

SEPTEMBER 2022 QUARTERLY REPORT

E2 Metals (**E2** or **the Company**) is pleased to present the quarterly report for the period ending 30 September 2022 and provide an update on exploration activities across the Company's portfolio.

HIGHLIGHTS

CONSERRAT GOLD AND SILVER PROJECT (SANTA CRUZ, ARGENTINA)

- Exploration work programs were on hold during winter.
- A total of 21 regional exploration targets are prioritised for scout drilling when work resumes (see ASX announcement, *New targets emerge at Conserrat, 27 June 2022*).
- Planning and preliminary works are underway. Shortly, the Company will provide an update on exploration objectives for the 2022-2023 exploration field season.

WESTERN RIO NEGRO PORTFOLIO (RIO NEGRO, ARGENTINA)

- Drilling at Rosillo concluded in August 2022. Given the coarse nature of gold in trench samples, all drill core samples were submitted for secondary analysis via Screen Fire Assay (SFA) delaying results.
- Regional exploration within the Western Rio Negro portfolio remains active with advancements on three fronts:
 - Sampling and mapping at **Rosillo Sur** (100% E2), a separate title located 2km south of **El Rosillo**, has defined a **new vein structure outcropping over 2km strike** with up to 2.6gpt gold, 265gpt silver in reconnaissance rock chip samples. A follow up soil grid was completed over the entire strike to define possible drill targets.
 - Reconnaissance exploration at **Parades** (80% E2) has identified **multiple zones of secondary copper mineralisation (azurite and malachite)** in association with alteration and veining typical of the upper parts of blind porphyry Cu deposit. Sampling is ongoing.
 - Regional baseline sampling of pegmatites within areas of granitic basement to assess the areas potential for lithium.
- Assay results for the **El Rosillo** drill program and regionals works are due early next month.

CORPORATE

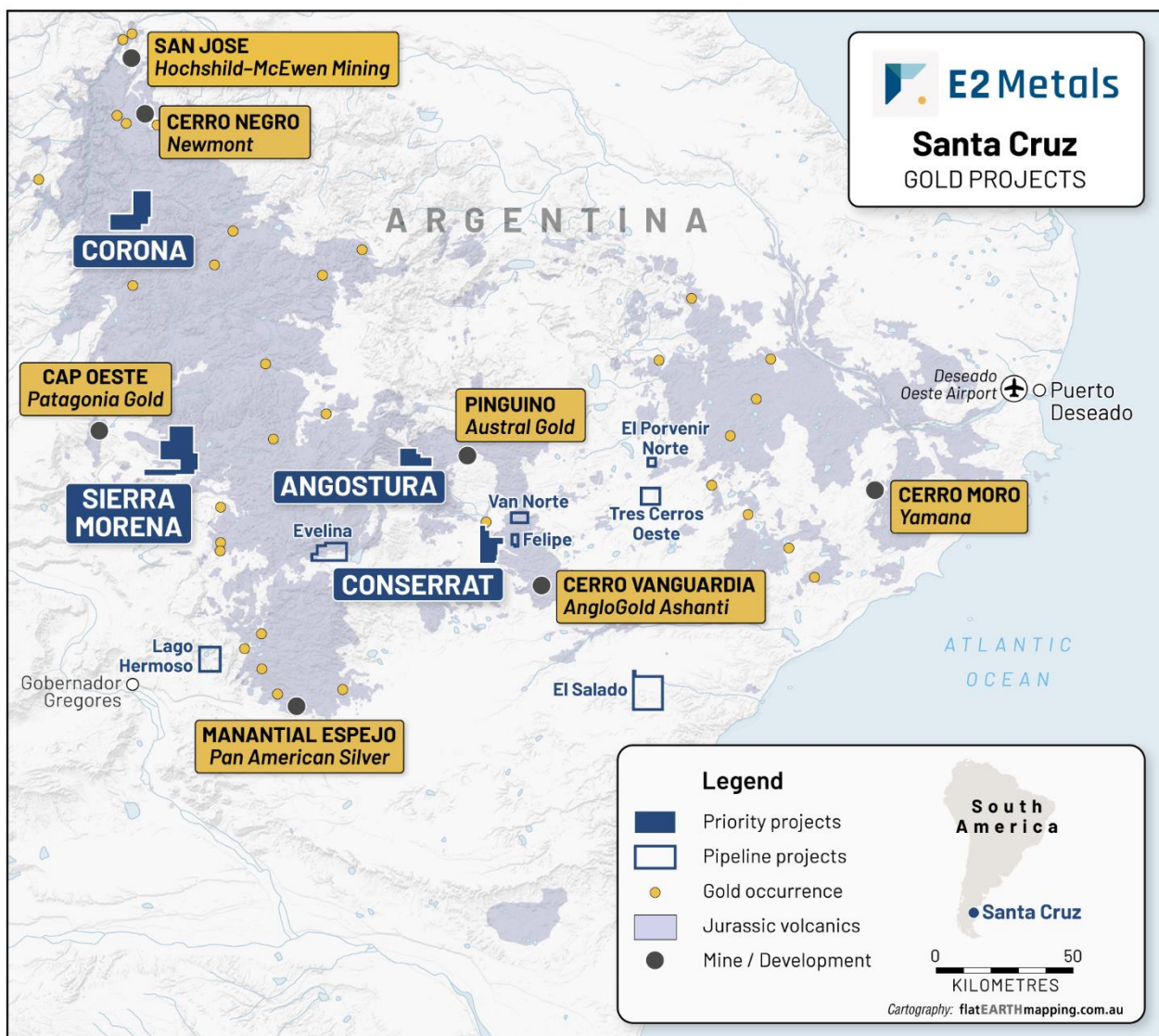
- Cash balance at the end of the quarter is \$9.29M



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 PROJECT

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.

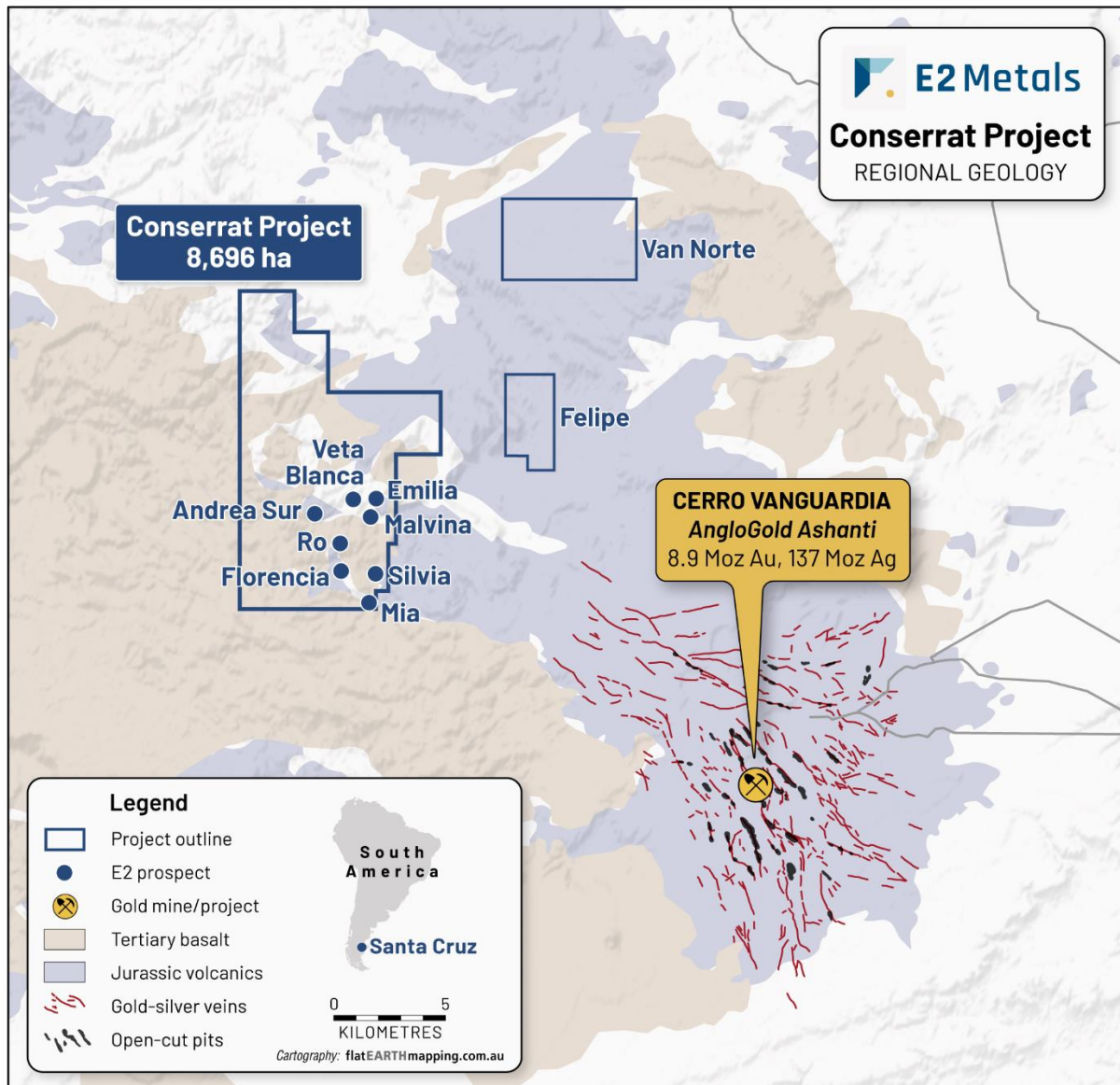


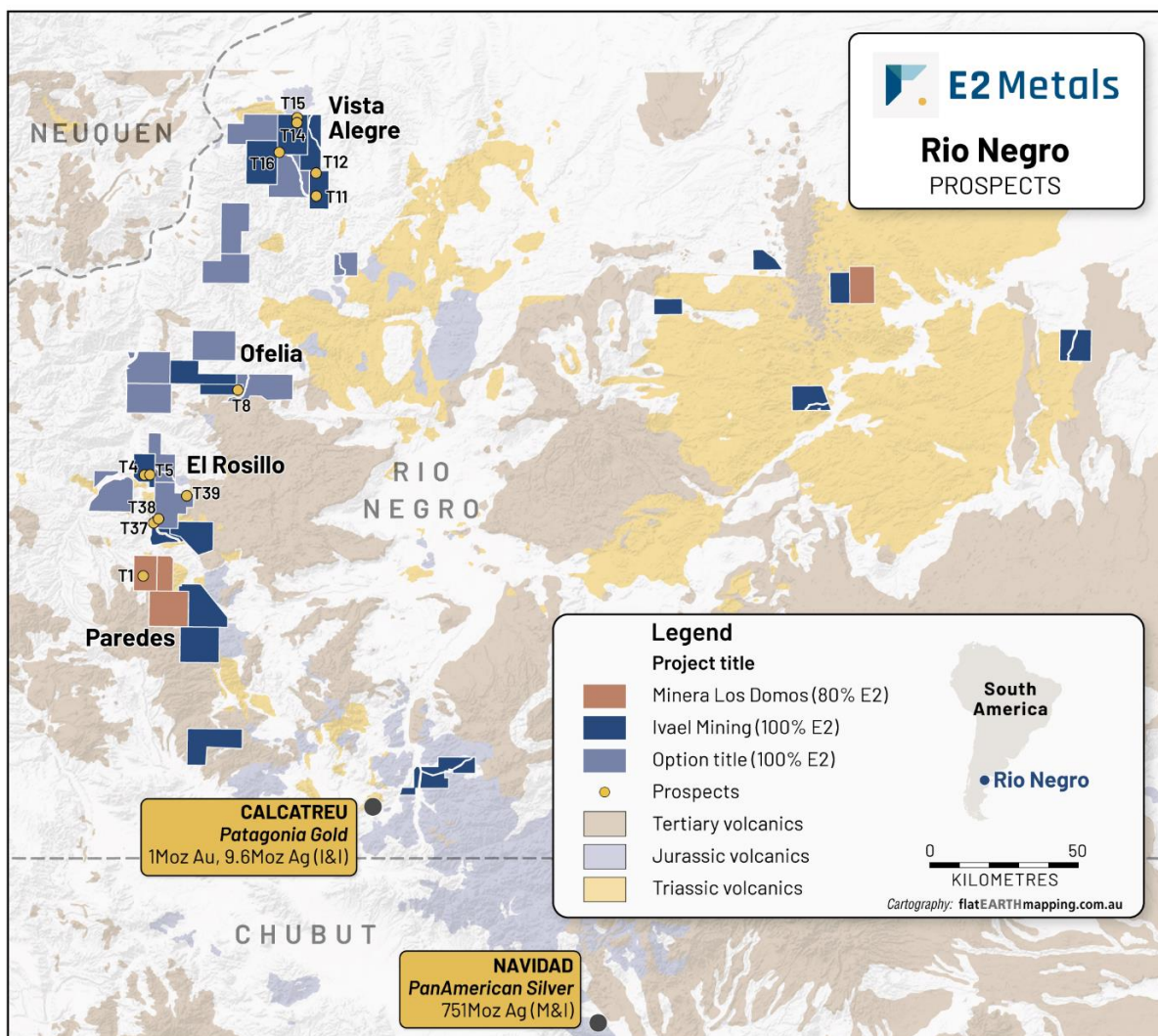
Figure 2: Conserrat Project

Field exploration at Conserrat was on hold during winter. A total of 21 regional exploration targets are prioritised for scout drilling when work resumes (see ASX announcement, *New targets emerge at Conserrat*, 27 June 2022).

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.



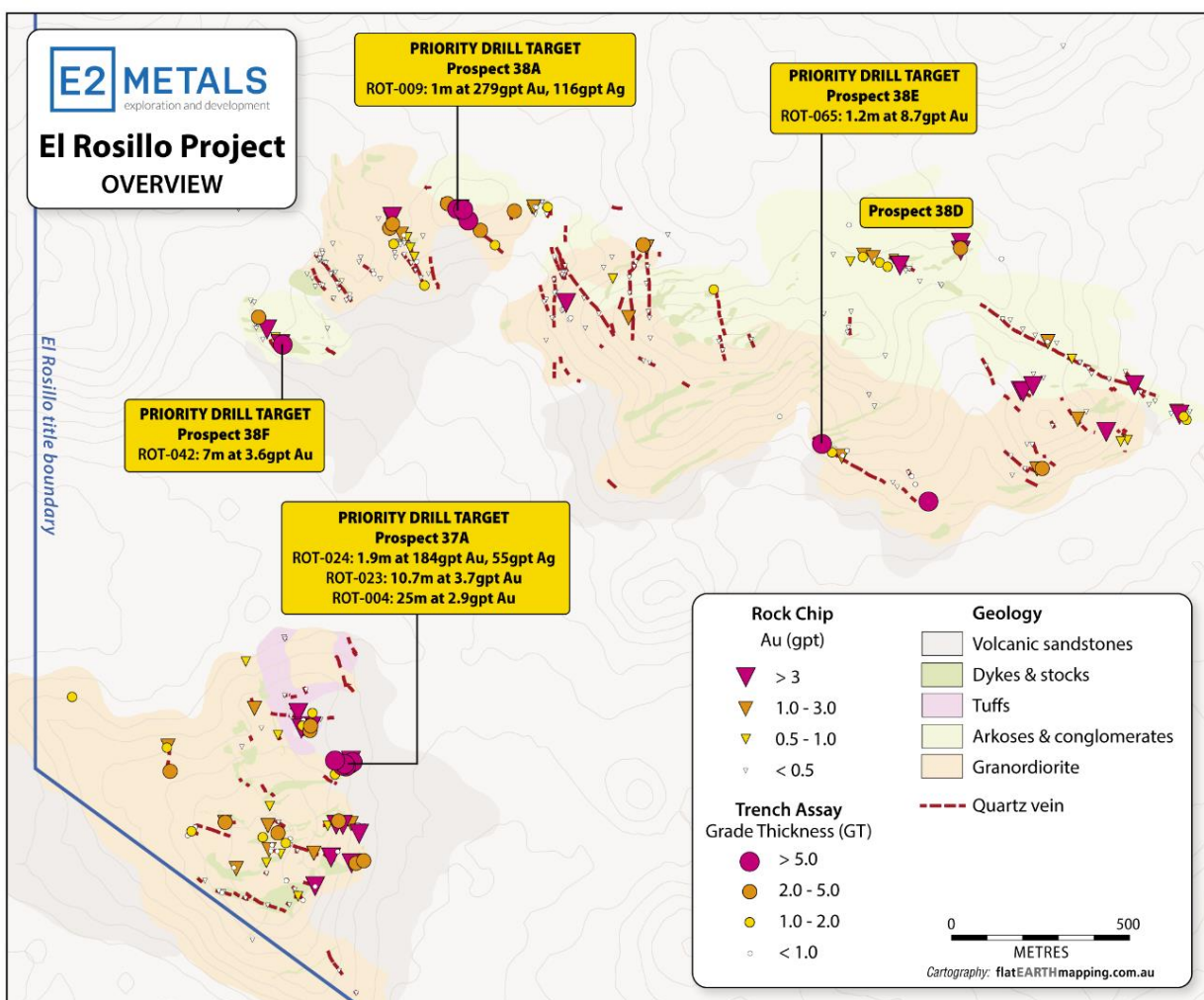
• Figure 3: Rio Negro Portfolio

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 3) respectively.

EL ROSILLO DRILLING

An inaugural drill program commenced at **El Rosillo** during June 2022 (see ASX announcement, 26 May 2022, *Drilling commences at El Rosillo*) and concluded in August.

The program comprised 15 diamond holes for 1380m. The program was reduced due to slow drill productivity and inclement weather. The program was designed to test the down-dip extent of gold mineralised defined in surface trench samples (see Figure 4). All holes intercepted quartz veins and veinlet zones ranging in texture from crystalline to banded with sulphides. Due to the presence of coarse gold in trench samples, all drill core samples were submitted for Fire Assay and Screen Fire Assay (SFA) checks delaying receipt of final results.

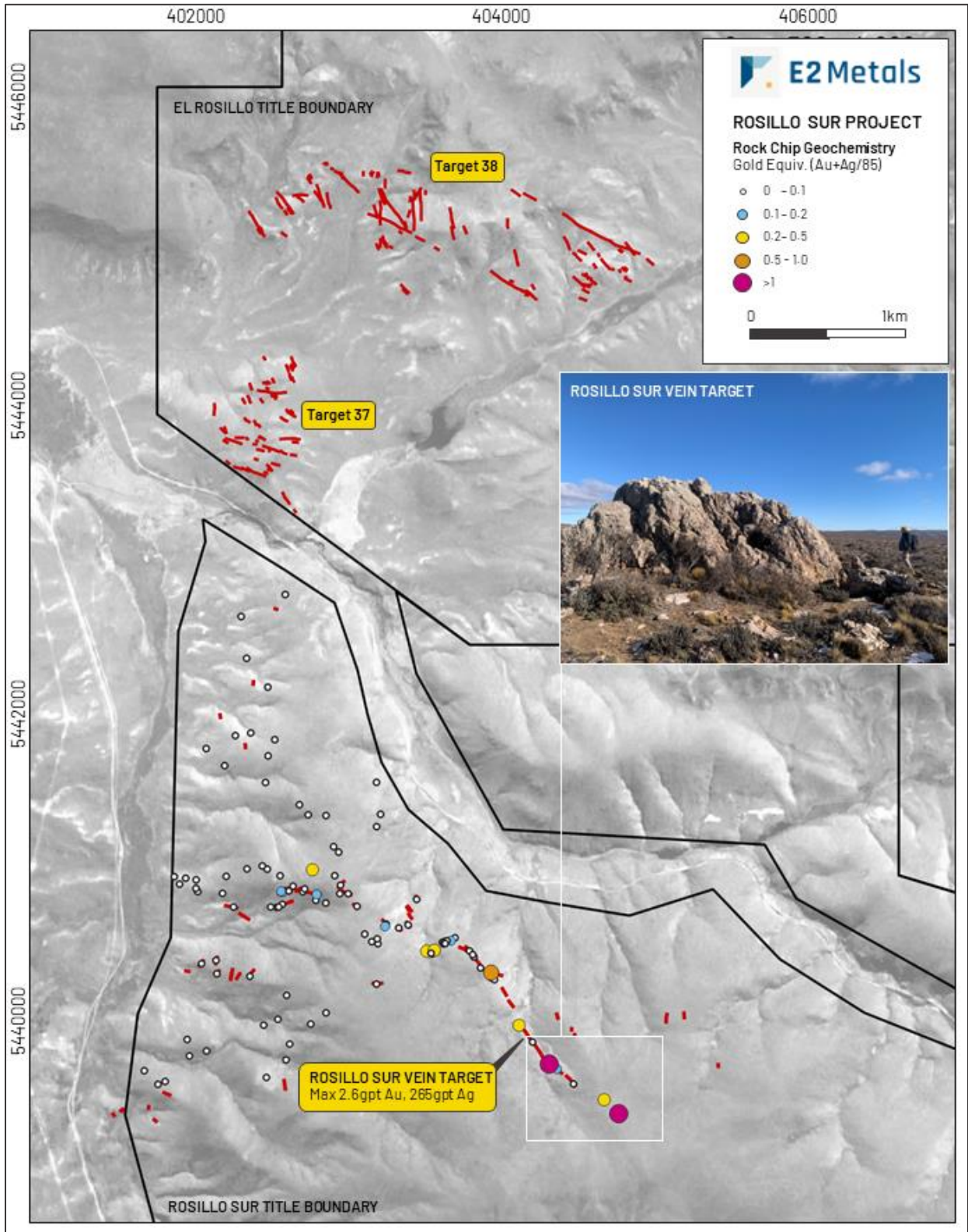


• Figure 4: El Rosillo Prospects and Trench Results

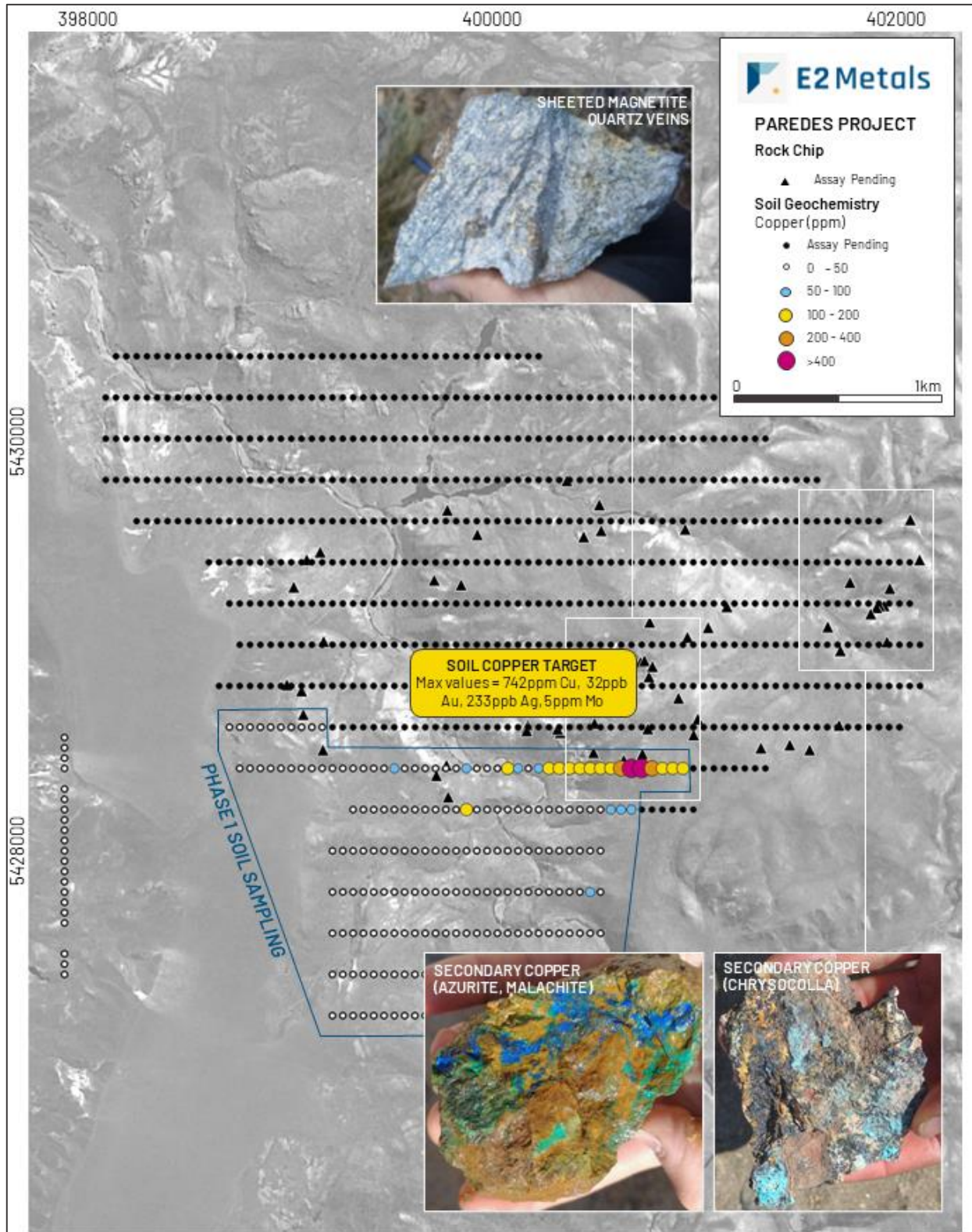
REGIONAL EXPLORATION

Regional exploration continues within the broader Western Rio Negro portfolio, with advancements on three fronts:

- Sampling and mapping at **Rosillo Sur** (100% E2), a separate title located 2km south of **El Rosillo**, has defined a **vein structure outcropping over 2km** (Figure 5). The vein is hosted in the footwall of the major west-northwest trending Comallo Fault and is considered to be of intrusion-related affinity. A total of 107 reconnaissance rock chip samples were collected throughout the project area. The samples define a **coherent anomaly up to 2.6gpt gold, 265gpt silver over an approximate 800m of vein strike**. A follow up soil grid (n=200) is completed on lines spaced 200m apart to extend geochemical targets under shallow cover and define possible drill targets.
- Reconnaissance exploration commenced at **Paredes** project (80% E2) follow the receipt of approvals from local stakeholders and landowners. The project is considered prospective for transitional High-Sulphidation (HS) epithermal and linked copper porphyry deposits. The project geology is made up of volcanic rocks intruded by andesitic to dacitic porphyritic units, which in turn is overprinted by argillic alteration with dimensions of 5 square kilometers. Initial mapping and sampling identified **multiple zones of secondary copper mineralisation** (azurite, malachite and chrysocolla) in association with quartz and quartz-magnetite veins thought to be of porphyry affinity. A total of 105 rock chip samples have been collected to date within the project. A coarse fraction soil (LAG) grid was completed over the entire extent of the alteration system on sample centres spaced 200m by 50m to assist sampling and define zones for follow up. Geochemical results for the southern 30% of the soil program have been received (Figure 6) and confirm the presence of **high copper (up to 742ppm), silver (up to 233ppb) and gold (up to 32ppb)** in surface samples.
- Regional baseline sampling of pegmatites within areas of granitic basement to assess the regional potential for lithium. Rio Negro has no history of lithium exploration but is host to pegmatite swarms thought to be Devonian in age.



• Figure 5: Rosillo Sur project and rock chip geochemical results



• Figure 6: Paredes project and partial soil geochemical results

COBAR PROJECTS, 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 7). 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.

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

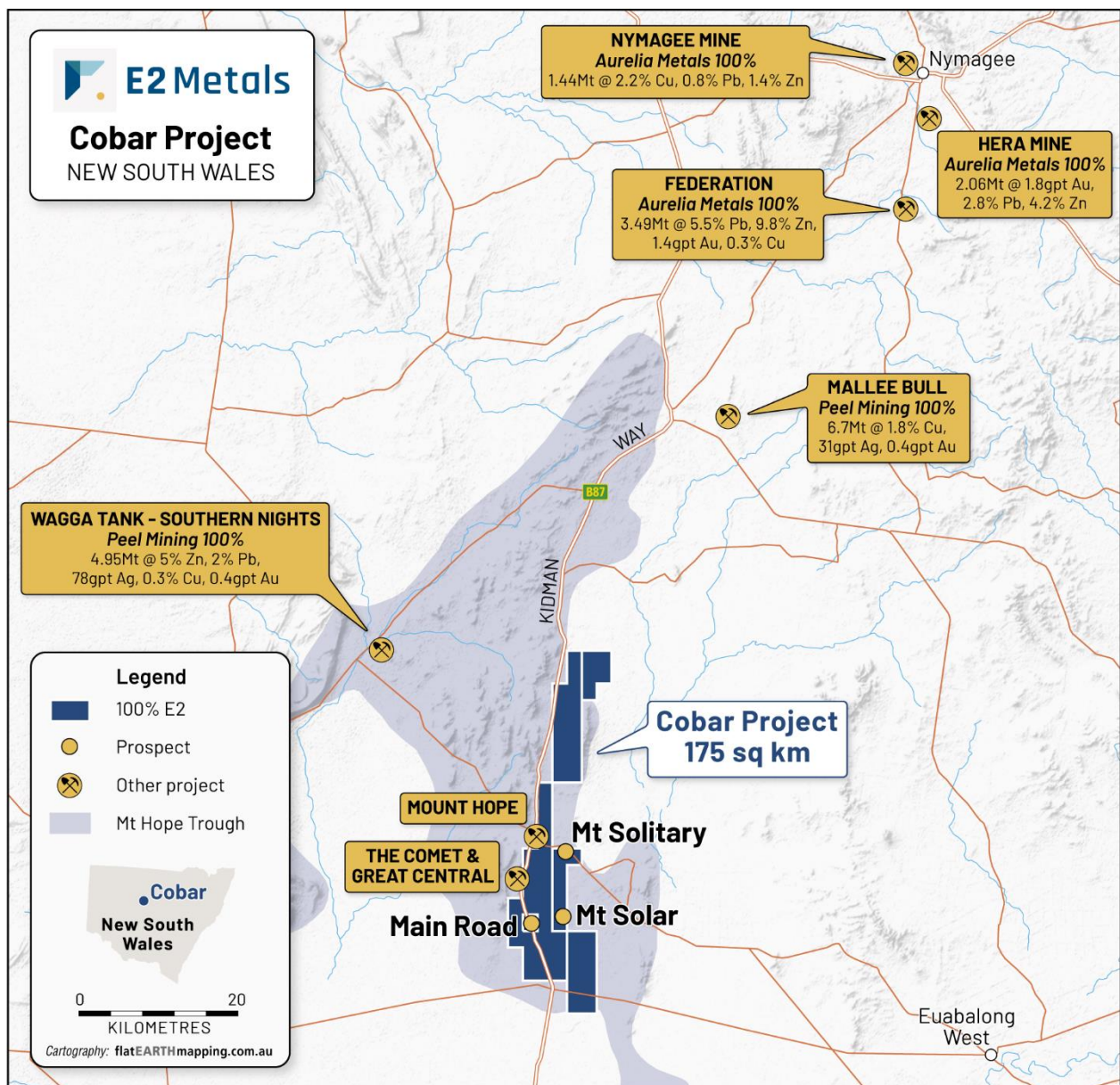


Figure 7: Mount Hope Portfolio

CORPORATE

SUMMARY OF EXPENSES

During the quarter ended 30 September 2022, the Company spent \$1.39M on exploration and evaluation, \$61k on staff costs and \$361k on administration and corporate costs. These payments on operating activities relate to drill operations at El Rosillo as well as regional exploration within the broader Western Rio Negro portfolio. In addition, the company received \$368k 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.

PAYMENTS TO RELATED PARTIES OF THE ENTITY AND THEIR ASSOCIATES

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

- 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 September 2022 quarter

The Company remains in a robust financial position with \$9.29M cash as of September 2022.

NEXT STEPS

CONSERRAT GOLD AND SILVER PROJECT (SANTA CRUZ, ARGENTINA)

- Planning and preliminary works is underway. Shortly, the Company will provide an update on exploration objectives for the 2022-2023 exploration field season

WESTERN RIO NEGRO PORTFOLIO (RIO NEGRO, ARGENTINA)

- Pending results include:
 - El Rosillo 15-hole 1380m diamond program
 - Rosillo Sur soil grid survey
 - Paredes reconnaissance rock and Phase 2 soil grid survey
 - Regional baseline sampling of Devonian pegmatites
- Assay results for the El Rosillo drill program and regional sampling are due early November.

THIS ANNOUNCEMENT IS AUTHORISED FOR RELEASE TO THE MARKET BY THE BOARD OF DIRECTORS OF E2 METALS LIMITED

SCHEDULE OF TENEMENTS

30 SEPTEMBER 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	Ivail	100
Curva Oeste y Curva Este, Argentina	45037-M-2020	Ivail	100
Loma Negra, Argentina	45039-M-2020	Ivail	100
Maria, Argentina	45042-M-2020	Ivail	100
Marinao Oeste, Argentina	45043-M-2020	Ivail	100
Ofelia, Argentina	45044-M-2020	Ivail	100
Ojo Del Toro, Argentina	45040-M-2020	Ivail	100

Description	Tenement number	Holder	Interest owned by E2 Metals Limited %
Quila Mahuida, Argentina	45038-M-2020	Ivail	100
Vista Alegre, Argentina	45035-M-2020	Ivail	100
Yanquihuen, Argentina	45035-M-2020	Ivail	100
Buitrera, Argentina	46003-M-2021	Ivail	100
Buitrera Sur, Argentina	46005-M-2021	Ivail	100
Comallo Arriba	46000-M-2021	Ivail	100
Doradillo, Argentina	46001-M-2021	Ivail	100
Efeil, Argentina	46002-M-2021	Ivail	100
Saladero Sur, Argentina	46004-M-2021	Ivail	100
Ofelia Norte, Argentina	46110/M/2021	Ivail	100
Cerro Bayo, Argentina	46111-M-2021	Ivail	100
Rosillo Sur, Argentina	46154-M-2021	Ivail	100
Vista Alegre Este, Argentina	46166-M-2021	Ivail	100
Quila Mahuida Este, Argentina	46178-M-2021	Ivail (Option)	100
Yanquihuen Oeste, Argentina	46179-M-2021	Ivail (Option)	100
Bonito, Argentina	46180-M-2021	Ivail (Option)	100
Ofelia Este, Argentina	46181-M-2021	Ivail (Option)	100
Cañadon Guanaco Muerto Norte, Argentina	46210-M-2021	Ivail (Option)	100
Cañadon Guanaco Muerto Sur, Argentina	46211-M-2021	Ivail (Option)	100
Cerro Campo Limpio, Argentina	46209-M-2021	Ivail (Option)	100
Quinihuau, Argentina	46208-M-2021	Ivail (Option)	100
Aguada Reuque, Argentina	46207-M-2021	Ivail (Option)	100
Arroyo Pilahue, Argentina	46206-M-2021	Ivail (Option)	100
Rosillo Oeste, Argentina	46226-M-2021	Ivail (Option)	100
Ipa, Argentina	444,802/IM/2021	Ivail	Application
Delia, Argentina	444,800/IM/2021	Ivail	Application
Los Calafates, Argentina	444,801/IM/2021	Ivail	Application
El Rosillo	42028-2017	Ivail	100

Notes:

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

Ivail - Ivail 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'S 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 announcements.

ASX Announcements

- 26 May 2022, Drilling commences at El Rosillo
- 27 June 2022, New targets emerge at Conserrat

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.

Appendix 5B

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

Name of entity

E2 Metals Limited

ABN

34 116 865 546

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,388)	(1,388)
(b) development	-	-
(c) production	-	-
(d) staff costs	(61)	(61)
(e) administration and corporate costs	(361)	(361)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	35	35
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,775)	(1,775)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:	-	-
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (net gains received from the sale of Bonds)	368	368
2.6	Net cash from / (used in) investing activities	368	368

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)	(13)	(13)
3.10	Net cash from / (used in) financing activities	(13)	(13)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	10,678	10,678
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,775)	(1,775)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	368	368
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(13)	(13)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	32	32
4.6	Cash and cash equivalents at end of period	9,290	9,290

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	9,290	10,678
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)	9,290	10,678

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)	(1,775)
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)	(1,775)
8.4 Cash and cash equivalents at quarter end (item 4.6)	9,290
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	9,290
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.2
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

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

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

Answer: N/A

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

Compliance statement

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

Date: 31 October 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.