

September 2021 Quarterly Report

25 October 2021

E2 Metals (**E2** or **the Company**) is pleased to present the quarterly report for the period ended 30 September 2021 and provide an update on exploration activities across the Company's portfolio.

Highlights

Update on the Conserrat gold and silver project (Santa Cruz, Argentina)

- Drilling and systematic exploration re-commenced in September following the winter break.
- Gold and silver assay results confirm **Malvina** to be a new discovery:

CODD-147: 8m at 0.9gpt Au, 186gpt Ag (3.6 AuEq) from 125m, inc.
2.5m at 0.8gpt Au, 574gpt Ag (9.0 AuEq) from 125m

CODD-152 2m at 4gpt Au, 754gpt Ag (14.8 AuEq) from 100.8m, inc.
1m at 7.8gpt Au, 1417gpt Ag (28gpt AuEq) from 100.8m

- Gold and silver mineralised veins are defined over a **375m strike** and are **open to the northwest**
- Follow up drilling at **Emilia** returns further high-grade mineralisation, including:

CODD-138: 29m at 1.6gpt Au, 15gpt Ag (1.8gpt AuEq) from 41m, inc.
1m at 39gpt Au, 54gpt Ag (40gpt AuEq) from 42m

CODD-143 4m at 0.5gpt Au, 351gpt Ag (5.5gpt AuEq) from 75.5m, inc.
1m at 0.5gpt Au, 1296gpt Ag (19gpt AuEq) from 78.5m

- A second Reverse Circulation (RC) drill rig is on site to accelerate drilling at all prospects.
- Metallurgical test work on composite drill hole samples from **Mia** returned greater than 90% Au recovery by conventional cyanide bottle roll for oxide zone composites.

¹Gold equivalent grades calculated at spot price of U\$1750/oz gold and U\$25/oz silver (Au + Ag/70)

E2 Metals Limited

ABN: 34 116 865 546
ASX Code: E2M

Issued Capital

150.5M fully paid
ordinary shares

Directors / Secretary

Brad Evans
Chair

Todd Williams
Managing Director

Peter Mullens
Non-Executive Director

Melanie Leydin
Non-Executive Director & Secretary

Address

Level 4, 100 Albert Road
South Melbourne VIC 3205
P: +61 3 9692 7222
F: +61 3 9077 9233
E: info@e2metals.com.au



Highlights cont.

Update on the El Rosillo gold project (Rio Negro, Argentina)

- E2 acquired a **100% interest** in the **El Rosillo** project as per the Exclusivity, Option and Confidentiality Agreement signed with Argentine company Valcheta Exploraciones S.A.S on 11 February 2021 (see ASX Announcement, 27 April 2021, March 2021 Quarterly Report).
- Total consideration for exercise of the option is US\$75,000 cash, 312,807 ordinary E2 shares and a 1% Net Smelter Royalty (“NSR”) of which 0.75% is capped at US\$1million. The shares were issued under existing capacity under ASX Listing Rule 7.1 and no shareholder approval was required.
- **El Rosillo** is located in the western Rio Negro province and is host to a **newly recognised intrusion related gold (“IRG”) mineralised system** with surface dimensions **3km by 2km** (see ASX Announcement, 8 July 2021, Rio Negro – Target 38 Sampling Results).
- Detailed channel chip sampling and trenching is ongoing.

Corporate

- The Company remains in a **strong financial position** with **\$9.5M cash** as of 30 September 2021.

Santa Cruz Projects, Argentina

Overview

E2 Metals continues to be focused on its Santa Cruz projects in Argentina (Figure 1) where it holds an 80% interest in a 90,000-hectare land package prospective for multi-million-ounce gold and silver epithermal vein deposits similar to Cerro Negro (Newmont) and Cerro Vanguardia (AngloGold Ashanti).

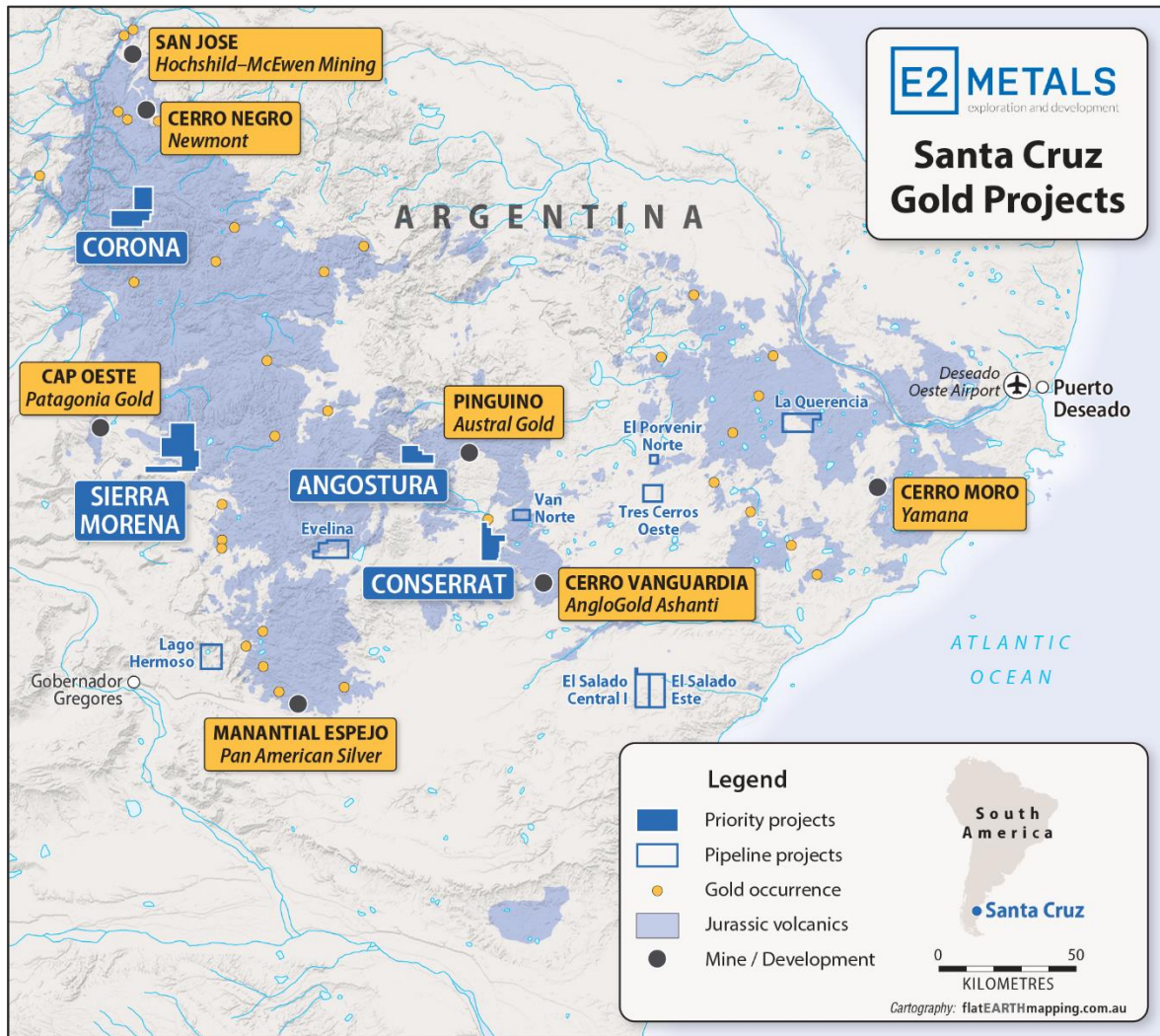


Figure 1: Santa Cruz Portfolio

Exploration work programs in Santa Cruz are focused on the **Conserrat** project (Figure 2) where the Company has made a number of high-grade gold and silver discoveries.

Conserrat

The **Conserrat** project is comprised of one title totalling 8,696Ha and is centered on the same geological trend that is host to AngloGold Ashanti’s Cerro Vanguardia mine (historical and current reserves 8.9Moz Au, 137Moz Ag). The project is host to a recently discovered epithermal vein field that partially outcrops over an area of 25 square kilometers and is exposed within ‘erosional windows’ of younger volcanic and sediment cover.

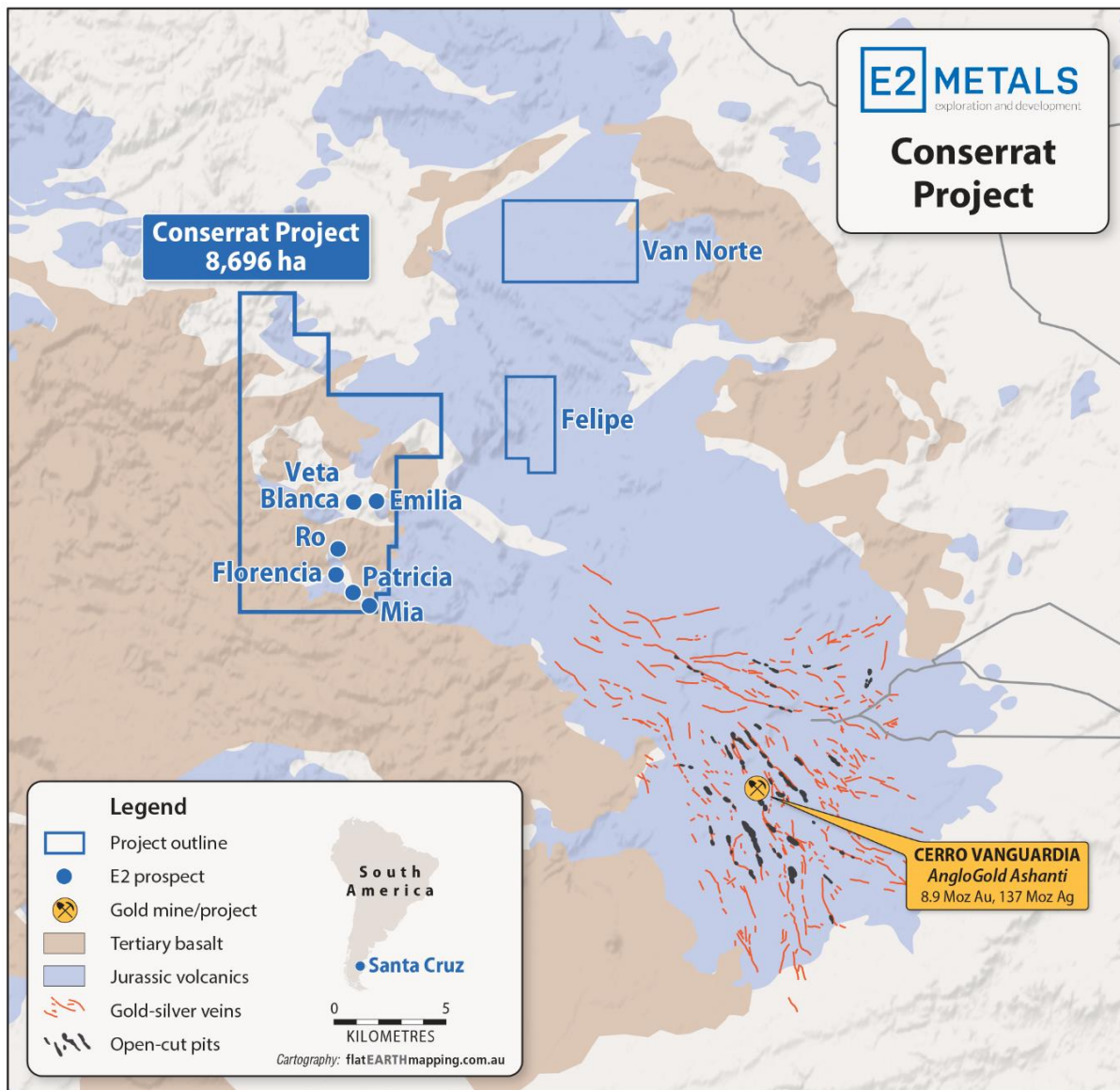


Figure 2: Conserrat Project

Exploration at Conserrat re-commenced during September following the winter break.

During the reporting period, gold and silver assay results were received for 25 holes that were completed at the end of the last exploration field season (see ASX announcement, Gold and silver assays confirm Malvina discovery, 5 October 2021). This includes scout drill holes at four new prospects (**Florencia Norte, Silvia, Veta Blanca-West** and **Malvina**) as well as follow up drilling at the **Emilia** discovery (see ASX announcement, 10 May, Emilia scout drilling returns high-grade silver).

In addition, assay results have been received for a further four holes for 693m completed at **Malvina** and **Malvina Sur** since re-commencing exploration earlier this month.

Drill hole locations are provided in Table 1 and significant gold and silver assay results are shown in Figure 3.

Table 1: Drill hole collars

Coordinates stated in WGS84 UTM 19S

| Prospect | Hole | Method | Easting (mE) | Northing (mN) | RL (m) | Dip (°) | Azimuth (°) | Depth (m) |
|------------------|----------|---------|--------------|---------------|--------|---------|-------------|-----------|
| Emilia | CODD-126 | Diamond | 535325 | 4650273 | 278 | -50 | 63 | 170.5 |
| Ro | CODD-127 | Diamond | 533400 | 4648640 | 307 | -60 | 37 | 137.5 |
| Florencia Norte | CODD-128 | Diamond | 533085 | 4647797 | 307 | -50 | 217 | 146.4 |
| Florencia Norte | CODD-129 | Diamond | 533140 | 4647869 | 298 | -50 | 217 | 160 |
| Florencia Norte | CODD-130 | Diamond | 533410 | 4647957 | 304 | -60 | 180 | 128.5 |
| Silvia | CODD-131 | Diamond | 535059 | 4646996 | 304 | -50 | 20 | 182 |
| Silvia | CODD-132 | Diamond | 535190 | 4646958 | 314 | -50 | 20 | 149.5 |
| Silvia | CODD-133 | Diamond | 534691 | 4647040 | 300 | -50 | 20 | 116.5 |
| Mia | CODD-134 | Diamond | 534864 | 4646175 | 293 | -70 | 217 | 224 |
| Veta Blanca West | CODD-135 | Diamond | 533140 | 4650992 | 283 | -50 | 37 | 136.1 |
| Veta Blanca West | CODD-136 | Diamond | 533071 | 4650900 | 279 | -50 | 37 | 200 |
| Emilia | CODD-137 | Diamond | 534818 | 4650549 | 292 | -60 | 37 | 111 |
| Emilia | CODD-138 | Diamond | 534739 | 4650528 | 295 | -50 | 37 | 116.5 |
| Uma | CODD-139 | Diamond | 535077 | 4649564 | 292 | -50 | 200 | 88.3 |
| Emilia | CODD-140 | Diamond | 534782 | 4650502 | 295 | -50 | 37 | 101.5 |
| Uma | CODD-141 | Diamond | 535076 | 4649564 | 292 | -50 | 200 | 59.5 |
| Emilia | CODD-142 | Diamond | 534729 | 4650598 | 292 | -50 | 37 | 115 |
| Emilia | CODD-143 | Diamond | 534699 | 4650558 | 296 | -50 | 37 | 107.5 |
| Emilia | CODD-144 | Diamond | 534689 | 4650620 | 294 | -50 | 37 | 101.5 |
| Veta Blanca West | CODD-145 | Diamond | 533295 | 4650946 | 275 | -50 | 37 | 175 |
| Malvina | CODD-146 | Diamond | 534955 | 4649633 | 295 | -60 | 200 | 166.8 |
| Malvina | CODD-147 | Diamond | 534830 | 4649743 | 294 | -50 | 200 | 176 |
| Malvina | CODD-148 | Diamond | 534862 | 4649835 | 292 | -50 | 200 | 215.5 |
| Malvina | CODD-149 | Diamond | 534972 | 4649680 | 293 | -60 | 200 | 233.5 |
| Emilia | CODD-150 | Diamond | 534845 | 4650585 | 291 | -60 | 37 | 166.5 |
| Malvina | CODD-151 | Diamond | 534850 | 4649590 | 294 | -50 | 20 | 158.4 |
| Malvina | CODD-152 | Diamond | 534705 | 4649673 | 289 | -50 | 20 | 172.6 |
| Malvina | CODD-153 | Diamond | 534572 | 4649649 | 290 | -45 | 20 | 212.4 |
| Malvina Sur | CODD-154 | Diamond | 534383 | 4649180 | 300 | -50 | 37 | 150.9 |

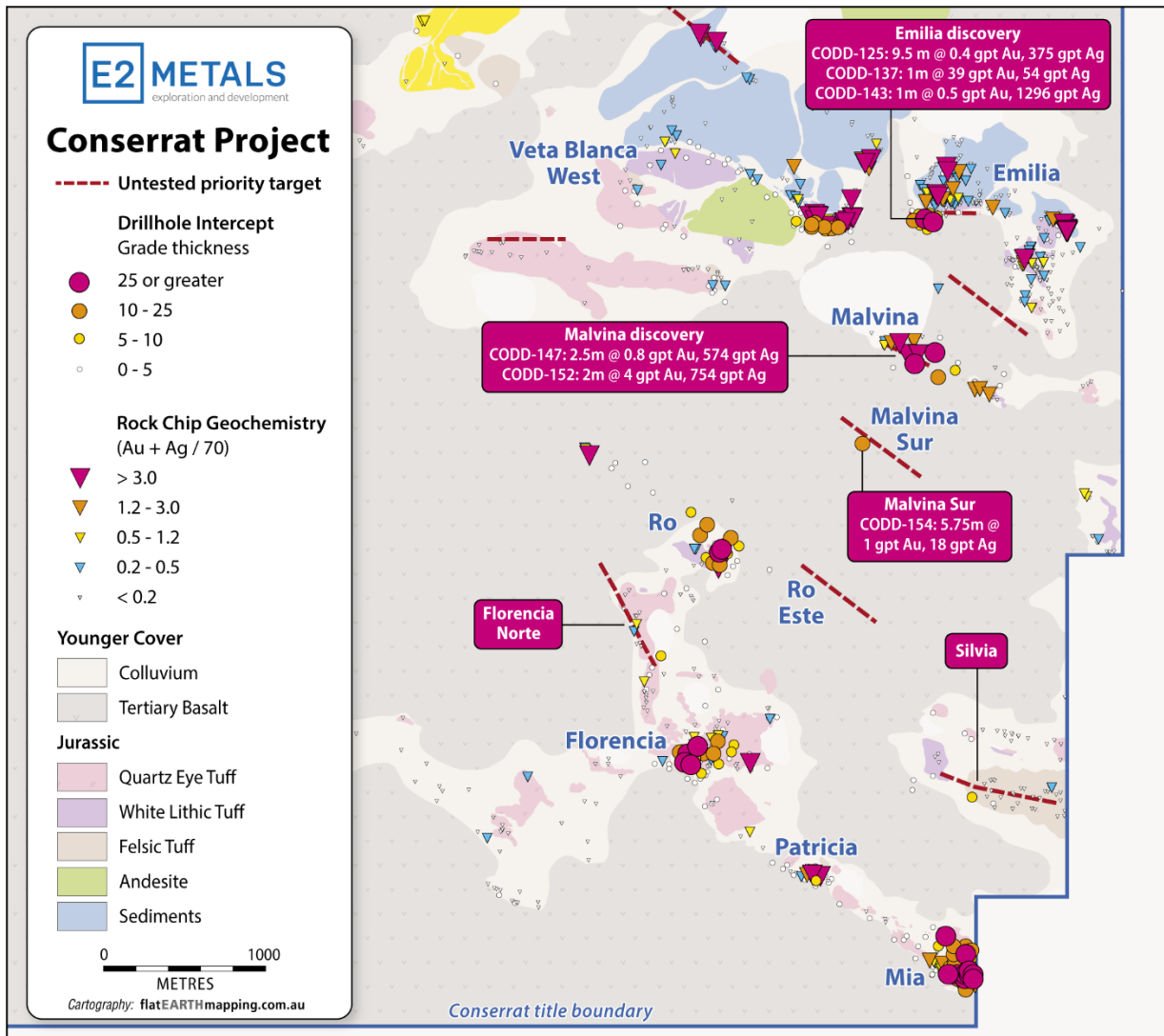


Figure 3: Conserrat project – location of drill holes and recent discoveries

Results

Malvina

Malvina is located in the central project area 1 kilometer south of the **Emilia** prospect on a separate west-northwest structural trend. The prospect was prioritised for scout drilling following the identification of vein boulders with high gold and silver grades (**up to 9.8gpt Au and 1760gpt Ag**). The vein boulders sit upon lake sediments and the host rocks are concealed by younger basalt cover.

While the prospective host rocks do not outcrop, the **Malvina** vein and host structure is mapped in Gradient Array Induced Polarization (GAIP) chargeability images for over 1 kilometer strike (see ASX Announcement, 30 June 2021, Exploration Update).

Initial scout drilling was completed on five wide spaced sections spaced 100 to 150m apart (see Figure 4). A total of 7 holes for 1427m have been completed to date.

Importantly, four of the seven scout holes returned high-grade mineralisation of >3gpt gold equivalent.

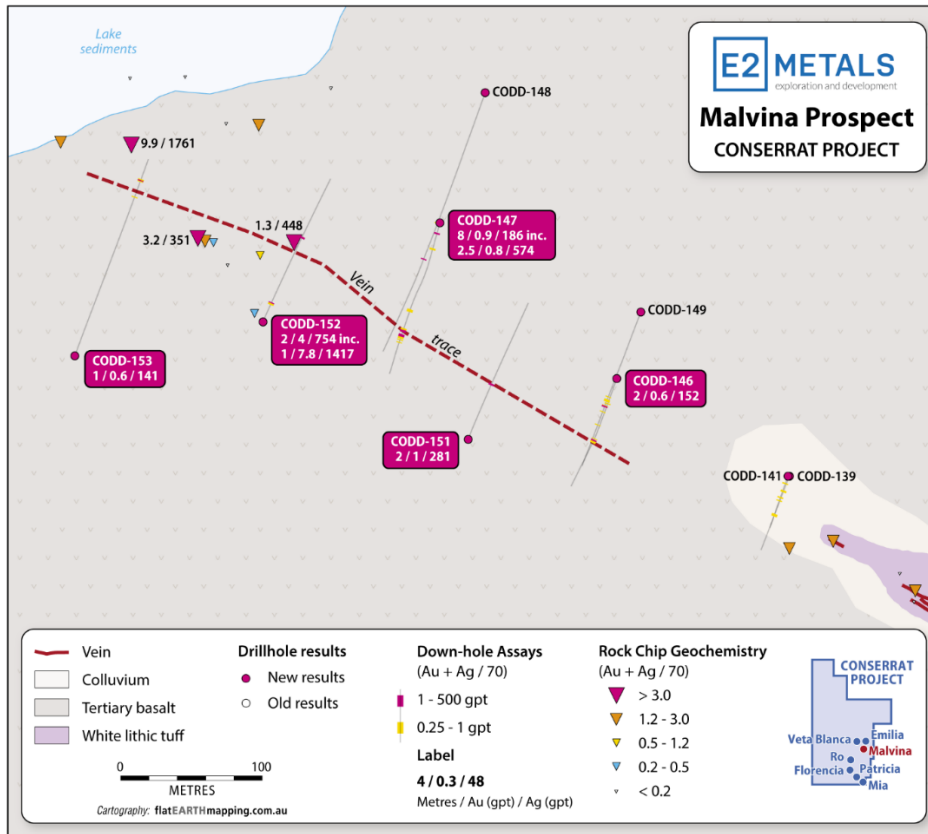


Figure 4: Malvina drill holes and results

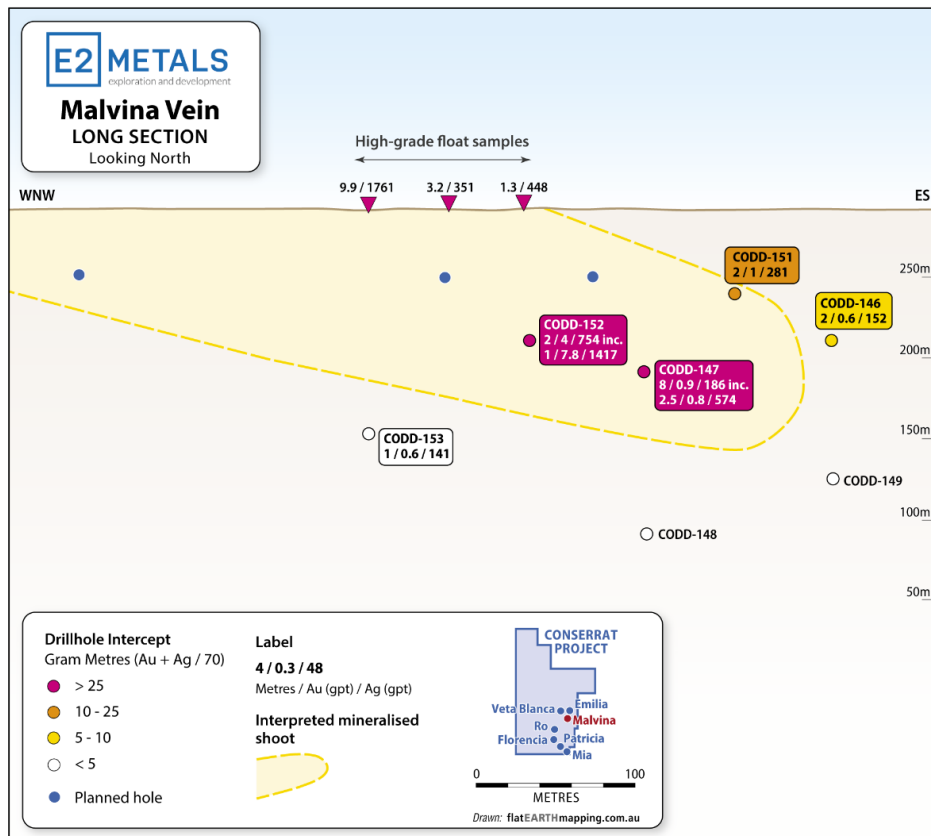


Figure 5: Malvina long section

Significant gold and silver assay results include:

| | |
|-----------|---|
| CODD-147: | 8m at 0.9gpt Au, 186gpt Ag (3.6 AuEq) from 125m, inc. 2.5m at 0.8gpt Au, 574gpt Ag (9.0 AuEq) from 125m |
| CODD-152 | 2m at 4gpt Au, 754gpt Ag (14.8 AuEq) from 100.8m, inc. 1m at 7.8gpt Au, 1417gpt Ag (28gpt AuEq) from 100.8m |
| CODD-151 | 2m at 1gpt Au, 281gpt Ag (4.9 AuEq) from 63.4m, inc. |
| CODD-146 | 2m at 0.6gpt Au, 152gpt Ag (2.7 AuEq) from 92.4m |

Gold and silver mineralisation is associated with two sub-parallel vein structures. All veins are within ignimbrite (white lithic tuff) overlying andesite. Vein textures range from massive crystalline quartz to colloform-crustiform silica with black sulphides. Visible gold was noted in hole CODD-152.

Mineralisation shows a strong RL control and appears to be best developed from surface to 125 vertical meters below the surface, suggesting that the source of the mineralised vein boulders could be a mineralised shoot plunging shallowly to the east (see Figure 5). Mineralisation is poorly defined at shallow depths and to the northwest, which is the focus of ongoing drilling. To date, access to the high-grade float samples for drilling has been restricted by wet and muddy conditions around the lake sediments.

Emilia

Emilia is host to a new gold and silver discovery that was announced in May (see ASX Announcement, 10 May 2021, *Emilia scout drilling returns high-grade silver*).

Previously reported gold and silver assay results include:

| | |
|-----------|--|
| CODD-125: | 9.5m at 0.4gpt Au, 375gpt Ag (6gpt AuEq) from 49m, inc. 2m at 0.5gpt Au, 630gpt Ag (9.9 AuEq) from 49m |
|-----------|--|

A further seven holes for 819m (see Figure 5) were completed at **Emilia** to better define the structural and geological controls to mineralisation, which were unclear. All holes were drilled in a fence configuration on four sections spaced 50m apart.

Mineralisation at **Emilia** is shown to be within a low-angle to flat structure at the faulted contact between ignimbrite (white lithic tuff) and overlying sandstones of the Roca Blanca Formation.

High-grade mineralisation is so far defined over 100m strike and is open to the west and east where the mineralised structure disappears under Tertiary basalt cover.

Significant gold and silver assay results include:

| | |
|-----------|---|
| CODD-137: | 29m at 1.6gpt Au, 15gpt Ag (1.8gpt AuEq) from 41m, inc. 1m at 39gpt Au, 54gpt Ag from (40gpt AuEq) from 42m |
| CODD-143: | 4m at 0.5gpt Au, 351gpt Ag (5.5gpt AuEq) from 75.5m, inc. 1m at 0.6gpt Au, 1296gpt Ag (19gpt AuEq) from 78.5m |

The highest gold and silver grades are within steeper parts of the low-angle structure (see Figure 6) and mineralised widths appear to be increasing to the east.

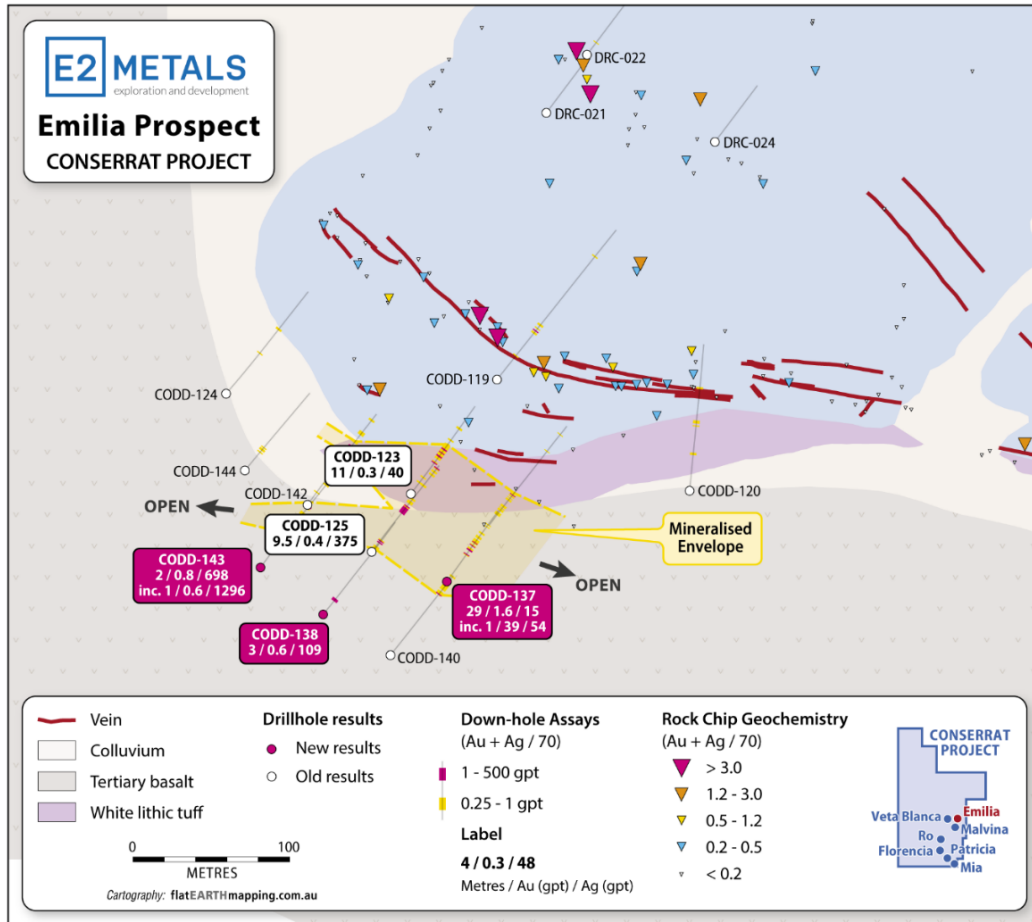


Figure 5: Emilia drill holes and results

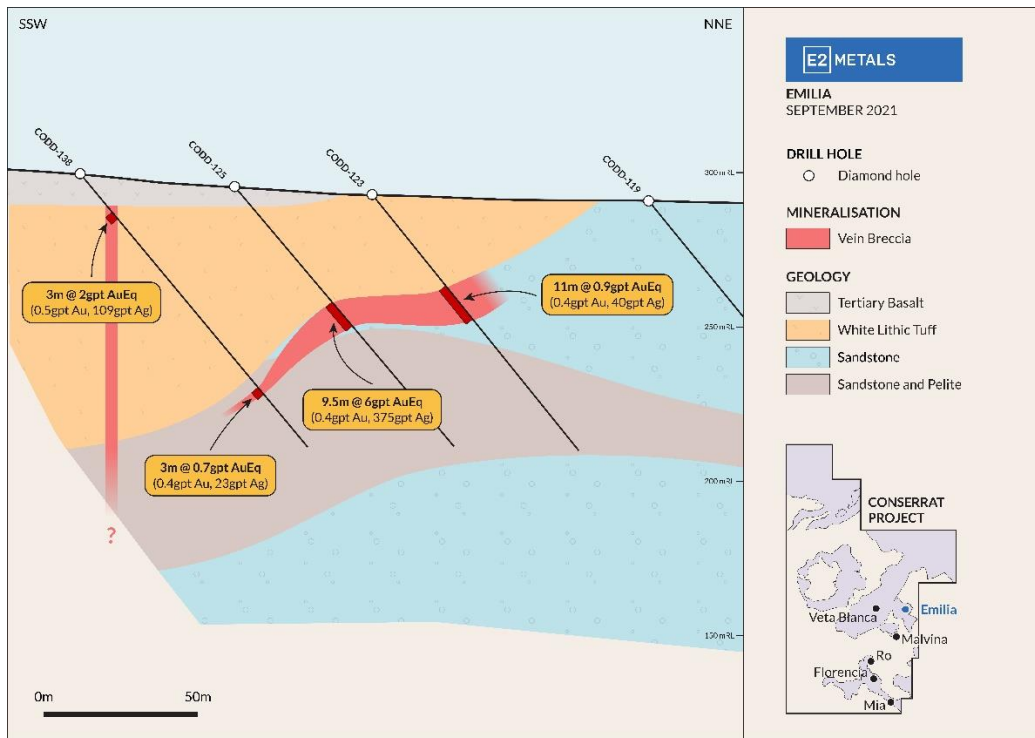


Figure 6: Emilia cross section

The southernmost hole CODD-138 returned **3m at 0.6gpt Au, 109 gpt Ag (2gpt AuEq)** from 17m indicating a possible parallel structure that remains unresolved by the current drilling.

The next phase of drilling at **Emilia** will comprise step-out drill holes targeting extensions of known mineralisation under basalt cover, as well as step-out drill holes within the east-northeast structure.

Other prospects

Regional prospects and drill holes are summarised in Figure 3.

Malvina Sur is located 500m south of **Malvina** and is concealed entirely by Tertiary basalt cover. One hole for 150m has been completed to date at the prospect, targeting a break in Gradient Array IP geophysical images inferred to be a prospective structure. The hole returned encouraging gold and silver mineralisation, including:

CODD-154: 18m at 0.6gpt Au, 10gpt Ag (0.8gpt AuEq) from 51m, inc.
5.75m at 1gpt Au, 18gpt Ag (1.3gpt AuEq) from 61.3m

Mineralisation is open in all directions and more systematic scout drilling is planned at **Malvina Sur**.

Florencia Norte is located 600m north-northwest of **Florencia** and is centered on a separate structure orientated north-northwest. The structure outcrops sporadically over 250m strike and is associated with a prominent silver soil anomaly. A scout drill program comprising three holes for 434m was completed at **Florencia Norte** to locate a possible mineralised structure as the source of the soil anomaly.

Hole CODD-129 intercepted **4m at 0.26gpt Au, 64gpt Ag (1.2gpt AuEq)** from 146m, which is encouraging and confirms the presence of a gold and silver mineralised structure. Further scout holes are planned at **Florencia Norte** targeting possible higher-grade zones along the gold and silver mineralised structure which is traced for over 700m strike in geophysical images.

A similar scout drill program was completed at **Silvia**, which is located 1km north of **Mia**. The prospect is centered on the largest silver soil anomaly (>200ppb) in the project, with measured dimensions of 1200m by 600m. The anomaly is coincident to a prominent west-northwest orientated ridge and 'silica cap'.

Two holes spaced 130m apart were completed to test the peak soil anomaly. The westernmost hole CODD-131 intercepted a **13m wide zone of mineralisation**, including:

CODD-131: 4m at 1.5gpt Au, 10gpt Ag (1.7gpt AuEq) from 157m, and
4m at 1.5gpt Au, 27gpt Ag (1.9gpt AuEq) from 171m

Mineralisation is in andesite overprinted by silica alteration and sulphide stringers. While mineralisation is hard to discern in drill core, it is coincident with a major break in Gradient Array IP resistivity images that is traced over 1km strike. Additional soil anomalies untested by drilling coincide with the break in the resistivity.

Drilling at **Veta Blanca West** did not return significant values and no further work is planned at the prospect. Hole CODD-135 returned 1.5m at 0.2gpt Au, 99gpt Ag from 128.35m within Roca Blanca sandstone.

Rio Negro Projects, Argentina

Overview

The Rio Negro Province contains the northern portion of the Somuncura Massif, a large volcanic province that is geologically similar to the Deseado Massif in Santa Cruz, but has been subject to far less modern exploration. The Somuncura Massif is host to Pan American Silver’s Navidad deposit, the largest undeveloped silver deposit in the world with over 700 million ounces of silver resources.

The Company has consolidated four large districts in the western part of the Rio Negro province centered on the **Vista Alegre**, **Ofelia**, **Paredes** and **El Rosillo** properties (Figure 7) respectively. Initial reconnaissance mapping and sampling by E2 in March 2021 (see ASX Announcement, 27 April 2021, March 2021 Quarterly Report) defined 12 gold mineralised prospects of possible Intrusion Related Gold (“IRG”) affinity over an area spanning 100km (“Comallo Gold Belt”).

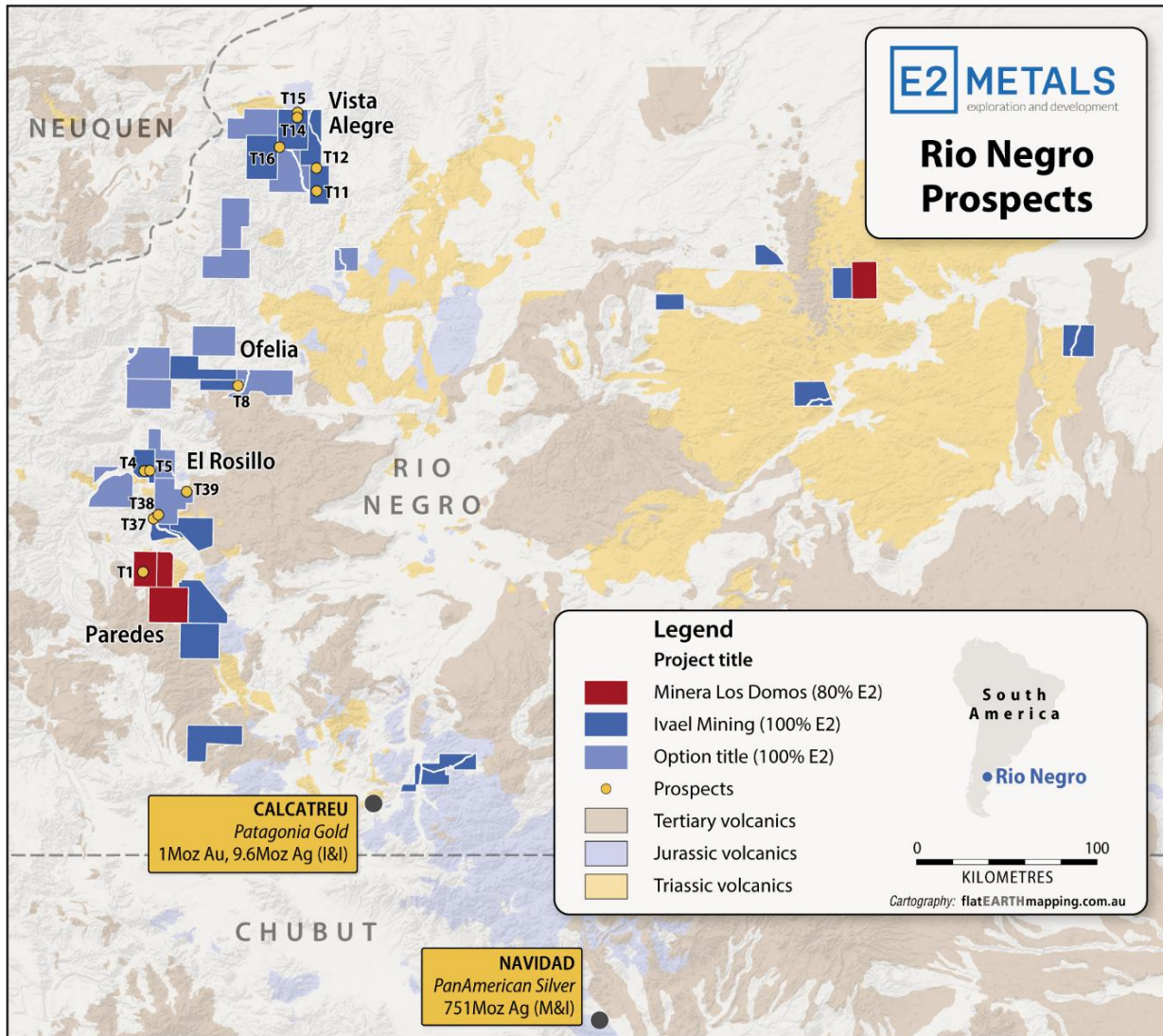


Figure 7: Western Rio Negro projects including El Rosillo

El Rosillo

Valcheta Exploraciones Option Agreement

To further consolidate its 100% owned Rio Negro land holding, on 11 February 2021 E2 executed an Exclusivity, Option and Confidentiality Agreement with local Argentine company Valcheta Exploraciones SA (“Valcheta”) for an option to purchase the **El Rosillo** mineral title (“the Agreement”).

The Agreement granted E2 6 months to conduct systematic surface exploration to determine the potential for surface discoveries for a once off cash payment of US\$30,000.

Subsequent to signing, the Company has completed an initial phase of systematic surface exploration at the **Target 37** and **Target 38** prospects within **El Rosillo** (see ASX announcement, 8 July 2021, Rio Negro – Target 38 Sample Results).

The results of this work are very encouraging and define a **new previously unrecognized gold mineralised system** with dimensions **3km by 2km**. Gold mineralisation is associated with Late Jurassic dykes, domes and stocks and is interpreted to be of Intrusion Related Gold (IRG) affinity.

The Company has exercised its right to acquire a 100% interest in the **El Rosillo** Project as per the terms of the Agreement. Total consideration is:

- A once off cash payment of US\$75,000
- US\$75,000 worth of ordinary E2 shares (being 312,807 E2 shares calculated using a 15 day VWAP at date of final transaction of AUD\$0.3259 and spot US currency conversion rate of 0.7357)
- A 1% Net Smelter Royalty (NSR), of which 0.75% is capped at US\$1,000,000

The capped and uncapped NSR (“Valcheta NSR”) is extended to two applications that were acquired by E2 subsequent to signing the Agreement and fall under an Area of Interest provision.

Table 2: Mineral title subject to the Valcheta NSR

| <u>Concession</u> | <u>File No.</u> |
|-------------------|-----------------|
| Rosillo | 422048-M-2018 |
| Nuevo Rosillo | 46185-M-2021 |
| Efeil | 46002-M-2021 |

Quila Mahuida

Composite rock sampling

Regional exploration at **Quila Mahuida** (a separate license owned 100% by E2) included 1025 composite rock chip samples at the T4 Prospect (“**Target 4**”) and 156 selective rock chip samples (Figure 8). Composite rock samples were collected on lines spaced 40m apart and represent a continuous bulk sample that incorporates all outcrop and subcrop material over a 20m interval.

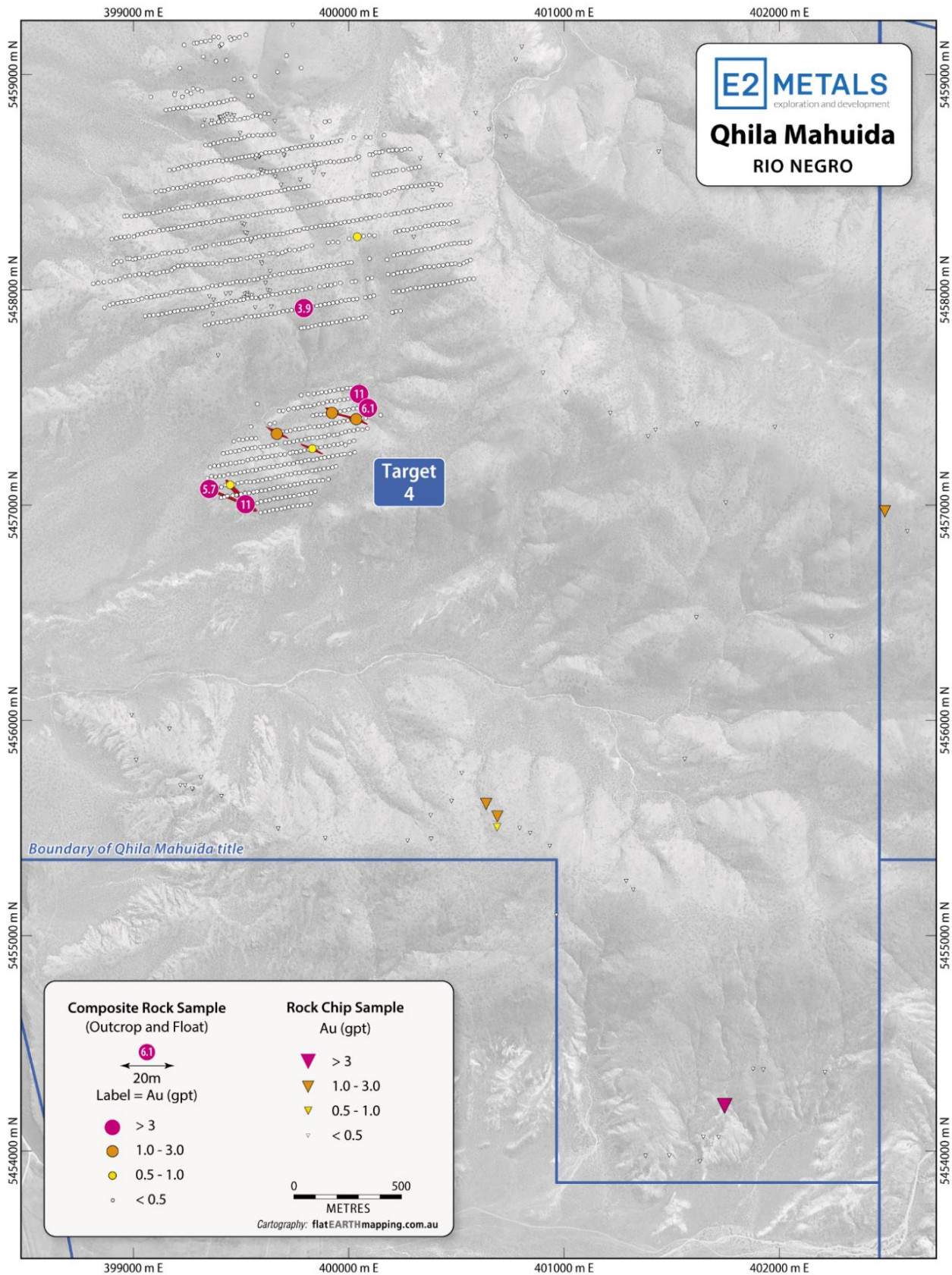


Figure 8: Qhila Mahuida – Target 4 and regional geochemistry

Sample grid lines were centered on Permo-Triassic granitoids overprinted by pegmatite dykes, quartz veins and stockworks. Sampling in the southern area defined multiple north-west to west-northwest orientated gold mineralised structures. Key results include:

Surface gold mineralised structure defined over 190m strike (open to the west)

- **20m at 5.7gpt Au,**
- **20m at 10.9gpt Au**

Surface gold mineralised structure defined over 100m strike (open to the south)

- **20m at 11.1gpt Au**
- **20m at 6.1gpt Au**

Surface gold mineralised structure defined over 200m strike (open to the east)

- **20m at 1.2gpt Au**
- **20m at 1.8gpt Au**

Quila Mahuida is located 12km north-northwest of **El Rosillo** confirming the districts potential to host multiple mineralised prospects.

Regional selective rock chip sampling has defined additional mineralised structures in the southern project area with up to **7.1gpt Au** and **1.5gpt Au**.

Cobar Project, Australia

Overview

E2 Metals holds a large 175km² strategic landholding in the prolific Cobar Superbasin, New South Wales, located on the eastern margin of the Silurian to early Devonian Mount Hope Trough (Figure 13). **Mount Hope** project is considered to be analogous to other Cobar style deposits such as the Peak and Perseverance mines located within the Cobar Gold Fields (historical production 200,000 tonnes of copper and three million ounces of gold since 1870).

No work was completed at the Cobar project during the reporting period.

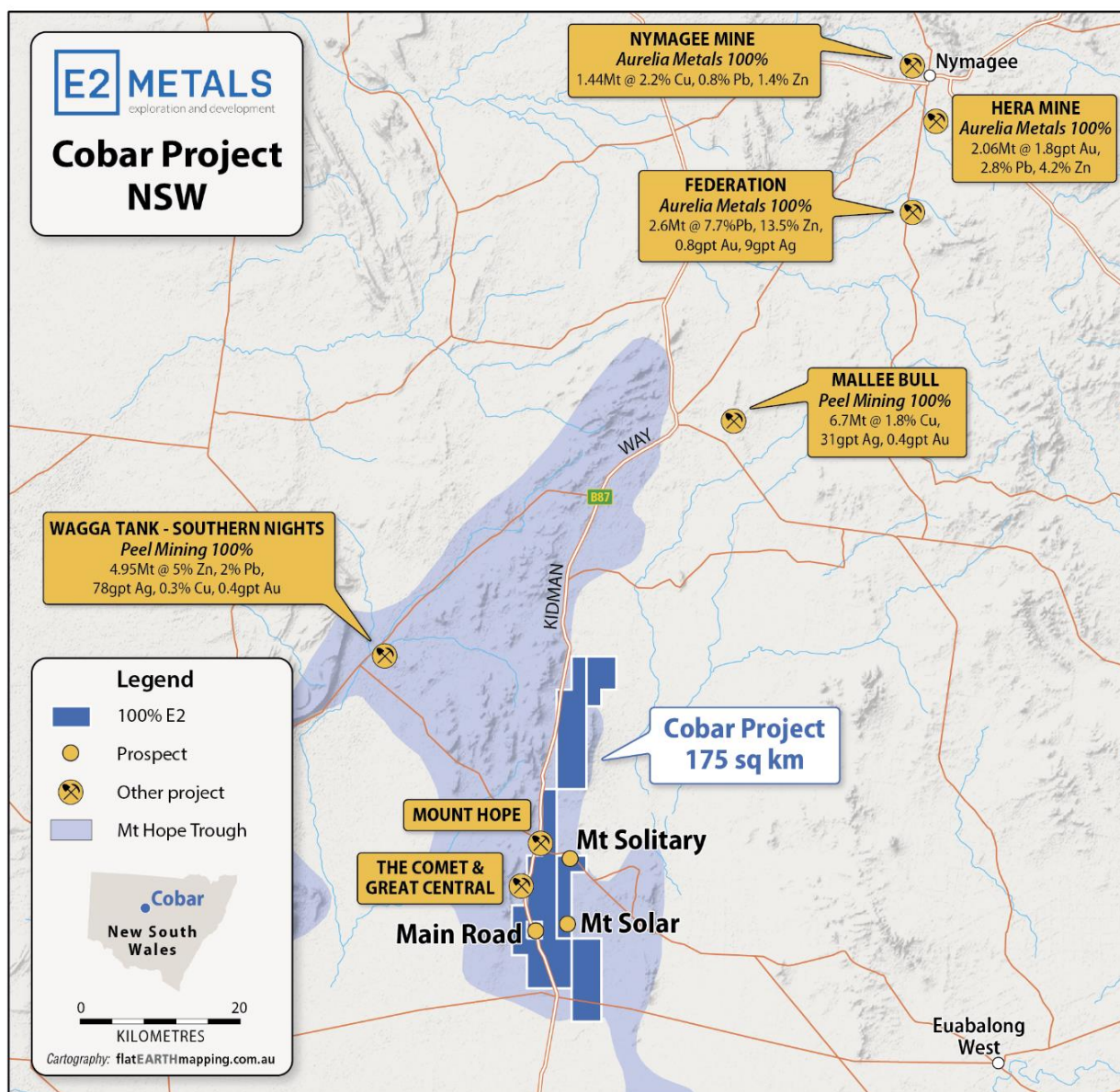


Figure 9: Cobar Portfolio

Corporate

Financial results for the quarter

During the quarter ended 30 September 2021, the Company spent \$1.99M on exploration and evaluation, \$74k on staff costs and \$208k on administration and corporate costs. These payments on operating activities relate to ongoing drill operations at the Conserrat project in addition to exploration at El Rosillo. In addition, the company received \$0.86M of net income from sales of Argentine CCL bonds which were acquired for the purpose of selling in the short term. The bonds were acquired in US Dollars and liquidated in Argentine Pesos as part of transferring the operating working capital to the Group’s Argentine subsidiary for exploration activities.

The Company remains in a robust financial position with \$9.5M cash at 30 September 2021.

Payments to related parties of the entity and their associates

The payments as disclosed in section 6.1 of the Appendix 5B related to:

- Payment of \$87k for Director's fees for the quarter; and
- Payment of \$35k to Leydin Freyer Corp, an associated entity of Ms Melanie Leydin, for CFO and company secretarial fees during September 2021 quarter.

Next Steps

Conserrat

Immediate drill prioritises for the Conserrat project include:

- Step out drilling at **Emilia** targeting lateral extensions of high-grade mineraliation which extends for 100m and is open to the east and west
- Infill drilling at **Malvina** to determine the limits of high-grade mineralisation, in addition to further scout drilling along the host structure that is untested over a 1 kilometer strike
- Scout drilling at **Florencia Norte, Silvia** and **Malvina Sur** to follow up on encouraging results in initial wide spaced drill holes

Laboratory turn around is estimated at 4 weeks and will improve now that drill samples will be processed locally in Santa Cruz.

El Rosillo

Surface exploration work at **El Rosillo** is ongoing and priorities include:

- Channel chip sampling and trenching at **Target 37** and **Target 38** to confirm surface gold anomalies defined by the composite rock chip samples.
- Submission of an Environmental Impact Assessment (EIA) report to gain approvals for drilling.

Drill permits are expected early Q1 2022

For enquiries please contact:

Todd Williams

Managing Director

M: + 61 4 2222 5211

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

Schedule of Tenements as at 30 September 2021

| Description | Tenement number | Holder | Interest owned by E2 Metals Limited % |
|-------------------------------------|-----------------|--------|---------------------------------------|
| Mount Hope, Australia | EL6837 | Fisher | 100 |
| Main Road, Australia | EL8058 | Fisher | 100 |
| Broken Range, Australia | EL8290 | Fisher | 100 |
| Mount Hope, Australia | EL8654 | Fisher | 100 |
| Evelina, Argentina | 423.826/MS/09 | Minera | 80 |
| Lago Hermoso, Argentina | 423.827/MS/09 | Minera | 80 |
| El Salado Este, Argentina | 423.828/MS/09 | Minera | 80 |
| El Salado Central I, Argentina | 424.985/MS/10 | Minera | 80 |
| El Porvenir Norte, Argentina | 421.672/MS/12 | Minera | 80 |
| Tres Cerro Oeste, Argentina | 422.990/MS/12 | Minera | 80 |
| Sierra Morena I, Argentina | 430.269/MS/14 | Minera | 80 |
| Sierra Morena II, Argentina | 430.270/MS/14 | Minera | 80 |
| Cañadón La Angostura, Argentina | 437.502/BVG/17 | Minera | 80 |
| Van Norte, Argentina | 437.503/BVG/17 | Minera | 80 |
| Corona Norte, Argentina | 437.470/BVG/17 | Minera | 80 |
| Corona Sur, Argentina | 437.472/BVG/17 | Minera | 80 |
| Conserrat, Argentina | 437.471/BVG/17 | Minera | 80 |
| Felipe, Argentina | 440.732/LD/19 | Minera | 80 |
| Cerros Blancos, Argentina | 32.053/M/2007 | Minera | 80 |
| Marinao, Argentina | 32.055/M/2007 | Minera | 80 |
| Arroyo de la Ventana, Argentina | 32.056/M/2001 | Minera | 80 |
| Laguna Redonda, Argentina | 32.057/M/2007 | Minera | 80 |
| Paredes Este | 45248/M/2020 | Minera | 80 |
| Paredes, Argentina | 42.056/M/2017 | Minera | 80 |
| Los Leones, Argentina | 46006-M-2021 | Minera | 80 |
| Calvo, Argentina | 45041-M-2020 | Ivail | 100 |
| Curva Oeste y Curva Este, Argentina | 45037-M-2020 | Ivail | 100 |
| Loma Negra, Argentina | 45039-M-2020 | Ivail | 100 |
| Maria, Argentina | 45042-M-2020 | Ivail | 100 |
| Marinao Oeste, Argentina | 45043-M-2020 | Ivail | 100 |
| Ofelia, Argentina | 45044-M-2020 | Ivail | 100 |
| Ojo Del Toro, Argentina | 45040-M-2020 | Ivail | 100 |
| Quila Mahuida, Argentina | 45038-M-2020 | Ivail | 100 |
| Vista Alegre, Argentina | 45035-M-2020 | Ivail | 100 |
| Yanquihuen, Argentina | 45035-M-2020 | Ivail | 100 |
| Buitrera, Argentina | 46003-M-2021 | Ivail | 100 |
| Buitrera Sur, Argentina | 46005-M-2021 | Ivail | 100 |
| Comallo Arriba | 46000-M-2021 | Ivail | 100 |
| Doradillo, Argentina | 46001-M-2021 | Ivail | 100 |
| Efeil, Argentina | 46002-M-2021 | Ivail | 100 |
| Saladero Sur, Argentina | 46004-M-2021 | Ivail | 100 |
| Ofelia Norte, Argentina | 46110/M/2021 | Ivail | 100 |
| Cerro Bayo, Argentina | 46111-M-2021 | Ivail | 100 |
| Rosillo Sur, Argentina | 46154-M-2021 | Ivail | 100 |

| Description | Tenement number | Holder | Interest owned by E2 Metals Limited % |
|---|-----------------|------------------------|---------------------------------------|
| Vista Alegre Este, Argentina | 46166-M-2021 | Ivael | 100 |
| Quila Mahuida Este, Argentina | 46178-M-2021 | Ivael (Option) | 100 |
| Yanquihuen Oeste, Argentina | 46179-M-2021 | Ivael (Option) | 100 |
| Bonito, Argentina | 46180-M-2021 | Ivael (Option) | 100 |
| Ofelia Este, Argentina | 46181-M-2021 | Ivael (Option) | 100 |
| Cañadon Guanaco Muerto Norte, Argentina | 46210-M-2021 | Ivael (Option) | 100 |
| Cañadon Guanaco Muerto Sur, Argentina | 46211-M-2021 | Ivael (Option) | 100 |
| Cerro Campo Limpio, Argentina | 46209-M-2021 | Ivael (Option) | 100 |
| Quinihuau, Argentina | 46208-M-2021 | Ivael (Option) | 100 |
| Aguada Reuque, Argentina | 46207-M-2021 | Ivael (Option) | 100 |
| Arroyo Pilahue, Argentina | 46206-M-2021 | Ivael (Option) | 100 |
| Rosillo Oeste, Argentina | 46226-M-2021 | Ivael (Option) | 100 |
| Ipa, Argentina | 444,802/IM/2021 | Ivael | Application |
| Delia, Argentina | 444,800/IM/2021 | Ivael | Application |
| Los Calafates, Argentina | 444,801/IM/2021 | Ivael | Application |
| El Rosillo | 42028-2017 | Valcheta Exploraciones | 100 |

Notes:

Minera - Minera Los Domos S.A, a subsidiary of E2 Metals Limited

Ivael - Ivael Minings S.A, a subsidiary of E2 Metals Ltd

Fisher - Fisher Resources Pty Ltd, a wholly owned subsidiary of E2 Metals Ltd

Streamline Competent Person Statement

This report contains information extracted from previous ASX releases which are referenced in the report. The Company is not aware of any new information or data that materially affects the information included in the original market announcements.

The Company confirms that the form and content in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

ASX Announcements

- 8 October 2021, *Investor Presentation*
- 5 October 2021, *Gold and silver assays confirm Malvina discovery*
- 23 September 2021, *Preliminary metallurgical test work - Mia prospect*
- 31 August 2021, *E2 Metals moves to 100% ownership in El Rosillo*

Forward Looking Statement

Certain statements in this announcement constitute “forward-looking statements” or “forward looking information” within the meaning of applicable securities laws. Such statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as “may”, “would”, “could”, “will”, “intend”, “expect”, “believe”, “plan”, “anticipate”, “estimate”, “scheduled”, “forecast”, “predict” and other similar terminology, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. These statements reflect the Company’s current expectations regarding future events, performance and results, and speak only as of the date of this announcement.

All such forward-looking information and statements are based on certain assumptions and analyses made by E2M’s management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believe are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking information or statements including, but not limited to, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts to perform as agreed; changes in commodity prices; unexpected failure or inadequacy of infrastructure, or delays in the development of infrastructure, and the failure of exploration programs or other studies to deliver anticipated results or results that would justify and support continued studies, development or operations.

Readers are cautioned not to place undue reliance on forward-looking information or statements. Although the forward-looking statements contained in this announcement are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this announcement and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this announcement.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

E2 Metals Limited

ABN

34 116 865 546

Quarter ended ("current quarter")

30 September 2021

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (1,989) | (1,989) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (74) | (74) |
| (e) administration and corporate costs | (208) | (208) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 17 | 17 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (2,254) | (2,254) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | | |
| (b) tenements | - | - |
| (c) property, plant and equipment | (5) | (5) |
| (d) exploration & evaluation | - | - |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2 | Proceeds from the disposal of: | - | - |
| | (a) entities | | |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (net gains received from the sale of Bonds) | 859 | 859 |
| 2.6 | Net cash from / (used in) investing activities | 854 | 854 |

| | | | |
|-------------|---|----------|----------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | - |

| | | | |
|-----------|--|---------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 11,035 | 11,035 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (2,254) | (2,254) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 854 | 854 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | (137) | (137) |
| 4.6 | Cash and cash equivalents at end of period | 9,498 | 9,498 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 9,498 | 10,942 |
| 5.2 | Call deposits | | |
| 5.3 | Bank overdrafts | | |
| 5.4 | Other (Short term bonds) | - | 93 |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 9,498 | 11,035 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 122 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | | - |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (2,254) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (2,254) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 9,498 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 9,498 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 4.2 |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: N/A | |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: N/A | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 25 October 2021

Authorised by: By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.