E2 Metals Limited

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Directors / Secretary

Melanie Leydin
Chair & Company Secretary

Todd Williams
Managing Director

Alastair Morrison
Non-Executive Director

Issued Capital

91.9M fully paid ordinary shares

Operations Update

23 March 2020

E2 Metals Limited (**E2 or the Company**) advises that work at the Company's Conserrat project in the Santa Cruz province of Argentina has been suspended in response to the Government's declaration of mandatory social isolation to combat the spread of COVID-19. The period of self-isolation commenced 20 March and is currently scheduled to end 31 March, 2020.

Six Reverse Circulation (RC) drill holes for 440m were completed prior to work being suspended (see Table 1 and Figure 1).

At the **Mia** prospect, 5 holes (**CORC-34 to 38**) for 400m were completed on four sections spaced 250m apart. This drilling included two holes in a scissor configuration on the easternmost section to test the *Northwest Vein* and *East Vein* from both orientations. Three additional holes were collared on three sections testing the continuation of the *Northwest Vein*. All holes intercepted wide zones of silicification crosscut by veins and breccias.

One hole (**CORC-39**) for 40m was completed at the **Patricia** prospect, but was terminated prior to reaching target depth due to technical reasons. The Patricia vein remains untested.

All samples have been delivered to the Alex Stewart laboratory in Perito Merino. The timing of assay results is unknown and disruptions are expected.

Managing Director Todd Williams states: "*Our priority is the health and wellbeing of employees and contractors, as well as playing our part in reducing the spread of COVID-19. E2 has been proactively managing the potential impact of COVID-19 to our operations since the latest drill campaign commenced, and I applaud local management for their prompt and decisive actions leading up to and following the Government's declaration. The current drill program will remain on hold until normal business conditions resume*".

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Table 1: Patricia & Mia Completed Drill Holes

Datum: WGS84 UTM 19S

Hole	Easting	Northing	Depth	Dip	Azimuth
CORC-34	535021	4645803	78	-60	0
CORC-35	535019	4645873	80	-60	180
CORC-36	534977	4645901	84	-60	217
CORC-37	534891	4645959	78	-60	217
CORC-38	534810	4646016	80	-60	217
CORC-39	534125	4646535	40	-60	180

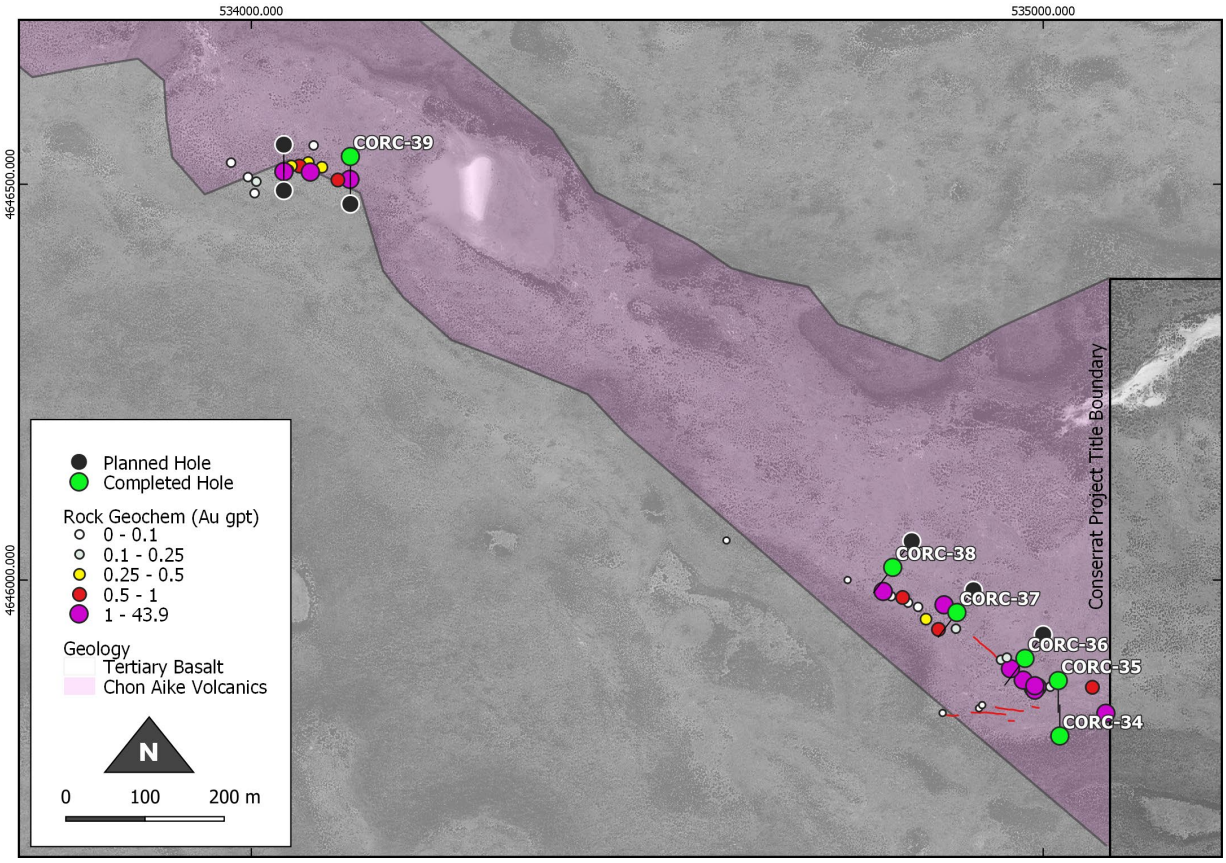

Figure 1: Map Showing Patricia & Mia Completed Drill Holes

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

Competent Person's 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.

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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 representativity and the appropriate calibration of any measurement tools or systems used.	• RC chips were collected using a Rifle John type splitter incorporated into the cyclone which split the sample into two portions of approximately 75% and 25%. • About 95% of the samples were collected on a dry basis. • When the sample is wet an Hydraulic Cone Splitter is used, which take out the excess of water, and splits two portion of the reject in 75% and 25%. • Assay standards, blanks and duplicates were inserted into every 25 samples. Assay standards, blanks and duplicates were inserted into every 25 samples.
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).	• The reverse circulation percussion (RC) method used in this program used a 5.5” (289mm) face sampling bit with a first phase of sample splitting into two portions of approximately 75% and 25% undertaken in the RC cyclone with outlets into two plastic (dry samples) or micro-porous cloth bags (wet samples).
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.	• Sample recovery was monitored by weighing sample bags on scales beside the drill rig. • To make sure that chip sample recovery was maximized the outlets from the cyclone into the sample bags were carefully sealed. The cyclone and drill string were regularly cleaned by the drill operators using compressed air to prevent down hole contamination. • There has not been any investigation into the relationship between sample recovery and grade. • It is considered that there was not any preferential loss/gain of fine or coarse material.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of	Systematic geological logging was undertaken using a hand lens to closely examine the chips. Data collected includes: • Nature and extent of lithologies.

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	detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	• Relationship between lithologies • Alteration extent, nature and intensity • Oxidation extent, mineralogy and intensity • Sulphide types and visually estimated percentage • Quartz vein types and visually estimated percentage • Chips from crucial zones of interest are checked later, off site, by examination with a 10x binocular microscope.
	• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	• Both qualitative and quantitative data is collected, though quantitative data is based on visual estimates, as described above.
	• The total length and percentage of the relevant intersections logged.	• 100% of all recovered chips are logged.
Sub-Sampling Techniques and Sample Preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	This drill program did not include diamond drill core
	• 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 representativity 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.	The small sample bags derived from the initial RC rig cyclone and riffle splitting reach a weight of 2.7-4Kg. • Wet samples were split with an hydraulic cone splitter from the cyclone in bags with a micro-porous fabric, which allowed water to escape without loss of particulate material. • The riffle splitter was cleaned with compressed air between samples to prevent sample contamination. • The bog bag with the original reject from the RC rig after the splitting have been stored for any future re-sampling needs. • In the Alex Stewart preparation laboratory facilities samples were dried and crushed until more than 80% is finer than 10 mesh size, then a 600g split is pulverized until 95% is finer than 106 microns. • Certified Standard Reference materials and duplicate samples are inserted every 25 samples to assess the accuracy and reproducibility. • Sample sizes are considered appropriate.
Quality of Assay Data and	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	• Standard assay procedures performed by a reputable assay lab (Alex Stewart) were undertaken. Gold assays are by a 50g fire assay with an atomic absorption finish. Silver was read by

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Laboratory Tests	• 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.	gravimetry on micro-balance. • No geophysical tools were used in the determination of the assay results. All assay results were generated by an independent third-party laboratory as described above. • Certified reference material and blanks are inserted every 25 samples. Field Duplicates are collected every 20 samples. Standards are purchased from a Certified Reference material manufacture company – Ore Research and Exploration. Standards were purchased in foil lines packets of between 60g and 100g. Different reference materials were used to cover high grade, medium grade and low grader ranges of gold and silver. The standard names on the foil packages were erased before going into the pre-numbered sample bag and the standards are submitted to the lab blind.
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) protocols. • Discuss any adjustment to assay data.	• No gold or silver assays are reported in this announcement
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.	• Drill hole collars are located using a Garmin hand held GPS accurate to ±5m. • All coordinates are based on UTM Zone 19S using a WGS84 datum. • Topographic control to date has used GPS data, which is adequate considering the small relief (<50m) in the area.
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.	• No gold or silver assays are reported in this announcement
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 mineralized structures is	• Drilling is orientated to cross the interpreted, steeply dipping mineralized veins at a high angle. Holes are mainly drilled from the hanging wall side since a previous explorer had drilled from the other side of the veins with poor results. Where possible a scissor hole is drilled from the orientation to confirm the geometry of the mineralised vein/ and/or structure. • No known bias has been introduced into the drilling orientation.

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	considered to have introduced a sampling bias, this should be assessed and reported if material.	
Sample Security	• The measures taken to ensure sample security.	• Chain of custody was managed by E2Metals. Samples were placed into taped polyethylene bags with sample numbers that provided no specific information on the location of the samples. Samples were transported from site to the Alex Stewart preparation lab in Puerto San Julian by E2Metals personnel and after preparation pulps were transported to Mendoza or Perito Moreno for final analysis using transport organized by Alex Stewart.
Audits or Reviews	• The results of any audits or reviews of sampling techniques and data.	• An audit on QAQC procedures was conducted by consultant geochemistry Phillip J. Allen on 26 November 2019. As a result the frequency of Field Duplicates has been increased from 2 to 5 per 100 samples to better determine reproducibility of gold and silver assay results from RC chip samples.

Section 2 Reporting of Exploration Results

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.	**Reconnaissance exploration by IAMGOLD** • During the early 2000s IAMGOLD collected 131 vein outcrop and float samples within the project area. **Reconnaissance exploration by Circum Pacific Pty Ltd** • Between the period October 2017 to March 2018 Circum Pacific Pty Ltd collected 120 vein outcrop and float samples within the project area.
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

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		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: ○ 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 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.	See Table 1
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.	No gold or silver assays are reported in this announcement
Relationship Between Mineralisation Widths and	• 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.	No gold or silver assays are reported in this announcement

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intercept lengths.	• 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”).	
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.	See Figure 1 for Drill hole location map
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.	No gold or silver assays are reported in this announcement
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.	No gold or silver assays are reported in this announcement
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.	Work is on hold until further notice