

New gold and silver targets emerge at Emilia and Ro

3 August 2020

Highlights

- Multi-element gold and silver results (delayed by COVID-19) for regional rock chip samples collected within the Conserratt project during January 2020 have been received.
- Rock chip sampling has identified a **new high-grade vein target** at the **Emilia** prospect, with previously unrecognized banded epithermal vein float returning **up to 6.73gpt Au, 549gpt Ag**.
- The Emilia vein target is centered within a very strong (>1gpt Ag) silver soil anomaly that is up to 370m wide and extends for 1.5km along strike. The trend is poorly tested and further sampling is planned during August and September 2020.
- The sampling program has also revealed a **second untested vein trend** at the **Ro** prospect where a vein sample returned **2.67gpt Au and 360gpt Ag**.

Overview

E2 Metals (**E2 or the Company**) is pleased to announce gold and silver assay results for a regional rock chip sampling program completed at the Conserratt project during January 2020. Conserratt is centered 30km northwest and along trend from AngloGold Ashanti's world-class Cerro Vanguardia gold and silver mine (historical and current resources 8.9Moz Au, 137Moz Ag) and hosts a newly defined vein field that partially outcrops over an area of 25 square kilometers (**Figure 1**).

While exploration at Conserratt is still considered early stage, systematic trenching and scout RC drill testing completed by the Company since August 2019 has defined significant gold and silver mineralisation at several prospects, including the recent high-grade Mia discovery (*see ASX announcement, 6 May 2020, 8m at 7.46gpt Au & 216gpt Ag at Mia, Conserratt*). The Mia prospect was first identified by systematic surface sampling of surface veins within broader silver anomalies in regional soil data.

Gold and silver assay results (delayed by COVID-19) have now been received and define two new vein targets at the Emilia and Ro prospects similar to Mia. Both prospects are prioritized for scout drilling when work programs recommence in early August 2020.

E2 Metals Limited

ABN: 34 116 865 546
ASX Code: E2M

Issued Capital

131.2M fully paid
ordinary shares

Directors / Secretary

Melanie Leydin
Chair & Company Secretary

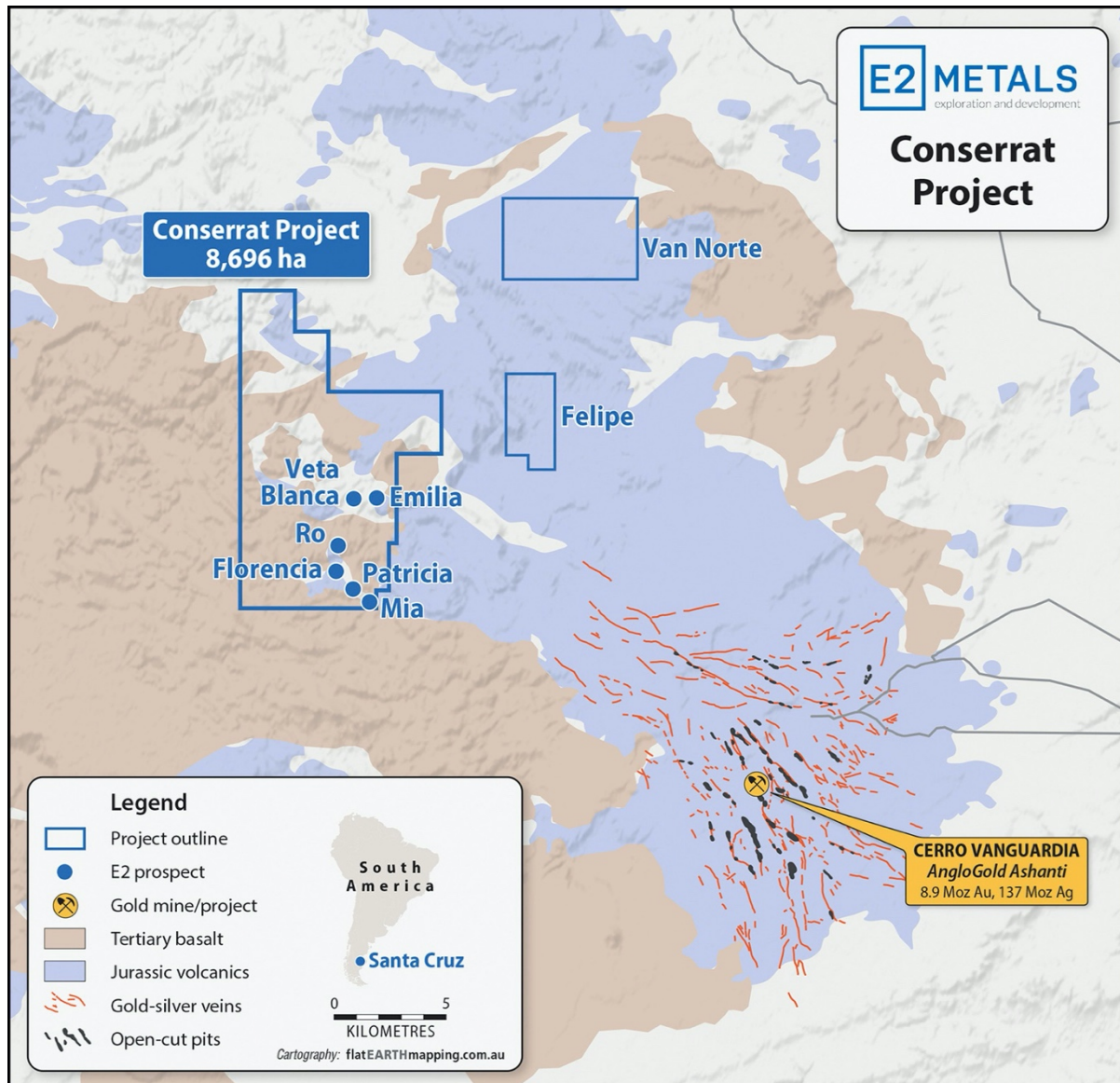
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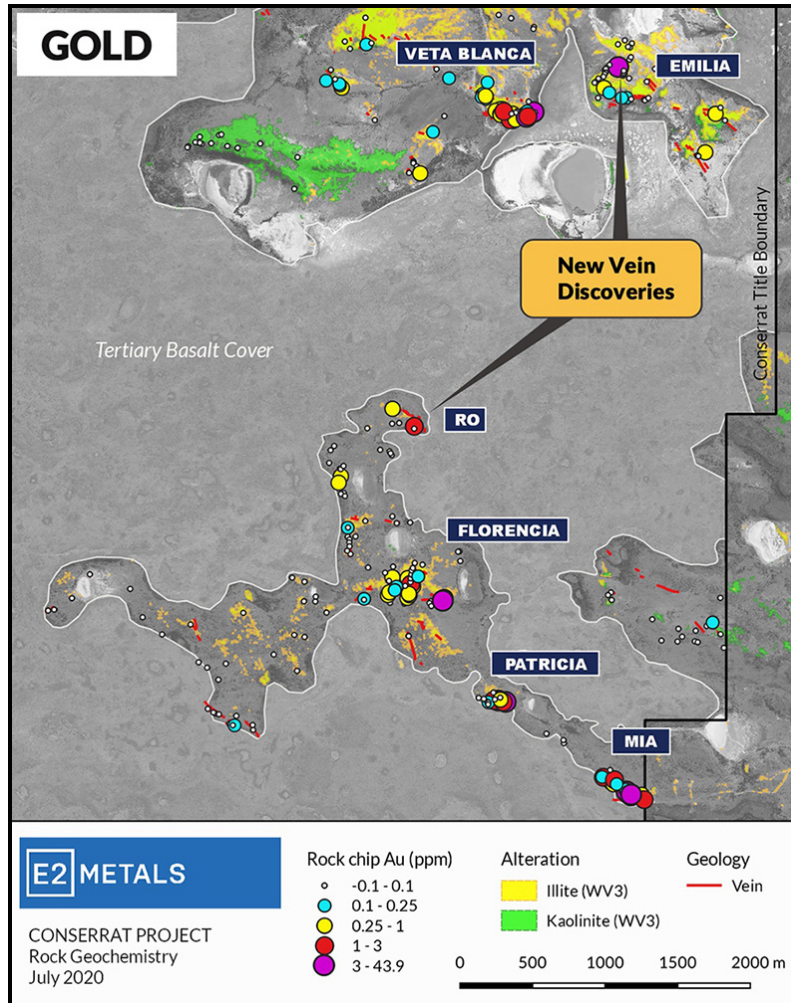
• Figure 1: Conserrat Project

Results

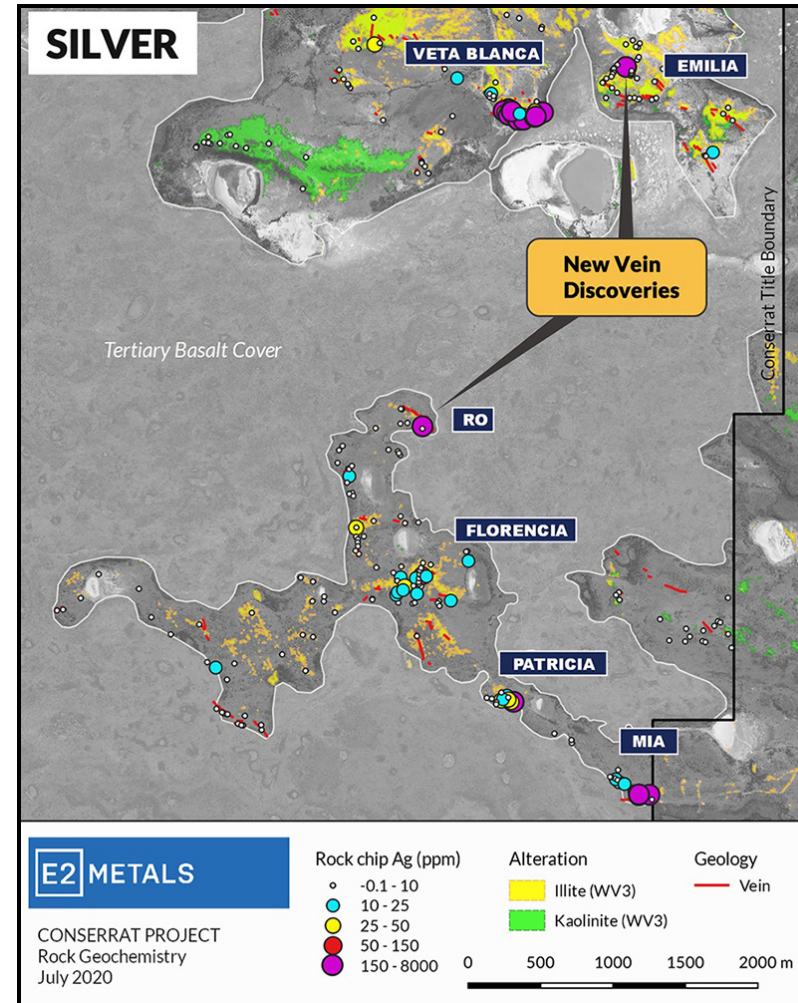
A regional rock chip program was completed at Conserrat during January 2020 and comprised 127 samples. All samples were shipped to ALS Laboratories Lima (Peru) for trace multi-element analysis, as well as gold and silver analyses by fire assay. The results for the program were delayed due to COVID-19 and forced closure of laboratories. Multi-element assay results are provided in Table 1 and gold and silver results are thematically mapped in Figures 2 and 3.

Table 1: Select rock chip gold, silver and multi-element geochemistry

Sample Number	Sample Medium	Latitude (WGS84)	Longitude (WGS84)	Au (gpt)	Ag (gpt)	As (ppm)	Cu (ppm)	Hg (ppm)	Sb (ppm)	Zn (ppm)
11987	Float	-48.29	-68.53	6.73	549	140	35.6	0.537	61.9	5
11860	Float	-48.32	-68.55	2.67	360	266	22.3	0.048	753	3
11976	Float	-48.33	-68.54	1.77	27.9	42.5	8.5	0.109	31.5	2
11912	Outcrop	-48.33	-68.55	1.17	0.92	193	6.6	0.013	72.3	9
11870	Float	-48.3	-68.54	0.988	3.88	718	20.6	0.152	27.4	13
11930	Float	-48.33	-68.55	0.894	12	198.5	10.4	0.175	63.9	5
11927	Float	-48.33	-68.55	0.752	13.85	1450	16.8	0.313	151	11
11977	Float	-48.33	-68.54	0.734	28.4	132	7.2	0.011	66.9	-2
11929	Float	-48.33	-68.55	0.654	23.6	227	8.9	0.069	79.2	5
11984	Float	-48.33	-68.55	0.608	12.5	3040	12.5	0.762	158	6
11878	Float	-48.28	-68.56	0.567	28.4	679	15.8	0.358	101	40
11926	Outcrop	-48.33	-68.55	0.557	9.45	102	4.9	0.159	57.2	5
11911	Float	-48.33	-68.55	0.456	3.16	2250	18.4	0.08	191.5	16
11995	Float	-48.3	-68.52	0.41	11.7	275	18.2	1.605	36.8	6
11925	Outcrop	-48.33	-68.55	0.349	0.86	202	6.7	0.048	25.7	7
11934	Outcrop	-48.33	-68.55	0.221	3.43	723	10.7	0.101	84.1	6
11935	Outcrop	-48.33	-68.55	0.214	10.85	642	14.3	2.89	87.9	40
11907	Outcrop	-48.33	-68.52	0.184	3.98	1190	10.4	0.973	130	4
11866	Float	-48.3	-68.54	0.177	2.94	631	11.1	0.149	24.3	34
11868	Outcrop	-48.3	-68.54	0.167	1.92	1270	27.5	0.09	32.9	61
11932	Float	-48.33	-68.55	0.112	32.7	2000	19.2	0.994	109.5	6
11923	Float	-48.33	-68.55	0.11	17.95	1080	16.4	1.005	85	3
11985	Float	-48.29	-68.53	0.109	6.61	22.8	7.9	0.141	17.45	2
11880	Outcrop	-48.29	-68.55	0.107	47.9	611	12.7	2.79	115.5	5



• Figure 2: Rock chip Geochemistry - Gold



• Figure 3: Rock chip geochemistry - Silver

Emilia Prospect

An objective of the sampling campaign was to investigate the source of a very strong (>1gpt) soil anomaly that was defined within the **Emilia** prospect during Q1 2019 (see ASX announcement, 27 February 2019, *Surface LAG Geochemistry expands Veta Blanca Gold-Silver Targets*). The anomaly is up to 370m wide and extends for up to 1.5km along strike, with associated strong illite-kaolinite clay alteration and widespread veining. Veining is dominantly (low temperature) chalcidonic silica stockworks overprinting sandstones and volcanoclastic sandstones of the Roca Blanca Formation (**Figure 4**).

Systematic sampling has shown these stockwork veins to be essentially barren of gold and silver, but elevated in pathfinder elements such as arsenic. However, further sampling within this zone of stockwork veins has identified a discrete vein (**Figure 5 to 6**) with high grades of gold and silver. Maximum gold and silver assay results are 6.73gpt Au and 549gpt Ag. Mineralisation is associated with float train of crudely banded crystalline quartz vein material, texturally similar to high-grade veins at other prospects, such as Mia and Patricia. The float sample is similar to surrounding outcrop and is not considered to be significantly transported.

The **Emilia** prospect is transected by a single Pole-Dipole Induced Polarisation (IP) geophysical line that was acquired during Q4 2019. Processed inversions of the IP data (**Figure 7**) show the Emilia vein target to be on the northern edge of a strong chargeability anomaly (+22mV.V) that is truncated by a vertical break at 7600N interpreted to be a fault. The chargeability anomaly is interpreted as pyrite alteration in the structural hanging wall. The mineralised vein is considered the source of the silver soil anomaly.

Ro Prospect

The regional rock chip program also included samples collected at the **Ro** prospect. **Ro** is located in the central project area and was first identified by trenching which defined wide zones of gold and silver mineralisation at surface (see ASX announcement, 2 December 2019, *Exploration Update*). Mineralisation at **Ro** remains enigmatic and is associated with disseminated sulphides and fine chalcidonic veinlets, opposed to banded epithermal veins. The target was drill tested on one section during November and December 2019 (see ASX announcement, 23 December 2019, *Scout drilling Returns High-Grade Silver at Conserrat*) which confirmed the trench results and returned high silver, including

- CORC 19:**
- 33m at 0.28gpt Au, 112gpt Ag from 27m including
 - 5m at 0.58gpt Au, 441gpt Ag from 48m

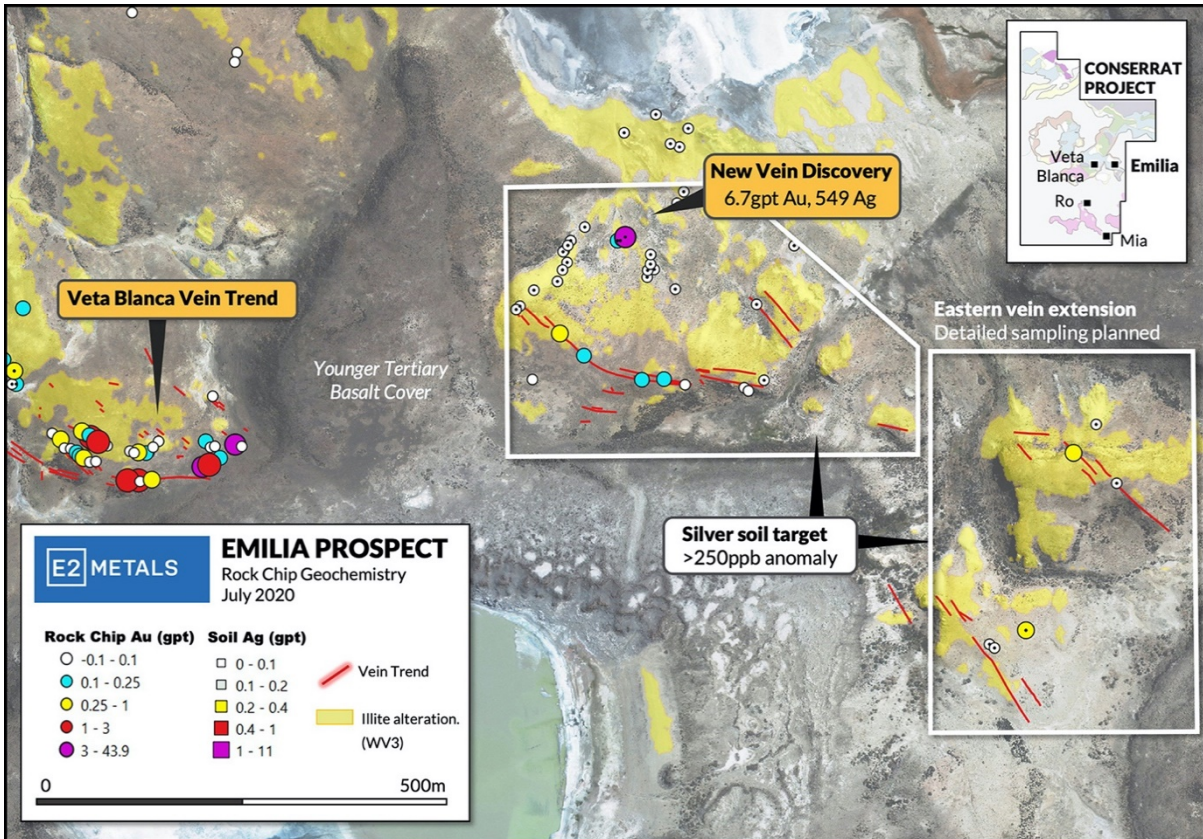
An objective of the rock chip sample program was to determine if additional vein targets exist within the prospect. Sampling has located a second vein trend located 70m south of previously known mineralisation (**Figure 8**). Gold and silver assay results for a single float sample returned 2.67gpt Au and 360gpt Ag. While sampling is limited, the results are encouraging and suggest a second parallel trend remains untested by drilling. Further support for this can be taken from Pole-Dipole IP data (**Figure 9**) that shows the vein target to be coincident with a vertical break at 4800N interpreted as a major fault. The prospect is underlain by an exceptionally strong (>40mV.V) flat-top chargeability anomaly starting from 100m below the surface.



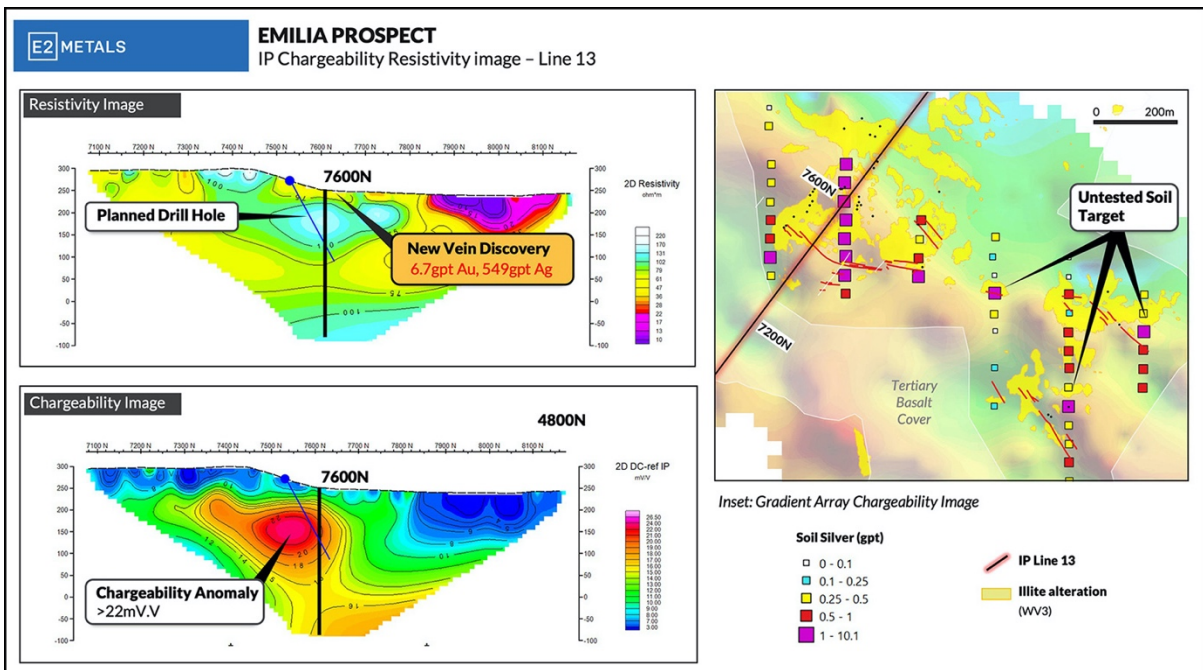
- *Figure 4: Regional stockwork veins and illite alteration, Emilia prospect*



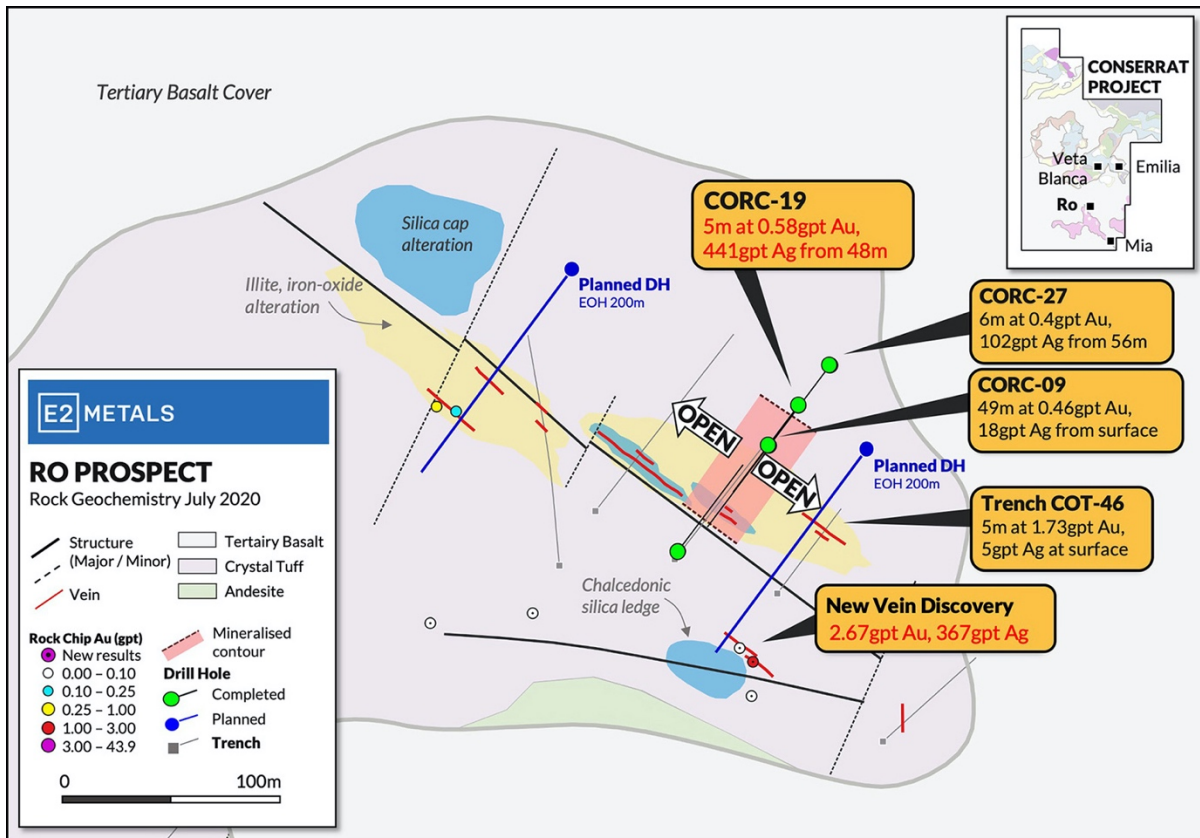
- *Figure 5: Emilia rock chip samples with 6.7gpt Au and 549gpt Ag*



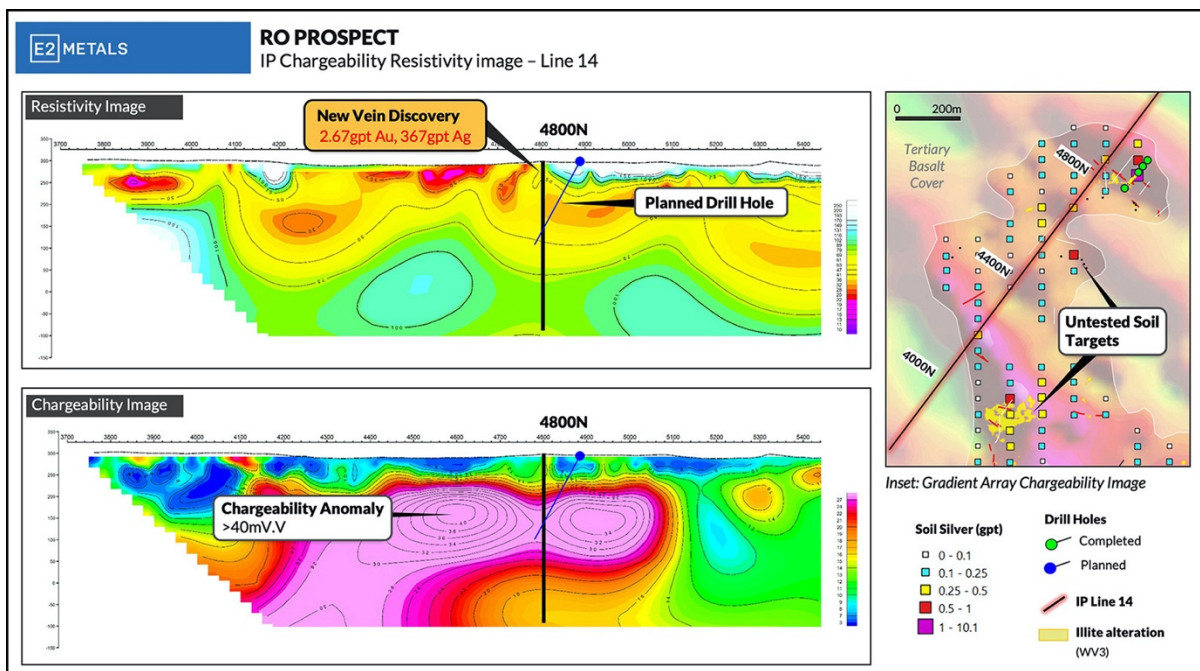
• Figure 6: Emilia rock chip geochemistry



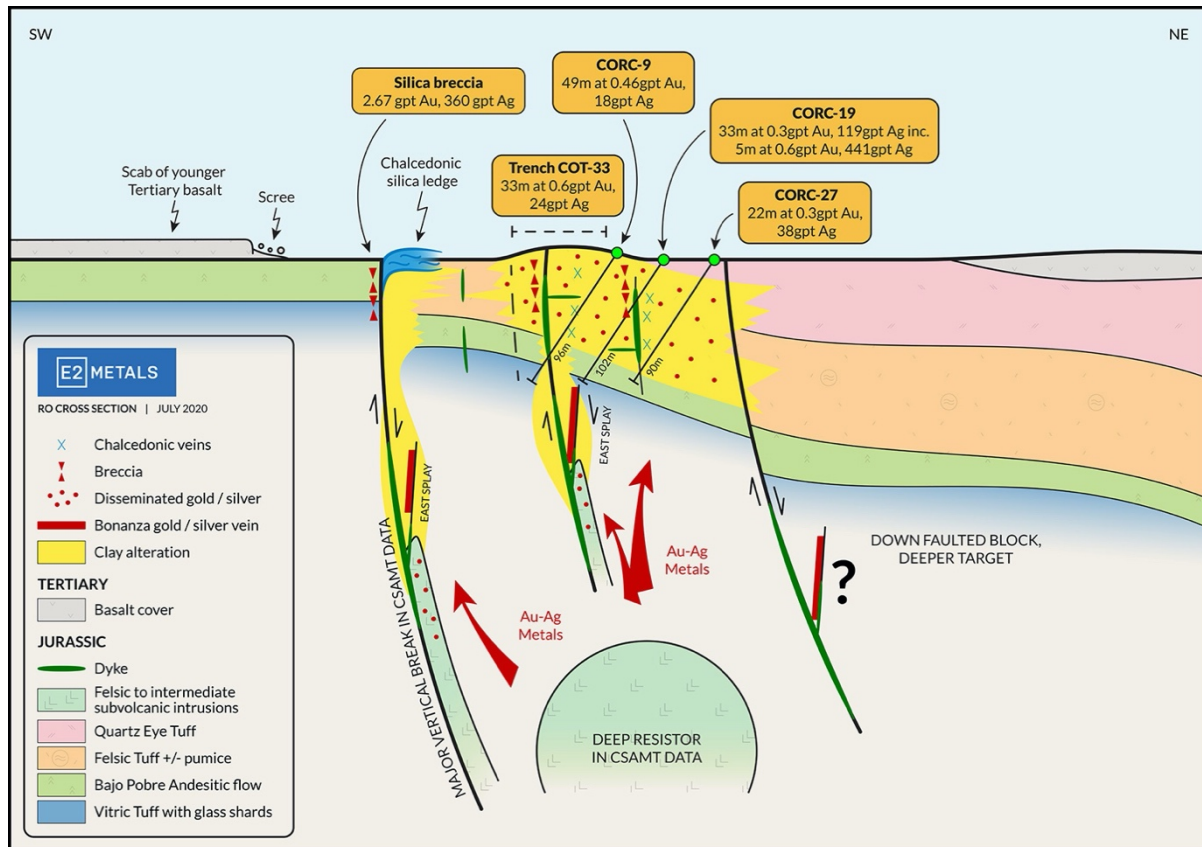
• Figure 7: Emilia Pole-Dipole IP cross section



• Figure 8: Ro rock chip geochemistry



• Figure 9: Ro Pole-Dipole IP cross section



• Figure 10: Ro prospect schematic cross section

Discussion

Positive rock chip gold and silver geochemistry in conjunction with favorable vein textures was fundamental to the drilling and subsequent discovery of significant mineralisation at the Mia prospect. A subsequent sampling campaign focused on the **Emilia** and **Ro** prospects has defined two additional surface targets for drill testing. Both targets are coincident with vertical breaks in Pole-Dipole IP data that truncate major chargeability anomalies, typical of a fault-controlled mineralised vein within a broader halo of strong pyrite alteration. Both targets, in addition to the untested Patricia prospect, will be tested with a series of scout holes when drilling resumes in early August. Mapping and sampling will continue at **Emilia** throughout August and September 2020 and further targets are anticipated.

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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.

Table 1: JORC Code Reporting Criteria
Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	<ul style="list-style-type: none"> 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. 	<p>Conserrat Rock Chip Sampling</p> <ul style="list-style-type: none"> The rock chip samples reported in this announcement were collected by E2 Metals during January 2020. A total of 127 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. <p>Conserrat IP Geophysics</p> <ul style="list-style-type: none"> IP resistivity / chargeability images presented in this announcement was acquired by two contractors on separate campaigns. The Ro data was acquired by Geofisica SA during April 2019, whereas the Emilia data was acquired by Quantec during September 2019. The data was acquired 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.

Criteria	JORC Code Explanation	Commentary
Drilling Techniques	<ul style="list-style-type: none"> 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). 	No drill results are disclosed in this announcement.
Drill Sample Recovery	<ul style="list-style-type: none"> 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. 	No drill results are disclosed in this announcement.
Logging	<ul style="list-style-type: none"> 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. 	No drill results are disclosed in this announcement.
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. 	No drill results are disclosed in this announcement.
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	No drill results are disclosed in this announcement.
Sub-Sampling Techniques and Sample Preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	No drill results are disclosed in this announcement.
	<ul style="list-style-type: none"> If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. 	No drill results are disclosed in this announcement.

Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> 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. 	
Quality of Assay Data and Laboratory Tests	<ul style="list-style-type: none"> 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. 	Conserrat Rock Chip Sampling <ul style="list-style-type: none"> Four acid digest and ICP-MS is the most robust analytical method for full digestion and qualitative analyses of multi-element concentrations. Duplicate samples were collected.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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 drill results are disclosed in this announcement.
Location of Data Points	<ul style="list-style-type: none"> 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. 	No drill results are disclosed in this announcement.

Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> • Specification of the grid system used. • Quality and adequacy of topographic control. 	
Data Spacing and Distribution	<ul style="list-style-type: none"> • 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 drill result or Ores Reserve estimations are disclosed in this announcement.
Orientation of Data in Relation to Geological Structure	<ul style="list-style-type: none"> • 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. 	Conserrat Rock Chip Sampling <ul style="list-style-type: none"> • Rock chip sampling was selective to identify possible high-grade vein facies.
Sample Security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	Conserrat Rock Chip Sampling <ul style="list-style-type: none"> • Chain of custody was managed by E2 Metals. Samples were placed into taped bags with sample numbers that provided no specific information on the location of the samples. Samples were transported from site to ALS Laboratories (Mendoza) by E2 Metals.
Audits or Reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	Conserrat Rock Chip Sampling <ul style="list-style-type: none"> • No audit or review of the sampling techniques and data has been undertaken.

Section 2 Reporting of Exploration

Criteria	JORC Code Explanation	Commentary
Mineral Tenement and Land Tenure Status	<ul style="list-style-type: none"> 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. 	<p>E2 Metals Limited holds an 80% interest in the Corona Project through its ownership in local Argentine holding company Minera Los Domos SA.</p> <p>Conserrat Project titles</p> <ul style="list-style-type: none"> Title ID 437.471/BVG/17
Exploration Done by Other Parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<p>Reconnaissance exploration by IAMGOLD</p> <ul style="list-style-type: none"> During the early 2000s IAMGOLD collected 131 vein outcrop and float samples within the project area. <p>Reconnaissance exploration by Circum Pacific Pty Ltd</p> <ul style="list-style-type: none"> Between the period October 2017 to March 2018 Circum Pacific Pty Ltd collected 120 vein outcrop and float samples within the project area.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<p>Santa Cruz Geology and Deposit Model</p> <ul style="list-style-type: none"> Conserrat is located towards the central eastern margin of the extensive ~60,000 km² Deseado Massif geological province that stretches across southern Argentina into the Chilean southern Andes. This massif is made up of Jurassic volcanic and volcanoclastic 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.

Criteria	JORC Code Explanation	Commentary
Drill Hole Information	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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 <p>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.</p>	No drill results are disclosed in this announcement.
Data Aggregation Methods	<ul style="list-style-type: none"> • 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 drill results are disclosed in this announcement.
Relationship Between Mineralisation Widths and intercept lengths.	<ul style="list-style-type: none"> • 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”). 	No drill results are disclosed in this announcement.

Criteria	JORC Code Explanation	Commentary
Diagrams	<ul style="list-style-type: none"> 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. 	Yes.
Balanced Reporting	<ul style="list-style-type: none"> 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. 	Samples with gold and silver assay results below detection limit are not included in Table 1 but are included in the maps.
Other Substantive Exploration Data	<ul style="list-style-type: none"> 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. 	Not applicable.
Further Work	<ul style="list-style-type: none"> 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 programs at Conserrrat will recommence in August 2020.