December 2021 Quarterly Report

25 January 2022

E2 Metals (**E2** or **the Company**) is pleased to present the quarterly report for the period ended 31 December 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)

- Exploration continues to be focused on the Conserrat project, a greenfields discovery by E2 along trend from AngloGold Ashanti's Cerro Vanguardia mine.
- Scout drilling has defined four new mineralised trends:

Andrea Sur	CORC-183:	**16m at 15gpt Au, 22gpt Ag (15.5gpt AuEq)** from 31m, inc.
		2m at 108gpt Au, 53gpt Ag (109gpt AuEq) from 32m
	CORC-190:	**4m at 3gpt Au, 11gpt Ag (3.2gpt AuEq)** from 29m
Malvina Oeste	CODD-163:	**1m at 15gpt Au, 327gpt Ag (20 AuEq)** from 65.2m
Malvina Sur	CODD-194:	**2m at 5.6gpt Au, 119gpt Ag (7.3gpt AuEq)** from 69m

- This includes unreported scout drill results from **Silvia** where encouraging gold and silver mineralisation is intercepted in the fourth hole at the prospect.

Silvia	CODD-234:	19m at 0.7gpt Au, 31gpt Ag (1.1gpt AuEq) from 157m inc.
		3m at 2.9gpt Au, 96gpt Ag (4.3gpt AuEq) from 160m

- Ongoing extensional drilling at **Malvina** continues to deliver exceptionally high silver grades

CODD-162:	**7.2m at 2.3gpt Au, 854gpt Ag (14.5gpt AuEq)** from 70.8m
CODD-171:	**3m at 3gpt Au, 714gpt Ag (13.2gpt AuEq)** from 105.6m
CORC-174:	**2m at 9.8gpt Au, 2580gpt Ag (46.7gpt AuEq)** from 62m
CODD-189:	**6.1m at 1gpt Au, 194gpt Ag (3.7gpt AuEq)** from 111.9m
CODD-191:	**6m at 2.9gpt Au, 638gpt Ag (12gpt AuEq)** from 44m

- Mineralisation at **Malvina** is defined by 14 drill holes over a **325m strike** with a **weighted average grade of 2.2gpt Au and 592gpt Ag (10.6gpt AuEq) over 3m** (downhole width).

E2 Metals Limited

ABN: 34 116 865 546
ASX Code: E2M

Issued Capital

150.5M fully paid ordinary shares

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Todd Williams
Managing Director

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Highlights cont.

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

- Infill drilling at **Mia** has defined a new hanging wall vein (HW Vein) as well as deeper breccia hosted mineralisation, expanding the resource potential of the prospect

CORD-205: (HW Vein)	**1m at 7gpt Au, 2073gpt Ag (36.6gpt AuEq)** from 80m
CORD-205: (Breccia)	**49m at 0.7gpt Au, 43gpt Ag (1.3gpt AuEq)** from 146.7m inc.
	25m at 0.9gpt Au, 75gpt Ag (1.9gpt AuEq) from 147.7m

- Diamond and Reverse Circulation (RC) drilling recommenced in the first week of January and will include:
    - Infill and follow-up drilling at all advanced prospects including **Andrea Sur, Malvina, Malina Oeste, Malvina Sur, Mia** and **Silva**.
    - Following the success of the December 2021 quarter, a further **11 regional targets** have been **prioritised for scout drilling** during Q1 2022

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

- The Company has initiated a reconnaissance mapping and sampling program at the Corona project located within the same structure and 30km south of Newmont's Cerro Negro mine.
- Sampling during December 2021 defined a number of **previously unrecognised vein structures** including the priority **Veta Agustina** prospect which extends for 800m strike

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

- El Rosillo is a new greenfields discovery and forms part of a district-scale landholding within the unexplored extension of the Gastre fault zone (host to Pan American Silver's Navidad deposit)
- Exploration was limited to a hand dug trench program as the Company awaits approval of an Environmental Impact Assessment (EIA) and permits for surface works including drilling
- Hand dug trenches completed in **Target 38** defined **high-grade bedrock-hosted mineralisation** as the possible source to widespread surface gold anomalies.
- Significant gold and silver assays include:

ROT-009: (Hand dug trench)	**1m at 279gpt Au, 116gpt Ag (280gpt AuEq)**

Corporate

The Company remains in a **strong financial position** with **$6.7M cash** as of 31 December 2021.

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

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) mines.

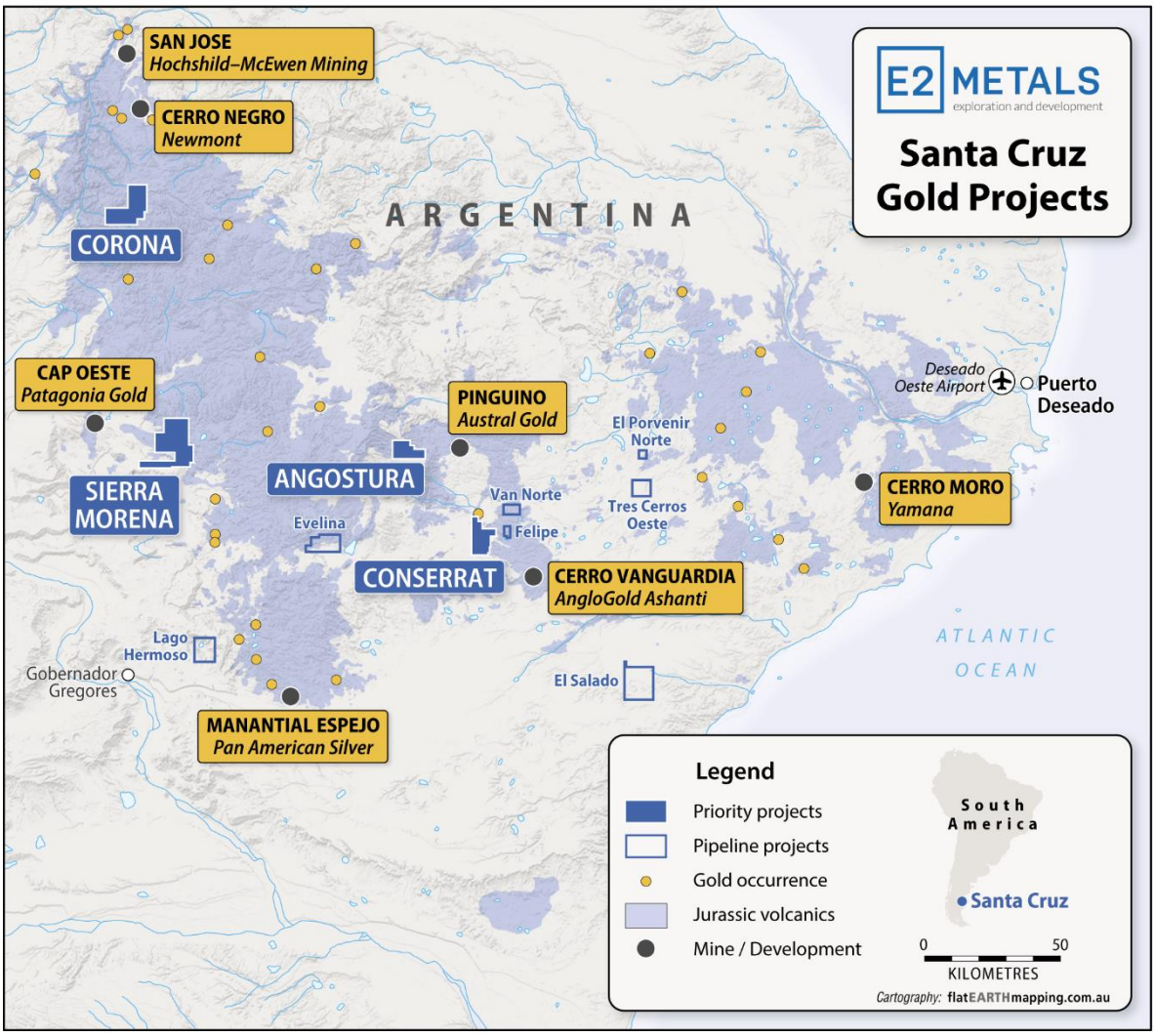

***Figure 1**: Santa Cruz Portfolio*

Exploration work priorities for Santa Cruz during the December 2021 quarter included:

1. Ongoing scout, extensional and infill drilling at Conserrat where E2 is focused on unlocking a new gold and silver vein district along trend from Cerro Vanguardia

2. Mapping and sampling within Corona to evaluate the projects potential to host epithermal gold and silver mineralisation similar to that mined at nearby Cerro Negro

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 contains a recently discovered epithermal vein field that partially outcrops over an area of 25 square kilometers and is exposed within 'erosional windows' through younger volcanic and sediment cover.

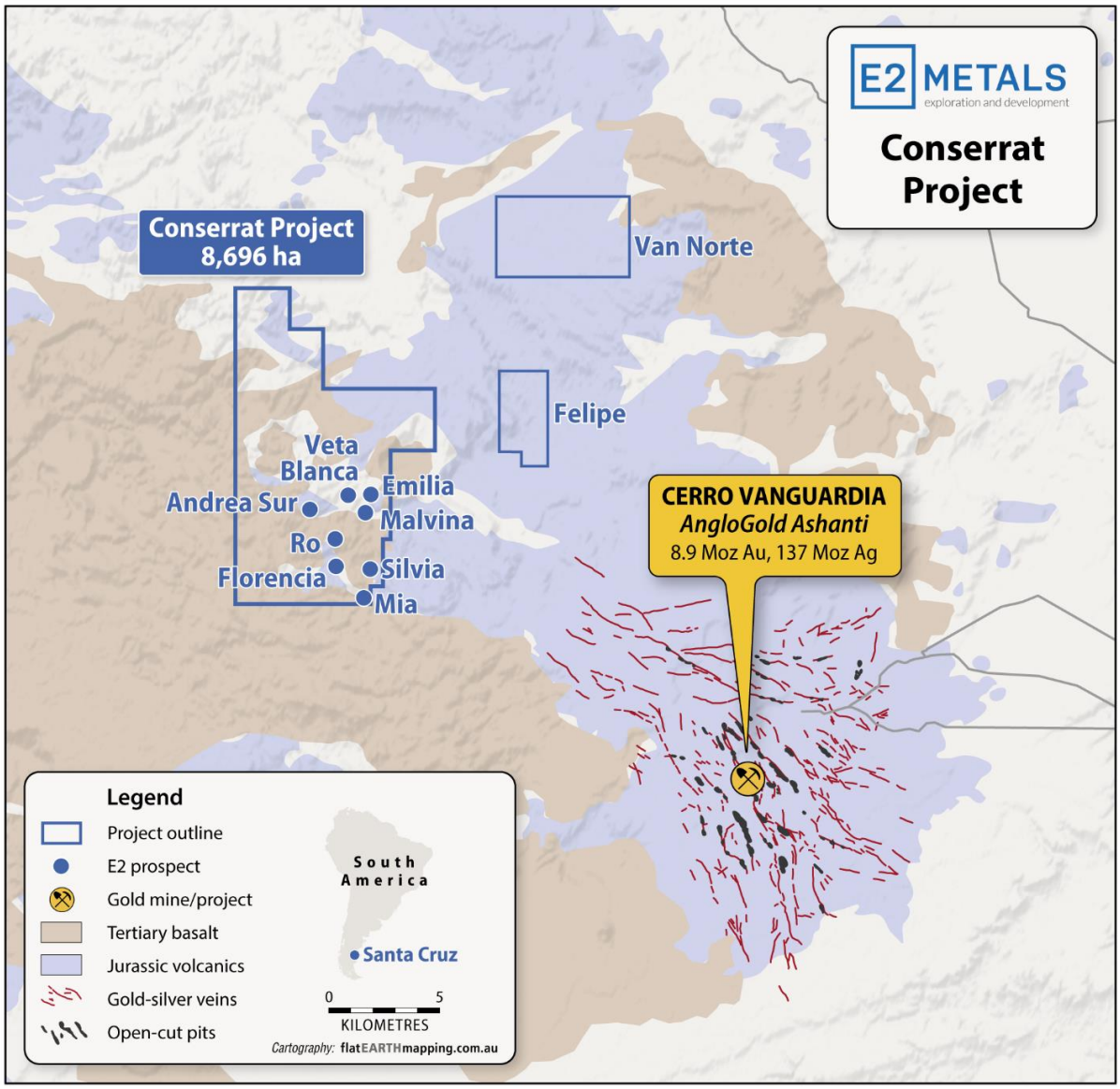

Figure 2: *Conserrat Project*

Prior to E2 commencing work in August 2019, Conserrat had never been drilled or subject to systematic modern exploration. Subsequent exploration by E2 has returned a number of 'blind' discoveries over an area 3 kilometers east to west and 5 kilometers north to south.

A total of 76 holes for 8632m were completed during the reporting period. Hole depths ranged from 42m to 215m and comprised a mix of diamond and Reverse Circulation (RC) drilling.

Overview of drilling

Exploration objectives for the reporting period included:

1. Follow up drilling at the recent Malvina discovery (*see ASX announcement, gold and silver assays confirm Malvina discovery, 5 October 2021*).
2. Infill drilling at Mia
3. Regional scout drilling (8 target areas)

Prospect locations and drill results from the December 2021 quarter are summarised below in Figure 2. The Company tested 8 regional structural, geophysical and geochemical targets during the reporting period. The work resulted in **four >20 gram-metre discoveries** (downhole gold equivalent grade multiplied by thickness) in addition to further high-grade silver and gold results from follow up drilling at Malvina. Importantly, all new mineralised prospects are within separate mineralised trends which remain unexplored along strike and under shallow gravel and basalt cover.

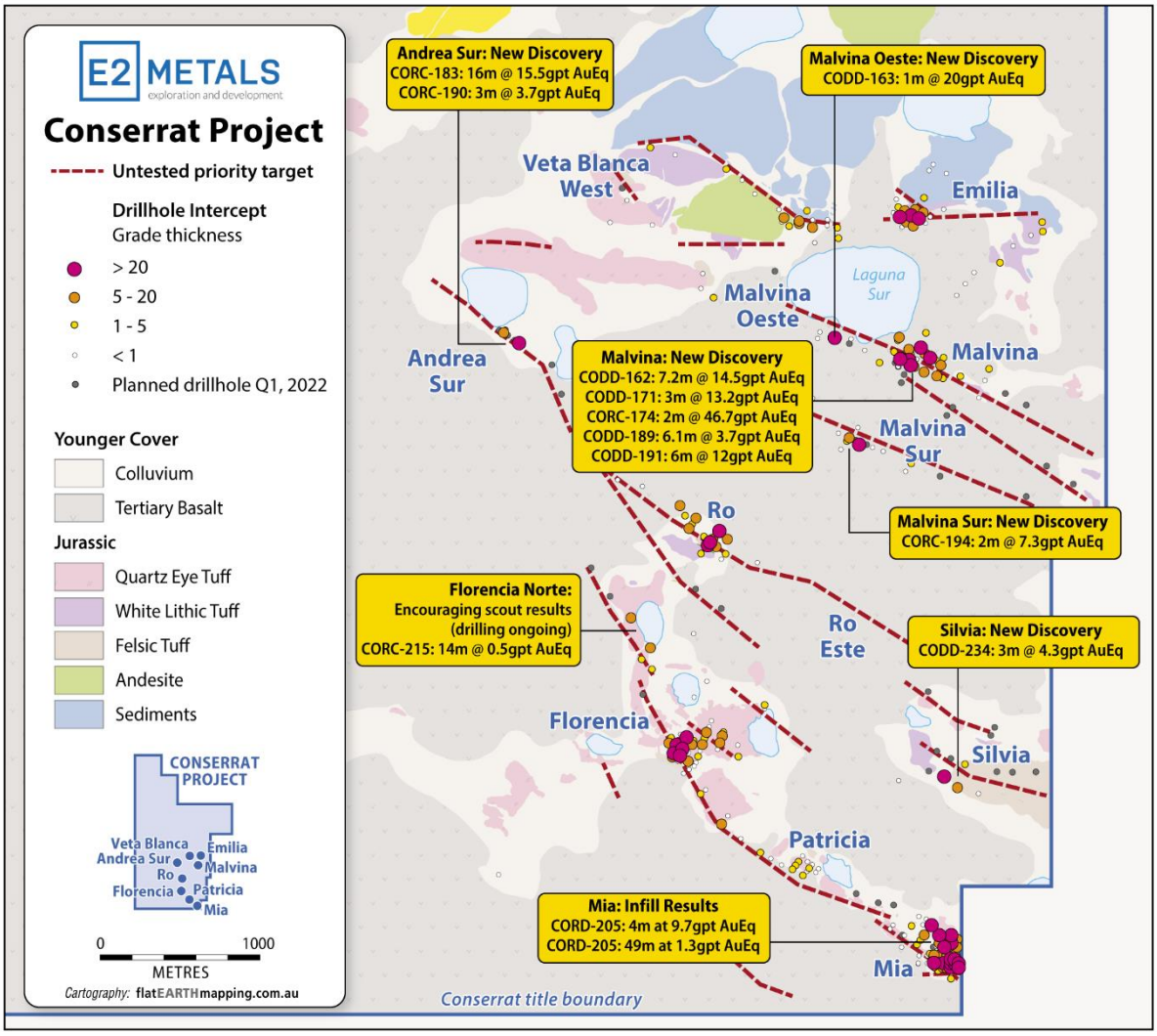

Figure 2: *Conserrat Project*

Malvina follow-up drilling

Malvina is host to a largely concealed silver and gold mineralised vein and structure located in the central project area. Since October when the first assay results were announced (*see ASX Announcement, 5 October 2021, Gold and silver assays confirm Malvina discovery*), step-out and infill drilling has defined three meter-scale banded colloform-crustiform quartz veins (termed M1 to M3) within a structural corridor that continues from **Uma** to **Malvina Oeste** for over 1 kilometer strike.

Infill drilling at the prospect has been on sections spaced 50 to 25m apart testing the M1, M2 and M3 veins over 400m strike length and 150 vertical meters below the surface. Mineralised veins are within a homogenous ignimbrite sequence (white lithic tuff) and sometimes feature moderate oxidation and malachite (copper oxide) staining.

To date, high-grade mineralisation is defined by 14 drill holes over a **325m strike** with a **weighted average grade of 2.2gpt Au and 592gpt Ag (10.6gpt AuEq) over 3m** (downhole width).

New high-grade drill intersections include:

CODD-151	2m at 1gpt Au, 281gpt Ag (4.9 AuEq) from 63.4m, inc.
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-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-162:	**7.2m at 2.3gpt Au, 854gpt Ag (14.5gpt AuEq)** from 70.8m, inc. **4.2m at 3.9gpt Au, 1355gpt Ag (23 AuEq)** from 72m
CODD-168	1m at 1.9gpt Au, 451gpt Ag (8.4gpt AuEq) from 124m
CODD-171:	**3m at 3gpt Au, 714gpt Ag (13.2gpt AuEq)** from 105.6m
CORC-174:	**5m at 4.2gpt Au, 1174gpt Ag (20.9gpt AuEq)** from 60m, inc. **2m at 9.8gpt Au, 2580gpt Ag (46.7gpt AuEq)** from 62m
CORC-178:	3m at 1gpt Au, 272gpt Ag (4.9gpt AuEq) from 55m, inc. 1m at 2.5gpt Au, 588gpt Ag (10.9gpt AuEq) from 55m
CODD-187:	**4m at 1.5gpt Au, 625gpt Ag (10.5gpt AuEq)** from 114m
CODD-188:	6m at 0.7gpt Au, 54gpt Ag (1.5gpt AuEq) from 17m
CODD-189:	**6m at 1gpt Au, 194gpt Ag (3.7gpt AuEq)** from 111.9m
CODD-191:	**6m at 2.9gpt Au, 638gpt Ag (12gpt AuEq)** from 44m, inc. **3m at 5.5gpt Au, 1087gpt Ag (21gpt AuEq)** from 47m
CORD-192:	2m at 0gpt Au, 329gpt Ag (4.7gpt AuEq) from 109m, and 1m at 1gpt Au, 410gpt Ag (7gpt AuEq) from 120m
CODD-220:	3.6m at 0.7gpt Au, 130gpt Ag (2.5gpt AuEq) from 15.4m

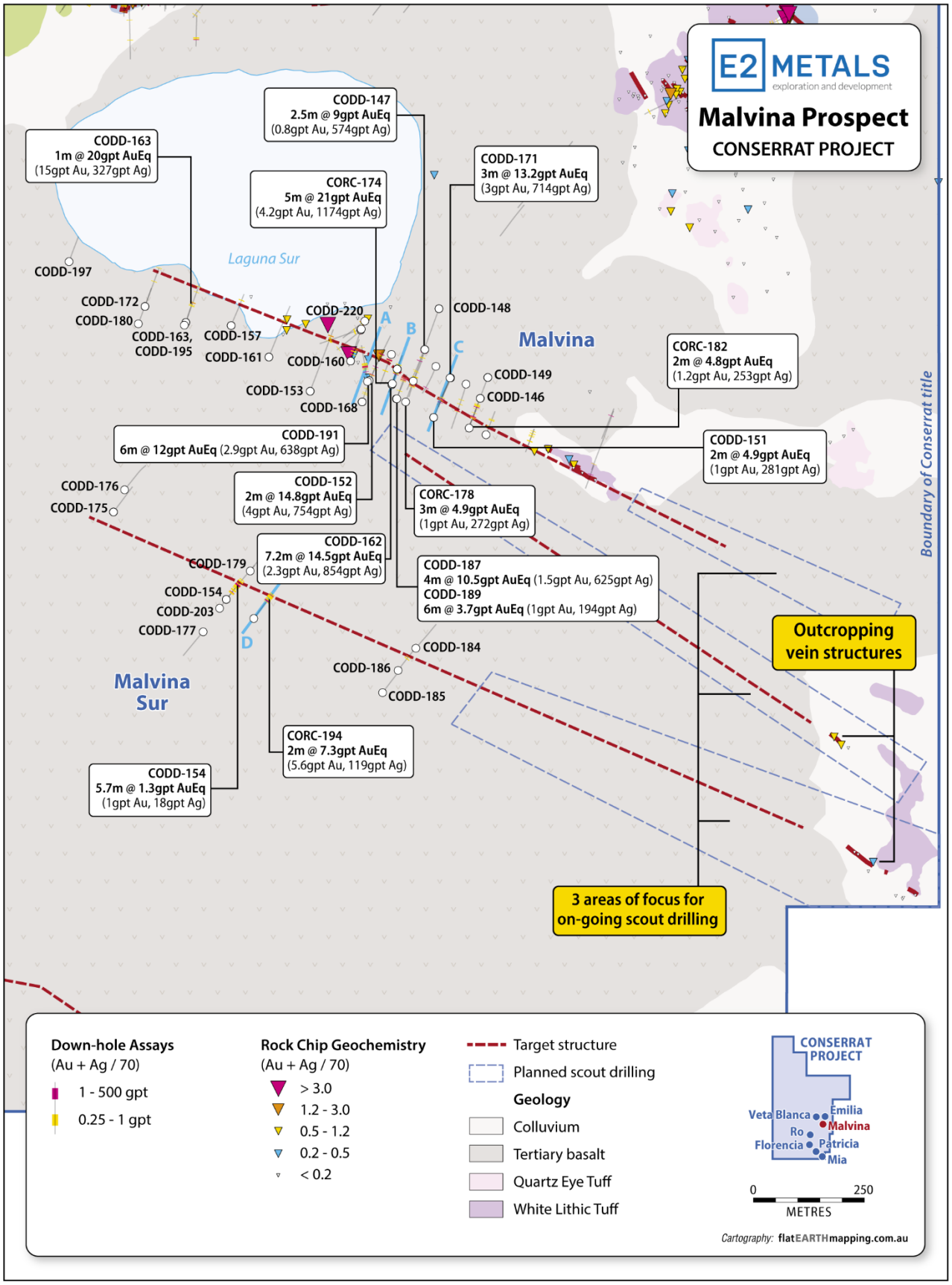

***Figure 3**: Malvina and Malvina Sur drill hole locations*

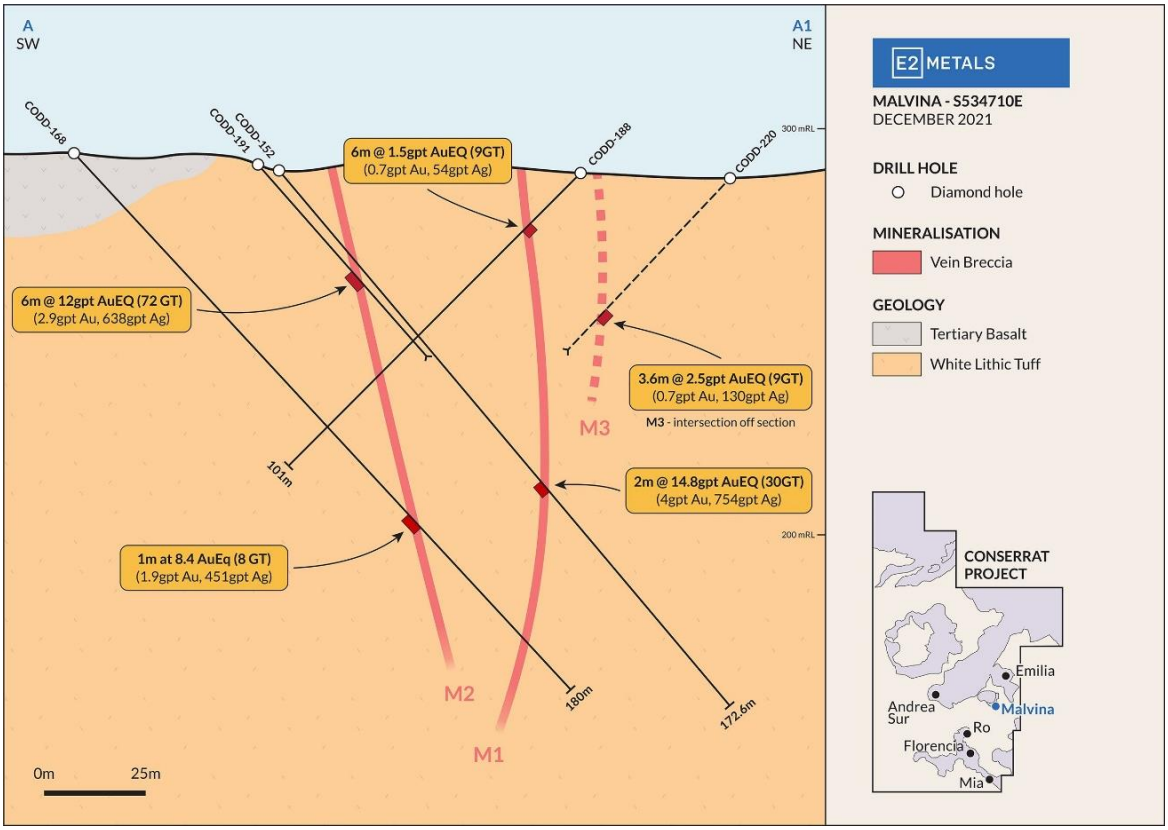

Figure 4: *Drill section 534710E at Malvina*

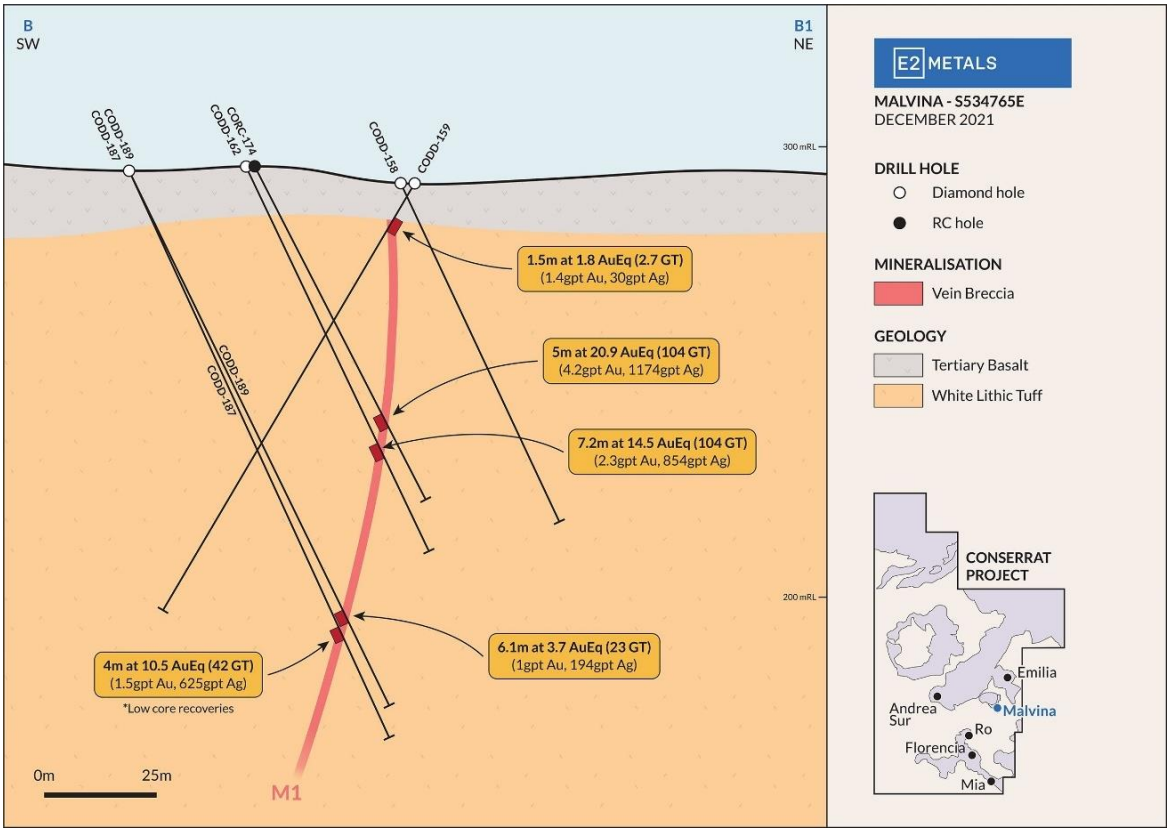

Figure 5*: Drill section 534765E at Malvina*

Mia infill drilling

Infill drilling at **Mia** has defined a new hanging wall vein (HW Vein) as well as deeper breccia hosted mineralisation.

Unreported drill results include

CORD-205: (HW Vein)	**1m at 7gpt Au, 2073gpt Ag (36.6gpt AuEq)** from 80m
CORD-205: (Breccia)	**49m at 0.7gpt Au, 43gpt Ag (1.3gpt AuEq)** from 146.7m inc.
	25m at 0.9gpt Au, 75gpt Ag (1.9gpt AuEq) from 147.7m

The discovery of a previously unrecognized hanging wall vein confirms the potential for additional mineralised domains within the prospect.

To date, mineralisation is defined over 375m strike and to 200m below the surface. Mineralised domains are defined by 14 holes with a **weighted average grade of 6.7gpt Au and 210gpt Ag (9.7gpt AuEq) over 9m** (downhole width).

Regional scout drilling

Eight regional prospects and structural targets were tested by wide spaced (400 to 100m) scout RC holes. All prospects are within areas of shallow sediment or basalt cover and targets where prioritised on the basis of geophysics and surface geochemistry where appropriate.

This work led to the discovery of gold and silver mineralisation at **four new prospects**, including:

Andrea Sur	CORC-183:	**16m at 15gpt Au, 22gpt Ag (15.5gpt AuEq)** from 31m, inc.
		2m at 108gpt Au, 53gpt Ag (109gpt AuEq) from 32m
	CORC-190:	**4m at 3gpt Au, 11gpt Ag (3.2gpt AuEq)** from 29m
Malvina Oeste	CODD-163:	**1m at 15gpt Au, 327gpt Ag (20 AuEq)** from 65.2m
Malvina Sur	CODD-194:	**2m at 5.6gpt Au, 119gpt Ag (7.3gpt AuEq)** from 69m

This includes unreported results from **Silvia** where scout drilling encountered encouraging gold and silver mineralisation in the fourth drill hole at the prospect.

Unreported drill results include

Silvia	CODD-234:	19m at 0.7gpt Au, 31gpt Ag (1.1gpt AuEq) from 157m inc.
		3m at 2.9gpt Au, 96gpt Ag (4.3gpt AuEq) from 160m

The first scout hole (CORC-215) at **Florencia Norte** intercepted encouraging wide zones of mineralisation including 14m at 0.33gpt Au, 13gpt Ag (0.5gpt AuEq) highlighting the potential for further discoveries along this trend. Mineralisation is open to the northwest where scout drilling is ongoing.

Follow up drilling is planned for all prospects.

Following the success of scout drilling during the December 21 quarter, **a further eleven regional targets have been prioritised for drill testing** during Q1 2022.

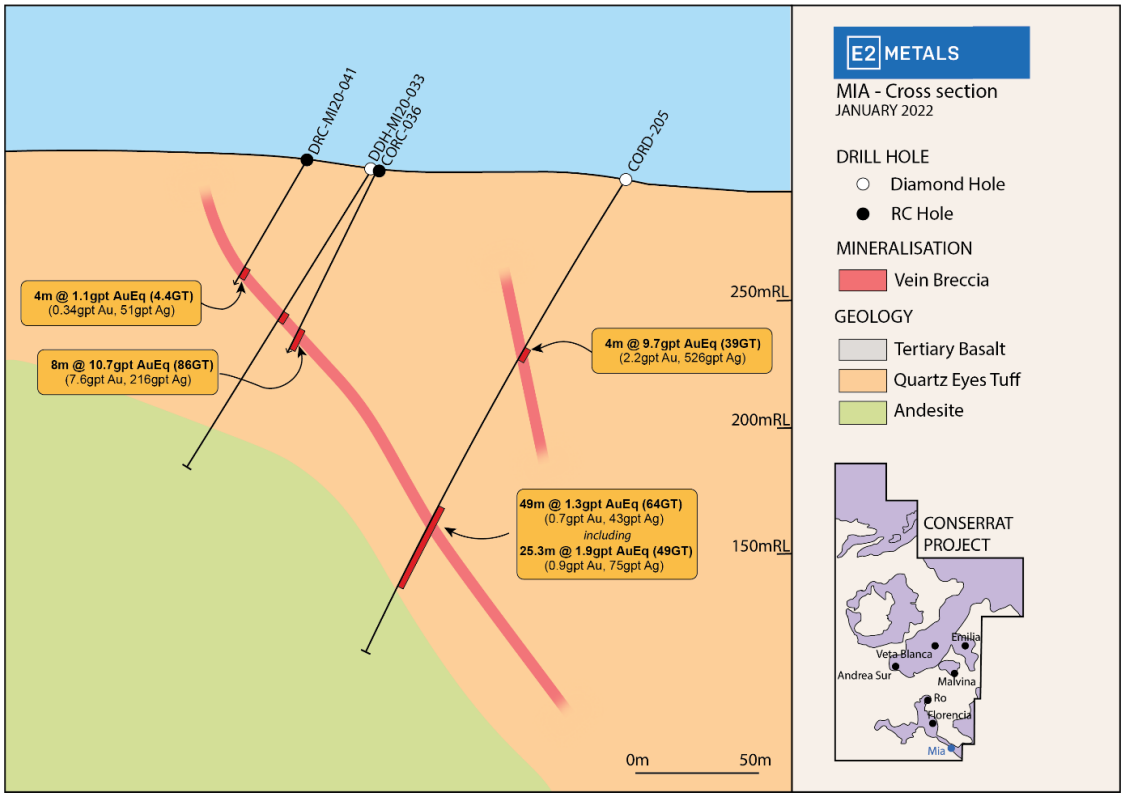

***Figure 6**: Cross section of hole CORD-205 at Mia*

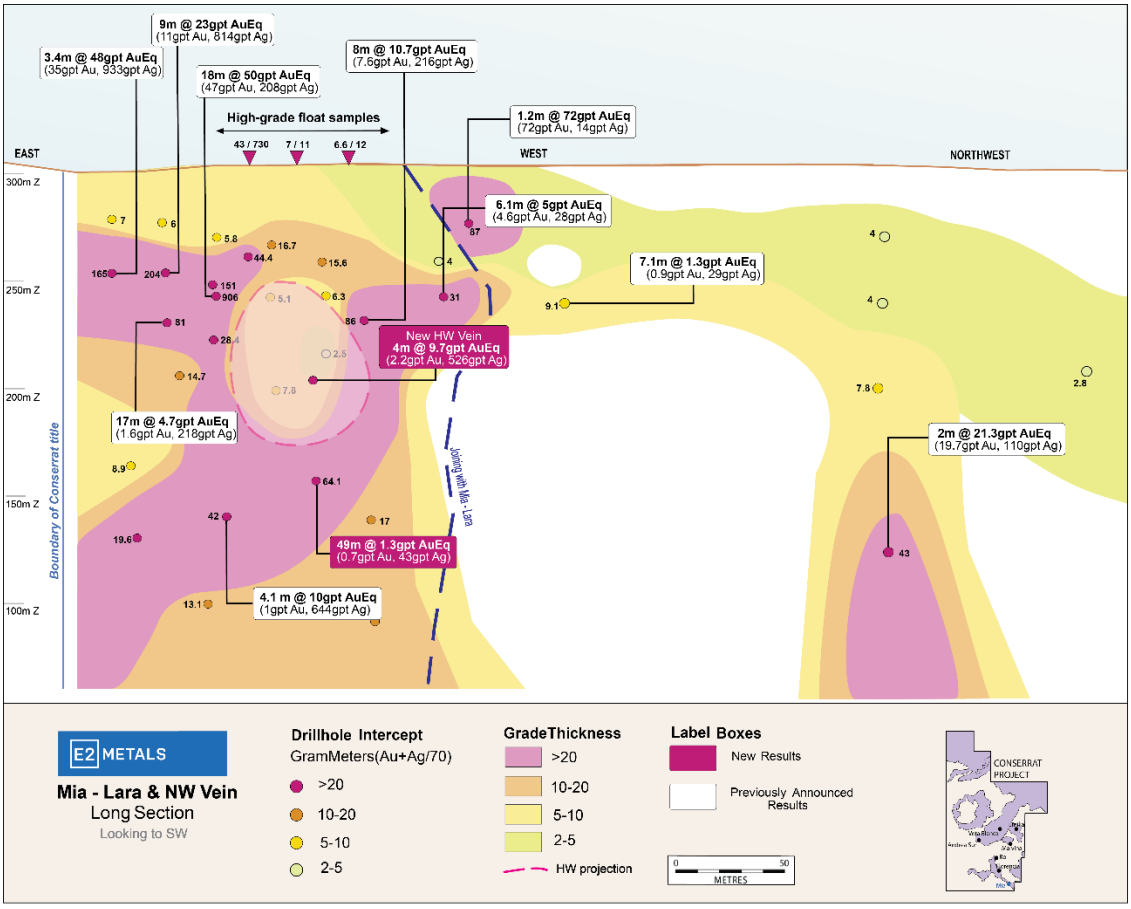

***Figure 7**: Mia long section showing new drill results*

Table 1: Drill holes completed during December 2021 quarter

Hole ID	Method	East	North	RL	Dip	Azimuth	Depth (m)
CODD-161	Diamond	534479	4649726	287.674	-45	20	176.4
CODD-162	Diamond	534756	4649664	295.194	-65	20	95
CODD-163	Diamond	534292	4649804	292.038	-45	20	128.4
CODD-164	Diamond	535163	4650212	292.113	-45	217	131
CODD-165	Diamond	535108	4650141	292.825	-45	217	149
CORC-166	RC	534859	4650520	293.255	-50	37	93
CODD-167	Diamond	535054	4650069	291.931	-45	217	125
CODD-168	Diamond	534689	4649625	293.313	-45	20	180
CORC-169	RC	534889	4650560	291.015	-50	37	90
CORD-170	Diamond Tail	534713	4650496	295.01	-50	37	140
CODD-171	Diamond	534888	4649679	292.423	-60	200	140
CODD-172	Diamond	534200	4649840	293.226	-45	20	130
CORD-173	Diamond Tail	534658	4650585	295.027	-50	37	100
CORC-174	RC	534757	4649666	295.194	-63	20	83
CODD-175	Diamond	534129	4649377	294.918	-45	37	100
CODD-176	Diamond	534154	4649427	294.951	-45	37	100.5
CODD-177	Diamond	534331	4649107	300	-45	217	100
CORC-178	RC	534787	4649625	296.57	-45	20	80
CODD-179	Diamond	534437	4649244	296	-45	37	100
CODD-180	Diamond	534185	4649801	298.61	-45	20	122
CORC-181	RC	534804	4649672	295.38	-45	20	90
CORC-182	RC	534930	4649566	295	-45	20	80
CORC-183	RC	532320	4649771	293	-60	210	66
CODD-184	Diamond	534810	4649070	297	-45	37	101
CODD-185	Diamond	534735	4648970	297	-45	37	101
CODD-186	Diamond	534770	4649020	297	-45	37	101
CODD-187	Diamond	534766	4649632	295	-65	20	140
CODD-188	Diamond	534755	4649732	288	-45	200	101
CODD-189	Diamond	534767	4649632	295	-65	20	132.8
CORC-190	RC	532224	4649836	293	-60	210	63
CODD-191	Diamond	534701	4649671	289.6	-45	350	116
CORD-192	Diamond Tail	534855	4649705	294.1	-65	200	164
CODD-193	Diamond	534923	4649665	293.5	-45	200	146
CORC-194	RC	534445	4649137	299	-45	37	100
CODD-195	Diamond	534291	4649802	292	-60	20	100
CORC-196	RC	533357	4648694	307.7	-60	217	80
CODD-197	Diamond	534029	4649941	290.4	-45	20	86
CORC-198	RC	533376	4647161	308.3	-50	235	89
CORC-199	RC	534827	4646044	298.7	-60	218	96
CODD-200	Diamond	532320	4649773	293	-60	210	68.5
CODD-201	Diamond	532294	4649835	291.3	-60	210	80
CORD-202	Diamond Tail	534844	4646140	298.57	-65	218	197
CODD-203	Diamond	534368	4649160	299.31	-60	37	140

Hole ID	Method	East	North	RL	Dip	Azimuth	Depth (m)
CORD-204	Diamond Tail	534925	4646081	294.53	-67	218	215
CORD-205	Diamond Tail	534977	4646000	297.41	-60	180	215
CORC-206	RC	533585	4646769	308.01	-45	217	108
CORC-207	RC	533624	4646820	307.71	-45	217	100
CODD-208	Diamond	532403	4649715	294.09	-45	210	80
CORC-209	RC	533377	4647336	305.5	-45	20	100
CODD-210	Diamond	532135	4649900	290.5	-60	210	86
CORC-211	RC	533597	4647342	305.4	-60	200	75
CORC-212	RC	533150	4647735	304.17	-45	217	100
CODD-213	Diamond	534687	4649789	286.32	-45	250	140
CORC-214	RC	533854	4647512	296.3	-45	217	130
CORC-215	RC	533019	4648056	288.42	-45	217	130
CODD-216	Diamond	534687	4649786	286.22	-58	230	130
CORD-217	Diamond Tail	534887	4649679	292.66	-70	200	185
CODD-218	Diamond	534686	4649787	286.17	-45	200	122
CORC-219	RC	535231	4649538	289.26	-45	20	100
CODD-220	Diamond	534695	4649807	285.92	-60	230	122.4
CORC-221	RC	535192	4649430	290.93	-45	20	78
CORC-222	RC	534968	4649551	295	-45	21	80
CODD-223	Diamond	532423	4649838	285.47	-60	210	115.4
CORC-224	RC	532353	4649731	292.98	-60	210	56
CODD-225	Diamond	532101	4650470	307.6	-50	180	176.1
CODD-226	Diamond	532499	4650450	317.7	-50	180	182.4
CORD-227	RC	532379	4649776	291.64	-60	210	146.2
CORC-228	RC	532265	4649790	294.5	-60	210	48
CODD-229	Diamond	532288	4649826	292.2	-60	210	42.3
CODD-230	Diamond	532288	4649825	292.2	-60	210	131.4
CORC-231	RC	534595	4649095	297	-45	37	83
CORC-232	RC	534528	4649119	297	-45	37	90
CORC-233	RC	534315	4649209	299.16	-45	37	90
CODD-234	Diamond	534976	4647065	301.07	-60	20	182.4
CORC-235	RC	532191	4646453	307	-50	217	90
CODD-236	Diamond	533705	4646677	303	-50	217	101.4

Corona

The **Corona** project comprises two titles totaling 14,010Ha situated within the Rio Pinturas Fault Zone, which is an important regional structure that is host to Newmont's Cerro Negro and Hochschild's' San Jose mine (see Figure 8). The project is host to an epithermal alteration and vein system within a major northwesterly fracture and fault system. The project was intermittently explored during the early 2000s by IAMGOLD and Hochschild's under Joint Venture but was never drilled.

Work by E2 at Corona commenced in 2020 and included a soil survey in the northern project area at the **Corona Norte** prospect (*see ASX announcement, Corona Norte Soil Results, 24 July 2020*). The survey was successful in defining a coherent silver anomaly coincident to a silica sinter deposit, which is considered to be the surficial expression of a deeper epithermal vein system. Following that, work was put on hold due to the COVID-19 pandemic and travel restrictions.

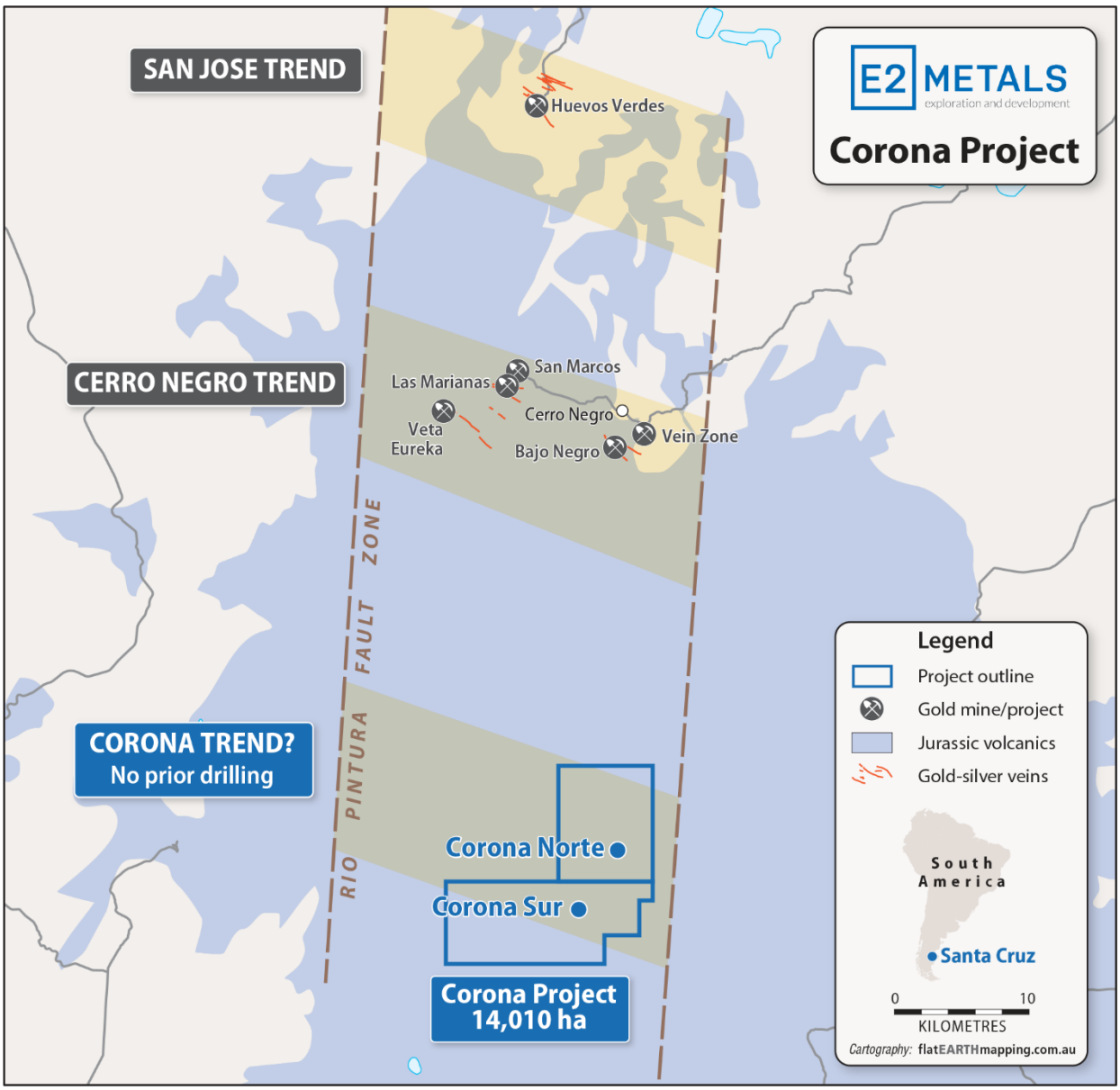

Figure 8: *Corona project location*

Exploration work by E2 recommenced at Corona in Q4 2021. The work was reconnaissance in nature with 246 rock chip samples collected throughout the project. This led to the discovery of a new previously unrecognized vein structure ("**Veta Agustina**") located in the southern project area. **Veta Agustina** strikes west-northwest over an **800m strike length** and manifests as silicified structures and breccias up to 8m wide. The results are very encouraging with up to **2.8gpt Au, 23gpt Ag** in limited rock chip samples. Further sampling is planned for February.

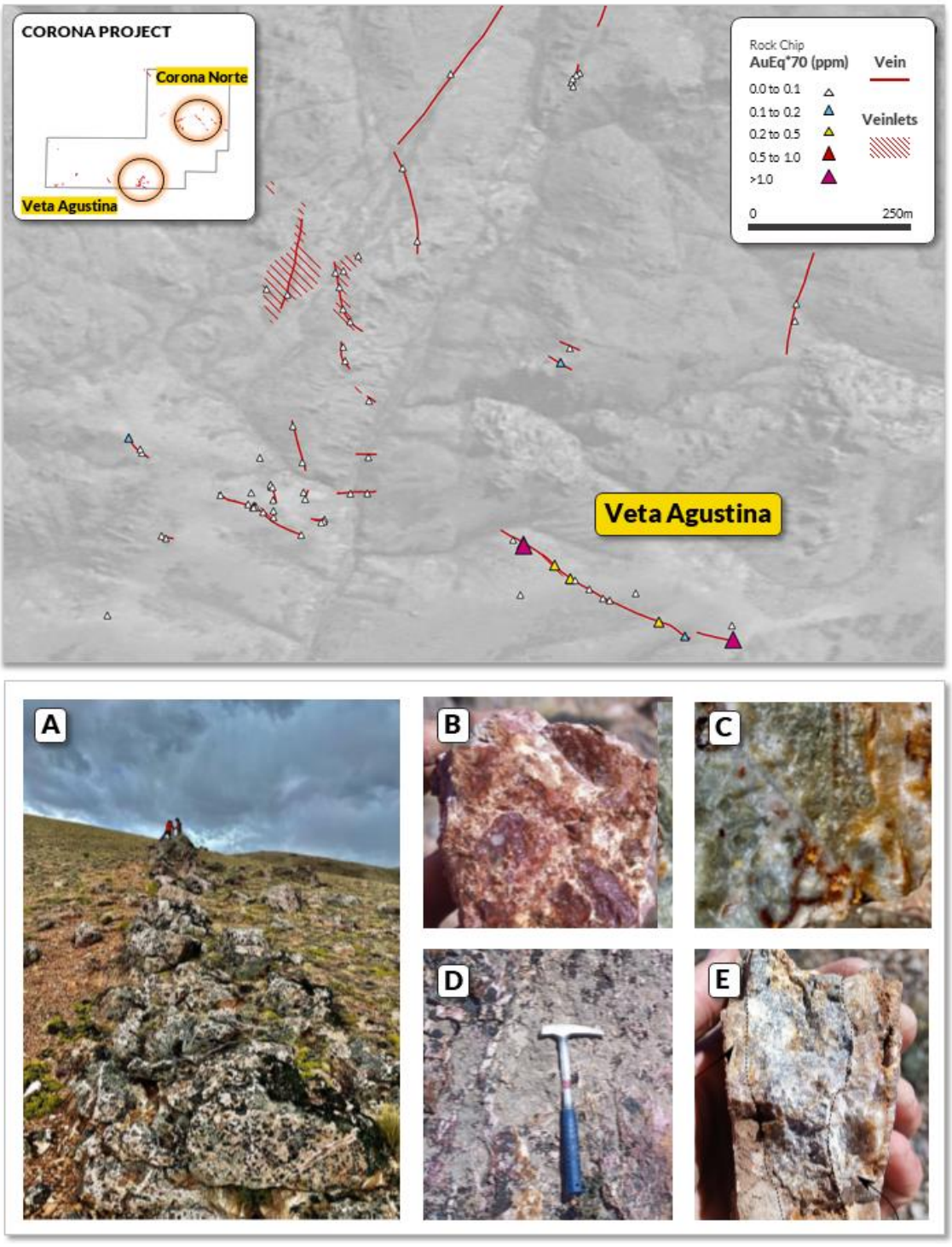

Figure 9: *Veta Agustina rock chip geochemistry. (A) Veta Agustina vein structure, and vein textures including (B) Jasperoid breccia, (C) colloform-crustiform chalcedony and crystalline quartz. (D) stockwork zones and (E) patchy sulphide alteration*

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 10) 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").

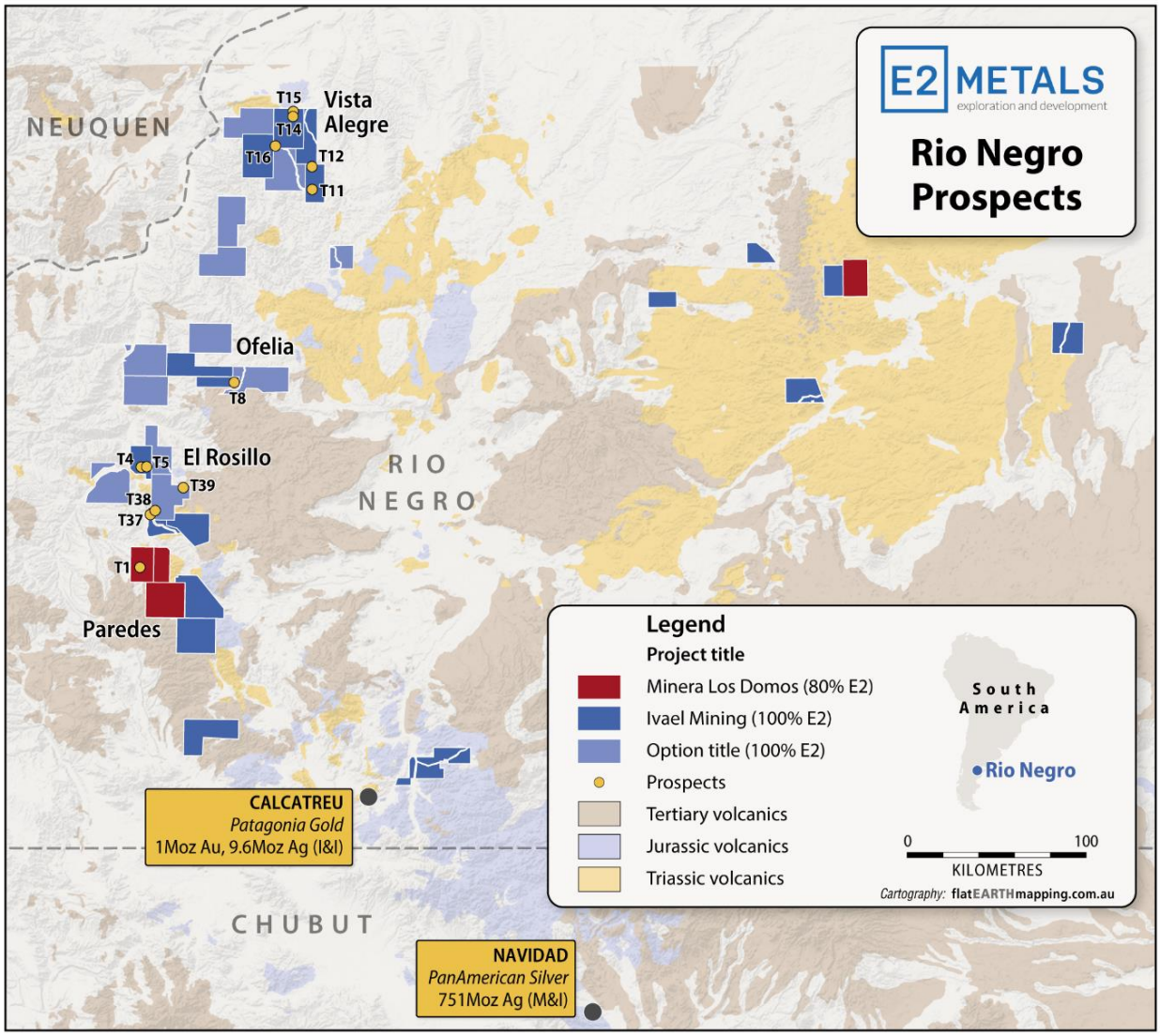

***Figure 10**: Western Rio Negro projects including El Rosillo*

El Rosillo

El Rosillo is an early-stage exploration project that has been the focus of systematic surface exploration by E2 since March 2021. This included reconnaissance sampling, detailed mapping, a ground magnetic survey and a composite rock geochemical survey (*see ASX Announcement, Target 38 Sample Results 8 July 2021*). The results of the composite rock survey 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.

A baseline environmental survey was completed during the December 2021 quarter and an Environmental Impact Assessment (EIA) was submitted to the provincial authorities to obtain permits for surface works including mechanized trenching and drilling. The permits are in the final stages of approval and are expected during February.

Surface work included a continuous channel chip and minor hand dug trench program to better determine the nature and distribution of bedrock hosted mineralisation within the project. The program was restricted to areas of outcrop or very shallow cover.

Unreported channel chip and hand trench results include

Hand dug trench

- **1m at 279gpt Au, 116gpt Ag**
- 2m at 3.2gpt Au
- 2m at 2.6gpt Au
- 2m at 2gpt Au

Continuous channel chips

- 12.4 at 2.2gpt Au
- 1.5m at 23gpt Au
- 1.7m at 5.7gpt Au
- 1.1m at 7.7gpt Au
- 1.3m at 6gpt Au
- 0.85m at 7.3gpt Au
- 0.65m at 9.1gpt Au
- 1.8m at 3.2gpt Au
- 1m at 5.4gpt Au
- 1.8m at 2.8gpt Au
- 1.5m at 3.2gpt Au
- 1.05m at 3.7gpt Au

Trenching in the northern part of Target 38 (see Figure 11) exposed a silicified structure with **coarse visible gold** within the rock matrix. Importantly the visible gold is considered to be primary mineralisation rather than supergene enrichment. **The structure is within a recessive area,** probably caused by an extensive, soft, illite clay alteration halo, and **does not outcrop,** highlighting the potential for further 'blind' high-grade structures within the project.

The structure is coincident to a major anomaly (max=29gpt Au) in the composite rock chip survey and is thought to be the source of that anomaly.

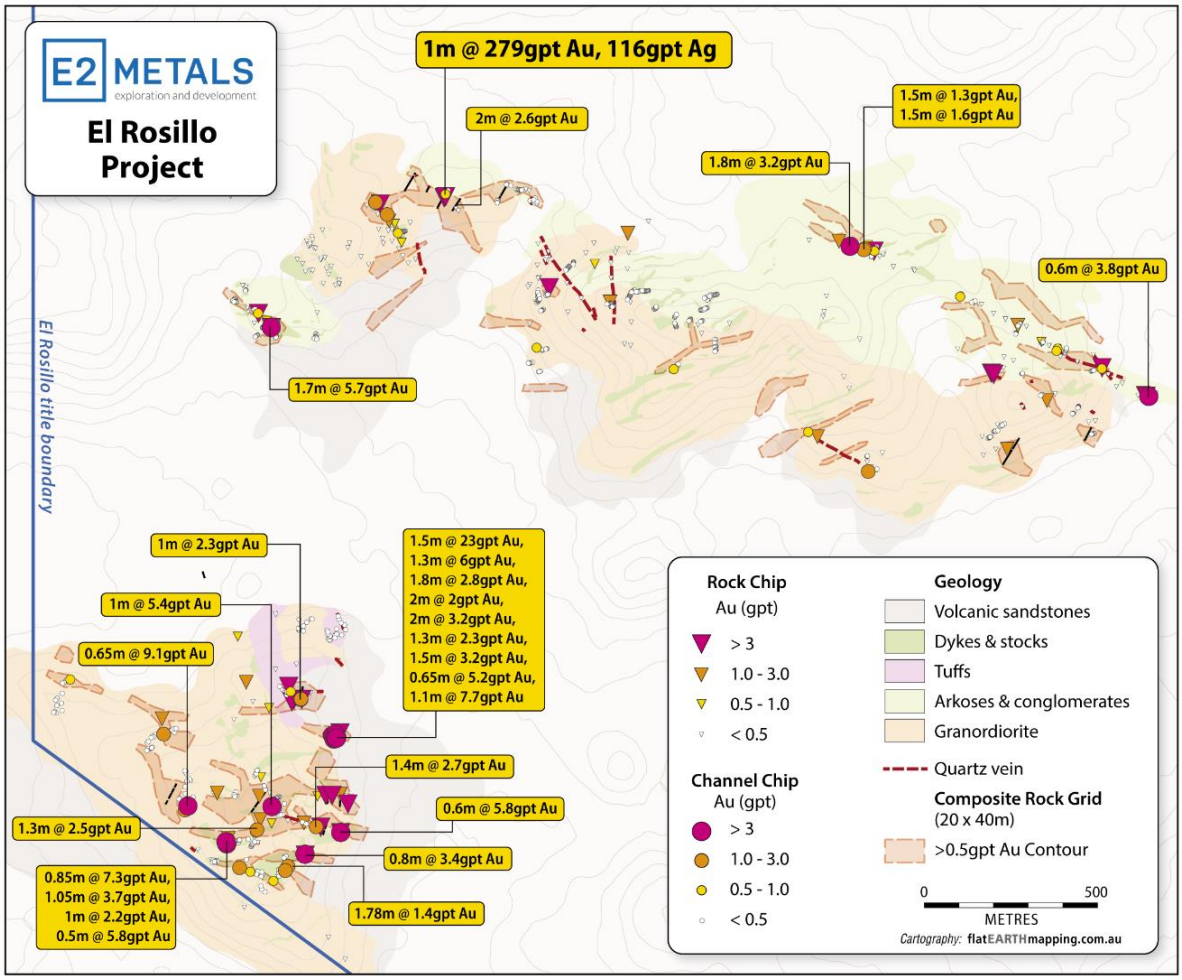

***Figure 11**: El Rosillo channel chip and trench results*

***Figure 12**: Visible gold (x10 magnification) in hand dug trench ROT-009 (1m at 279gpt Au, 116gp Ag)*

Cobar Project, Australia

Overview

E2 Metals holds a large 175km^2 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.

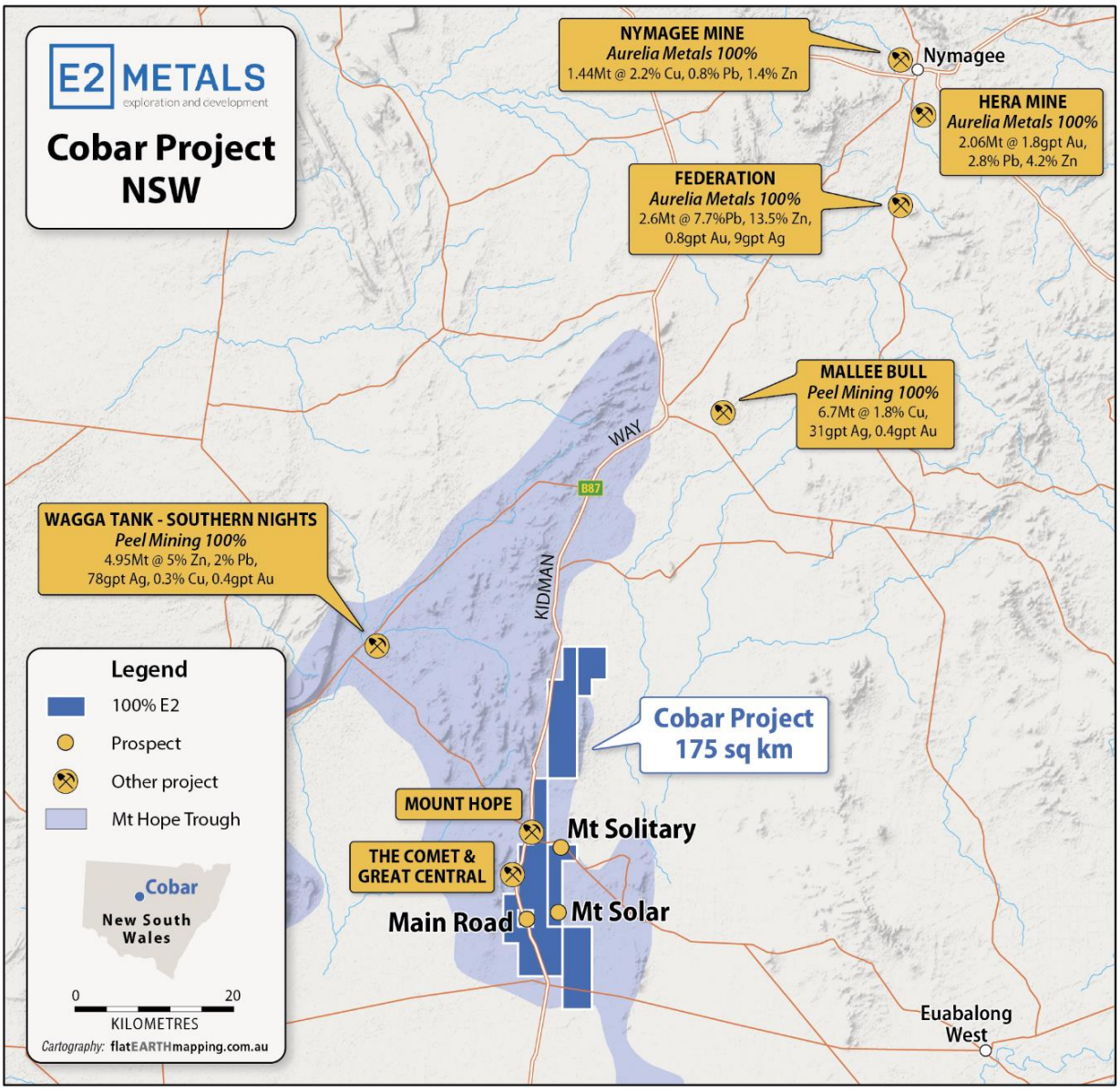

Figure 13: Cobar Portfolio

Corporate

Mr. Bradley Evans resigned as Non-Executive Chair 1 November 2021 to pursue other interests. The board thanks Mr. Evans for his valued opinions and contributions. Non-Executive Director Mr. Peter Mullens was appointed Chair on 2 November 2021

During the quarter ended 31 December 2021, the Company spent $4.38M on exploration and evaluation, $95k on staff costs and $263k 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 $1.89M 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 $6.7M cash at 31 December 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 $37k to Leydin Freyer Corp, an associated entity of Ms Melanie Leydin, for CFO and company secretarial fees during December 2021 quarter.

Next Steps

Conserrat (Santa Cruz)

Drilling at Conserrat recommenced in early January and comprises a diamond and Revese Circulation rig. Immediate drill priorities include:

- Infill and extensional drilling at Malvina, Andrea Sur and Mia
- Follow up drilling at Malvina Oeste, Malvina Sur and Silvia targeting possible high-grade shoots
- Ongoing scout drill testing of **11 priority regional targets**
- Due to rising omnicron case numbers in Argentina and the provinces of Santa Cruz, minor delays to laboratory turnarounds are expected

El Rosillo (Rio Negro)

- Further hand dug trenches are planned to follow up high-grade structures with visible gold
- Permits for surface works and trenching are in the final stages of review and approval and are anticipated during February.

Corona (Santa Cruz)

- Detailed rock chip sampling is planned for the Veta Agustina.

For enquiries please contact:

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

Schedule of Tenements as at 31 December 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	Ivael	100
Curva Oeste y Curva Este, Argentina	45037-M-2020	Ivael	100
Loma Negra, Argentina	45039-M-2020	Ivael	100
Maria, Argentina	45042-M-2020	Ivael	100
Marinao Oeste, Argentina	45043-M-2020	Ivael	100
Ofelia, Argentina	45044-M-2020	Ivael	100
Ojo Del Toro, Argentina	45040-M-2020	Ivael	100
Quila Mahuida, Argentina	45038-M-2020	Ivael	100

Description	Tenement number	Holder	Interest owned by E2 Metals Limited %
Vista Alegre, Argentina	45035-M-2020	Ivael	100
Yanquihuen, Argentina	45035-M-2020	Ivael	100
Buitrera, Argentina	46003-M-2021	Ivael	100
Buitrera Sur, Argentina	46005-M-2021	Ivael	100
Comallo Arriba	46000-M-2021	Ivael	100
Doradillo, Argentina	46001-M-2021	Ivael	100
Efeil, Argentina	46002-M-2021	Ivael	100
Saladero Sur, Argentina	46004-M-2021	Ivael	100
Ofelia Norte, Argentina	46110/M/2021	Ivael	100
Cerro Bayo, Argentina	46111-M-2021	Ivael	100
Rosillo Sur, Argentina	46154-M-2021	Ivael	100
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

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.

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.	**Conserrat RC Drilling** • 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. **Conserrat Diamond Drilling** • Representative half core samples were split from HQ diameter diamond drill core on site using rock saws • The sample intervals were defined from lithological, mineralization characteristics, with lengths no longer than 2 m and no less than 0.5 m. • The orientation of the cut line is defined, when is possible, from structural features such as contacts, fractures, faults, veinlets, so as to cut the core into two equal parts. • Core orientation line ensures uniformity of core splitting wherever the core has been successfully oriented. • Sample intervals are defined and subsequently checked by geologists, and sample tags are attached (stapled) to the wood core trays for every sample interval. • Assay standards, blanks and duplicates were inserted into every 12.5 samples average **El Rosillo composite rock sampling** • Sampling was undertaken on a grid pattern on lines perpendicular to the main trends of quartz veins and veinlets identified during reconnaissance mapping • Lines on the grid were spaced 40m apart and samples taken as composites over intervals of 20m. • Composite sampling over these 20m intervals was done by taking a small

Criteria	JORC Code Explanation	Commentary
		representative sample of whatever rock or float material that was encountered every metre with a rope marked with knots at 1m intervals to control this spacing. When there was insufficient material representative of bed-rock at the 1m intervals the geologist walked over the 20m interval collecting float fragments of what was visually estimated to be a representative sample. • A small sample was taken from the central part of each sample interval for spectral analysis by an Orexpress instrument. Sample locations are determined by a handheld GPS **El Rosillo continuous channel chip samples** • Continuous channel chip samples were collected on sample intervals no less than 0.5m and no greater than 3m. • Samples were collected using a hammer and chisel and are collected to be representative with both vein and wall rock material. Sample weights approximate 5 kilograms. **El Rosillo hand dug trenches** • Trenches are market using a handheld GPS and excavated with pick and shovel, removing less than 0.5m of soil and colluvium to expose the underlying bedrock. • Samples intervals are no less than 0.5m and no greater than 3m. • Continuous samples are collected using a hand-held circular saw with a masonry blade cutting channels in the floor of the trench up to 10cm wide.
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).	**Conserrat RC Drilling** • 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). **Conserrat Diamond Drilling** • The diamond drilling has HQ diameter with triple tube core recovery configuration.

Criteria	JORC Code Explanation	Commentary
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.	**Conserrat RC Drilling** • 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. **Conserrat Diamond Drilling** • Diamond drill core recoveries were assessed using the standard industry best practice which involves: ▪ Measuring core lengths with a tape measure. ▪ Removing the core from the split inner tube and placing it carefully in the core box. ▪ Assessing recovery against core block depth measurements. ▪ Measuring RQD, recording any measured core loss for each core run. • All core was carefully placed in HQ sized core boxes and transported a short distance to a core processing area were logging and photography could be completed. • Diamond core recoveries average 98% through all the meters drilled. • Overall, core quality is good, with minimal core loss. Where there is localized faulting and or fracturing core recoveries decrease, however in most cases this is a very small percentage of the mineralized intersections.
• **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.	• Systematic geological logging was undertaken using a hand lens to closely examine the chips and cores. Data collected includes: • Nature and extent of lithologies. • Relationship between lithologies. • Alteration extent, nature and intensity. • Oxidation extent, mineralogy and intensity. • Sulphide types and visually estimated percentage.

Criteria	JORC Code Explanation	Commentary
		• Quartz vein, veinlets, breccia types and visually estimated percentage. • Structure's occurrence and attitude. • 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.	**Conserrat RC Drilling** • Both qualitative and quantitative data is collected, though quantitative data is based on visual estimates, as described above. • All holes are logged from start to finish and were conducted on drill site. **Conserrat Diamond Drilling** • All holes are logged from start to finish and were conducted on the core shack. • Both qualitative and quantitative data is collected, using predefined logging codes for lithological, mineralogical, and physical characteristics. • Cores are photographed after logging, with sample numbers marked in the boxes, before and after being cut and sampled. **El Rosillo Hand Dug Trenches** • All trenches are logged from start to finish and were conducted on the core shack. • Both qualitative and quantitative data is collected, using predefined logging codes for lithological, mineralogical, and physical characteristics.
	• The total length and percentage of the relevant intersections logged.	• 100% of all recovered chips and cores are logged.
Sub-Sampling Techniques and Sample Preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	• Representative half core samples were split using rock saws.
	• 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.	**Conserrat RC Drilling** • 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 a 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

Criteria	JORC Code Explanation	Commentary
	• 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.	sample contamination. • The big bag with the original reject from the RC rig after the splitting have been stored for any future re-sampling needs. **Conserrat Diamond Drilling** • The core intervals were marked, and the core was split with a rock saw. • Half core samples were placed in plastic bags and tagged with a unique sample number. The other half of the core was returned to the core box and securely stored **Alex Stewart Fire Assay** • All trench and drill holes samples are submitted to Alex Stewart laboratory Perito Merino and Mendoza. Samples are dried and crushed until more than 80% is finer than 10 mesh size, then a 600g split obtained by riffle splitting is pulverized until 95% is finer than 106 microns. • Certified Standard Reference materials and duplicate samples are inserted every 25 samples (RC) and every 12.5 samples (DDH) to assess the accuracy and reproducibility.
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.	**Corona Rock Chip Sampling** • 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. 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 gravimetry on micro-balance. **Conserrat RC and Diamond Drill Program** • 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, blanks or duplicates were inserted at least every 25 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

Criteria	JORC Code Explanation	Commentary
		blind. • Select drill holes have been submitted to ALS laboratories Mendoza for umpire checks and gold determination via Screen Fire Assay
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.	• The raw assay data forming significant intercepts are examined and discussed by at least two company personnel. • Drill hole logging is entered directly by the geologists in digital format onto appropriate devices , with careful verification by several staff, particularly of the sample numbers and drill hole sample intervals and verified using Micromine. • Assay data is provided by Alex Stewart in three formats, csv spreadsheets, Excel spreadsheets and signed pdf files. The csv files are used to merge the data into MapInfo files. Hard copy of this and other data is stored with the other drill hole data. Absolute values of the assay results are checked by comparing results of the quality control samples with the known values of the international standards and sterile samples which were inserted by the geologists into the sample sequence. Repeatability of assay results was verified by examining the results of duplicate samples inserted by the company and internal laboratory duplicate results included with the assay certificates.
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 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. • A differential GPS has been used by a qualified surveyor to increase accuracy of the collar locations and trench coordinates.
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.	• Conserrat is a new discovery and as a result the drill hole spacing is variable, with closer spacing on zones where surface sampling has given encouraging results (30-40m along strike) and some scout holes testing geophysical or conceptual targets hundreds of metres from the mapped veins. • Not applicable as no Ore Resource or Reserve has been completed at Conserrat. • No sample compositing has been applied.
Orientation of Data in	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the	• Drilling is orientated to cross the interpreted, steeply dipping mineralized veins at a high angle. No known bias has been introduced into the drilling orientation.

Criteria	JORC Code Explanation	Commentary
Relation to Geological Structure	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 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. • Metallurgical sample composites were generated by SGS Santiago under direction of E2 Metals geologists
Audits or Reviews	• The results of any audits or reviews of sampling techniques and data.	• No audit or review of the sampling regime at Conserrat has been undertaken.

Section 2 Reporting of Exploration

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	E2 Metals Limited holds an 80% interest in the Conserrat Project through its ownership in local Argentine holding company Minera Los Domos SA. Conserrat Project titles • Title ID 437.471/BVG/17 E2 holds a 100% interest in the El Rosillo project through its ownership in local Argentina holding company Ivael Mining SA.

Criteria	JORC Code Explanation	Commentary
	impediments to obtaining a license to operate in the area.	El Rosillo Project title • Title ID 42048/17
Exploration Done by Other Parties	• Acknowledgment and appraisal of exploration by other parties.	**Conserrat Project** 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. **El Rosillo Project** Reconnaissance exploration by Valcheta • Valcheta has completed a limited phase of selective rock chip sampling at the El Rosillo project. This work led to the identification of Intrusion Related Gold-type mineralisation at Targets 37 and 38.
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 ~60,000 km.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

Criteria	JORC Code Explanation	Commentary
		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.
		• Drill holes are shown in Table 1 and Figure 2

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	• Gold equivalent grades calculated at spot price of U$1750/oz gold and U$25/oz silver (Au + Ag/70) • Significant intercepts are calculated using a 0.5gpt Au equivalent cut off. Sample grades are weighted by interval length.

Criteria	JORC Code Explanation	Commentary
	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.	
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").	• Drill holes were collared perpendicular to the dip and strike of target structures and therefore approximate true widths
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.	• Yes.
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	• Yes

Criteria	JORC Code Explanation	Commentary
	reporting of Exploration Results.	
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.	• There is no exploration data unreported 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.	• Further step-out and infill drilling is planned at Malvina and Malvina Oeste. Scout drilling is planned for Malvina Sur.

Appendix 5B

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

Name of entity	
E2 Metals Limited	
ABN	**Quarter ended ("current quarter")**
34 116 865 546	31 December 2021

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(4,386)	(6,375)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(95)	(169)
	(e) administration and corporate costs	(263)	(471)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	12	29
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)	(33)	(33)
1.9	**Net cash from / (used in) operating activities**	**(4,765)**	**(7,019)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	(5)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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)	1,898	2,757
2.6	**Net cash from / (used in) investing activities**	**1,898**	**2,752**

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	9,498	11,035
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,765)	(7,019)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,898	2,752
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	133	(4)
4.6	**Cash and cash equivalents at end of period**	**6,764**	**6,764**

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	6,764	9,498
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (Short term bonds)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**6,764**	**9,498**

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	124
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
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)	(4,765)
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)	(4,765)
8.4	Cash and cash equivalents at quarter end (item 4.6)	6,764
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	6,764
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.42

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.

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: No. Current expenditures related to increased exploration activity and drill work programs within the Company's Santa Cruz and Rio Negro portfolios which are seasonal.

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: The entity has sufficient funds to complete all of its planned activities for the next two quarters

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: Yes. The entity is funded to complete all planned work programs	
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 January 2022

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.