

March 2022 Quarterly Report

26 April 2022

E2 Metals (**E2** or **the Company**) is pleased to present the quarterly report for the period ending 31 March 2022 and provide an update on exploration activities across the Company's portfolio.

Highlights

Conserrat gold and silver project (Santa Cruz, Argentina)

- Infill and step-out drilling at **Malvina** continues to deliver high-grade silver and gold mineralisation. Highlights include:

CODD-253: **14m at 8.7gpt Au, 2541gpt Ag (45gpt AuEq)** from 67m inc.
7m at 17gpt Au, 4759gpt Ag (85gpt AuEq) from 67m

- A follow up diamond drill program will commence 1 May with the aim of extending mineralisation which is open at depth and to the northwest.

El Rosillo gold project (Rio Negro, Argentina)

- Gold and silver assay results have been received for three trenches at **Prospect 37A**.

Significant trench results include:

ROT-024: **3m at 113gpt Au, 35gpt Ag** (Open to the south and northwest)
ROT-004 **25m at 2.9gpt Au** (Open to the east and northeast)

- Assay results for 80 trenches for 2718m remain outstanding and are anticipated in May. An inaugural drill program to test all surface targets will commence 15-May.

Corporate

- The Company completed a **\$8.5M share placement** to institutional and sophisticated investors, including **renowned global investor Eric Sprot**.
- Cash balance at the end of the quarter is strong at \$8.2M with a further \$4.5M from tranche two of the placement anticipated following a General Meeting on 28 April 2022.

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

173.1M fully paid
ordinary shares

Directors / Secretary

Peter Mullens
Chair
Todd Williams
Managing Director
Melanie Leydin
Non-Executive Director

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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.

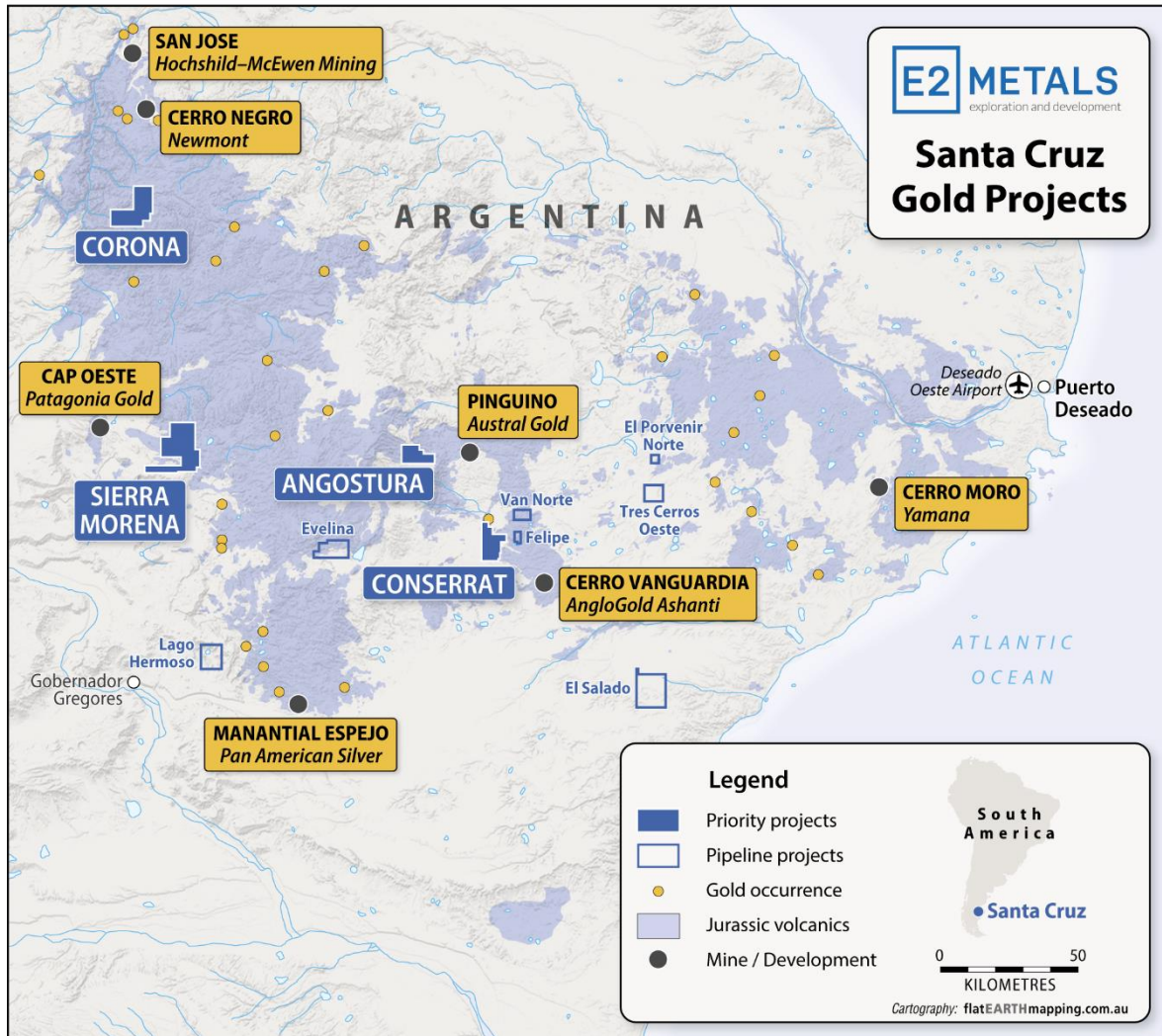


Figure 1: Santa Cruz Portfolio

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.

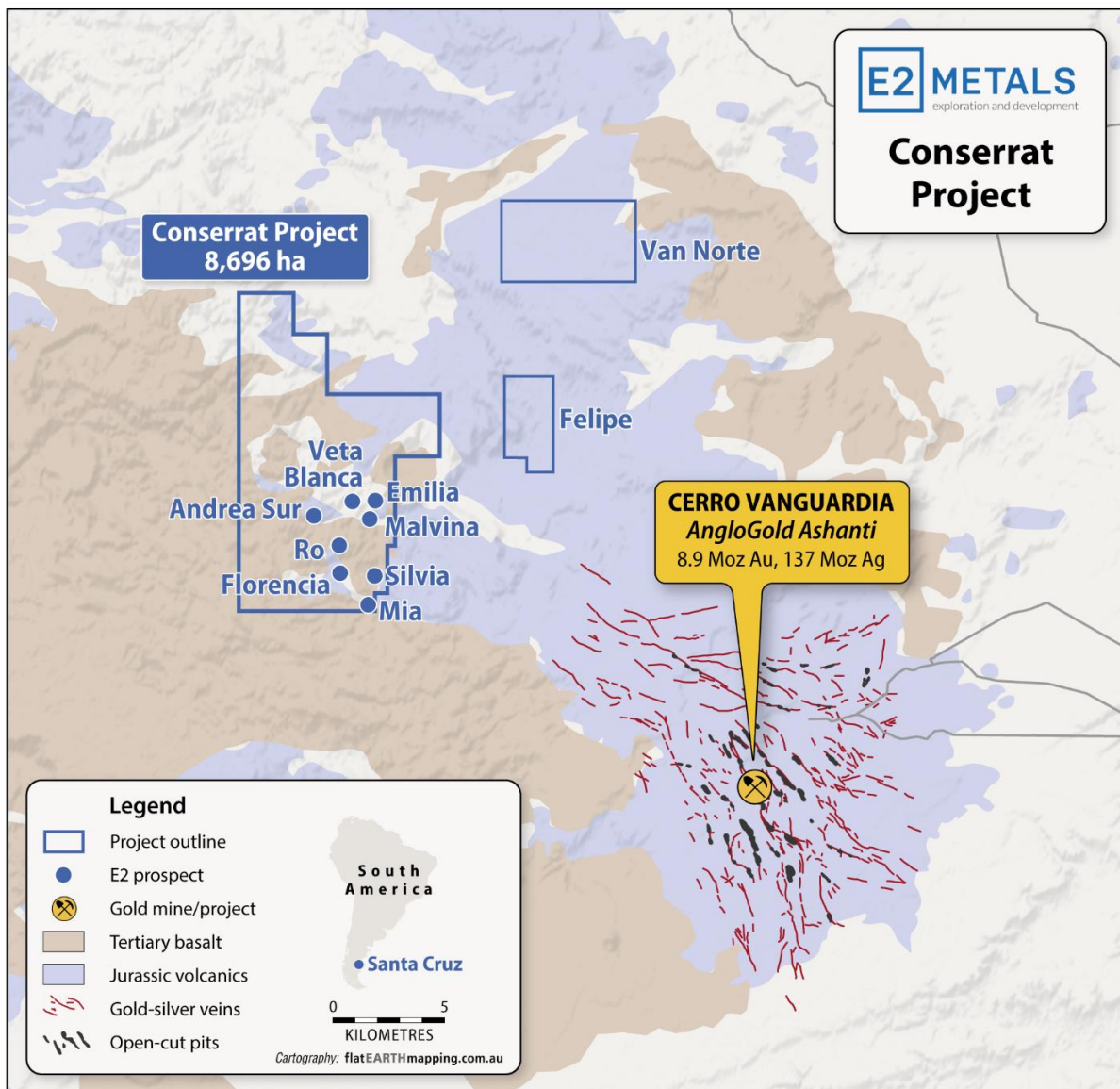


Figure 2: Conserrat Project

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 51 holes for 5200m were completed during the reporting period. Hole depths ranged from 60m to 206m and comprised a mix of Diamond and Reverse Circulation (RC) drilling. Gold and silver assay results for 31 holes remain outstanding and are anticipated in May 2022.

Overview of drilling

Drill hole locations and results reported during the March quarter are summarised below in Figure 3.

Drill programs included infill drilling at Malvina, Andrea Sur and Mia testing extensions of known gold and silver mineralisation, follow up drilling at Malvina Sur, Florencia Norte and Silvia and regional scout drilling targeting new discoveries.

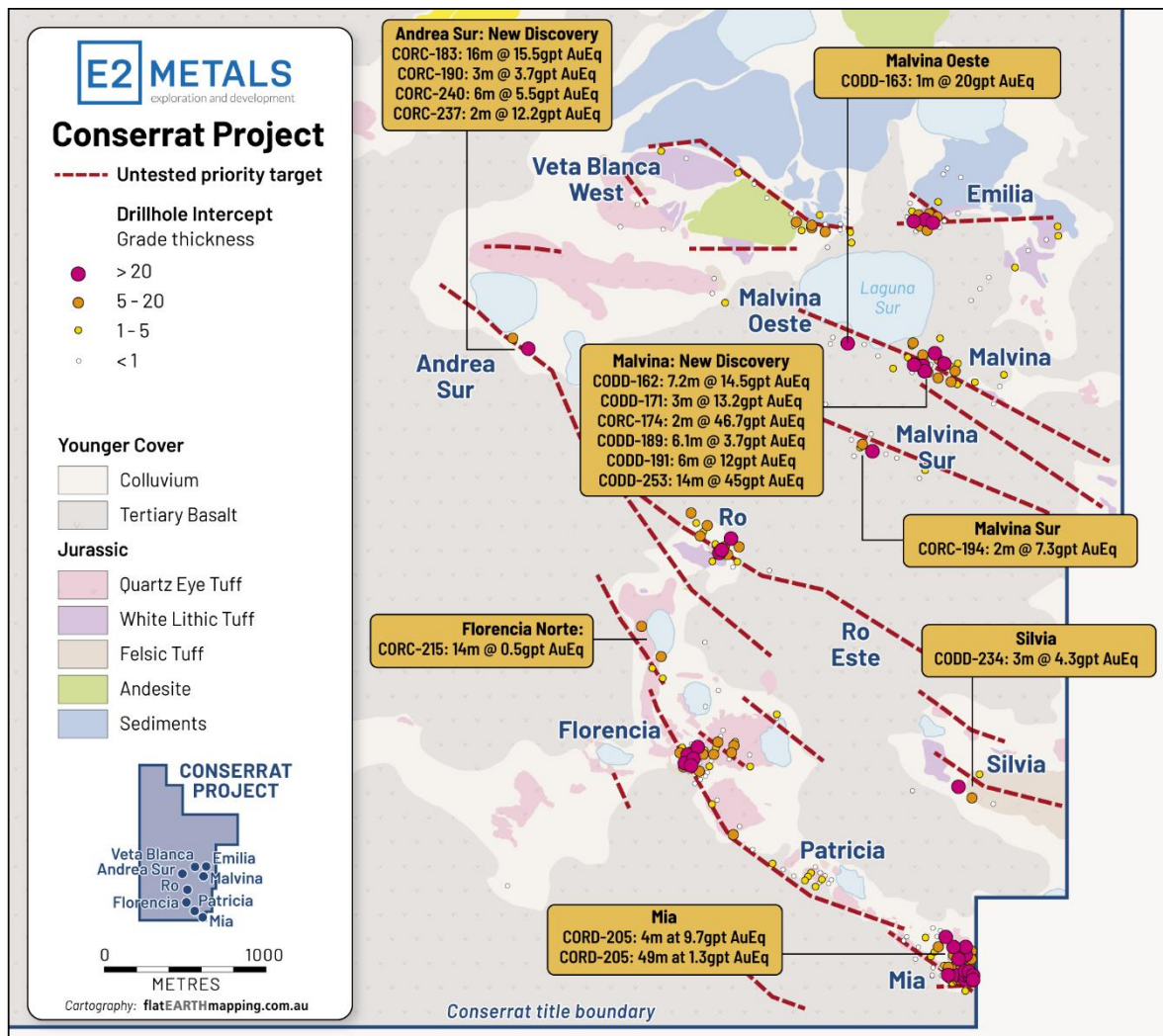


Figure 3: Conserrrat Project

Malvina follow-up drilling

Malvina is host to a largely concealed silver and gold mineralised vein and structure located in the central project area (see previous figure, Figure 3). 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.

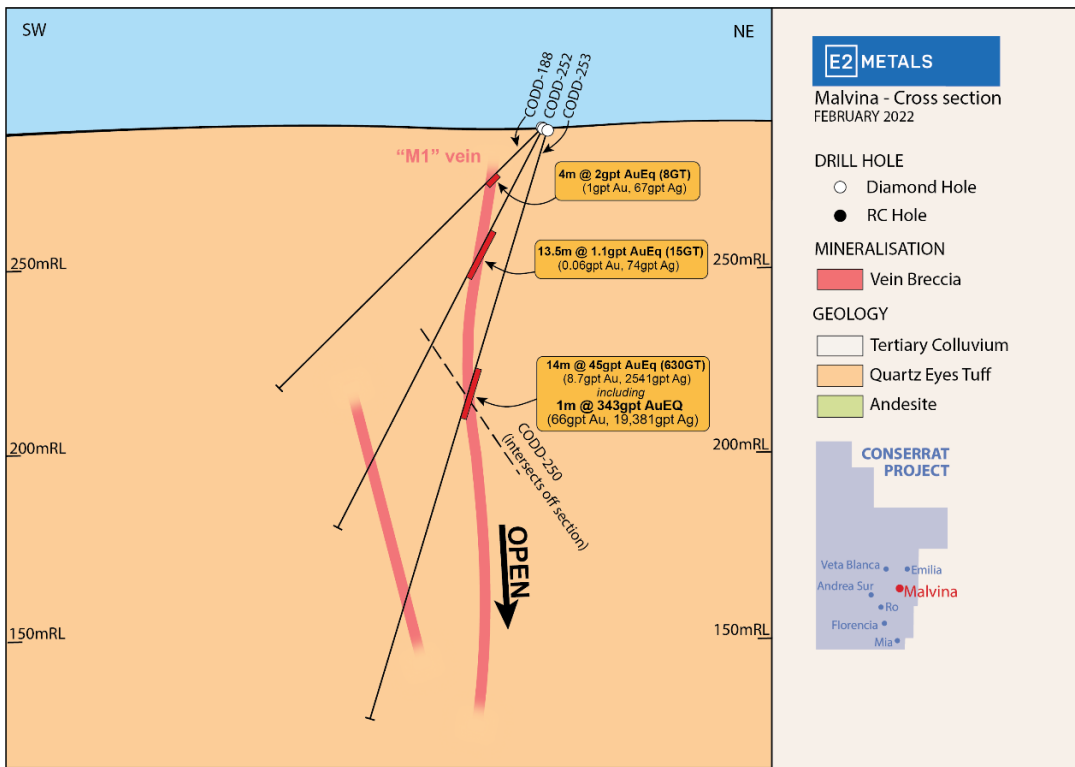


Figure 4: Malvina cross section

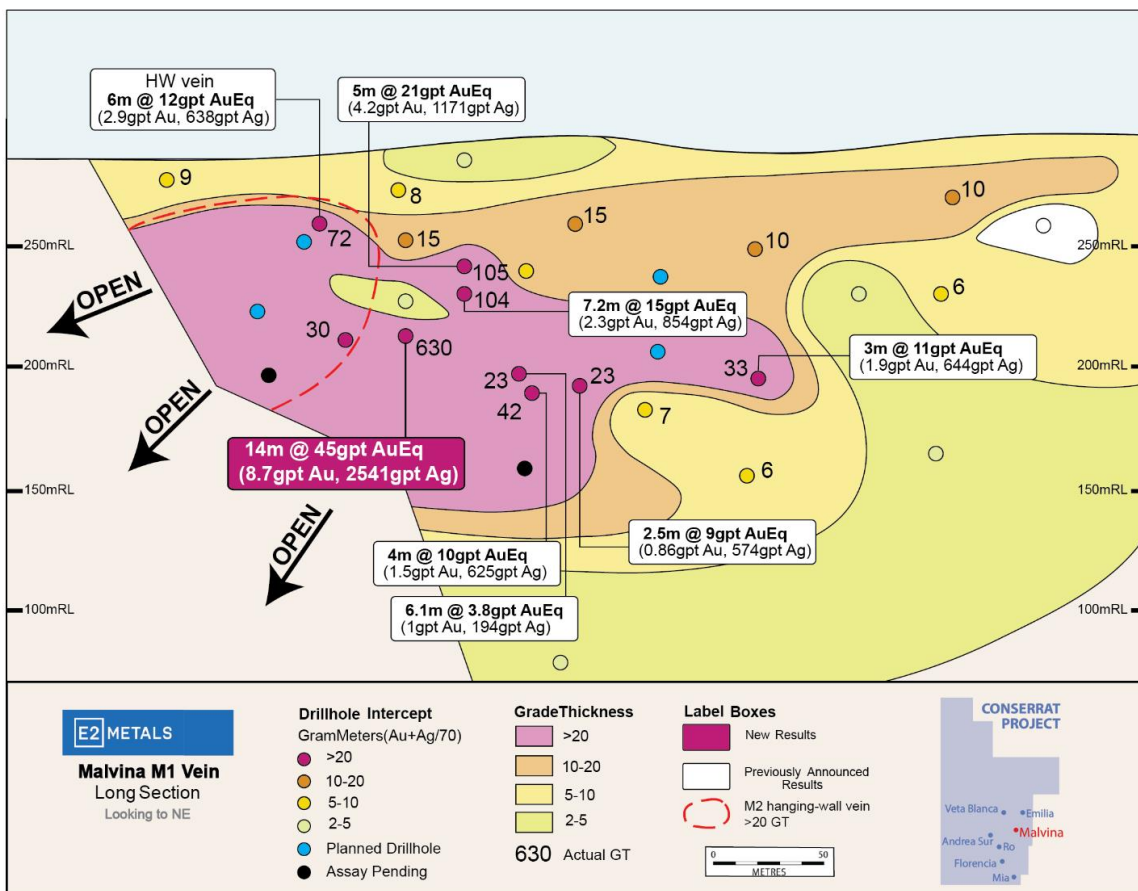


Figure 5: Malvina long section

Infill drilling at the prospect is 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 are distinguished by moderate oxidation and malachite (copper oxide) staining.

To date, high-grade mineralisation is defined by 18 drill holes over a **325m strike** with a **weighted average grade of 2.6gpt Au and 752gpt Ag (13.3gpt AuEq) over 4.7m** (downhole width).

New high-grade drill results include:

Section 534745E

CODD-253: **14m at 8.7gpt Au, 2541gpt Ag (45gpt AuEq)** from 67m inc.
7m at 17gpt Au, 4759gpt Ag (85gpt AuEq) from 67m, and
1m at 66gpt Au, 19,381gpt Ag (343gpt AuEq) from 72m

Bonanza silver mineralisation is associated with a banded colloform-crustiform epithermal vein with **native silver** in drill core samples. True widths are estimated to be 50% to 70% of reported widths.

Hole CODD-253 is 50 vertical meters below hole CODD-188 which returned 4m at 1gpt Au, 67gpt Ag (2gpt AuEq) from 17m (see ASX announcement, 16 December 2021, Malvina Sur drilling confirms new mineralised corridor) showing that grades improve at depth (see Figure 4 and Figure 5).

Andrea Sur

Andrea Sur is a new discovery located 2.5 kilometers west of Malvina (see ASX announcement, 25 November 2021, 16m at 15gpt Au, 22gpt Ag at new Andrea Sur discovery) and is within the western extension of the Conserrat epithermal vein field, which remains largely untested by drilling. The surface geology is dominated by younger lake sediments and colluvium, and outcrop is sparse.

The prospect was prioritised for scout drill testing on the basis of epithermal vein boulders extending over 150m strike (max values **2.2gpt Au, 17gpt Ag**).

Initial scout drilling at **Andrea Sur** comprised two RC drill holes on two sections spaced 120m apart.

Previously reported drill results include:

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

Follow up drilling comprised 10 shallow RC and Diamond holes for 762m completed on northeast drill sections spaced 35m (see Figure 6) apart to resolve the geometry of high-grade surface mineralisation.

New high-grade drill results include:

CORC-240: **16m at 2.6gpt Au, 9gpt Ag (2.7gpt AuEq)** from 22m inc.
6m at 5.4gpt Au, 3gpt Ag (5.5gpt AuEq) from 25m

CODD-237: **19m at 1.9gpt Au, 14gpt Ag (2.1gpt AuEq)** from 40m inc.
2m at 11.8gpt Au, 28gpt Ag (12.2gpt AuEq) from 55.6m

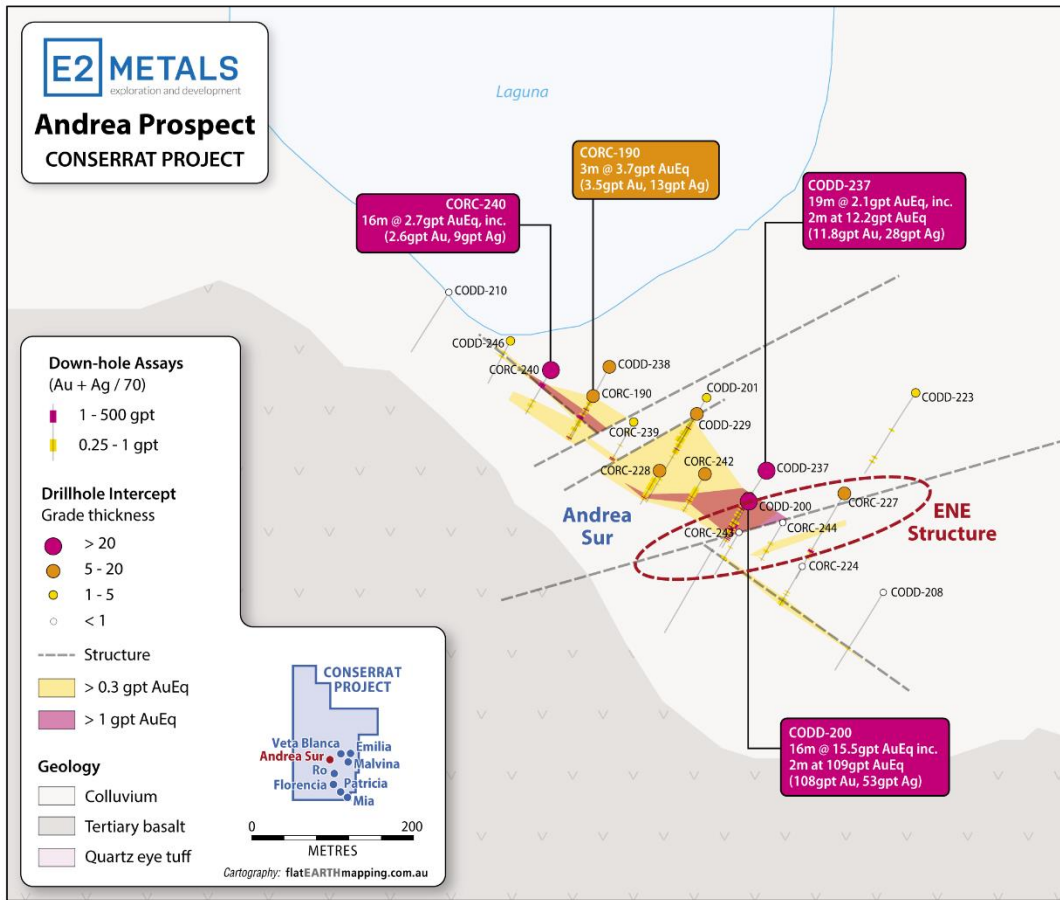


Figure 6: Andrea Sur drill hole location map

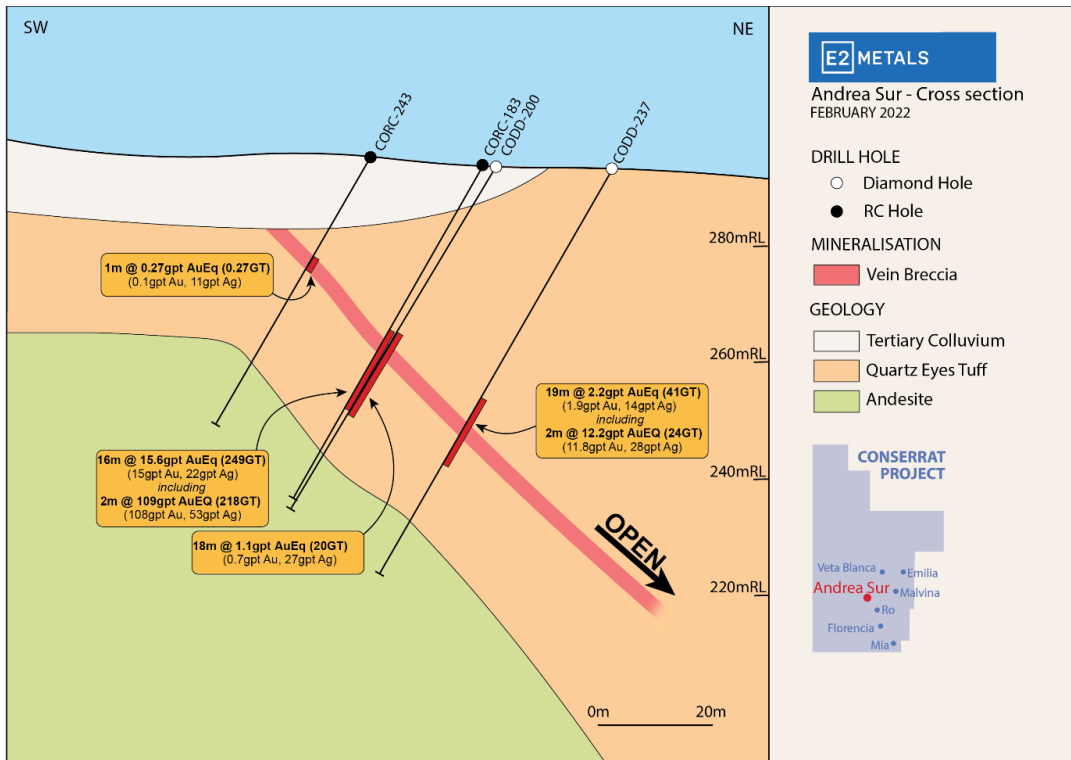


Figure 7: Andrea Sur cross section

Mineralisation is influenced by coarse gold with high variability shown in gold assay values for RC hole-CORC-183 when compared to the diamond twin CODD-200 (see Figure 7).

High-grade mineralisation is localized within the intersection zone of east-northeast with northwest orientated structures. Further drilling is planned on north-south drill sections to target extensions to high-grade mineralisation down-dip and along the east-northeast structures.

Table 1: Drill holes completed during March 2022 quarter

Hole ID	E	N	RL	Dip	Azimuth	Depth (m)
CODD-237	532331	4649790	292	-60	210	80
CODD-238	532234	4649854	290	-60	210	100
CORC-239	532249	4649820	293	-65	210	65
CORC-240	532198	4649852	291	-65	210	75
CODD-241	534384	4649768	292	-45	22	109
CORC-242	532293	4649788	293	-65	210	65
CORC-243	532314	4649752	294	-60	210	60
CORC-244	532341	4649758	293	-65	210	65
CORC-245	535017	4647177	300	-50	200	100
CODD-246	532173	4649870	289	-65	210	70
CODD-247	534880	4647099	299	-60	20	180
CORC-248	534930	4647223	300	-50	200	90
CORC-249	532888	4648190	304	-45	217	114
CODD-250	534704	4649674	289	-47	50	101
CODD-251	534768	4649635	296	-48	21	110.5
CODD-252	534754	4649732	287	-64	201	120.9
CODD-253	534755	4649733	287	-74	201	167.5
CORC-254	532770	4648368	309	-45	217	108
CODD-255	534768	4649634	296	-71	22	170.4
CORC-256	533093	4647578	306	-45	217	100
CODD-257	534690	4649624	294	-53	60	206
CORC-258	534491	4649137	299	-45	37	80
CODD-259	534676	4649666	288	-55	25.5	134
CORC-260	534423	4649165	298	-45	37	84
CODD-261	534673	4649669	288	-45	25.5	140
CODD-262	533482	4648628	306	-65	215	191
CORC-263	534950	4648940	299	-45	37	120
CODD-264	534908	4646001	298	-60	180	200
CORC-265	535489	4648813	299	-45	90	90
CORC-266	535616	4649003	299	-45	217	90
CORC-267	535670	4648728	300	-45	217	90
CORC-268	535783	4648891	297	-45	217	90
CORC-269	535843	4648616	301	-45	217	93
CORC-270	535358	4649456	290	-45	200	96
CORC-271	535263	4649629	289	-60	200	80
CORC-272	534726	4649574	297	-45	20	100
CORC-273	534708	4649524	298	-45	20	100
CORC-274	534998	4649752	294	-45	200	113
CORC-275	535127	4649696	292	-45	200	113
CORC-276	535400	4649572	290	-45	200	108
CORC-277	534846	4649685	294	-45	201	108
CORC-278	534860	4649615	294	-45	200	66
CORC-279	534860	4649616	294	-60	200	72
CORC-280	534935	4649590	294	-45	200	72
CORC-281	535825	4649592	286	-45	218	100
CORC-282	535885	4648586	303	-45	218	108
CORC-283	535159	4650542	291	-45	37	114
CORC-284	534836	4647267	303	-45	160	65
CORC-285	534817	4647324	302	-45	160	112
CORC-286	533061	4647926	301	-50	218	94
CORC-287	533114	4647839	300	-48	218	100

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.

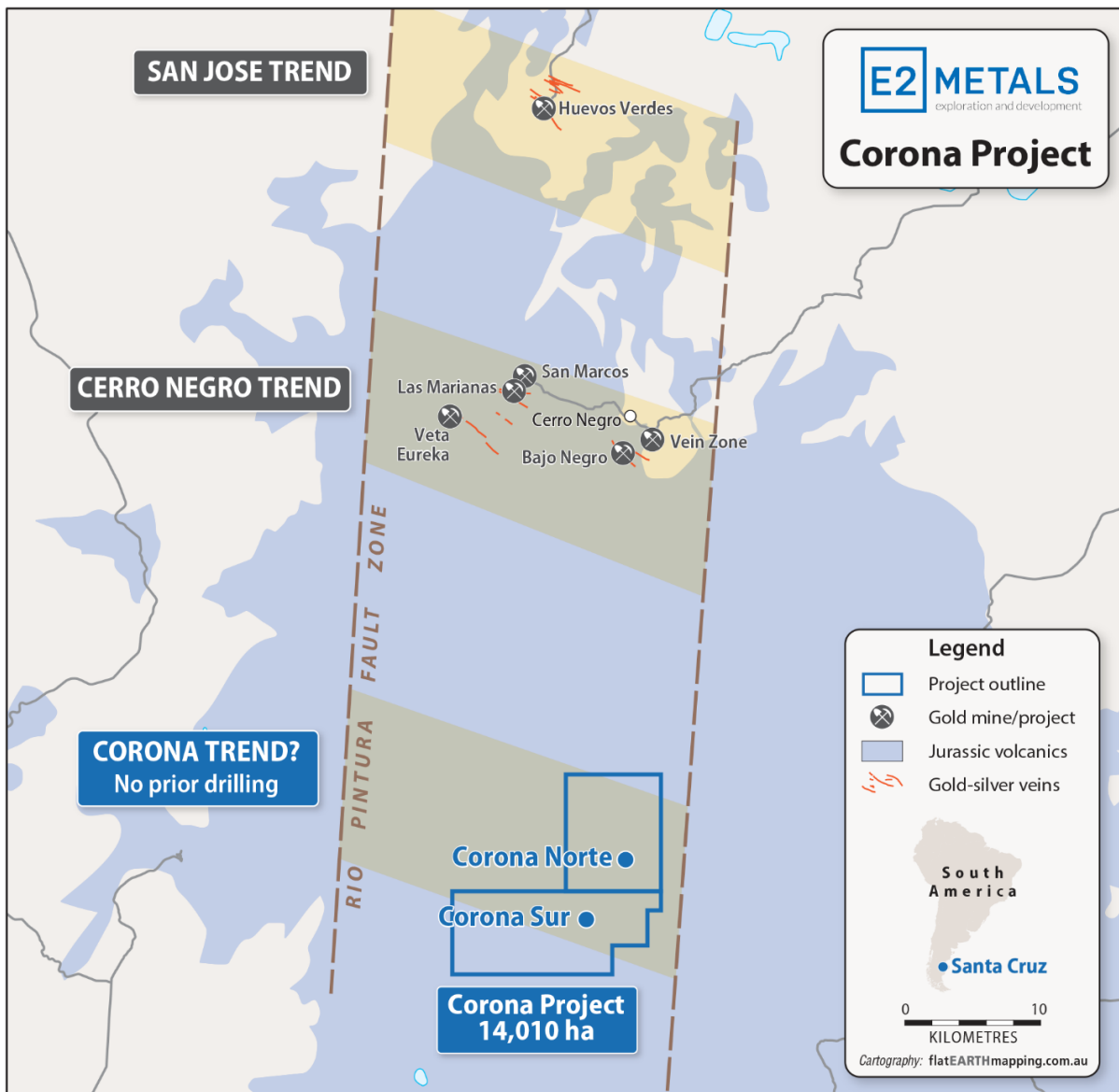


Figure 8: Corona project location

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 (see ASX announcement December 2021 Quarterly Report, 25 January 2021). 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.

Reconnaissance exploration at [Veta Agustina](#) and surrounding areas is ongoing.

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.

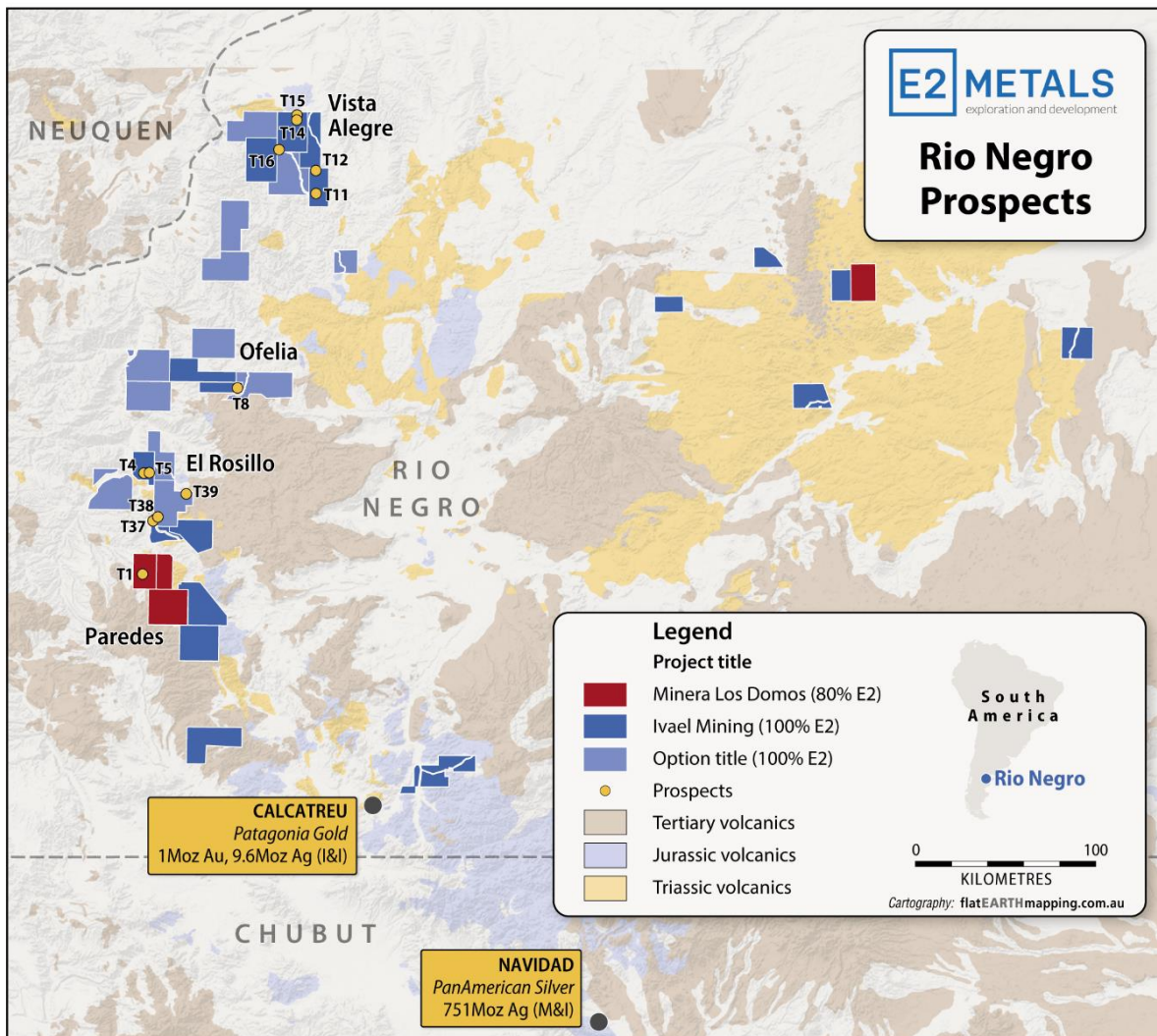


Figure 9: Western Rio Negro projects including El Rosillo

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 9) 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”).

Summary of El Rosillo trench program

Gold and silver assay results (see ASX announcement, *Further High-Grade Surface Targets at El Rosillo, 28 February 2022*) were received for 20 trenches totaling 671m (see Figure 10).

Prospect 37A

Prospect 37A is host to a vein structure comprising three discrete veins spaced over 20m that sporadically crops out within younger Miocene sediments and soil cover. Continuous channel samples have been completed within four hand trenches at the prospect with gold and silver assay results received for three trenches.

From west to east include, significant trench results include:

ROT-024:	3m at 113gpt Au, 35gpt Ag, inc.	(Open to the south and northwest)
	0.7m at 500gpt Au, 153gpt Ag	
ROT-023:	10.7m at 3.7gpt Au, inc.	
	3.2m at 9.3gpt Au	
ROT-004	25m at 2.9gpt Au, inc.	(Open to the east and northeast)
	2m at 28gpt Au	

High-grade mineralisation (max **500gpt Au, 153gpt Ag**) is within a silicified late-Jurassic dyke with abundant limonite and illite alteration and the contact of granodiorite. Importantly, trench ROT-024 started in mineralisation and is open to the south and trench ROT-004 terminated in mineralisation and is open to the north.

Mineralisation has been defined over 75m strike and is open in all directions.

The prospect is prioritised for drill testing.

Prospect 38A

Prospect 38A is host to a west-northwest vein structure that is defined in trenches over 200m strike. The vein is up to 2m wide and is within the contact of red arkose and conglomerate.

Significant trench results include:

ROT-019:	0.75m at 2.56gpt Au
ROT-009	1m at 279gpt Au, 116gpt Ag (previously reported)
ROT-020	2.1m at 3.7gpt Au,
ROT-015	2m at 2.6gpt Au

The highest trench grades are broadly coincidence to a peak composite rock anomaly of 29gpt Au. The source vein does not outcrop and is concealed by shallow colluvium cover. **Mineralisation is open to the southeast** and disappears under shallow gravel cover. The prospect is prioritised for drill testing.

During the quarter, an Environmental Impact Assessment (EIA) report submitted by E2's wholly owned subsidiary, Ivael Mining SA, was approved by local authorities and the Company has received all statutory **approvals to drill at the El Rosillo project.**

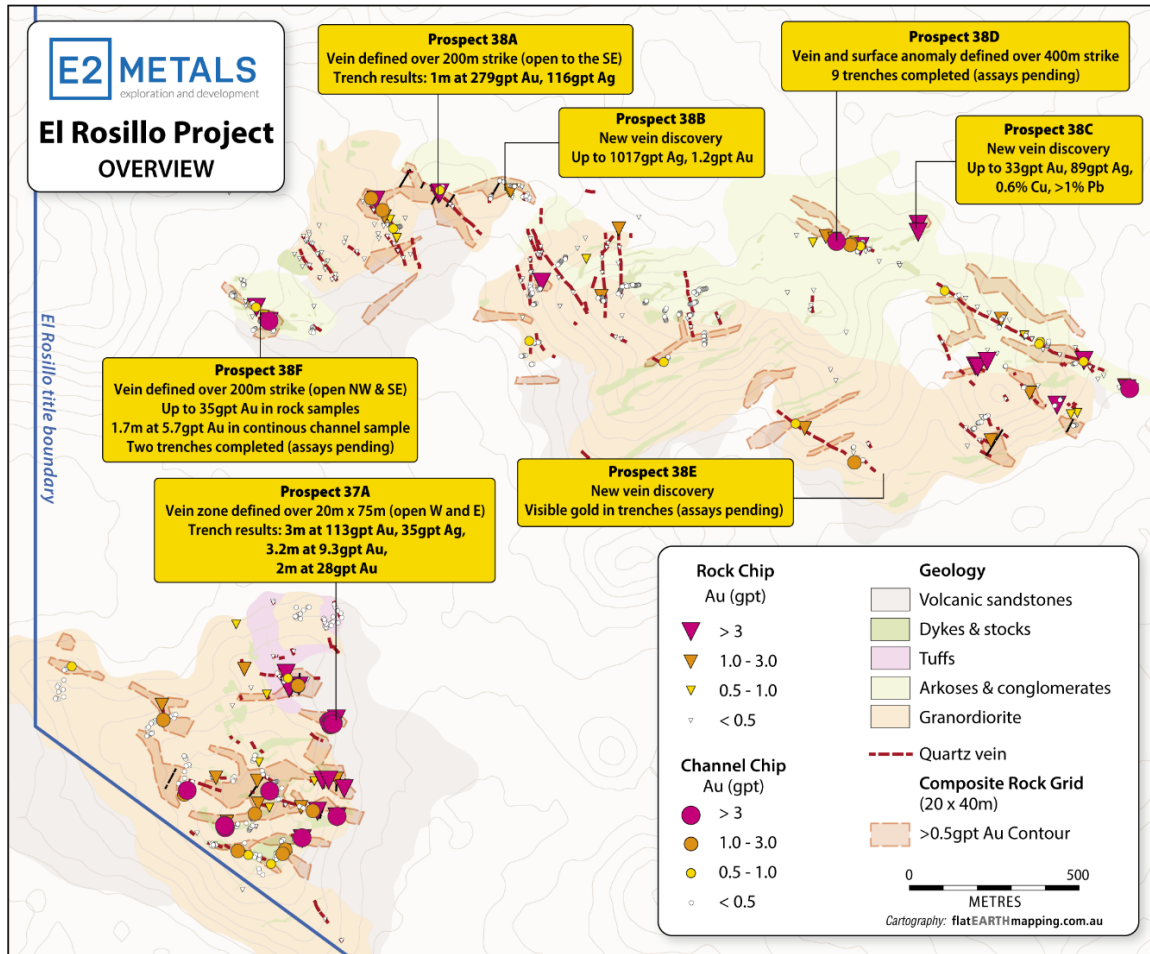


Figure 10: El Rosillo channel chip and trench results



Figure 11: 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 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 16). **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.

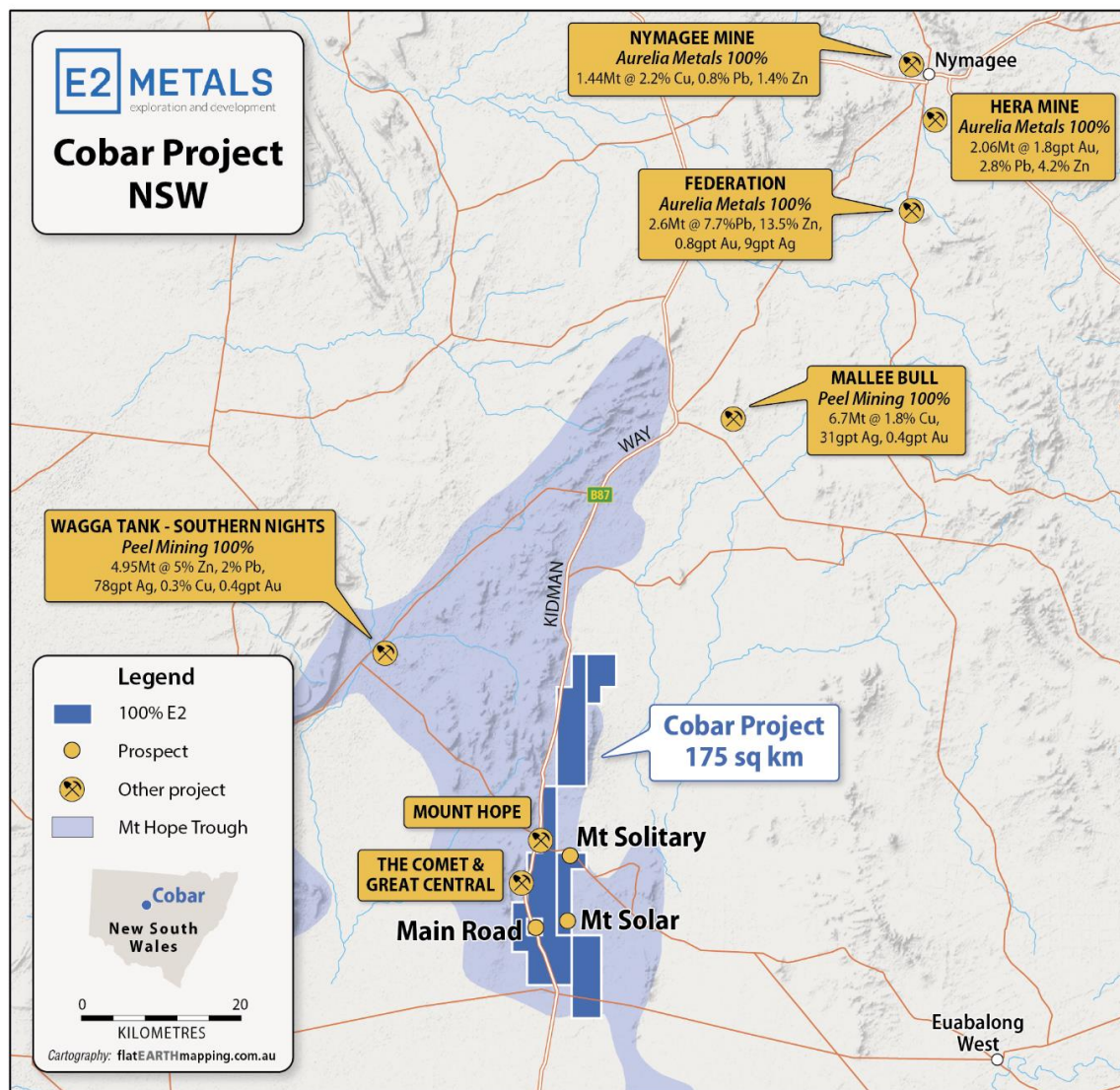


Figure 12: Cobar Portfolio

Corporate

Summary of Expenses

During the quarter ended 31 March 2022, the Company spent \$3.2M on exploration and evaluation, \$86k on staff costs and \$203k 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 \$1.3M 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.

Details of the Placement

During March, the Company announced an \$8.5m capital raise and placement to institutional and sophisticated investors, including renowned global investor Eric Sprott who will emerge as a substantial shareholder.

48.6 million New Shares will be issued under the Placement at an issue price of \$0.175 per New Share.

Placement participants will receive an attaching option on 1:2 basis and each option will be exercisable at \$0.26 per Option and have an expiration date of 31 March 2024.

The Placement will be undertaken in two tranches. On 23 March 2022 the company issued 22.5m shares under the Company's existing placement capacity under ASX Listing Rule 7.1 for a capital raise of \$3.95m. The Company will hold a General Meeting on 28 April 2022 to refresh its placement capacity and to seek shareholders approval to issue the remaining 26 million New Shares (**T2**) and attaching Options. The settlement of the New Shares under T2 is expected to occur on or around 29 April 2022 to raise a further \$4.55m. 2.9 million options (**Brokers Options**) will also be issued to the Joint Lead Managers (or their nominees) subject to shareholder approval.

In addition to above, \$19k of capital was raised upon the exercise of 90k options by an employee of the company.

The Company remains in a robust financial position with \$8.2M cash at 31 March 2022.

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 \$80k for Director's fees for the quarter; and
- Payment of \$35k to Vistra Australia, an associated entity of Ms Melanie Leydin, for CFO and company secretarial fees during March 2022 quarter.

Next Steps

Conserrat (Santa Cruz)

At Conserrat, the Company is focus on expanding the limits of gold and silver mineralisation at known prospects, in addition to regional scout drilling for new discoveries. Planned activities include:

- A Controlled Source Audio Magneto-tellurics (CSAMT) geophysical survey is underway to expand targets under shallow cover and define extensions of known mineralised corridors.
- Infill and extensional drilling at Malvina and Andrea Sur including a 1500m diamond drill program scheduled for 1 May 2022.
- Scout drilling testing regional targets
- Assay results for 31 holes remain outstanding and are anticipated in May

El Rosillo (Rio Negro)

At El Rosillo, the Company is focus on systematic surface works and trenching to define targets for the upcoming inaugural drill program. Planned activities include:

- The current trench program is largely complete. Assay results for 80 trenches totalling 2718m remain outstanding and are anticipated in May.
- An approximately 2000m diamond drill program is scheduled for 15 May 2022.

Corona (Santa Cruz)

- Detailed rock chip sampling at Veta Agustina and surrounding regional prospects is ongoing.

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 31 March 2022

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
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

Description	Tenement number	Holder	Interest owned by E2 Metals Limited %
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	Ivael	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

- 4 February 2022, *Bonanza silver at Malvina - 14m at 8.7gpt Au, 2541gpt Ag*
- 9 February 2022, *Investor Presentation*
- 28 February 2022, *Further high-grade surface targets at El Rosillo*
- 17 March 2022, *\$8.5million Placement Cornerstoned by Eric Sprott*

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")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(3,216)	(9,591)
(b) development	-	-
(c) production	-	-
(d) staff costs	(86)	(256)
(e) administration and corporate costs	(203)	(664)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	25	54
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)
1.9 Net cash from / (used in) operating activities	(3,480)	(10,490)
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	-	-

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 (9 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)	1,301	4,058
2.6	Net cash from / (used in) investing activities	1,301	4,053
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,950	3,950
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	20	20
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(252)	(252)
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)	(13)	(21)
3.10	Net cash from / (used in) financing activities	3,705	3,697
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,764	11,035
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,480)	(10,490)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,301	4,053
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,705	3,697

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(2)	(7)
4.6	Cash and cash equivalents at end of period	8,288	8,288

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	8,288	6,764
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)	8,288	6,764

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	115
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)	(3,480)
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)	(3,480)
8.4 Cash and cash equivalents at quarter end (item 4.6)	8,288
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	8,288
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.38
<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: 22 April 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.