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Drilling to Commence at Mia and Patricia

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Highlights

- Drilling has commenced at the high priority **Mia** and **Patricia** prospects to test two high-grade veins with visible gold.
- A Gradient Array IP geophysical survey is complete and has identified a chargeability corridor extending the **Mia** and **Patricia** trend to over 1.7km.
- First assay results expected in four to five weeks.

Overview

E2 Metals (E2 or the Company) is pleased to advise that RC drilling has commenced at the **Mia** and **Patricia** prospects within the Conserrat Project to test two high-grade veins discovered at surface (*see ASX Announcement, 17 February 2020, New Patricia Vein Extends Mia Trend to 1.2km*).

The prospects are centred 20km west-northwest of AngloGold Ashanti's world class Cerro Vanguardia mine (8.9Moz Au, 137Moz Ag current and historical reserves) and have never been drill tested.

At both Mia and Patricia, colloform-crustiform epithermal veins with local visible gold (electrum) exposed over a 350m and 100m strike length respectively. Reported surface gold and silver assays for the veins include 43.9gpt Au and 1128gpt Ag at Mia, and 40.4gpt Au and 262gpt Ag at Patricia.

Geophysics

An approximately 30-line kilometre Gradient Array Induced Polarisation (GAIP) geophysical survey has been completed to expand the existing data over Mia and Patricia.

The results show both prospects correspond with a strong (>30mV.V) chargeability corridor that extends for a 1.7km strike length to Florencia, suggesting all prospects are located within a single mineralised trend (see Figure 1).

A second chargeable zone is centred 1.5km north of Mia in the newly defined **Silvia** sector.

Silvia is host to a large northwest orientated structure and 'silica cap' that is associated with a first-order silver LAG anomaly with dimensions 1000m by 600m. Surface reconnaissance at Silvia is ongoing.

Mia and Patricia Drill Program and Strategy

Drilling at Mia and Patricia will initially comprise a series of shallow RC holes on sections spaced no more than 100m apart. Two holes are planned for each section to test each vein on two RL's. The first hole will test the vein at approximately 25m downhole depth to confirm vein geometry, whereas a second deeper hole will target the interpreted position of the more prospective 'boiling zone' that is potentially host to bonanza gold and silver.

This drilling strategy is adapted from Andean Resources and the Marianas[1] and San Marcos[2] vein discoveries at the Cerro Negro Mine (now operated by Newmont) within the same Deseado Massif geological complex.

Cerro Negro Discovery Case Histories

At both the Marianas and San Marcos vein discoveries, initial surface reconnaissance and rock chip sampling defined discrete zones of high-grade gold and silver within a more extensive vein trend. These anomalies were followed up by Pegasus Gold International during the 1990's who completed an initial phase of shallow RC drilling at San Marcos. This work returned encouraging gold intercepts of 3m at 3.65gpt Au and 2m at 2.64gpt Au but no further work was completed until 2009 after Andean Resources acquired the project and re-commenced drilling.

Andean Resources recognised that previous exploration had not identified the prospective 'boiling zone' and subsequent exploration focused on testing all structures at vertical depths of 100 to 150 vertical metres below the surface. This strategy led to the discovery of the high-grade Eureka West and Bajo Negro ore shoots, followed by San Marcos and the Marianas discoveries. At San Marcos, deeper drilling (hole SRC-901) beneath the Pegasus Gold International drilling intercepted 22m at 8.5gpt Au and 58 gpt Ag from 181m.

At Conserrat, E2 Metals has encountered encouraging mineralisation in shallow holes at **Veta Blanca**, **Ro** and **Florencia**. A further round of deeper drilling will be rationalised at these prospects once the preliminary results for Mia and Patricia have been received. First gold and silver assays are expected in four to five weeks.

For enquiries please contact:

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This announcement is authorised for release to the market by the Board of Directors of E2 Metals Limited.

Competent Persons Statement

Information in this report that relates to Exploration results and targets is based on, and fairly reflects, information compiled by E2 Metals Limited and Colin Brodie, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Brodie is a Senior Technical Advisor and consultant to E2 Metals Limited. Mr. Brodie has sufficient experience that is relevant to the style of mineralisation and type of deposit 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. Brodie consents to the inclusion of the data in the form and context in which it appears.

[1] Andean Resources, ASX Announcement, 20 January 2009, New High-Grade Mariana Norte Discoveries at Cerro Negro
[2] Andean Resources, ASX Announcement, 23 November 2009, New San Marcos Discovery at Cerro Negro

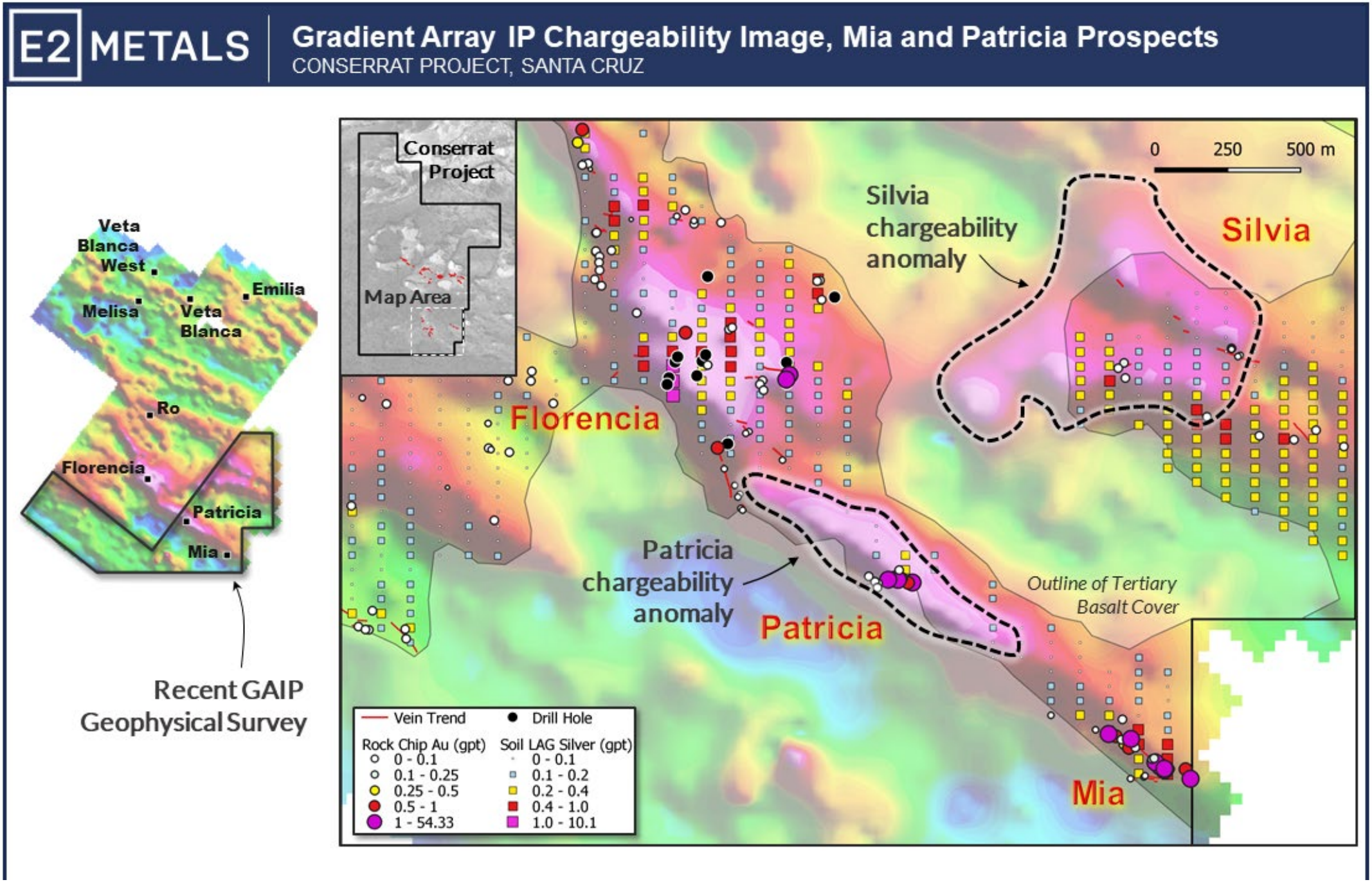

Figure 1: Gradient Array IP Chargeability Image, Mia and Patricia prospects

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.	An approximately 30-line kilometer Gradient Array Induced Polarisation (GAIP) geophysical survey was complete at the Conserrat Project during February 2020. The data was acquired by local Argentine geophysical contractor Geofisica Argentina S.A. using pole-dipole (P-DP) surveys with short 50m dipoles and n-10 or n-20 dipole separations, and 1500m bipole gradient arrays, which is suited to the detection of low-sulphidation vein targets. The data acquisition employed a 0.125 Hz time-domain 'box car' transmitter waveform. The receiver set-up employed 20 arithmetically spaced channels of 80 ms which follow 240 ms delay.
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).	Not applicable to the Gradient Array IP geophysical survey
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.	Not applicable to the Gradient Array IP geophysical survey
Logging	• 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.	Not applicable to the Gradient Array IP geophysical survey

Criteria	JORC Code Explanation	Commentary
	• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Not applicable to the Gradient Array IP geophysical survey
	• The total length and percentage of the relevant intersections logged.	Not applicable to the Gradient Array IP geophysical survey
Sub-Sampling Techniques and Sample Preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	Not applicable to the Gradient Array IP geophysical survey
	• 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.	Not applicable to the Gradient Array IP geophysical survey
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.	Not applicable to the Gradient Array IP geophysical survey
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,	Not applicable to the Gradient Array IP geophysical survey

Criteria	JORC Code Explanation	Commentary
	data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	
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.	Survey coordinates are 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.	Data was collected on NE spaced lines (37deg) spaced 200m apart
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.	Not applicable to the Gradient Array IP geophysical survey
Sample Security	• The measures taken to ensure sample security.	Not applicable to the Gradient Array IP geophysical survey
Audits or Reviews	• The results of any audits or reviews of sampling techniques and data.	Not applicable to the Gradient Array IP geophysical survey

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 Project titles are owned 100% by Minera Los Domos S.A., a private company incorporated in Argentina. E2 Metals Limited through its Australian holding company Los Domos Pty Ltd owns 80% of Minera Los Domos. **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.	**Santa Cruz Geology and Deposit Model** Conserrat is located towards the central eastern margin of the extensive ~60,000km.sq Deseado Massif geological province that stretches across southern Argentina into the Chilean southern Andes. This massif is made up of Jurassic volcanic and volcaniclastic rocks of the Chon Aike formation. Important precious metal deposits have been discovered in the province during the past 20 years. Gold and silver mineralisation is associated with Low Sulphidation (LS) Epithermal veins in northwesterly structures that were active at the time 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	Not applicable to the Gradient Array IP geophysical survey

Criteria	JORC Code Explanation	Commentary
	○ Down hole length and interception depth ○ 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.	
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.	Not applicable to the Gradient Array IP geophysical survey
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”).	Not applicable to the Gradient Array IP geophysical survey
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.	Provided in Figure 1
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.	Not applicable to the Gradient Array IP geophysical survey

Criteria	JORC Code Explanation	Commentary
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.	Reconnaissance sampling and mapping is planned for the newly defined Silvia prospect. Initial scout drilling at Mia and Patricia is underway.