FR has now earned a 51% undivided interest in EL 8058 and EL 6837 (jointly "**the Tenements**") this is as set out in the summary of the Farm In Agreement contained in the Prospectus of which this report forms part (under the heading "**Material Agreements**"). Section 161 of the Mining Act 1992 (NSW) ("**Mining Act**") provides that the registered Farm In Agreement accords priority to FR's rights there under as set out in Section 161 (8) of the Mining Act; which is as set out at the end of this report under the heading "**Relevant Statutory Provisions**".
 2. A Supplementary Farmin Deed between CWG and FR dated 18th February 2015 was registered on 16th March 2015 (Dealing 9) , to update the interests of the parties previously reflected in the Farmin Agreement dated 19th March 2012.
 3. An additional Joint Venture Agreement between CWG and FR dated 18th February 2015 was registered on 16th March 2015 (Dealing 10) , to reflect the rights, obligations and interest of the parties during exploration of the subject titles.
 4. We make no comment on the terms of either the Farm In Agreements or the Joint Venture Agreement and are instructed that their terms and conditions will be summarised in the Prospectus of which this report forms part.
 5. As at the date of this report our searches have not revealed any other interests pending registration or registered against EL 6837 (Act 1992).
 6. A change of name of Central West Gold Limited to China Waste Corporation Limited was recorded against this licence on 15th July 2015.

**Exploration Licence No 8058 (Act 1992) ("EL 8058")
Was Exploration Licence Application 4360 (Act 1992)**

- Holder : China Waste Corporation Limited ("**CWC**")
[formerly known as Central West Gold Limited ("**CWG**")]
- Grant Date : 19th February 2013
- Expiry Date : 19th February 2017 (**Renewal lodged 2nd February 2017 - Pending**)
- Status : Renewed
- File Number : T11-0268
- Total Area : 1 units as shown by red edging & blue tint on plan "A" attached.
- Surface Exception : Nil
- Depth Restriction : Nil
- Location : About 8.35 km S of Mount Hope
- Map Sheets : 8032 Mount Allen 1:100,000



- Details of Securities : \$10,000 Cash Receipt No Jnl ID 240000004517 dated 4th August 2016
- Labour Condition : Nil
- Expenditure : \$5,000 per annum
- Minerals : Group 1 (Metallic Minerals): These include antimony, arsenic, bismuth, cadmium, caesium, chromite, cobalt, columbium, copper, galena, germanium, gold, indium, iron minerals, lead, lithium, manganese, mercury, molybdenite, nickel, niobium, platinum group minerals, platinum, rare earth minerals, rubidium, scandium and its ores, selenium, silver, sulphur, tantalum, thorium, tin, tungsten and its ores, vanadium, zinc & zirconia.
- Methods/Purpose : Nil methods excluded
- Dealings :
1. A Farmin Agreement between Central West Gold Limited ("CWG") - Now known as China Waste Corporation Limited ("CWC") and Fisher Resources Pty Limited ("FR") dated 19th March 2012 ("**Farm In Agreement**") is registered against this title as of 19th February 2015 (dealing 4). I am instructed that, the Earn In Period 1, as defined by Clause 3.1(b) of the Farm In Agreement was subsequently extended to 19th September 2013, by letter dated 1st May 2013 pursuant to which FR has now earned a 51% undivided interest in EL 8058 and EL 6837 (jointly "**the Tenements**") this is as set out in the summary of the Farm In Agreement contained in the Prospectus of which this report forms part (under the heading "**Material Agreements**"). Section 161 of the Mining Act 1992 (NSW) ("**Mining Act**") provides that the registered Farm In Agreement accords priority to FR's rights there under as set out in Section 161 (8) of the Mining Act; which is as set out at the end of this report under the heading "**Relevant Statutory Provisions**".
 2. A Supplementary Farmin Deed between CWG and FR dated 18th February 2015 was registered on 16th March 2015 (Dealing 6), to update the interests of the parties previously reflected in the Farmin Agreement dated 19th March 2012.
 3. An additional Joint Venture Agreement between CWG and FR dated 18th February 2015 was registered on 16th March 2015 (Dealing 7), to reflect the rights, obligations and interest of the parties during exploration of the subject titles.
 4. We make no comment on the terms of either the Farm In Agreements or the Joint Venture Agreement and are instructed that their terms and conditions will be summarised in the Prospectus of which this report forms part.
 5. As at the date of this report our searches have not revealed any other interests pending registration or registered against EL 8058 (Act 1992).
 6. A change of name of Central West Gold Limited to China Waste Corporation Limited was recorded against this licence on 15th July 2015.

**Exploration Licence No 8290 (Act 1992) ("EL 8290")
Was Exploration Licence Application 4932 (Act 1992)**

- Holder : Fisher Resources Pty Ltd
- Grant Date : 20th August 2014
- Expiry Date : 20th August 2017
- Status : Current
- File Number : T13-1193
- Total Area : 45 units as shown by red edging & yellow tint on plan "A" attached.
- Surface Exception : Nil
- Depth Restriction : Nil
- Location : About 7.26 km ENE of Mount Hope
- Map Sheets : 8032 Mount Allen 1:100,000
8031 Hillston 1:100,000



Details of Securities : \$10,000 Cash received 28th April 2014 SAP Ref Payment Allocation 10236 paid by Goldspy Pty Ltd - transferred to Fisher Resources Pty Ltd on transfer by letter of authority dated 28th July 2014.

Labour Condition : Nil

Expenditure : \$42,500 per annum.

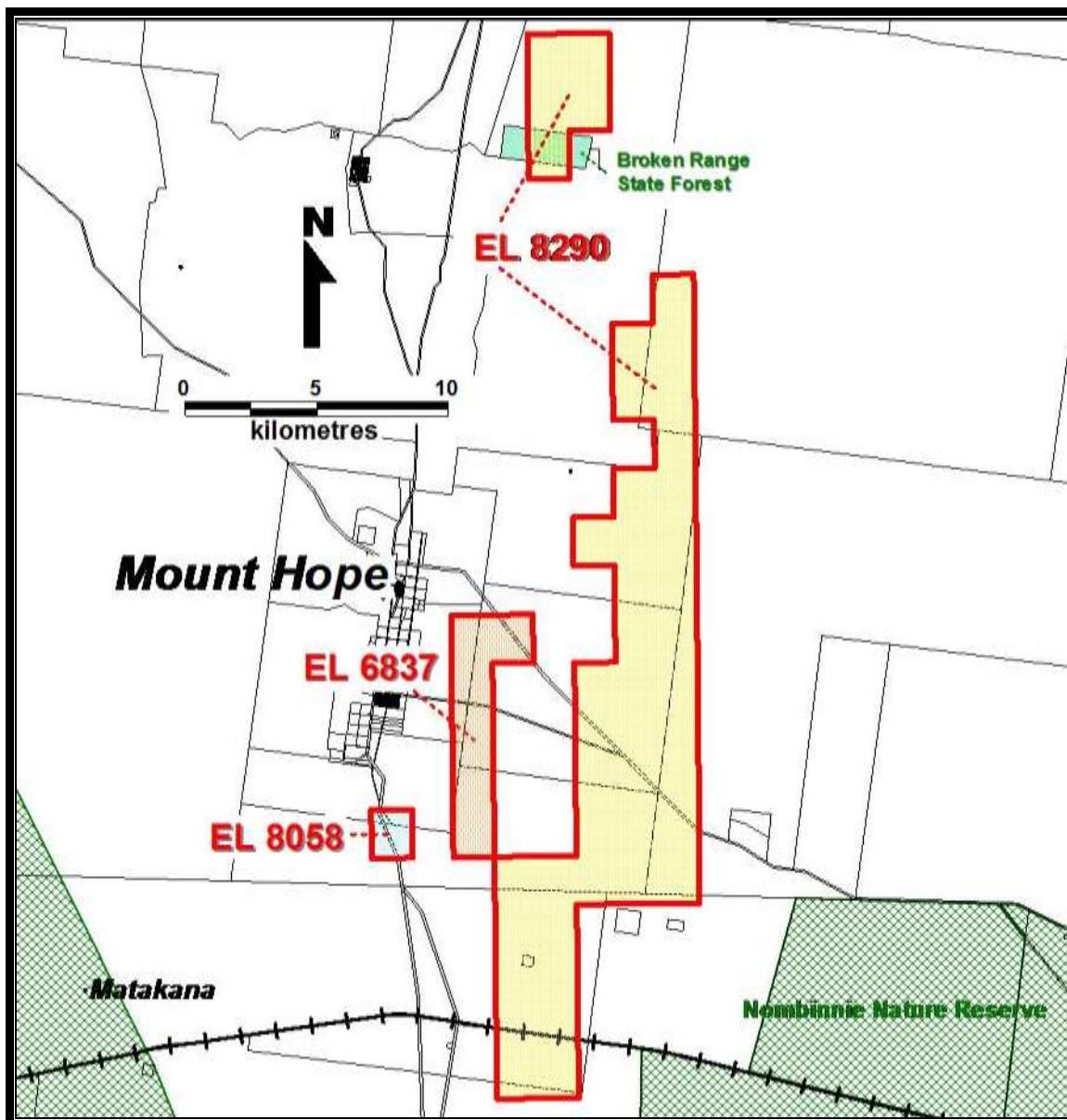
Minerals : Group 1 (Metallic Minerals): These include antimony, arsenic, bismuth, cadmium, caesium, chromite, cobalt, columbium, copper, galena, germanium, gold, indium, iron minerals, lead, lithium, manganese, mercury, molybdenite, nickel, niobium, platinum group minerals, platinum, rare earth minerals, rubidium, scandium and its ores, selenium, silver, sulphur, tantalum, thorium, tin, tungsten and its ores, vanadium, zinc & zirconia.

Methods/Purpose : Nil methods excluded.

Dealings :

1. There are no prior applications or titles affecting any part of the licence, however the area is partially affected by land in the Broken Range State Forest being Lot 6408 in DP 769274, as shown by green tint on the Plan "A" accordingly the right to negotiate process (RTN) as referred to in Item 4(1) would need to be undertaken prior to any work being conducted on this part of the licence.
2. As at the date of this report our searches have not revealed any other interests pending registration or registered against EL 8290 (Act 1992).

Location Plan "A"



Foot Note: Relevant Statutory Provisions

Registration and Priority:

Section 161 of the Mining Act deals with these matters as follows:

161 Registration of certain interests

- (1) *The Secretary is to keep a register of legal and equitable interests in authorities.*
- (2) *Any person claiming a legal or equitable interest in an authority may apply for registration of the interest.*
- (3) *An application must be lodged with the Secretary and must be accompanied by the application fee prescribed by the regulations and by documentary evidence of the legal or equitable interest concerned.*
- (4) *The Secretary may, if satisfied that the applicant holds the interest concerned, register the document by which the legal or equitable interest is evidenced.*
- (5) *The Secretary may, on application by the holder of an interest or otherwise, make such amendments to the register kept under this section as are appropriate to reflect dealings in the interest.*
- (6) *Without limiting the generality of subsection (5), the Secretary may cancel the registration of an interest if of the opinion that the interest has ceased to exist.*
- (7) *The registration of an interest under this section is not to be taken to be evidence of the existence of the interest.*
- (7A) *(Repealed)*
- (8) *For the purposes of any legal proceedings concerning an authority:*
 - (a) *a registered interest has priority over an interest that is not registered, and*
 - (b) *an earlier registered interest has priority over a later registered interest.*
- (9) *The register must be kept available at such offices of the Department as may be prescribed by the regulations for inspection, free of charge, by members of the public.*
- (10) *Section 130 applies to an application under this section in the same way as it applies to an application referred to in section 130 (1).*
- (11) *An interest arising under a mining sublease is not a legal or equitable interest for the purposes of this section.*

Yours faithfully



Bob Harrison
Mining Title Services Pty Ltd

SECTION 11

INDEPENDENT ACCOUNTANT'S REPORT

15 February 2017

The Directors
E2 Metals Limited
Level 4, 96-100 Albert Road
South Melbourne
VIC 3205

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

We have been engaged by E2 Metals Limited ("E2" or "the Company") to prepare an Independent Limited Assurance Report on the Historical Financial Information and the Pro Forma Financial Information of the Company for inclusion in a prospectus to be dated on or about 15 February 2017 ("Prospectus") relating to the offer of up to 40 million ordinary shares at an issue price of \$0.20 per share to raise up to \$8 million ("the Offer") in the proposed initial public offering and listing of the Company on the Australian Securities Exchange ("ASX").

Expressions and terms defined in the Prospectus have the same meaning in this report.

This report has been prepared by PKF Melbourne Corporate Pty Ltd ("PKF Corporate"), which holds an Australian financial services licence under the Corporations Act 2001 (AFS Licence No. 222050).

This report is an Investigating Accountant's Report, the scope of which is set out below. A copy of the Financial Services Guide is attached at Appendix A.

2. Scope

You have requested PKF Corporate to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in Section 5 of the Prospectus.

1. Historical Financial Information

The historical financial information comprises of:

- the consolidated statements of profit or loss and other comprehensive income for E2 for the years ended 30 June 2014, 2015 and 2016 as well as for the six month period ended 31 December 2016;
- the statements of financial position for E2 as at 30 June 2014, 2015 and 2016 and as at 31 December 2016; and
- the consolidated statements of cash flows for E2 for the years ended 30 June 2014, 2015 and 2016 as well as for the six month period ended 31 December 2016,

(together the "Historical Financial Information").

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(formerly PKF Corporate Pty Ltd)
ACN 063 564 045
AFSL No. 222050

Melbourne
Level 12, 440 Collins Street
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PKF Melbourne Corporate Pty Ltd is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member of correspondent firm or firms.

For office locations visit www.pkf.com.au

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information of E2 has been extracted from the financial reports for the years ended 30 June 2015 and 30 June 2016 and from the financial report for the six month period ended 31 December 2016. The financial reports for the years ended 30 June 2015 and 30 June 2016 were audited by William Buck Audit (Vic) Pty Ltd in accordance with the Australian Auditing Standards. The financial report for the six month period ended 31 December 2016 was reviewed by William Buck Audit (Vic) Pty Ltd in accordance with the Australian Auditing Standard on Review Engagements. William Buck Audit (Vic) Pty Ltd issued an unqualified audit opinion in respect of these financial reports. However, the financial reports were issued with an Emphasis of Matter paragraph which indicates the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial reports.

2. Pro Forma Historical Financial Information

The financial information includes the pro forma historical statement of financial position for E2 as at 31 December 2016 ("Pro Forma Historical Financial Information").

The Pro Forma Historical Financial Information has been derived from the historical financial information of the Company, after adjusting for the effects of the pro forma adjustments described in Section 5.4 of the Prospectus. The stated basis of preparation are the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 5 of the Prospectus, as if those events or transactions had occurred as at the date of the historical information.

The Pro Forma Historical Financial Information has been compiled by E2 to illustrate the impact of the events or transactions described in Section 5 of the Prospectus on E2's financial position as at 31 December 2016. As part of this process, information about E2's financial position has been extracted by E2 from the Company's financial statements for the six month period ended 31 December 2016.

3. Directors' Responsibility

The Directors of the Company are responsible for the Historical Financial Information and the Pro Forma Historical Financial Information, including its basis of preparation and the selection and determination of the pro forma adjustments made to the Pro Forma Historical Financial Information.

The Directors are also responsible for such internal controls as the Directors determine are necessary to enable the preparation of the Historical Financial Information and the Pro Forma Historical Financial Information that are free from material misstatement.

4. Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

Our review consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

5. Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of the Company as described in Section 5 of the Prospectus is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5 of the Prospectus being:

- the recognition and measurement principles contained in Australian Accounting Standards; and
- the Company's adopted accounting policies applied to the Historical Financial Information.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information of the Company as described in Section 5 of the Prospectus is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5 of the Prospectus being:

- the recognition and measurement principles contained in Australian Accounting Standards;
- the Company's adopted accounting policies applied to the Pro Forma Historical Financial Information; and
- the events or transactions to which the pro forma adjustments relate, as described in Section 5 of the Prospectus, as if those events or transactions had occurred as at 31 December 2016.

6. Restrictions on use

Without modifying our conclusions, we draw attention to Section 5 of the Prospectus, which describes the purpose of the financial information prepared, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

7. Notice to investors outside Australia

Under the terms of our engagement this report has been prepared solely to comply with the Standard on Assurance Engagements applicable to Corporate Fundraisings and/or Prospective Financial Information.

This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside of Australia. We are not recommending or making any representation as to the suitability of any investment to any person.

8. Consent

PKF Corporate has consented to the inclusion of this report in the Prospectus in the form and context in which it is included, but has not authorized the issue of the Prospectus. Accordingly, PKF Corporate makes no representations regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

Yours faithfully



Paul Lom
Director
PKF Melbourne Corporate Pty Ltd

Financial Services Guide

This Financial Services Guide provides information to assist retail and wholesale investors in making a decision as to their use of the general financial product advice included in the above report.

PKF Corporate

PKF Corporate holds Australian Financial Services Licence No. 222050, authorizing it to provide general financial product advice in respect of securities to retail and wholesale investors.

Financial Services Offered by PKF Corporate

PKF Corporate prepares reports commissioned by a company or other entity ("Entity"). The reports prepared by PKF Corporate are provided by the Entity to its members.

All reports prepared by PKF Corporate include a description of the circumstances of the engagement and of PKF Corporate's independence of the Entity commissioning the report and other parties to the transactions.

PKF Corporate does not accept instructions from retail investors. PKF Corporate provides no financial services directly to retail investors and receives no remuneration from retail investors for financial services. PKF Corporate does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice to retail investors.

General Financial Product Advice

In this report, PKF Corporate provides general financial product advice. This advice does not take into account the personal objectives, financial situation or needs of individual retail investors.

Investors should consider the appropriateness of a report having regard to their own objectives, financial situation and needs before acting on the advice in a report. Where the advice relates to the acquisition or possible acquisition of a financial product, an investor should also obtain a product disclosure statement relating to the financial product and consider that statement before making any decision about whether to acquire the financial product.

Independence

At the date of this report, none of PKF Corporate, Mr Paul Lom nor the other directors of PKF Corporate have any interest in the outcome of the capital raising, nor any relationship with E2 or any of its Directors that may impact on our independence.

Drafts of this report were provided to and discussed with the Directors and management of E2 and its advisers. Certain changes were made to factual statements in this report as a result of the reviews of the draft reports. There were no alterations to the methodology or conclusions that have been formed by PKF Corporate.

PKF Corporate and its related entities do not have any shareholding in or other relationship with E2 that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to this independent report on the Historical Financial Information and the Pro Forma Historical Financial Information.

PKF Corporate had no part in the formulation of the Historical Financial Information, the Pro Forma Historical Financial Information, the Proposed Capital Raising and ASX Listing. Its only role has been the preparation of this report.

Remuneration

PKF Corporate is entitled to receive a fee of approximately \$15,000 for the preparation of this report. With the exception of the above, PKF Corporate will not receive any other benefits, whether directly or indirectly, for or in connection with the making of this report.

Complaints Process

As the holder of an Australian Financial Services Licence, PKF Corporate is required to have suitable compensation arrangements in place. In order to satisfy this requirement PKF Corporate holds a professional indemnity insurance policy that is compliant with the requirements of Section 912B of the Act.

PKF Corporate is also required to have a system for handling complaints from persons to whom PKF Corporate provides financial services. All complaints must be in writing and sent to PKF Corporate at the above address.

PKF Corporate will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited – GPO Box 3, Melbourne Vic 3000.

SECTION 12

MATERIAL AGREEMENTS

12.1 General

Set out in this section are details of material agreements which the Company has entered into (**Material Agreements**).

Save for the Material Agreements set out in this Section or disclosed elsewhere in this Prospectus, neither the Company nor any of its subsidiaries have entered into any material agreements other than in the ordinary course of its business. Material Agreements that remain uncompleted or are relevant to the making of any decision to invest in the Company are summarised below.

12.2 The HGL Acquisition Agreement

(a) General

The Company acquired its interest in the Neavesville Project through a Share Sale Agreement dated 17 September 2014 (**Effective Date**), between the Company's wholly owned subsidiary Land and Mineral Limited (**L&M**), Eurasian Holdings (BVI) Inc and Eurasian Minerals Inc. (**EMX**) as amended by a Deed of Amendment to the Share Sale Agreement made in December 2015 between Eurasian, L&M and EMX (**HGL Acquisition Agreement**).

Under the HGL Acquisition, L&M purchased all of the issued share capital of EMX New Zealand (BVI) Inc. (**EMX-NZ**) which is the parent entity of Hauraki Gold Limited (**HGL**) with effect from 17 September 2014 (**Effective Date**). HGL is the registered holder of New Zealand Exploration Permit number 51767 (**Permit**) for the Neavesville Project.

Completion of the HGL Acquisition Agreement took place on 19 January 2015.

(b) Consideration

The Purchase Price under the HL Acquisition Agreement comprises a series of sequential payments, the first of which was an initial C\$50,000 on Completion. A further C\$50,000 was paid on 23 May 2016.

Other payments are as follows:

- (i) Prior to the second anniversary of the Effective Date (17 September 2016), L&M must pay to Eurasian 75 troy ounces of Gold (this amount was paid in September 2016 and was equivalent to A\$ 130,000).
- (ii) Within 30 days after the end of the exploration period (which expires on 17/9/2017) and on or before each anniversary of the Effective Date after the end of the Exploration Period, until commencement of commercial production from the area of the Permits L&M must pay Eurasian a further 100 troy ounces of Gold (**Further Payments**). The Further Payments are to be credited against 80% of each payment of deferred purchase consideration referred to below.
- (iii) Upon an announcement of Mineral Resources (as defined in the 2012 JORC Code), L&M must pay to Eurasian one (1) troy ounce of Gold for every 1,000 ounces of contained gold in such Mineral Resources (the **First Milestone Payment**).
- (iv) Additional amounts payable from time to time based on aggregate proved ore reserves and probable ore resources of gold reported in the feasibility study, or which ore reserves are otherwise publicly reported by L&M subsequent to completion of such feasibility study, which payments shall over time equal one (1) troy ounce of gold for every 500 troy ounces of gold in ore reserves (collectively the **Post-FS Payments**).

Post-FS Payments must be made within 10 days after a decision to construct a mine based on the feasibility study and thereafter within 10 days after L&M publicly reports an increase in total ore reserves.

- (v) L&M must also pay Eurasian a 3% net smelter return in US Dollars (**Deferred Purchase Consideration**). The liability for this Deferred Purchase Consideration is partially to be satisfied by each of the annual payments of 100 troy ounces of gold referred to in paragraph (ii) above. The terms of payment of the Deferred Purchase Consideration are set out in the HGL Purchase Agreement and include terms and conditions usual in agreements of this nature. .

All gold payments in paragraph (i) – (iv) inclusive, may be made at L&M's discretion, in equivalent US dollars at the then spot price.

(c) L&M Termination

L&M has a right to terminate the agreement before the Further Payments become due. If L&M terminates the agreement it must transfer to Eurasian (at its election) either the shares in HGL or the Permit and related agreements.

(d) Eurasian Remedies and Termination

In the event that payment of all or any part of the purchase price described in paragraph (b) is not paid on or before its due date, Eurasian is entitled to exercise a number of remedies, including exercising its powers of sale under security agreements granted to secure performance under the HGL Acquisition Agreement; demanding return of the HGL shares, demanding transfer of the Permit, related agreement and all mining property and termination of the HGL Acquisition Agreement.

(e) L&M Conditions and Warranties

The Agreement contains extensive conditions and warranties and provides that, during the Exploration Period, L&M must use all reasonable endeavours to:

- (i) procure that at least 3,000 metres of Exploration drilling is carried out on the area of the Permits;
- (ii) fulfill the work obligations specified in the Permits to be fulfilled; and
- (iii) keep the Permits in good standing and comply with all other laws.

L&M may not voluntarily relinquish ground or surrender any rights held under the Permits without Eurasian's prior consent.

L&M is also required to consult and cooperate with Eurasian in relation to the Project, including providing exploration reports, technical presentations and reports and access to the area of the Permits upon reasonable advance notice.

(f) Other terms

The HGL Acquisition Agreement contains other terms and conditions usual in share purchase agreements of this nature.

12.3 HGL JVA

(a) General

Under the HGL Acquisition Agreement, HGL and L&M have entered into a Joint Venture Agreement (**HGL JVA**) dated 10 November 2014 (**Commencement Date**) with the Trustees of the Pakirarahi Number One B Trust (**Trustees**) to conduct exploration, Prospecting and mining activities over an area of interest comprising 1409.5201 hectares of land owned by the Trustees, known as Pakirarahi 1B Block identifier 471296 (South Auckland Land Registry) (**Area of Interest** or **Pakirarahi Block 1B**).

Under the HGL JVA, HGL is manager of the JV and is required to carry out exploration activities including establishing reserves, establishing grade and recoverability and carrying out feasibility studies.

(b) Trustees' Covenants and Obligations

As owners of the area of interest, the Trustees:

- (i) agree to provide any consents or approvals required in connection with exploration or mining on reasonable terms to be agreed;
- (ii) agree to represent the Joint Venture in the manner instructed by HGL;
- (iii) acknowledge that payments to be made under the HGL JVA constitute adequate compensation under section 76 of the Crown Minerals Act 1991 (NZ) and that no further claim will be made (subject to any default); and
- (iv) agree to enter into the access agreement described in Section 12.5.

(c) Payments

HGL is required to pay the Trustees NZ\$50,000.00 each year payable annually in arrears on the anniversary of the Commencement Date, except that the first payment was made simultaneously with the execution of the HGL JVA and the second payment to be payable on the second anniversary of the Commencement Date. HGL has agreed to make the second and the third payment regardless of whether the HGA JVA was still in effect at the time the payment is due. All such sums payable are exclusive of GST (if any).

In the event that HGL has not received all appropriate resource consents necessary for exploration (as defined under the CMA) within 2 years of the Commencement Date then HGL's obligation to make these annual payments referred to above shall be suspended until such consents have been obtained.

HGL as manager of the HGL JVA and on behalf of and as expenditure under the joint venture, is required to pay all local body rates assessed in respect of the area of interest during the term of the agreement.

Upon commencement of mining, the annual payments will cease and the manager shall pay the Trustees on behalf of and as expenditure under the Joint Venture, a consideration in respect of any mining area to be determined by mutual agreement between the manager and the Trustees based on consideration payable for the utilisation of similar land for mining (as that term is defined in the Act) in the district from time to time.

(d) Expenditure and Advances

HGL is responsible for all expenditure until a decision to develop.

Following a decision to develop the parties are required contribute to expenditure and development expenditure in direct proportion to their percentage interests, however, the Trustees have the right to require HGL to advance their pro-rata proportion of such expenditure once the decision to develop (defined below) has been made.

All amounts advanced or paid by HGL relating to the Trustees 20% percentage interest (**Advances**) shall be repayable to HGL from the Trustees' share of any products from mining (but only to the extent that the net proceeds of sale of the Trustees proportion of production are sufficient for such purpose), together with such additional amounts as are sufficient for HGL to repay its external, unaffiliated funding sources and be fully indemnified in respect of the actual cost as well as direct and indirect charges, establishment and any other costs and charges reasonably related to such advances including all interest charges, exchange rates losses and any other associated costs. If HGL advances the Trustees' share from its own sources, HGL may charge interest on those advances on a daily basis at a rate seven (7) percent above the ANZ National Bank base rate on which overdraft interest rates are charged to its commercial customers.

To secure to HGL repayment of all Advances and interest the Trustees are required to grant a first charge over the Trustees' Interest in the Joint Venture.

Until all Advances and interest are repaid, HGL may retain and shall be entitled to the whole of the gross sale proceeds of the Trustees' proportionate share of sale of products from Mining; with such proceeds to be applied first to pay the Trustees' share of all Expenditure, second, to repay Advances, with the balance if any to be paid to the Trustees.

(e) Decision to Mine

Once HGL has completed a Feasibility Study, HGL shall make a decision as to when and where Mining will be commenced and shall identify those areas to be selected for Mining (**Mining Area**).

If HGL decides to commence Mining (**Decision to Develop**) it has to do all things necessary to bring the Mining Area to commercial production.

All bullion, concentrates and products (**Products**) won from the Mining Area shall be divided between the parties according to their percentage interests.

HGL will act as agent for marketing and sale of all Products and is entitled to deduct a management fee of one (1) percent per annum for any calendar year or part thereof (in the event of a shorter operating period) commencing from the date of commencement of Mining, on all revenue received or deemed to be received from the sale or disposal of Products.

(f) Term and Termination

The HGL JVA is to continue in force until such time as exploration or, if a Decision to Develop is made, mining has been completed and a final settlement in respect of matters arising during the course of exploration or mining has been made between the parties.

Either of the parties are entitled to terminate the HGL JVA by not less than one (1) month's prior written notice to the other party upon the happening of any of the following events:

- (i) A breach that is not remedied within 30 days of notice;
- (ii) Bankruptcy, winding up or other insolvency event;
- (iii) A change of control of a party that materially and detrimentally affects the interest of the party wishing to terminate or the Joint Venture; or
- (iv) Insolvency of the Joint Venture

Upon the termination of the agreement, joint venture property shall be disposed of in such manner as may be fair and equitable in the circumstances having regard to the arrangements set out in the agreement, and the Joint Venture shall be wound up unless the parties agree otherwise.

Either party may also withdraw from the HGL JVA by giving not less than 30 days written notice. HGL is required to pay a withdrawal fee of NZ\$2,000. The withdrawing party is required to transfer its Interest in the HGL JVA to the remaining party for the nominal sum of NZ\$1.00. A withdrawal by the Trustees will not entitle them to terminate access agreements until completion of exploration and mining.

(g) Other terms

The agreement contains standard warranties, prohibitions on assignment on encumbrance of joint venture interests without consent, notice clauses and other general provisions.

12.4 HGL Access Agreement

(a) General

As provided by both the HGL Acquisition Agreement and the HGL JVA, HGL has entered into an Access Agreement (**HGL Access Agreement**) dated 10 November 2014 with the Trustees as the owners of Pakirarahi Block 1B as defined in Section 12.3(a) (**the Land**) pursuant to sections 54 and 59 of the CMA.

This agreement grants to HGL, its agents, consultants and contractors, access to the Land for the purposes of conducting exploration and, if appropriate, mining, taking and extraction of minerals in accordance with the provisions of the HGL JVA, and for the purpose of conducting exploration and mining on the other lands covered by exploration permit 51767 (**Permit**).

The term of the HGL Access Agreement commences on the date of the agreement and continues until the expiration of the term of the Permit or any renewal, extension, conversion or substitution of that permit, including any subsequent mining permit granted in relation to the Land.

12.5 CWC Farmin and Joint Venture Agreements

(a) CWC Farmin Agreement

The Company's interest in the Mount Hope Project was originally acquired by its wholly owned subsidiary Fisher Resources Pty Ltd (**Fisher**) entering into a farm in agreement (**CWC Farm in Agreement**) dated 19 March 2012 with Central West Gold NL (now called China Waste Corporation Limited) (**CWC**).

Under the CWC Farmin Agreement Fisher had the right to earn:

- (i) a 51% interest (**Initial CWG Interest**) in EL 6837 and ELA 4360 (**Tenements**) situate near Cobar in New South Wales by an initial payment of A\$50,000 and by spending an amount of \$200,000, exclusive of the payment of A\$50,000 above on the Tenements within a period of one (1) year following the effective date; and
- (ii) a further 19% interest in the Tenements, taking its interest to 70% in the Tenements by spending a further amount of A\$400,000 (total amount spent increasing from A\$200,000 to A\$600,000) within a period of three (3) years following the Effective Date.

By way of a Supplementary Farmin Deed dated 18 February 2015, CWC confirmed that Fisher had earned the initial CWC interest and that Fisher had continued to expend money on the Tenements for the purpose of earning the additional 19% interest. The right to earn a further 19% under the CWC Farmin Agreement has now lapsed and has been replaced by the CWC Purchase Agreement referred to below.

12.6 CWC Purchase Agreement

(a) General

On 28 June 2016 Fisher and CWC entered into an agreement for the sale of the Tenements to Fisher (**CWC Purchase Agreement**). The CWC Purchase Agreement is subject to a number of conditions precedent. The principal conditions precedent (and their current status) are as follows:

- (i) renewal of EL6837 – this condition precedent has been satisfied. EL6837 has been renewed until 25 July 2018;
- (ii) consent of the relevant Minister – Ministerial consent will be sought once the Company has made all payments required under the CWC Purchase Agreement and at the time an application is made to transfer ownership of the Tenements to Fisher (being the usual approach in acquisitions of mining tenements);
- (iii) Fisher lodging security deposits for the Tenements – this Condition Precedent has been satisfied; and
- (iv) Fisher lodging all overdue statutory reports in respect of the Tenements and former EL 5343 – this condition precedent has been satisfied.

The conditions precedent must be satisfied within 30 days of the date of the agreement, unless extended at the election of CWC. On 26th August 2016, Fisher and CWC entered into a deed of amendment to amend the date for satisfaction of the conditions precedent to 31 December 2016. On 14 February 2017, Fisher and CWC entered into a deed of amendment to amend the date for satisfaction of the conditions precedent to 20 April 2017.

(b) Consideration

The purchase price is the sum of \$250,000, including a non-refundable deposit of \$15,000, which has been paid. Transfer of the Tenements will not be effected until full payment is received. If the balance of \$235,000 is not paid after 120 days from the date of the agreement, the agreement does not terminate but CWC will have the right to seek another purchaser of its 49% interest in the Tenements.

12.7 Agreement with Sponsoring Broker

- (a) The Company has entered into an engagement letter with Merchant Capital Markets Pty Ltd dated 3 February 2017 as Sponsoring Broker to manage the initial public offering (**IPO**).
- (b) The Sponsoring Broker's role includes providing advice and assistance in relation to structural aspects of the IPO; due diligence processes, assisting with review of the Prospectus, arranging and managing the IPO, identifying potential institution and other investors, marketing to potential investors and other capital raising services as agreed from time to time.
- (c) Fees payable to the Sponsoring Broker out of the proceeds of the Offers include:
 - a. an administration and management fee of 2% (plus GST) of the gross proceeds of the IPO;
 - b. a selling fee of 4% (plus GST) on the number of shares under the Offers placed with its clients multiplied by the Offer price; and
 - c. the issue of 1,500,000 options in the Company (if the Minimum Subscription is reached) or 2,000,000 options (if the Maximum Subscription is reached), at a price of 25 cents and expiring 3 years from the date of listing.

- (d) Reasonable costs and expenses of the Sponsoring Broker incurred in connection with the IPO will be reimbursed by the Company.
- (e) The agreement includes other standard terms and conditions usual in agreements of this nature.

12.8 ASIC Reporting Relief and Deed of Cross Guarantee

ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 provides for the granting of relief for wholly owned subsidiaries from certain reporting obligations under the Corporations Act (**Relief**). That relief is subject to a number of conditions, including that the holding company and the wholly owned subsidiary enter into a Deed of Cross Guarantee.

On 17 October 2016, Land and Minerals lodged a Deed of Cross Guarantee between it and the Company for the purposes of seeking Relief. As a consequence, each of Land and Minerals and the Company have given a guarantee to the creditors of the other company to pay all debts in full upon the winding up of the other company.

SECTION 13

CORPORATE GOVERNANCE

13.1 Corporate Governance Generally

The Company has adopted the corporate governance policies summarised below, copies of which are available on the Company's website at <http://e2metals.com.au/>.

The Company seeks to provide accountability levels that meet or exceed the ASX Corporate Governance Council's Principles for Good Corporate Governance and Best Practice Recommendations (**Recommendations**). These corporate governance procedures, policies and practices are described below and are available on the Company's website.

The Directors are responsible for the strategic direction of the Company, the identification and implementation of corporate policies and goals and monitoring of the business and affairs of the Company on behalf of the Shareholders.

This section of the Prospectus includes information on how the Company and the Board address, on an ongoing basis, the specific requirements of ASX in relation to corporate governance in general and more specifically regarding the operation of the Board itself, Board committees and their charters, the Company's code of ethics and its share transaction policy for designated officers (as they are defined).

Important to a culture of actively addressing the area of Corporate Governance is the Board's ongoing review of the Company's relevant and existing policies and practice. To this end the Board annually reviews the Company's corporate governance activities by benchmarking against the latest Corporate Governance Principles and Recommendations ("**Principles & Recommendations**") issued by the ASX Corporate Governance Council ("Council").

The Board has adopted the elements of the eight principles & recommendations that are appropriate to the Company. Details of the governance practices applied by the Company and specific instances where the Company has followed alternatives to the Council's eight principles & recommendations are set out below.

Given the size of the Company to date, with limited activities, limited resources and having a Board with a complement of only three Directors, it is not able to practically establish a series of separate committees to address specific areas of corporate governance. Consequently, corporate governance is (generally) dealt with by the Board under the terms of reference of its own charter. It also acts as committees in relation to the various areas or issues required to be considered, utilising formal terms of reference for the activities of those committees.

As noted, the capacity of the Company to comply with the principles & recommendations is limited because of the present size and structure of the Board. At the date of this Prospectus, the Board comprises of Mr Martin Donohue as Chairman who is not independent, Mr Simon Peters, as Managing Director and Mr Christopher Spurway is an Executive Technical Director.

Those Directors who are not independent are not independent because they are executives or because they, or interests associated with them, have shareholdings in the Company, or for both these reasons.

Separate from its own charter (the main terms of which are detailed below), the Board has developed formal charters that incorporate the terms of reference under which it addresses the areas and functions of audit, compliance, remuneration and nominations - these are explained below. The charters introduce a formal structure of objectives and functions for the Board to apply when addressing these aspects of the Company's corporate governance, in anticipation of an expanded Board being able to address these functions via committees constituted with the recommended personnel.

The Board has established itself as two committees to separately address the areas of Audit & Compliance and Remuneration & Nominations and each of the Directors is a member of those committees. The Board has not established separate committees to address risk management or health, safety and environment, with such issues currently dealt with by the Board as a whole.

In relevant situations, any interested Director(s) are expected to abstain or be absent from Board or committee deliberations as required either by the Corporations Act or as necessary to avoid conflict or possible breach of their fiduciary duties.

The Company's compliance and departures from the Recommendations as at the date of the Prospectus are set out on the following pages:

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>		
<p>Recommendation 1.1 A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>YES</p> <p>YES</p>	<p>The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website.</p>
<p>Recommendation 1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.</p>	<p>YES</p> <p>YES</p>	<p>(a) The Company has guidelines for the appointment and selection of the Board in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Board to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director.</p> <p>Further information is included in the Company's Corporate Governance Plan, which is located on the Company's website.</p> <p>(b) Under the Corporate Governance Plan, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.</p>
<p>Recommendation 1.3 A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.</p>	<p>YES</p>	<p>The Company's Corporate Governance Plan requires the Board to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p> <p>Further information is included in the Company's Corporate Governance Plan, which is located on the Company's website.</p> <p>The Company has had written agreements with each of its Directors and senior executives.</p>
<p>Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>YES</p>	<p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p> <p>Further information is included in the Company's Corporate Governance Plan, which is located on the Company's website at the following link: http://e2metals.com.au/</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p>Recommendation 1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board:</p> <p>(i) to set measurable objectives for achieving gender diversity; and</p> <p>(ii) to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.</p>	<p>YES</p>	<p>(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives (if any have been set) and the Company's progress in achieving them.</p> <p>(b) The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website.</p> <p>(c) The measurable objectives set by the Board will be included in the annual key performance indicators for the CEO/MD and senior executives. In addition the Board will review progress against the objectives in its annual performance assessment.</p>
<p>Recommendation 1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual Directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>YES</p> <p>YES</p>	<p>(a) The Nomination Committee functions area undertaken by the full Board and is responsible for evaluating the performance of the Board and individual Directors will be evaluated on an annual basis. It may do so with the aid of an independent advisor.</p> <p>(b) Performance evaluations will be undertaken annually.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p>Recommendation 1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>YES</p> <p>YES</p>	<p>(a) The Company's Board is responsible for evaluating the performance of the Company's senior executives on an annual basis. The Company's Board is responsible for evaluating the remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director.</p> <p>The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website: http://e2metals.com.au/.</p> <p>(b) Performance evaluations will be undertaken annually.</p>
<p>Principal 2: Structure the board to add value</p>		
<p>Recommendation 2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	<p>a. NO</p> <p>1. N/A</p> <p>2. N/A</p> <p>3. N/A</p> <p>4. N/A</p> <p>5. N/A</p> <p>b. YES</p>	<p>Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a Nomination Committee. Pursuant the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination Committee under the written terms of reference for that committee.</p> <p>The Board's nomination responsibilities are set out in the Board Charter at http://e2metals.com.au/.</p>
<p>Recommendation 2.2 A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>YES</p>	<p>The Company has a Board skill matrix setting out the mix of skills and diversity that the Board currently in its membership.</p> <p>The Board Charter requires the disclosure of each Board member's qualifications and expertise.</p> <p>Further information is included in the Company's Corporate Governance Plan, which is located on the Company's website.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p>Recommendation 2.3 A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the board to be independent Directors;</p> <p>(b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each Director.</p>	<p>YES</p> <p>N/A</p> <p>YES</p>	<p>(a) The Board has no independent Directors. Mr Simon Peters and Mr Christopher Spurway are not considered to be independent on the basis that they are engaged in an executive management role with the Company. Mr Martin Donohue is not considered to be independent based on his shareholding in the Company.</p> <p>(b) The lengths of service are as follows:</p> <ul style="list-style-type: none"> • Simon Peters (Director since June 2016) • Christopher Spurway (Director since June 2016) • Martin Donohue (Director since June 2014)
<p>Recommendation 2.4 A majority of the board of a listed entity should be independent Directors.</p>	<p>NO</p>	<p>As noted above in Recommendation 2.3, the Board does have a majority of independent Directors. The Board recognises that it is desirable for the majority of the Board to be Independent Directors, the Company's current size dictates that this is the most efficient mode of operation at the current time. The Board will review the appointment of further Independent Directors should the Company's size and growth warrant this.</p>
<p>Recommendation 2.5 The chair of the board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>YES</p>	<p>Whilst the Board recognises that it is desirable for the Chairman to be an Independent Director, the Company's current size dictates that this is the most efficient mode of operation at the current time. The Board will review the appointment of an Independent Chairperson should the Company's size and growth warrant this.</p>
<p>Recommendation 2.6 A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.</p>	<p>YES</p>	<p>In accordance with the Company's Board Charter, the Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.</p>
<p>Principal 3: Act ethically and responsibly</p>		
<p>Recommendation 3.1 A listed entity should:</p> <p>(a) have a code of conduct for its Directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>YES</p> <p>YES</p>	<p>(a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees.</p> <p>(b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<i>Principal 4: Safeguard integrity in financial reporting</i>		
<p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, who is not the chair of the board, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>a. NO</p> <p>1. N/A</p> <p>2. N/A</p> <p>3. N/A</p> <p>4. N/A</p> <p>5. N/A</p> <p>b. YES</p>	<p>(a) The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director who is not the Chair.</p> <p>(b) The Company does not intend to have an Audit and Risk Committee as the Board did not consider the Company would benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p>(i) the Board will devote time at Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and</p> <p>(ii) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.</p>
<p>Recommendation 4.2</p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>YES</p>	<p>The CEO and CFO will provide Section 295A declarations and submit to the Board prior to approving the Annual Report.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p>Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	YES	The Auditor attends the Company Annual General Meeting.
Principal 5: Make timely and balanced disclosure		
<p>Recommendation 5.1 A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES YES	<p>(a) The Board Charter provides details of the Company's disclosure policy. In addition, the Corporate Governance Plan details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Corporate Governance Plan, which incorporates the Board Charter, is available on the Company website.</p>
Principal 6: Respect the rights of security holders		
<p>Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.
<p>Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan.
<p>Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	YES	<p>This is disclosed in the Company's Notice of Meetings when dispatched to shareholders.</p> <p>Further information is included in the Company's Corporate Governance Plan, which is located on the Company's website at the following link: http://e2metals.com.au/</p>
<p>Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	YES	<p>The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.</p> <p>Shareholders queries should be referred to the Company Secretary at first instance.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<i>Principal 7: Recognise and manage risk</i>		
<p>Recommendation 7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	<p>a. NO</p> <p>1. N/A</p> <p>2. N/A</p> <p>3. N/A</p> <p>4. N/A</p> <p>5. N/A</p> <p>b. YES</p>	<p>(a) The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director.</p> <p>A copy of the Corporate Governance Plan is available on the Company's website.</p> <p>(b) The Company does not have an Audit and Risk Committee as the Board does not consider the Company would benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the Board devoting time at all Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p>
<p>Recommendation 7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	<p>YES TO ALL</p>	<p>(a) The Company regularly undertake reviews of its risk management framework to establish an effective and efficient system for:</p> <p>(i) identifying, assessing, monitoring and managing risk; and</p> <p>(ii) disclosing any material change to the Group's risk profile. The Company intends to disclose the matters contemplated by ASX Recommendation 7.2 in future annual reports.</p> <p>For further detail refer to the Company's Corporate Governance Plan located on the Company's website.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p>Recommendation 7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>NO</p> <p>YES</p>	<p>(a) The Corporate Governance Plan provides for the Board to monitor the need for an internal audit function.</p> <p>(b) The Company did not have an internal audit function for the past financial year. Due to the size of the Company, the Board does not consider it necessary to have an internal audit function.</p> <p>(c) The Company will employ the following process for evaluating and continually improving the effectiveness of its risk management and internal control processes:</p> <p>(i) the Board will monitor the need for an internal audit function having regard to the size, location and complexity of the Company's operations;</p> <p>(ii) the Board will periodically undertake an internal review of financial systems and processes where systems are considered to require improvement these systems are developed; and</p> <p>The Board will review risk management and internal compliance procedures at each Board meeting and monitors the quality of the accounting function.</p>
<p>Recommendation 7.4 A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>YES</p>	<p>The Company has no material exposure to economic, environmental and social sustainability risks.</p>
<p>Principal 8: Remunerate fairly and responsibly</p>		
<p>Recommendation 8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>a. NO</p> <p>1. N/A</p> <p>2. N/A</p> <p>3. N/A</p> <p>4. N/A</p> <p>5. N/A</p> <p>b. YES</p>	<p>Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a Remuneration Committee. Pursuant the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee.</p> <p>The Board's Remuneration responsibilities and processes are set out in the Board Charter.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p>Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.</p>	YES	Separate disclosure regarding the remuneration of the Company's Directors (executive and non-executive) will be disclosed in the Company's Annual report.
<p>Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	NO	<p>(a) The Company does not have an equity based remuneration scheme. The Company's Corporate Governance Plan prohibits Key Management Personnel entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.</p> <p>(b)</p>

SECTION 14

ADDITIONAL MATTERS

14.1 Corporate History and Structure

The Company, originally called Grabon Limited, was incorporated on 26 October 2005 in Victoria under the Corporations Act as a public company limited by shares. The Company changed its name to Ballarat South Gold Limited on 28 April 2006 reflecting a proposal to acquire various gold mining tenements in the Ballarat region of Victoria.

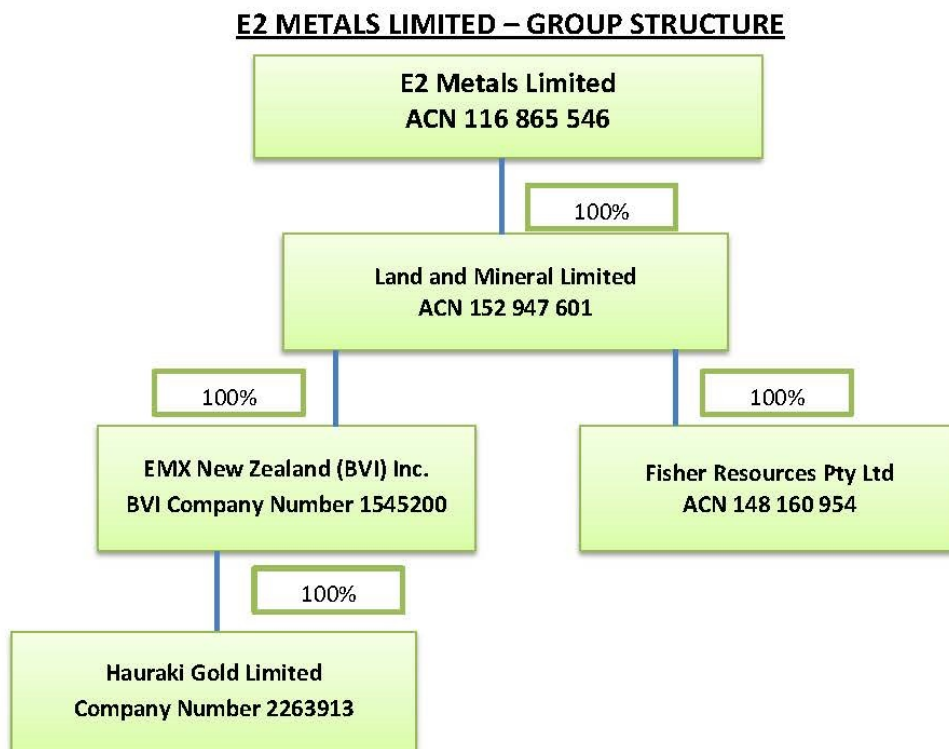
It subsequently changed its name to National Energy Holdings Limited on 5 February 2010 and on 16 December 2014, changed its name to E2 Metals Limited. In 2014 the Company acquired L&M and its interests in the Neavesville and Mount Hope Projects, which have been the focus of the Company since that time.

The Company currently has 4,050 Shareholders of whom 157 hold 10,000 or more Shares.

All Shares are fully paid.

14.2 Corporate Structure

Below is the corporate structure of the Company. The Directors of each Company are Martin Donohue, Simon Peters and Christopher Spurway, except for EMX New Zealand (BVI) Inc, of which Christopher Spurway is not a Director.



14.3 ASX Code

The Company has reserved the ASX code "E2M". Upon admission to the official list of ASX, the Company's shares will trade under that code.

14.4 Tax Status

The Company will be taxed as an Australian resident at the prevailing corporate tax rate which is currently 27.5%.

14.5 Balance Date

The Company has a balance date of 30 June.

14.6 Profitability and Dividend Policy

The Company is not presently profitable, does not expect to become profitable in the near future and does not intend to pay dividends at any time in the near future.

14.7 Top 20 Holders of Shares

As at 8 February 2017, the following are the top 20 shareholders of the Company.

SHAREHOLDER	SHARES HELD	% HELD
CAPRI TRADING PTY LTD	2,875,000	9.47%
TYKUNE PTY LTD	1,750,000	5.76%
OLIVERS HILL PTY LTD	1,665,000	5.48%
MRS DOMINIQUE SKYE STEWART	1,625,000	5.35%
RL & JE INVESTMENTS PTY LTD	1,500,000	4.94%
PENSTOCK ADVISORY PTY LTD	1,200,000	3.95%
MR MARK RONALD PENNY	1,100,000	3.62%
LAM CONSULTANTS PTY LTD	1,000,000	3.29%
COMMODITY HOUSE PTY LTD	1,000,000	3.29%
TMENA PTY LTD	691,800	2.28%
GRAYNE NOMINEES PTY LTD	582,513	1.92%
STARFAIR PTY LTD	575,001	1.89%
FALKENBRIDGE PTY LTD	500,000	1.65%
GLENNFIELD PTY LTD	500,000	1.65%
NESOI INVESTMENT MANAGEMENT LIMITED	500,000	1.65%
ALABASHA INVESTMENTS PTY LTD	500,000	1.65%
DDH1 DRILLING PTY LTD	400,000	1.32%
GYROBASE PTY LTD	375,000	1.23%
RAM PLATINUM PTY LTD	312,500	1.03%
MR SIMON WILLIAM TRITTON	300,000	0.99%
	18,951,814	62.40%

14.8 Spread Analysis

As at the 8 February 2017 the Company had a total of 4,050 shareholders of whom 157 held 10,000 or more Shares, as set out in the table below:

RANGE	SHARES	%	NO. OF HOLDERS	%
100,001 and Over	23,852,897	78.54	49	1.21
10,001 to 100,000	4,271,870	14.07	108	2.67
5,001 to 10,000	1,604,982	5.28	284	7.01
1,001 to 5,000	87,833	0.29	20	0.49
1 to 1,000	553,356	1.82	3,589	88.62
Total	30,370,938	100	4,050	100

14.9 Shares: Rights and Liabilities

(a) General

Full details of the rights attaching to Shares are set out in the Constitution a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the more significant rights, privileges and restrictions attaching to all shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders.

(b) Meetings of Shareholders

Subject to the provisions of the constitution, each member is entitled to receive notice of, and to attend and vote at, general meetings and to receive all notices, accounts and other documents required to be furnished to members under the constitution, the Corporations Act and the Listing Rules.

(c) Voting rights

At a general meeting, every member present in person or by proxy, attorney or representative shall on a show of hands have one vote and upon a poll every member present in person or by proxy, attorney or representative has one vote for each fully paid share held. A qualification to the above is that where a person is present at a meeting as proxy or representative for more than one member then on a show of hands that person shall have only one vote and not one vote for each person represented by him.

On a poll, a member who holds a share that is not fully paid shall be entitled to a fraction of a vote equal to the proportion that the amount paid-up bears to the total issue price of the share.

(d) Reports and notices

Members are entitled to receive all notices, reports, accounts and other documents required to be furnished to members under the constitution and the Corporations Act. The constitution provides that where a member's address is unknown and the company has bona fide reason to believe that a member is not known at the member's address as shown in the register of members and has not supplied another address to the company for the giving of notices, notice can be given to the members by displaying the notice and associated documents at the registered office of the company.

(e) Dividends

The Directors may declare and authorise the distribution of dividends to be distributed to members according to their rights and interests.

All dividends in respect of shares must be paid to the members in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid (not credited) on the shares.

(f) Power to reduce capital

The Company may reduce its share capital in any way permitted by law in such matter as determined upon by the Directors. Ancillary provisions dealing with distributions of assets, whether by way of reduction of capital or dividend are included confirming that payment of any dividend or return of capital may be satisfied by way of distribution of assets (including shares or other financial products) as well as money.

(g) Variation or cancellation of class rights

The rights, privileges and restrictions attaching to any class of shares may be varied with the consent in writing of the holders of 75% of the class or by a special resolution (at which 75% of the votes cast at the meeting voted in favour of the modification).

At present the Company only has one class of share on issue: namely ordinary shares and all ordinary shares on issue or proposed to be issued pursuant to Offers will be fully paid on issue.

(h) Transfer of shares

Subject to the Constitution, the Corporations Act, the Listing Rules or other legislation, shares are freely transferable.

Shares are transferable by:

- (i) a written transfer in any usual or common form or other form as the Directors may approve, duly stamped (if necessary) and being delivered to the Company;
- (ii) a proper transfer, which is in the form required or permitted by the Corporations Act; or
- (iii) a proper transfer effected in accordance with the ASTC Settlement Rules.

The Directors may, subject to the requirements of the Corporations Act and the Listing Rules, refuse to register any transfer of shares in the following circumstances:

- (i) if the registration would infringe any applicable laws or the Listing Rules;
- (ii) where the transfer is not in registrable form; or
- (iii) if permitted to do so under the Listing Rules.

(i) Sale of Non-Marketable Parcels

The Company's constitution permits the Board to sell the Shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of the ASX Settlement Operating Rules (current a parcel worth less than A\$500). The procedure may only be invoked once in any 12 month period and requires the Company to give the Shareholder notice of the intended sale and to account to the Shareholders for the proceeds of Shares sold.

If a Shareholder does not want his Shares sold, he may notify the Company accordingly.

(j) Winding up

Subject to any special or preferential rights attaching to any class or classes of shares, members will be entitled in a winding up to share in any surplus assets of the company in proportion to the shares held by them respectively, less any amount which remains unpaid on their shares at the time of distribution.

(k) Partly Paid Shares

The Directors may, subject to compliance with the Constitution, the Corporations Act and the Listing Rules, issue partly paid shares upon which there are outstanding amounts payable. In that event the Constitution sets out in detail the rights of partly paid shareholders and contains provisions in relation to calls, non-payment of calls and forfeiture of partly paid shares. There are no partly paid shares on issue in the capital of the Company.

(l) Proportional takeovers

The constitution contains proportional takeover approval provisions which apply if a bidder offers to buy a proportion only of each member's shares in the target company. This means that control of a company could pass without members having the chance to sell all their shares to the bidder. The bidder could take control of a company without paying an adequate amount for gaining control.

In order to deal with this possibility, a company may provide in its constitution that if a proportional takeover bid is made for shares in the company, members must vote on whether to accept or reject the offer and that decision will be binding on all the members.

14.10 Terms and Conditions of Sponsoring Broker/Advisor Options

Subject to successful completion of the Offer, the Sponsoring Broker (or its nominee) will be issued Options as described in Section 12.7(e).

The Company will not seek ASX listing of these Options pursuant to the ASX Listing Rules.

The terms of the Options will be as follows:

- (a) **(Issue price):** The Advisor Options will be issued as part consideration for corporate advisory and sponsoring broker services received by the Company.
- (b) **(Entitlement):** Each Advisor Option entitles the holder to subscribe for one Share upon exercise of the Advisor Option.
- (c) **(Exercise price):** The exercise price of the Advisor Options is \$0.25 each.
- (d) **(Expiry Date):** The expiry date of the Advisor Options is three years from the date of Official Quotation (**Expiry Date**). The Advisor Options can be exercised at any time up to and including the Expiry Date, subject to any escrow restrictions.
- (e) **(Transferability and quotation):** The Advisor Options will not be quoted and are not transferable.
- (f) **(Exercise):** The Advisor Options may be exercised on the Exercise Date by notice in writing to the Company in the manner specified on the Adviser Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Adviser Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (g) **(Exercise Date):** A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Advisor Option being exercised in cleared funds (**Exercise Date**).
- (h) **(Timing of issue of Shares on exercise):** Within 15 business days after the Exercise Date, the Company will:
 - i. allot and issue the number of Shares required under these terms and conditions in respect of the number of Advisor Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - ii. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - iii. if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Advisor Options.

If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (i) **(Ranking of Shares):** All Shares issued upon the exercise of the Advisor Options will rank equally in all respects with the Company's then issued Shares. If admitted to the official list of ASX at the time, the Company will apply to the ASX for quotation of all Shares issued upon exercise of Advisor Options.
- (j) **(Participating rights):** There are no participating rights or entitlements inherent in the Advisor Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Advisor Options. Advisor Option holders

have no rights to a change in the exercise price of the Advisor Options or a change to the number of underlying securities over which the Advisor Options can be exercised except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that Advisor Option holder will be notified of a proposed issue after the issue is announced. This will give Advisor Option holders the opportunity to exercise their Advisor Options prior to the date for determining entitlements to participate in such issues.

- (k) **(Bonus issue):** If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (**Bonus Issue**), then upon exercise of his or her Advisor Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Advisor Options had been exercised before the record date for the Bonus Issue.
- (l) **(Reconstructions):** In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Advisor Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

14.11 Loyalty Options

The terms of the Loyalty Options will be as follows:

- (a) **(Issue price):** The Loyalty Options will be issued for no consideration.
- (b) **(Entitlement to be issued Shares and vesting):** Upon vesting and subject to paragraph (f) below, each Loyalty Option entitles the holder to be issued one Share for each Loyalty Option vested.

The number of Loyalty Options to vest will be the lesser of:

- i. the number of Loyalty Options held on the Vesting Date where the Vesting Date is the date that is 3 months following the commencement of trading of the Company's Shares on ASX; and
 - ii. the number of Shares held on the Vesting Date divided by 3.
- Loyalty Options which do not vest on the Vesting Date will immediately lapse.

- (c) **(Exercise price):** The exercise price of the Loyalty Options is \$0.20 each.
- (d) **(Expiry Date):** The expiry date of the Loyalty Options is 2 years from the date of issue (**Expiry Date**). Subject to the Loyalty Options vesting the Loyalty Options can only be exercised on the Expiry Date, in whole or in part, upon payment of the exercise price per Loyalty Option.
- (e) **(Transferable):** The Loyalty Options are not transferable prior to vesting. Following the Vesting Date the Loyalty Options will become transferable. The Loyalty Options will now be quoted on ASX.
- (f) **(Exercise):** The Company will provide to each Loyalty Option holder a notice that is to be completed when exercising the Loyalty Options (**Notice of Exercise**). Loyalty Options may be exercised by the Loyalty Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Company Secretary to be received prior to the Expiry Date. The Notice of Exercise must state the number of Loyalty Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by a Loyalty Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount equal to the aggregate of the exercise price per Shares.
- (g) **(Ranking of Shares):** All Shares issued upon the exercise of the Loyalty Options will rank equally in all respects with the Company's then issued Shares. The Company will apply to the ASX for quotation of all Shares issued upon exercise of Loyalty Options.
- (h) **(Participating rights):** There are no participating rights or entitlements inherent in the Loyalty Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Loyalty Options. The Loyalty Option holder has no rights to a change in the exercise price of the Loyalty Option or a change to the number of underlying securities over which the Loyalty Option can be exercised except in the event of a bonus issue.
- (i) **(Bonus issue):** If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (**Bonus Issue**), then upon exercise of his or her Loyalty Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Loyalty Options had been exercised before the Loyalty Option Record Date for the Bonus Issue.
- (j) **(Reconstructions):** In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Loyalty Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

14.12 Long Term Incentive Program

The terms of the Performance Rights are set out below:

- a) Each Performance Right gives the recipient the right to acquire one Share.
- b) The issue price for each Performance Right is \$Nil and no amount will be payable on the exercise of a Performance Right.
- c) Shares issued on exercise of the Performance Rights will rank equally with all existing Shares from the date of issue. The Company will apply for quotation of the Shares issued on the exercise of each Performance Right.
- d) The Performance Rights are transferrable with the prior consent of the Board.
- e) The vesting of the Performance Rights will be conditional on the satisfaction of the following vesting conditions:
 - (i) 750,000 class A performance rights that vest once the Company has achieved a total resource inventory in New Zealand, in accordance with JORC 2012 guidelines, of more than 300,000 ounces of gold at a 0.7g/t cutoff grade and expire 3 years from ASX listing date;
 - (ii) 750,000 class B performance rights that vest once the Company has achieved a total resource inventory in New Zealand, in accordance with JORC 2012 guidelines, of more than 500,000 ounces of gold at a 0.7g/t cutoff grade and expire 3 years from ASX listing date; and
 - (iii) 750,000 class C performance rights that vest once the Company has achieved a total resource inventory in New Zealand, in accordance with JORC 2012 guidelines, of more than 750,000 ounces of gold at a 0.7g/t cutoff grade and expire 3 years from ASX listing date.

“Total Resource Inventory” means a combination of Inferred, Indicated and Measured Mineral Resources reported in accordance with JORC2012.

- (f) When a Performance Right vests, the Company will issue a vesting notification to the holder of the Performance Right, after which the vested Performance Rights will be automatically exercised within a period specified by the Board.
- (g) The Performance Rights shall lapse on the relevant Expiry Date. In addition the Board will have the power to Clawback Performance Rights or any Shares issued on exercise of the Performance Rights in the sole and absolute discretion of the Board if the recipient has engaged in fraud, dishonesty or upon misconduct if any results that lead to the Performance Rights vesting are subsequently shown to have been materially misstated.
- (h) The granting of the Performance Rights includes a requirement for the recipient to be either employed or engaged with the Company at the time of vesting of the Performance Rights.
- (i) Performance Rights do not give holders any right to participate in new issues of securities in the Company made to Shareholders generally or to participate in dividends unless the Performance Rights are exercised and the resultant Shares are issued prior to the record date to determine entitlements to the securities or dividend (as applicable).
- (j) Performance Rights do not give holders any right to vote.
- (k) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - i. the number of Performance Rights will be reconstructed (as appropriate) in a manner consistent with the Listing Rules but with the intention that such reconstruction will not result in any benefits being conferred on the Performance Right holder which are not conferred on Shareholders; and
 - ii. subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Performance Rights will remain unchanged.
- (l) If there is a change in control event in relation to the Company (eg, a takeover bid for all the Shares in the Company or any other scheme of arrangement by which more than 50% of the Shares in the Company change ownership) the Board may determine, that some or all unvested Performance Rights will vest and be automatically exercised.

14.13 Maps and Diagrams

As part of the preparation of this Prospectus, the Company has commissioned and produced maps and diagrams to identify the Company's Tenements and to provide geographic, geological, geophysical and other data in relation thereto. Such maps may not be drawn to scale and such diagrams are primarily illustrative of the matters under discussion in the reports of which they form part. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

14.14 Electronic Prospectus

Pursuant to ASIC Regulatory Guide 107, ASIC allows distribution of an electronic Prospectus and electronic application form on the basis of a printed Prospectus lodged with ASIC, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please contact the Company at +613 9692 7222 and the Company will send you, free of charge, either a printed

copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at <http://e2metals.com.au/>.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when the person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary Prospectus or any of those documents were incomplete or altered.

14.15 Consent to Quote

Pursuant to ASIC Regulatory Guide 55, ASIC has given relief to allow a statement to be included in a Prospectus without obtaining consent if it cites or is based on statements by government officials, is already published in books, journals or comparable publications, if it is taken from certain geological reports, and is trading data from prescribed financial markets or approved foreign exchanges. Accordingly the Company has not sought consents statements in this Prospectus that come within this Class Order.

14.16 Interests of Directors

(a) Directors Interests

The Directors and the Company Secretary are entitled to be remunerated as set out in Section 6.4, in accordance with the agreements set out in Section 6.5.

Directors and Officers Shareholdings are as set out in Section 6.6.

(b) Payments to Directors and Remuneration of Directors

The Proposed Remuneration of Directors is as set out in Section 6.4, in accordance with the agreements set out in Section 6.5.

The Company has agreed to remunerate each of Messrs Donohue, Peters and Spurway for 3 months equivalent annual remuneration upon listing on the ASX. This is detailed in their individual contracts as set out in Section 6.

The Company is indebted to Leydin Freyer Corp Pty Ltd in an amount of \$110,000 (plus GST) for professional and secretarial services rendered for the past 2.5 years to January 2017 and Ms Leydin and Mr Mouchacca may receive an indirect benefit from this payment to Leydin Freyer Corp Pty Ltd. Any benefit received by Ms Leydin or Mr Mouchacca from such payment will be through their employment with Leydin Freyer Corp Pty Ltd or, as applicable as shareholders therein.

Other than as set out in this Prospectus in Section 6.4, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (iii) the Offers,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director, either to induce that Director to become, or to qualify them as a Director of the Company, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offers.

14.17 Other Related Party Transactions

Within the knowledge of the Directors, save as set out in this Prospectus or as previously disclosed in the published financial statements of the Company from time to time, the Company has not entered into any other related party transactions.

14.18 Fees and Benefits

Other than as set out below or elsewhere in this Prospectus, no promoter or person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus has, or had within two years before lodgement of this Prospectus with the ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offers under this Prospectus; or
- (iii) the Offers under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered in connection with the formation or promotion of the Company or the Offers under this Prospectus:

- (i) PKF Melbourne Corporate Pty Ltd has prepared its Independent Accountant's Report in Section 11 of this Prospectus. In aggregate, it has been or will be paid professional fees of \$15,000 plus GST by the Company in relation to the preparation of that report.

- (ii) William Buck Audit (Vic) Pty Ltd is auditor of the Company and has received payment of professional fees for audit of \$6,000 plus GST in relation to the audit for the financial year ended 30 June 2015 and \$6,000 plus GST in relation to the audit for the financial year ended 30 June 2016 and incurred a further \$6,000 plus GST fee for the half year Review to 31 December 2016.
- (iii) Agricola Mining Consultants Pty Ltd and its principal, Malcolm Castle has prepared the Independent Geologist's Report in Section 8 of this Prospectus. In aggregate, Agricola and Malcolm Castle have been or will be paid professional fees of \$12,500 plus GST by the Company in relation to the preparation of that report. The terms of Agricola and Malcolm Castle's engagement were on an arms-length basis. None of Agricola nor any Director, officer or member of Agricola holds any marketable securities of the Company.
- (iv) Chapman Tripp has prepared the Independent Solicitor's Report in Section 9 of this Prospectus. In aggregate, Chapman Tripp has been or will be paid professional fees of approximately NZ\$9,500 plus GST up to the date of their report at their normal commercial rates in relation to the preparation of that report.
- (v) Mining Title Services Pty Limited (MTS) has prepared the Independent Titles Report in Section 10 of this Prospectus. In aggregate, MTS has been or will be paid professional fees of approximately \$10,000 plus GST at their normal commercial rates in relation to the preparation of that report.
- (vi) Link Market Services Limited (Link) provides the Company's share registry functions and will provide administrative services in respect to the processing of Applications received pursuant to this Prospectus. Link will be paid for these services on standard industry terms and conditions.
- (vii) Maddocks have acted as the solicitors to the Company in relation to this Prospectus and has been involved in due diligence on legal matters. In aggregate, Maddocks has been or will be paid professional fees of approximately \$25,000 plus GST at their normal commercial rates in relation to those services.

At the date hereof, no such payments have been made save as set out herein and all such payments that have been paid or are payable in cash.

14.19 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

(a) Consents of Other Persons

Each of the parties referred to in this Section 14.19(a) have had no involvement in the preparation of this Prospectus other than the inclusion of the reports and references outlined below in respect of each of them and have otherwise not given any professional or other advice in respect of this Prospectus. Each of these parties:

- (i) does not make, or purport to make, any statement in this Prospectus, or any statement on which a statement in this Prospectus is based, other than those referred to in this Section;
- (ii) has not authorised or caused the issue of this Prospectus or the making of the Offers; and
- (iii) makes no representations regarding, and, in light of the above, only to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for any statements in, or omissions from any part of this Prospectus other than a reference to its name and a statement and/or any report (if any) included in this Prospectus with the consent of that party as specified in this Section.

Agricola Mining Consultants Pty Ltd (Agricola) and Mr Malcolm Castle have each given their written consent to being named as the Independent Geologist and to the inclusion of the Independent Geologist's Report in Section 8 and to all other references to the Independent Geologist and the Report contained in this Prospectus in the form and context in which they are included. Neither Agricola nor Malcolm Castle have withdrawn their consent prior to lodgement of this Prospectus with ASIC.

William Buck Audit (Vic) Pty Ltd (WB Audit) has given its consent to be named as the auditor of the Company in this Prospectus and to all references to its audit reports and review reports in relation to the Financial Statements of the Company for the years ended 30 June 2015 and 30 June 2016 and the half year ended 31 December 2016 as contained in this Prospectus, in the form and context in which such references are included. WB Audit has not withdrawn these consents prior to lodgement of this Prospectus with ASIC.

PKF Melbourne Corporate Pty Ltd (PKF) has given its consent to be named as the Independent Accountant and to the inclusion of the Independent Accountant's Report in Section 11 and to all other reference to that report contained in this Prospectus. PKF has not withdrawn their consents prior to lodgement of this Prospectus with ASIC.

Chapman and Tripp, Solicitors, has given its written consent to be named as Independent Solicitor and to the inclusion of the Independent Solicitor's Report prepared by them in Section 9 and to all references to that report, in the form and context in which such report and references are included. Chapman Tripp have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

Mining Title Services Pty Limited (MTS) and **Mr Robert Harrison** have given their consent to the inclusion of the Independent Titles Report prepared by them in Section 10 and to all references to that report, in the form and context in which such report and references are included. Neither MTS nor Robert Harrison have withdrawn their consent prior to lodgement of this Prospectus with ASIC.

Link Market Services Limited (Link) have given and not withdrawn its written consent to be named as the Share Registry to the Company in the form and context in which it is so named.

Merchant Capital Markets Pty Ltd (Merchant) have given and not withdrawn its written consent to be named as the Sponsoring Broker to the Company in the form and context in which it is so named. Merchant has not withdrawn its consents prior to lodgement of this Prospectus with ASIC.

(b) Consents of Directors and Officers

Each of the Directors and Officers named in Section 6 have given and not withdrawn their consent to be named in this Prospectus and to the references to them in this Prospectus in the form and context in which they are included.

(c) Competent Persons Statements

The information in this Prospectus which relates to the mineralisation within the area of each of the Company's Project areas have been made by the Independent Geologist who has prepared the Independent Geologist's Reports as contained in Section 8 of this Prospectus and who has consented to the inclusion of that report in this Prospectus in the form and context in which it is included.

The Independent Geologist's Report contains a Competent Person Statement in accordance with the Listing Rules and the provisions of the 2012 JORC Code.

The Independent Geologist has sufficient experience, which is relevant to the style of mineralisation and type of deposits under consideration in the Independent Geologist's Report, and to the activities and proposed activities to be undertaken in relation thereto to each qualify as a Competent Person as defined in the 2012 JORC Code.

14.20 DIRECTORS AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.



Simon Peters
Director
For and on behalf of E2 Metals Limited

23 February 2017

SECTION 15

GLOSSARY

These definitions are provided to assist investors in understanding some of the expressions used in this Prospectus:

A\$ or \$	Australian dollars
AFSL	Australian financial services licence
Admission	Admission to the Official List of ASX
Applicant	A person who submits an Application
Application	A valid application to subscribe for Shares using an Application Form
Application Form	A Priority Offer Application Form under the Priority Offer or a General Offer Application Form under the General Offer
Application Monies	Subscription monies received from an Applicant in respect of Shares applied for pursuant to an Application
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ACN 008 624 691) or the Australian Securities Exchange operated by ASX Limited (as the context requires)
ASX Settlement	ASX Settlement Pty Ltd (ACN 008 504 532)
ASX Settlement Operating Rules	The settlement rules of ASX Settlement
AIG	Australian Institute of Geoscientists
Au	Gold
Ag	Silver
AusIMM	Australian Institute of Mining and Metallurgy
Board	The Board of Directors of the Company acting as a board of Directors
CHESS	Clearing House Electronic Sub Register System operated by ASX Settlement
Closing Date	The dates on which each of the Offers closes as set out in the Indicative Timetable, or such other dates as determined by the Board
Company	E2 Metals Limited (ABN 34 116 865 546)
Constitution	The constitution of the Company from time to time
Corporations Act	<i>Corporations Act 2001</i> (Cth)
CWC	China Waste Corporation Limited (formerly called Central West Gold NL) ABN 003 078 591
CWC Farm in Agreement	The Farm in Agreement between Fisher and CWC described in Section 12.5(a)
CWC JVA or Joint Venture Agreement	The Joint Venture agreement between Fisher and CWC described in Section 12.5
CWC Purchase Agreement	The agreement for the sale of CWC's interest in the Mount Hope Tenements to Fisher described in Section 12.6
Directors	the current Directors of the Company and the proposed Chairman specified in Sections 6.2
EMX-NZ	EMX New Zealand (BVI) Inc, a wholly owned subsidiary of Land and Mineral

Eligible Shareholders	a registered holder of Shares with a registered address in either Australia or New Zealand as at the Record Date
Eurasian	As defined in Section 12.2(a)
Exposure Period	The seven day period beginning on the day when the Prospectus is lodged with ASIC which period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act
Fisher	Fisher Resources Pty Limited ACN 148 160 954, a wholly owned subsidiary of the Company
Former Directors	Each former Director of the Company who is a related party of the Company
Full Subscription	Subscription for all Shares offered for subscription pursuant to the Offers accompanied by the requisite Application Monies
General Offer	The offer of Shares for subscription under this Prospectus using a General Offer Application Form as described in Section 3.1(a)
General Offer Application Form	The General Offer Application Form accompanying this Prospectus under which an application for Shares may be made on the terms set out in this Prospectus
Group	The Company and its subsidiaries as set out in Section 14.2
g/t	Grams per tonne
HGL	Hauraki Gold Limited, New Zealand Company Number 2263913
HGL Access Agreement	The agreement defined in Section 12.4
HGL Acquisition Agreement	The agreement defined in Section 12.2(a)
HGL JVA	The joint venture agreement described in Section 12.3
HIN	Holder Identification Number
Independent Accountant	PKF Melbourne Corporate Pty Ltd (AFSL 222050) for the purposes of preparing the Independent Accountants Report in Section 11.
Independent Accountant's Report	The report by the Independent Accountant attached in Section 11
Independent Geologist	Agricola Mining Consultants Pty Ltd ABN 84 274 218 871, and its principal, Mr Malcolm Castle, for the purposes of preparing the Independent Geologists Report in Section 8.
Independent Geologist's Report	The report of the Independent Geologist attached in Section 8
Independent Solicitor	Chapman Tripp, for the purposes of preparing the Independent Solicitors Report in Section 9
Independent Solicitor's Report	The report by the Independent Solicitor attached in Section 9
Independent Title Consultant	Mining Title Services Pty Limited for the purposes of preparing the Independent Titles Report in Section 10.
Independent Titles Report	The report by the Independent Title Consultant attached in Section 10
Indicative Timetable	The indicative timetable for the Offers set out in Section 1.1
Ineligible Shareholder	A Shareholder who is not an Eligible Shareholder
Issue	the issue of Shares under this Prospectus
Issue Date	The date of the Issue
Investors	Potential Applicants including Shareholders and members of the public

Land and Mineral or L&M	Land and Mineral Limited ACN 152 947 601, a wholly owned subsidiary of the Company
Listing Rules	the official listing rules of the ASX
Marketable Parcel	In respect to the Priority Offer means a parcel of less than 10,000 Shares and otherwise means a parcel of Shares with a value of not less than \$500, based on the market price of such Shares
Member	A Shareholder
Maximum Raising	\$8,000,000
Maximum Subscription	Subscription for 40 million Shares to raise the Maximum Raising
Mineral Resources	As defined by the 2012 JORC Code
Minimum Allocation	Means the minimum amount of shares which may be applied for under either the Priority Offer or the General Offer of 10,000 Shares
Minimum Raising	\$6,000,000
Minimum Subscription	Subscription for 30 million Shares to raise the Minimum Raising
Mount Hope or Mount Hope Project	As described in Section 4.3
Mount Hope Tenements	New South Wales Exploration Licences numbers 6837, 8058 and 8290 details of which are set out in the Independent Geologist's Report
Neavesville or Neavesville Project	As described in Section 4.2
Neavesville Permit	New Zealand Exploration Permit 51767 details of which are set out in the Independent Geologist's Report
Non-Marketable Holder	A Shareholder at the date of this Prospectus that holds less than a Marketable Parcel of 10,000 Shares
Offers	Collectively, the Priority Offer and the General Offer
Offer Price	\$0.20 per Share
Official List	The official list of companies maintained by ASX
Official Quotation	Official quotation of the Shares by ASX in accordance with the Listing Rules
Opening Date	1 March 2017
Option	The options for Shares in the Company to be issued to the Sponsoring Broker on successful completion of the Offers on the terms set out in Section 14.10
Priority Offer	The Priority Offer is the offer made to Eligible Shareholders as part of the General Offer to subscribe for the minimum allocation of 10,000 Shares (\$2,000) as set out in Section 3
Priority Offer Application Form	The personalised Priority Offer Application Form for Eligible Shareholders to apply for Shares under the Priority Offer and the General Offer. Eligible Shareholders will be sent a letter advising them of their rights under the Priority Offer, which will contain details of how Eligible Shareholders may access their personalised Priority Offer Application Form and a copy of this Prospectus
Prospectus	This Prospectus dated 15 February 2017
Record Date	5:00pm Melbourne time on 22 February 2017
Restricted Securities	Has the meaning given to that term in the Listing Rules
Section	A section of this Prospectus
Security	A Share or an Option

Share	A fully paid ordinary share in the Company
Share Registry	Link Market Services Limited (ACN 083 214 537)
Shareholder	A holder of Shares
Sponsoring Broker	Merchant Capital Markets Pty Ltd (ACN 154 848 469) Corporate Authorised Representative No.415728 of Draupner Investment Management Pty Ltd (ABN 16 112 894 845) (AFSL No.303566)
2012 JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition