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Significant High-Grade Rock Chip Samples at the Veta Blanca Prospect, Conserrat Project

7th February 2019

Highlights:

- **Recent rock chip sampling yields significant gold and silver at the Veta Blanca prospect**
- **Up to 7.46gpt gold and 7510 gpt silver in outcropping epithermal veins**
- **Only 20 kilometres from AngloGold Ashanti's Cerro Vanguardia mine (8.9Moz Au and 137Moz Ag of historic and current reserves)**

E2 Metals is pleased to announce that recent rock chip sampling of veins at the Conserrat Project (the "Project") has yielded assay results of up to 7.46 gpt gold and 7510 gpt silver at Veta Blanca. Importantly, this sampling shows that surface grades are significantly higher than previous sampling reported on the 20 December 2018[1].

A total of 74 samples of vein outcrop and representative float samples were collected across the Project, which included 31 samples from the Veta Blanca prospect to infill previous sampling along a set of three mineralised veins that outcrop over a strike length of approximately 325 metres.

The Veta Blanca prospect is located on the faulted contact between sediments of the Roca Blanca Formation and the Bajo Pobre Andesite, which hosts many mineralised veins in the district (i.e. Huevos Verdes vein, San Jose; Las Marianas veins, Cerro Negro). Recent mapping has traced this contact over 2 kilometres and identified multiple zones of high-level epithermal veins with anomalous (>500ppb) gold and silver.

This faulted contact forms part of a regional west-northwest structural trend that hosts significant gold and silver mineralisation at AngloGold Ashanti's Cerro Vanguardia mine, which is located just 20 kilometres to the east-southeast.

[1]E2 Metals Ltd ASX Announcement 20 December 2018 – E2 Metals to acquire a portfolio of gold & silver projects

The Company has engaged a geophysical contractor and will commence a gradient array and Induced Polarisation (IP) survey in the second half of February.

Managing Director Todd Williams commented: *'These results are highly encouraging and confirm the prospectivity of the Conserrat Project, especially when considering it is located along trend from the largest gold and silver mine in the Santa Cruz province. These results provide the foundation of what will be a busy quarter as we prepare this project for drilling in the second half of the 2019.'*

Table 1: Veta Blanca Rock Chip Geochemistry from February 2019
Datum UTM WGS84 Zone 19S
Gold Equivalent (AuEq) is calculated as gold + (silver / 70)

SampleID	Map_Y	Map_X	Au (gpt)	Ag (gpt)	AuEq.70
1877	4650577	534317	5.38	7510	112.67
1878	4650573	534327	0.092	6870	98.23
1871	4650522	534172	1.365	2420	35.94
1858	4650584	534106	1.42	2040	30.56
1875	4650543	534268	7.46	1610	30.46
1872	4650523	534156	1.765	1420	22.05
1859	4650588	534100	1.485	551	9.36
1876	4650556	534294	0.207	609	8.91
1861	4650596	534087	0.694	423	6.74
1863	4650584	534056	0.436	381	5.88
1868	4650556	534090	0.638	205	3.57
1874	4650524	534192	0.32	171	2.76
1860	4650591	534095	0.233	94.5	1.58
1857	4650577	534117	0.121	59.3	0.97
1867	4650560	534084	0.185	54.3	0.96
1854	4650565	534172	0.685	10.7	0.84
1866	4650564	534079	0.169	29.2	0.59
1913	4650581	534273	0.125	29	0.54
1870	4650551	534108	0.104	26.7	0.49
1864	4650571	534061	0.021	27.1	0.41
1865	4650570	534071	0.044	17.45	0.29
1862	4650593	534043	0.053	15.7	0.28
1869	4650550	534099	0.031	16.45	0.27
1873	4650521	534175	0.083	12.35	0.26
1853	4650563	534183	0.123	3.75	0.18
1852	4650564	534188	0.076	3.49	0.13
1855	4650566	534159	0.013	3.82	0.07
1915	4650574	534286	0.022	3.58	0.07
1911	4650581	534202	0.025	1.05	0.04
1914	4650572	534280	0.01	1.84	0.04
1912	4650572	534194	0.017	0.61	0.03
1856	4650574	534125	0.009	0.96	0.02

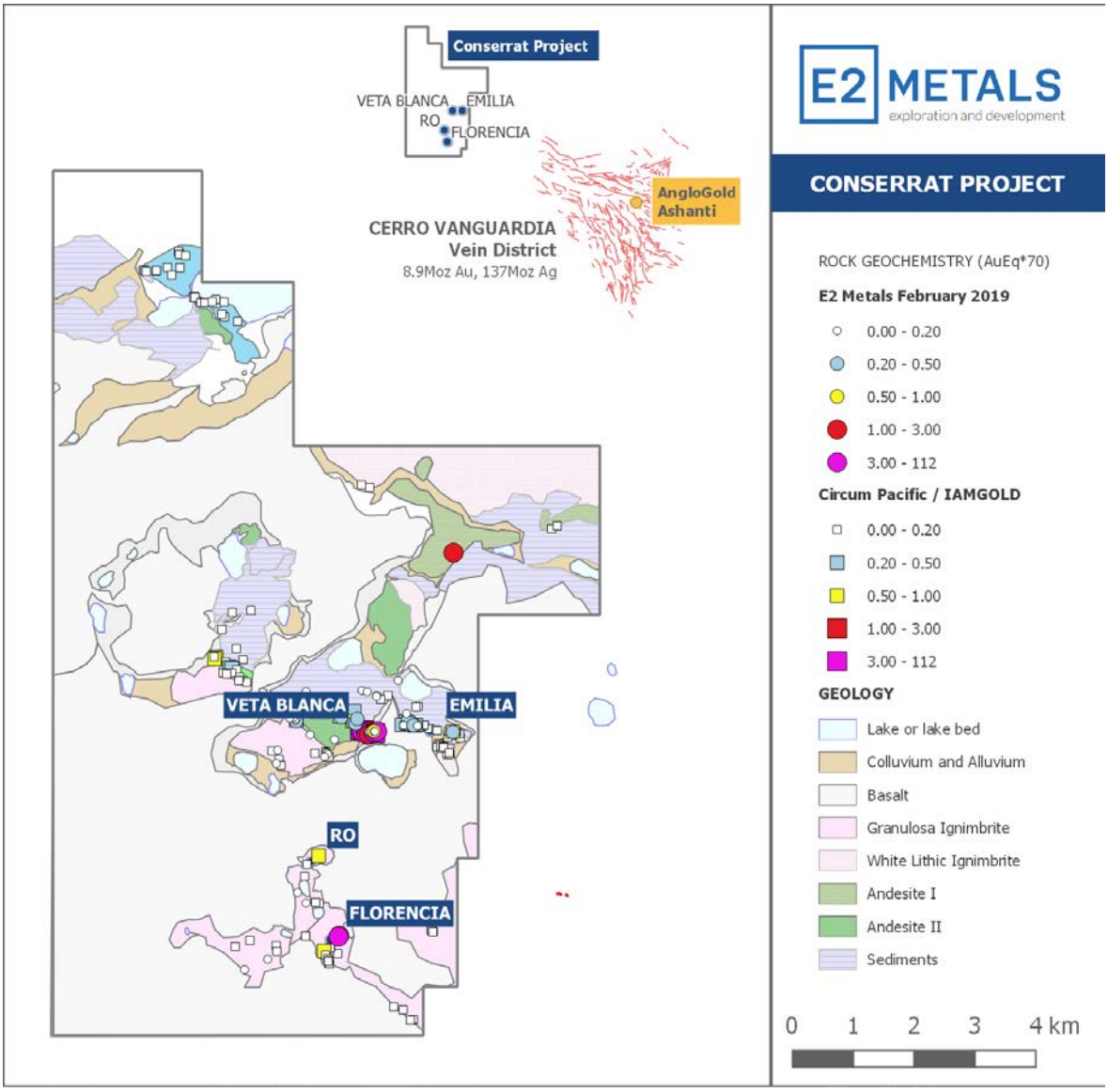

Figure 1: Conserrat Project Regional Rock Chip Geochemistry

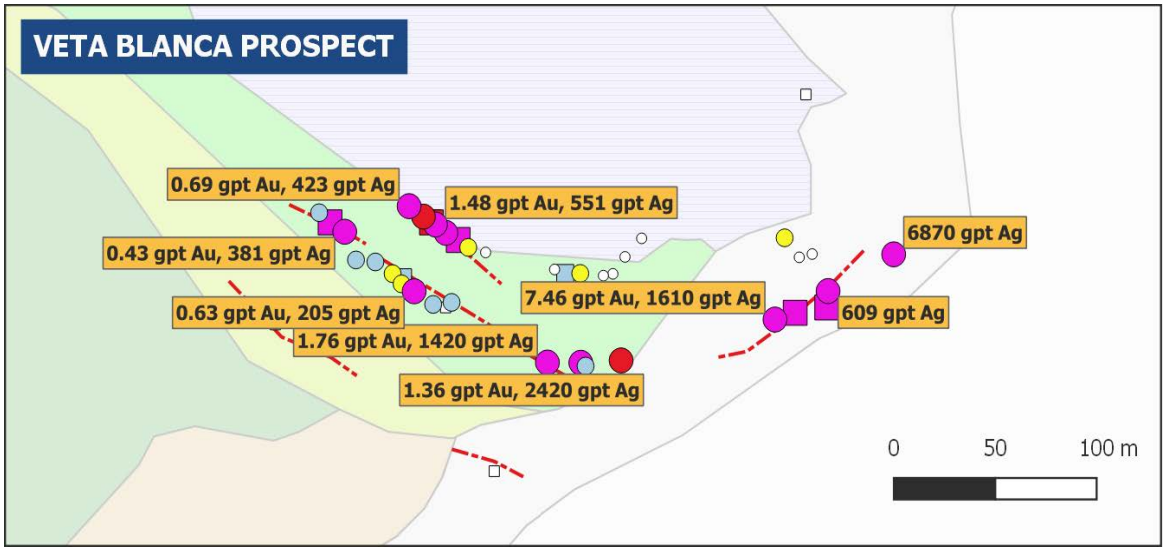

Figure 2: Veta Blanca Prospect Rock Chip Geochemistry

Figure 3: Rock sample 1878 with 6870 gpt Ag

Competent Person

The information in this release that relates to “geological results” for the Conserrat Project is based on information reviewed by Mr Alastair Morrison, a competent person who is a Member of the Australian Institute of Geoscientists. Mr Morrison is a consultant to Circum Pacific Pty Ltd, the vendor of the Conserrat Project to E2 Metals Limited under a Sale and Purchase Agreement. Upon completion of the Sale and Purchase Agreement, Mr Morrison will receive a beneficial interest in shares in E2 Metals Limited. Mr Morrison has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Morrison consents to the inclusion in this release of the exploration results for the Project in the form and context in which it appears.

For enquiries please contact:

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Table 1: JORC Code Reporting Criteria

Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialized 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. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	IAMGOLD Corporation conducted reconnaissance rock chip sampling at what is now the Conserrat (n=131) during the early 2000s. The samples were analyzed for both base metals and gold, but the analytical suite and sample methodology is unknown. During the period between October 2017 and February 2018 Circum Pacific collected 34 confirmatory rock samples over all prospects explored previously to validated historic rock chip values. Samples were anlaysed by ALS, Mendoza, Argentina. Samples were crushed to less than 2mm, split and pulverized to <75µm. Multi-element (48) data was by four acid digest and ICP-MS including trace mercury by ICP-MS. Au was by fire assay using a 50g sample with AA finish. The rock chip samples reported in this announcement were collected by E2 Metals during December 2018. A total of 74 samples were collected from vein outcrop and representative float trains. Samples were analysed by ALS, Mendoza, Argentina. Samples were crushed to less than 2mm, split and pulverized to <75µm. Multi-element (48) data was by four acid digest and ICP-MS including trace mercury by ICP-MS. Au was by fire assay using a 50g sample with AA finish.
Drilling Techniques	• 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, etc).	NA
Drill Sample Recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • 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.	NA
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support	NA

Criteria	JORC Code Explanation	Commentary
	appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	NA NA
Sub-Sampling Techniques and Sample Preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • 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. • Whether sample sizes are appropriate to the grain size of the material being sampled.	NA NA
Quality of Assay Data and Laboratory Tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • 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. • 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.	Rock samples submitted by Circum Pacific and E2 Metals were analysed by four acid digest and ICP-MS which is the most robust analytical method for full digestion and qualitative analyses of multi-element concentrations. No blanks or standards were submitted into each batch, but duplicate samples were collected.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic)	Circum Pacific conducted confirmatory sampling at the Corona and Conserrat Projects to validate historic sampling by IAMGOLD and Hochschild. Outcrop samples with high gold, silver or arsenic were revisited and sampled to determine if the values are reproducible and accurate. The highest single historic rock chip sample at the Veta Blanca prospect was 1.7

Criteria	JORC Code Explanation	Commentary
	protocols. • Discuss any adjustment to assay data.	gpt Au and 663 gpt Ag compared to 1.91 gpt Au and 590 gpt Ag for a sample collected by Circum Pacific at the same outcrop. No duplicate samples were submitted by E2 Metals.
Location of Data Points	• Accuracy and quality of surveys used to locate drill holes (collar and down- hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	Sample locations by IAMGOLD, Circum Pacific and E2 Metals are referred in Datum WGS84 UTM Zone 19S.
Data Spacing and Distribution	• Data spacing for reporting of Exploration Results. • 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. • Whether sample compositing has been applied.	A ground magnetics surveys was conducted by Circum Pacific on line spacings that varied from 50 to 100m depending on the scale of the survey. In all instances the data was effective in geophysical breaks and de-magnetized zones interpreted as structures or breaks in lithology.
Orientation of Data in Relation to Geological Structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • 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.	NA
Sample Security	• The measures taken to ensure sample security.	All samples were prepared in the field and shipped directly from the field to the laboratory for analyses
Audits or Reviews	• The results of any audits or reviews of sampling techniques and data.	Laboratory QA/QC was reviewed

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code Explanation	Commentary
Mineral Tenement and Land Tenure Status	• 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. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	The Conserrat title is owned 100% by Minera Los Domos S.A., a private company incorporated in Argentina, a wholly owned subsidiary of RN Gold Pty Ltd, a private company incorporated in Australia. **Conserrat Project title** • 437.471/BVG/17
Exploration Done by Other Parties	• Acknowledgment and appraisal of exploration by other parties.	• **Early 2000s:** IAMGOLD conducted reconnaissance surface at the Conserrat Project • **2017 to 2018:** Circum Pacific conducted surface mapping and sampling at the Conserrat Project
Geology	• Deposit type, geological setting and style of mineralisation.	
Drill Hole Information	• 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: o Easting and northing of the drill hole collar o Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o Dip and azimuth of the hole o Down hole length and interception depth o Hole length If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	NA
Data Aggregation Methods	• 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. • 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. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	NA

Criteria	JORC Code Explanation	Commentary
Relationship Between Mineralisation Widths and intercept lengths.	• 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 (eg “down hole length, true width not known”).	NA
Diagrams	• 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.	
Balanced Reporting	• 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.	NA
Other Substantive Exploration Data	• 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.	NA
Further Work	• 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.	NA