

E2 Metals

ASX RELEASE

E2 Metals Limited

ABN: 34 116 865 546
ASX Code: E2M

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Directors / Secretary

Melanie Leydin
Executive Chairman

Simon Peters
Executive Director

Justin Klintberg
Non Executive Director

Justin Mouchacca
Company Secretary

Issued capital

60.7M fully paid ordinary shares

Substantial Shareholders

The Trust Company Ltd (11.45%)
Capri Trading Pty Ltd (4.74%)
Lido Trading Ltd (4.12%)

E2 Metals Quarterly Activities Report

24 April 2018

Highlights:

- Preliminary desktop review undertaken of the recently granted EL8654, situated to the west of Mount Solitary
- The Company continues to be active in reviewing several new business opportunities. The company maintains solid cash reserves which would enable immediate on ground exploration.

Mount Hope Project

During the quarter, further programs of work continue to be developed and incorporated into this year's work program. The review focused on targeting extensions of known high-grade gold mineralisation that remain open at the prospect.

Mt Solitary lies at the northern end of 6 km of mineralised strike marked by a series of siliceous outcrops hosting zones of hydrothermal alteration.

Previous drilling has confirmed the existence of at least three hydrothermal alteration zones associated with quartz veining, sulphides and anomalous multi-elements, with a significant structural zone intersected from 254m – 268m averaging 1.07g/t Au over the 14m intercept, including 3m @ 3.16g/t Au.

Drilling extended the intersected depths of the mineralised structural zones to 350m below surface, at the deepest. This demonstrates that these structural zones have significant depth continuity with grade.

Neavesville Project (New Zealand)

The annual land access payment was made during the previous quarter maintaining the access agreement in good standing. An application for extension of obligations was submitted during the quarter.

Corporate Update

The Company continues to be active in reviewing several new business opportunities. The Company maintains solid cash reserves which would enable immediate on ground exploration. The Company will keep the market informed upon a more definitive conclusion of this process.

A number of cost reduction measures previously deployed, to ensure the Company appropriately manages its cash position in order to preserve shareholder value continue. This enables the ability to advance new opportunities along with its current activities when project conditions improve.

E2 Metals Tenement holding summary

Mining Tenement	Location	Beneficial Percentage held	Interest acquired/farm-in during the quarter	Interest disposed/farm-out during the quarter
EL6837	Mt Hope	100%	-	-
EL8058	Main Road	100%	-	-
EL8290	Broken Range	100%	-	-
EL8654	Mt Hope	100%	-	-
EPM51767	Hauraki Gold	100%	-	-

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

E2 Metals Limited

ABN

34 116 865 546

Quarter ended ("current quarter")

31 March 2018

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	(4)	(410)
(b) development	-	-
(c) production	-	-
(d) staff costs	(40)	(214)
(e) administration and corporate costs	(73)	(277)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	28
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 GST refund	25	132
1.9 Other (provide details if material)	-	-
1.10 Net cash from / (used in) operating activities	(83)	(741)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash on deposit with a term greater than 3 months)	-	(20)
2.6	Net cash from / (used in) investing activities	-	(20)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
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 (interest on borrowings)	-	-
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	3,936	4,608
4.2	Net cash from / (used in) operating activities (item 1.10 above)	(83)	(741)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(20)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity and oil and gas exploration entity quarterly 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	4	10
4.6	Cash and cash equivalents at end of period	3,857	3,857

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	3,857	3,936
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (funds held on trust)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,857	3,936

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

- Payment of \$24,774 to Leydin Freyer Corporate, an associated entity of Ms Melanie Leydin, for CFO and company secretarial fees during the March 2018 quarter
- Payment of \$11,440 to Sustainable Project Services, an associated entity of Mr Simon Peters, for consulting fees during the March 2018 quarter

7. Payments to related entities of the entity and their associates

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	10
9.2 Development	-
9.3 Production	-
9.4 Staff costs	73
9.5 Administration and corporate costs	66
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	149

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

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.

Sign here:



Date: 24 April 2018

Company Secretary

Print name: Justin Mouchacca

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.