

E2 Metals

ASX RELEASE

E2 Metals Limited

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ASX Code: E2M

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Directors / Secretary

Melanie Leydin
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 (13.51%)
Capri Trading Pty Ltd (4.74%)
Lido Trading Ltd (4.12%)

E2 Metals Acquires Cobalt-Nickel Project in New South Wales

25 June 2018

Highlights:

- E2 Metals has executed a binding agreement to acquire 100% of the Cootamundra Cobalt-Nickel Project in Central Western NSW from private company Cobalt Magnetic Pty Ltd.
- High grade cobalt-nickel near surface, open drill intercepts highlight the grade & tonnage potential of the targets, including the high priority 'Olympic' & 'Cullinga' targets.
 - 9m @ 0.16% Co & 0.44% Ni from 3m including 5m @ 0.23% Co & 0.51% Ni from 4m in hole YA28
 - 10m @ 0.12% Co & 0.46% Ni from 6m in hole YA44
 - 3m @ 0.14% Co from 17m, including 2m @ 0.18% Co from 18m in hole YA215
- Large areas of the 576 km² strategic holding contains significant exploration upside and near-term resource potential. Situated close to significant road, rail and power infrastructure.
- Clear strategy, defined targets and low-cost work programs planned to rapidly demonstrate exploration upside and resource potential.
- Work to immediately begin on planning radiometric and magnetic surveys, soil sampling and a shallow AC/RC drill program, as soon as possible.
- The Cootamundra Cobalt-Nickel Project contains over 90 km cumulative strike of magnetic high anomalies, considered prospective for saprolite and laterite hosted Cobalt-Nickel mineralisation, and includes 7 'walk-up' drill targets.
- Tenure strategically located along strike to the north & south of Jervois Mining's 'Nico Young' Co-Ni resources (approximately 9 km cumulative strike), with magnetic high anomalies of comparable scale & amplitude.

E2 Metals Limited (ASX: E2M) ('E2' or 'the Company') is pleased to announce that it has entered into a binding agreement (Acquisition Agreement) to acquire 100% of Cobalt Magnetic Pty Ltd and its tenements covering the Cootamundra Cobalt-Nickel Project (the Cootamundra Project or the Project) in the emerging Young 'Battery Metals' District of Central Western New South Wales (Figure 1).

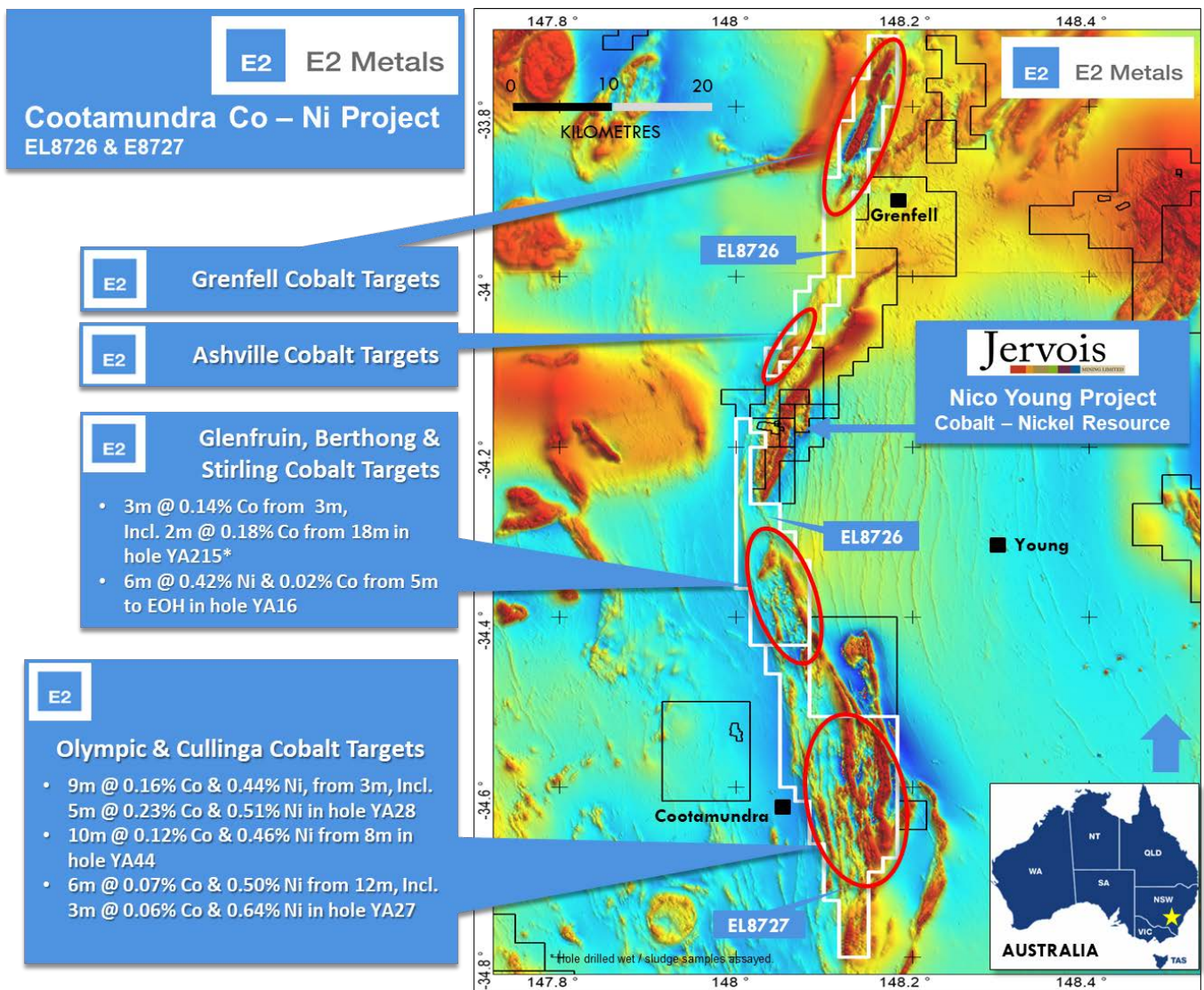


Figure 1. Cootamundra Cobalt – Nickel Project, illustrating four large scale target domains hosting 7 defined cobalt-nickel targets, on regional reduced to pole (RTP) aeromagnetic image.

Project Overview

The Cootamundra Cobalt-Nickel Project is located in Central Western NSW, 5 km east of Grenfell, 5 km west of Cootamundra and 25 km east of Young. Tenure encapsulates over 90 km cumulative strike of linear magnetic high anomalies over 576 km², primarily associated with the Wambidgee Serpentinite, which is known to generate saprolite and laterite hosted cobalt-nickel mineralisation in the region. The project is located within close distance to major road, rail, natural gas and grid power infrastructure with the tenements situated on predominately undulating broad acre farmland.

Tenure is strategically located along strike to the north & south of Jervois Mining's (ASX: JRV) NICO Young cobalt – nickel JORC resource (~9 km cumulative strike), associated with comparable scale and amplitude linear magnetic high anomalies. Jervois Mining's has a market capitalisation of AU\$80M with Mineral Resources of;

- 33.4 Mt @ 0.12% Co & 0.66% Ni (0.08% Co cut-off) for 38.4 Kt Co & 218.8 Kt Ni, within; 99.1 Mt @ 0.08% Co & 0.58% Ni (0.05% Co cut-off) for 78.3 Kt Co & 576.7 Kt Ni (JRV JORC resource) ¹JRV are part way through completion of a PFS which suggests a low-cost heap leach process will achieve economic recoveries. ²
- JRV Pre-feasibility studies are examining heap leach extraction as preferred method of extraction over and above the more capital intensive high pressure acid leach technology, on track for Q3 delivery.

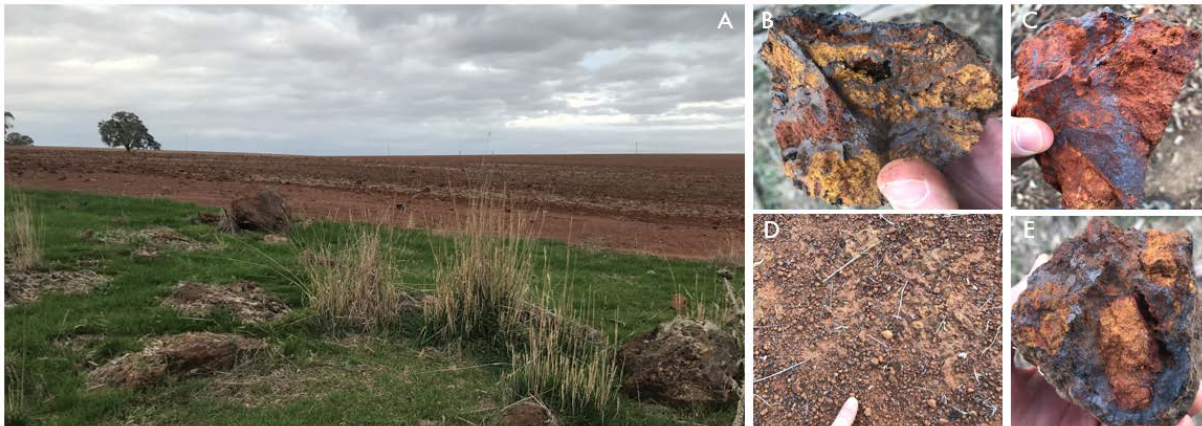


Photo 1. (A) Looking east over the undrilled Cullinga Target, (B) Goethitic – limonitic laterite (C) hematitic – manganiferous laterite (D) lateritic soil (E) limonitic – manganiferous laterite.

The project lies within the East Lachlan Fold Belt of New South Wales, which hosts multiple world class Cu-Au (Cadia-Newcrest and North Parkes-China Molybdenum Co. Ltd.), Gold (Cowal-Evolution Mining), and battery metal deposits (Sunrise-CleanTeq, and Nico Young-Jervois Mining Ltd).

¹ Page 9 from Jervois Mining Limited May 2018 RIU Sydney Resources Round-up Presentation 10 May 2018

² Page 12 from Jervois Mining Limited May 2018 RIU Sydney Resources Round-up Presentation 10 May 2018

Within the project area the underlying geology is dominated by the Cambrian Jindalee Beds (metamorphosed oceanic sediments, basalts, other mafic and ultramafic rocks) and fault-bounded serpentinites and ultramafic complexes (including peridotites, dunites, harzburgites, pyroxenites and gabbros) of the Wambidgee Serpentine.

Subsequent weathering during the Tertiary period resulted in the development of a complex regolith profile with repeated hematite-limonite-saprolite horizons and laterite development, which host Cobalt, Nickel and Scandium mineralisation (Figure 2). The profile consists of an upper hematite (pisolite / laterite) clay zone, overlying a limonite clay zone, which in turn overlies a saprolite (smectite clay) zone, before entering weathered serpentinite and fresh serpentinite. This weathering has produced strike extensive zones of laterite / saprolite, up to 40m deep, which can sub-crop or are preserved under 3 to 12m of later cover.

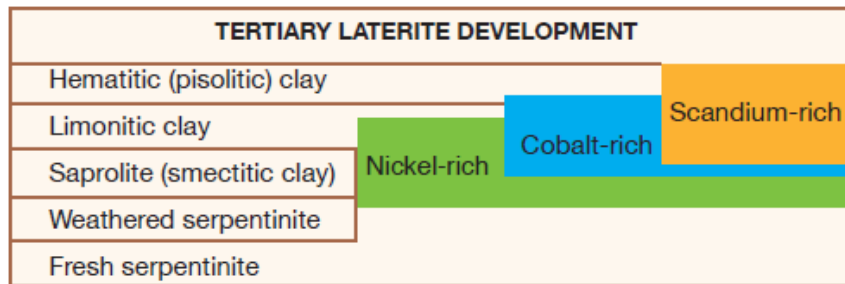


Figure 2: Nickel, cobalt and scandium associations within the laterite profile of the Young nickel-cobalt deposits (from Minfo 69 (2001), page 12).

Targets

Tenure encapsulates four large scale target domains, with 7 targets currently defined comprising a mixture of semi-advanced 'walk-up' drill targets to early stage (Figure 1). E2 Metals believes high potential exists to discover a number of cobalt-nickel resources of similar size & grade to Jervois Mining's resources along approximately 90kms of cumulative strike both to the north and south. Jervois resources currently sit on approximately 9kms strike.

1. Olympic and Cullinga Cobalt Target

- >50 km cumulative strike of linear magnetic high targets, up to 1km wide (Figure 4).
- Historical road-side air-core drilling intersected high grade laterite / saprolite hosted cobalt and nickel mineralisation over significant width (~450 m) above Wambidgee Serpentine, Including;
 - 9m @ 0.16% Co & 0.44% Ni, from 3m, including
5m @ 0.23% Co & 0.51% Ni from 4m in hole YA28
 - 10m @ 0.12% Co & 0.46% Ni from 6m in hole YA44
 - 6m @ 0.07% Co & 0.5% Ni from 12m, including
3m @ 0.06% Co & 0.64% Ni in hole YA27
- Drilling confirms the cobalt-nickel prospectivity of the linear magnetic highs & defines the high priority Olympic 'walk-up' drill target >6 km long & ~400 m wide.

- Sub-cropping laterite mapped and sampled over the Cullinga magnetic high targets by Anaconda Nickel (under EL5628) returned 0.44% Ni and 370ppm Cobalt to the east of the Olympic target.
- Anaconda planned drilling which was never completed, prior to going into administration.
- The Cullinga target displays >8km strike potential (Figure 4).

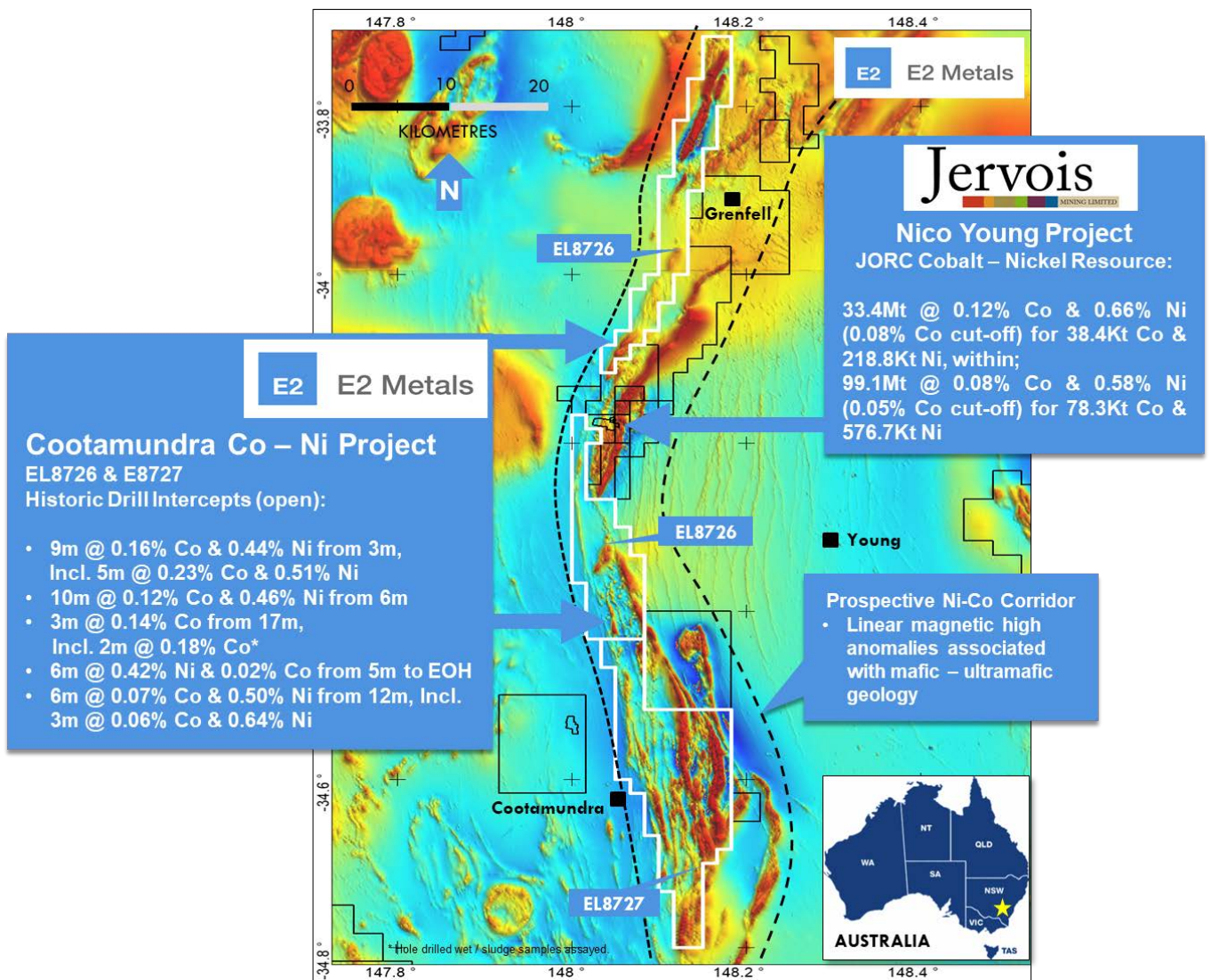


Figure 3: Cootamundra Cobalt-Nickel Project EL8726 & EL8727 Location in the emerging Young 'Battery Metals District' of Central Western NSW.

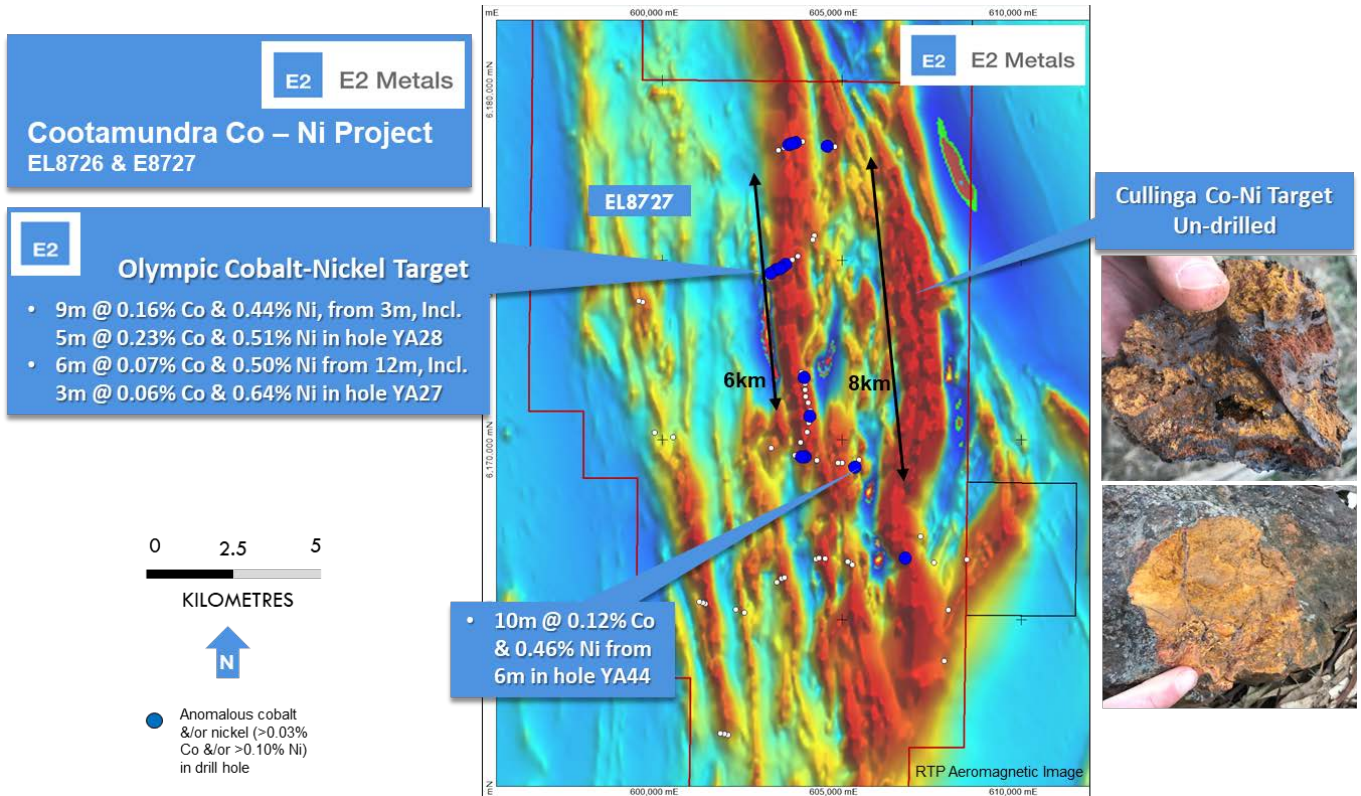


Figure 4: Olympic and Cullinga Cobalt-Nickel Targets on RTP Aeromagnetic Image

2. Glenfruin, Berthong & Stirling Targets

- Greater than 6 km cumulative strike of magnetic linear targets with saprolite / laterite development above prospective Wambidgee Serpentinite.
- Limited historical 'road-side scout' AC drilling intersected anomalous Co & Ni confirming the prospectivity of the targets:
 - 3m @ 0.14% Co from 3m, including 2m @ 0.18% Co from 18 m in hole YA215* – open (Glenfruin).
 - 6 m @ 0.42% Ni & 0.02% Co from 5 m to EOH in hole YA16 (Stirling).
 - 1m @ 0.06% Co from 15 m in hole YA12 (Berthong)
- Along strike to the south from Jervois Mining's Co – Ni resources.

3. Grenfell Cobalt – Nickel Targets:

- >20 km cumulative strike of linear magnetic high targets associated with prospective mafic-ultramafic geology.
- Historical drilling targeted manganese associated with manganiferous cherts adjacent or within the linear magnetic highs.
- Encouragingly anomalous cobalt up to 309 ppm was intersected in the cherts adjacent to the magnetic highs.

- The magnetic highs remain untested with no previous exploration, including drilling focussed on Co.
4. Ashville Cobalt Targets:
- Linear magnetic high anomaly with >6 km strike (Figure 5).
 - Less than 5km from Jervois Mining's Thuddungra Co-Ni Resource (25.7Mt @ 0.12% Co & 0.64% Ni, approximate 5km strike)
 - Thick regolith profile, including saprolite developed above interpreted Wambidgee Serpentinite.
 - Additional linear magnetic high targets remain untested along strike to the south providing further exploration upside.

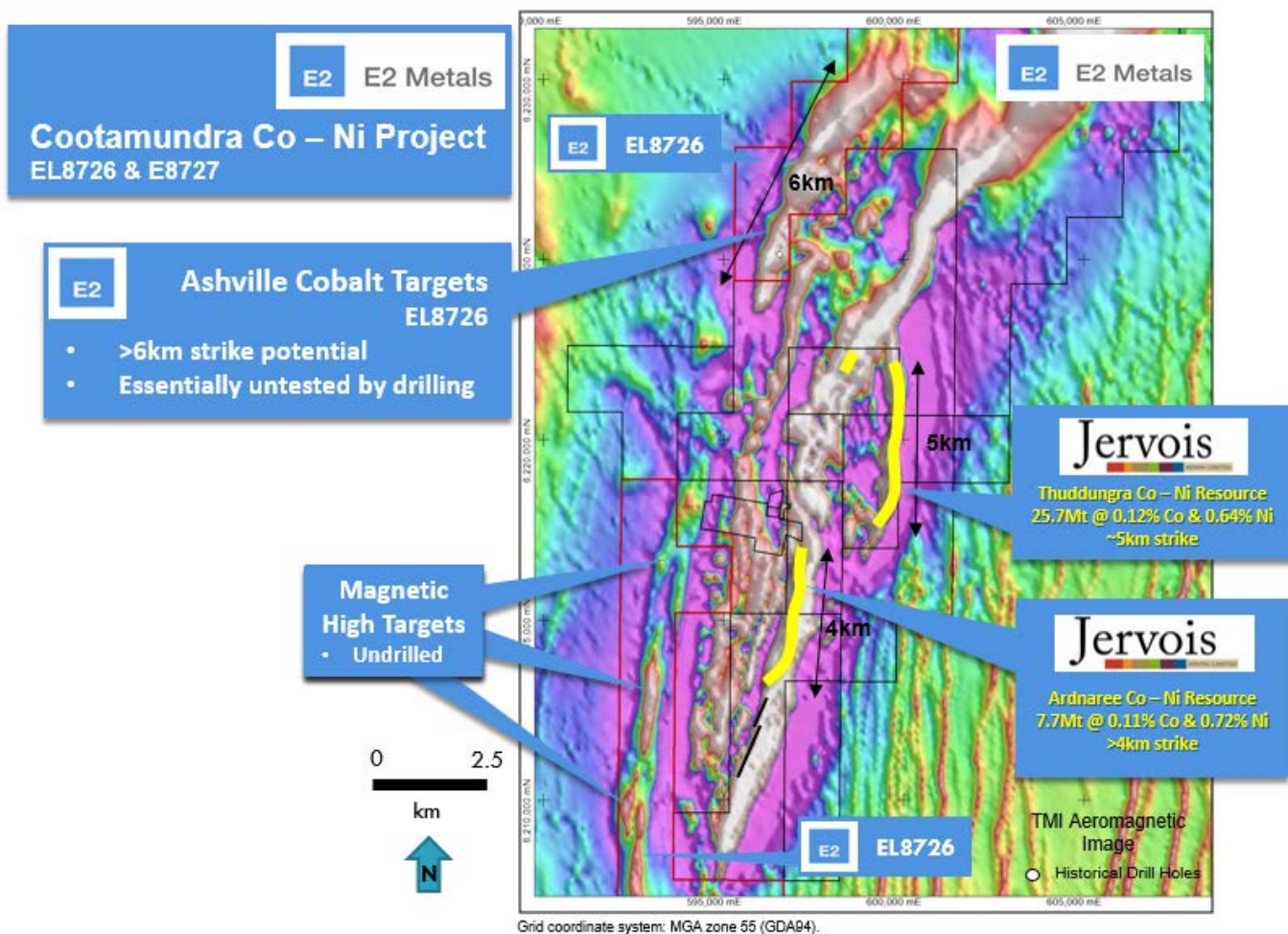


Figure 5: Ashville Cobalt – Nickel Target on TMI aeromagnetic image, illustrating location with respect to Jervois Mining's Nico Young Co-Ni Resources, less than 5km to the south-east.

Previous Exploration

Anaconda Nickel recognised & held the Cullinga Co-Ni target under EL5628 from 1999 to 2002. Tenure was held concurrently with Jervois Mining to the west over the Olympic Co-Ni target. Anaconda completed ground magnetics, geological prospecting, rock chip sampling & proposed road side RC traverses to test Cullinga for laterite hosted nickel mineralisation. Limited rock chip sampling returned up to 0.44% nickel & up to 370ppm cobalt, indicating the presence of prospective ultramafic bedrock. The drill program was never completed. The Cullinga target remains undrilled and highly prospective for laterite hosted Co-Ni deposits.

The current project holder has been focused on compiling and interpreting historic data that supports the presence of a laterite hosted Co Ni system. Refer to Table 4 – JORC Code Reporting Criteria Tables for further details of previous exploration.

Previous drilling

Historic high grade cobalt-nickel drill intercepts in road-side scout drilling highlight the grade & tonnage potential of the magnetic high targets, including the high priority 'Olympic' target.

- 9m @ 0.16% Co & 0.44% Ni from 3m, Including 5 m @ 0.23% Co & 0.51% from 4m Ni in hole YA28
- 10m @ 0.12% Co & 0.46% Ni from 6m in hole YA44
- 4m @ 0.11% Co from 17m, Including. 2m @ 0.18% Co in hole YA215*
- 6m @ 0.42% Ni & 0.02% Co from 5m to EOH in hole YA16
- 6m @ 0.07% Co & 0.50% Ni from 8m, Including. 2m @ 0.14% Co & 0.52% Ni in hole YA27

Significant Ni-Co has been intercepted up to 3.5 km between drill holes in the prospective lateritic material with no infill drilling, providing ample drill targets across the tenements.

Proposed Work Programs

E2 has a clear strategy and low-cost work programs to rapidly demonstrate exploration upside and resource potential including:

- Land access agreements,
- High-resolution aeromagnetic & radiometric surveys.
- Geological reconnaissance.
- Cobalt and pathfinder soil geochemistry over magnetic high anomalies with residual soils.
- Walk up drill test magnetic high anomalies with high-grade cobalt & nickel intercepts in historic road side scout drilling, commencing at the high priority Olympic/Cullinga targets.
- Air-core drill testing of undrilled magnetic high anomalies under shallow transported cover.

Managing Director Simon Peters said *“The properties vast land holding, has 7 targets already identified, some amenable to soil testing with some representing ‘walk-up’ shallow AC/RC drill targets. Most targets are characterised by similar scale & amplitude magnetic high anomalies to that of Jervois Mining. We look forward to finalising the purchase and executing an efficient exploration program in this emerging battery metal cobalt district.”*

Commercial terms of Acquisition Agreement

On 22 June 2018, the Company and Cobalt Magnetic Ltd (Cobalt) entered into an acquisition agreement to which the Company has conditionally agreed to acquire 100% of the issued capital of Cobalt from the shareholders of Cobalt including the businesses and assets of Cobalt which comprise the Cootamundra Project.

The Acquisition is conditional on, amongst other things, the Company obtaining shareholder approval pursuant to ASX Listing Rule 7.1.

In consideration for the Acquisition, the Company has agreed to pay the Vendors

- AUD1,500,000, payable on completion of the acquisition;
- 1.5% Net Smelter Royalty on production of minerals from the Cootamundra Project in accordance with the terms of the AMPLA Model Minerals Royalty Deed Version 2 dated 2014, to be set out in a Royalty Deed;
- 50,000,000 fully paid shares in E2 Metals to be issued to the Vendors subject to 12 months escrow from the completion of the acquisition;
- 15,000,000 unlisted options to be issued to the Vendors at completion of the acquisition, subject to the following conditions:
 - 5,000,000 unlisted options, exercise price \$0.30 (30 cents) per option, expiring 12 months from grant date;
 - 5,000,000 unlisted options, exercise price \$0.50 (50 cents) per option, expiring 24 months from grant date; and
 - 5,000,000 unlisted options, exercise price \$0.70 (70 cents) per options, expiring 36 months from grant date.

Indicative Timetable

Event	Date
ASX announcement of the Acquisition	Monday, 25 June 2018
Lodgement of the Notice of Meeting with ASX	Monday, 9 July 2018
Dispatch of the Notice of Meeting	Monday, 9 July 2018
Shareholders meeting to approve the Acquisition	Friday, 10 August 2018
Completion of the Acquisition	Friday, 24 August 2018

Capital Structure

Structure	Shares	Options	Performance Rights
Existing Securities	60,707,938	9,376,421	2,250,000
Consideration Shares	50,000,000	Nil	Nil
Unlisted Options	Nil	15,000,000	Nil
Total	110,707,938	24,376,421	2,250,000

Table A Significant Intercepts based on a 0.05% Cobalt lower cutoff

Significant Intercepts based on a 0.05% Cobalt lower cutoff with no internal waste							
Hole	From	To	Interval	Ni ppm	Ni %	Co ppm	Co %
YA012	15.00	16.00	1.00	112.00	0.01	643.00	0.06
YA215	17.00	20.00	3.00	213.67	0.02	1407.67	0.14
YA215	25.00	26.00	1.00	157.00	0.02	518.00	0.05
YA027	8.00	10.00	2.00	1780.00	0.18	740.00	0.07
YA027	12.00	15.00	3.00	4545.00	0.45	1163.67	0.12
YA028	3.00	12.00	9.00	4421.11	0.44	1608.56	0.16
YA035	5.00	10.00	5.00	243.00	0.02	570.00	0.06
YA041	7.00	8.00	1.00	157.00	0.02	873.00	0.09
YA044	2.00	3.00	1.00	5840.00	0.58	670.00	0.07
YA044	6.00	16.00	10.00	4616.00	0.46	1182.50	0.12
YA053	7.00	8.00	1.00	1700.00	0.17	561.00	0.06
YA053	10.00	11.00	1.00	2030.00	0.20	612.00	0.06
YA053	14.00	16.00	2.00	3800.00	0.38	581.50	0.06

Table B Significant Intercepts based on a 0.1% Cobalt lower cutoff with no internal waste

Significant Intercepts based on a 0.1% Cobalt lower cutoff with no internal waste							
Hole	From	To	Interval	Ni ppm	Ni %	Co ppm	Co %
YA215	18.00	20.00	2.00	226.50	0.02	1825.00	0.18
YA027	13.00	15.00	2.00	5247.50	0.52	1375.00	0.14
YA028	4.00	9.00	5.00	5050.00	0.51	2344.00	0.23
YA044	6.00	7.00	1.00	4470.00	0.45	1380.00	0.14
YA044	8.00	11.00	3.00	3853.33	0.39	1406.67	0.14
YA044	12.00	14.00	2.00	5665.00	0.57	1320.00	0.13

Table C Significant Intercepts based on a 0.3% Nickel lower cutoff with no internal waste

Significant Intercepts based on a 0.3% Nickel lower cutoff with no internal waste							
Hole	From	To	Interval	Ni ppm	Ni %	Co ppm	Co %
YA016	5.00	11.00	6.00	4228.33	0.42	170.33	0.02
YA218	7.00	20.00	13.00	4487.69	0.45	161.54	0.02
YA219	11.00	24.00	13.00	5772.31	0.58	209.92	0.02
YA027	12.00	18.00	6.00	5030.83	0.50	725.00	0.07
YA027	20.00	21.00	1.00	3180.00	0.32	69.00	0.01
YA028	4.00	13.00	9.00	4573.33	0.46	1556.22	0.16
YA044	2.00	3.00	1.00	5840.00	0.58	670.00	0.07
YA044	6.00	9.00	3.00	3900.00	0.39	1359.00	0.14
YA044	10.00	19.00	9.00	4688.89	0.47	829.33	0.08
YA050	8.00	10.00	2.00	3245.00	0.32	183.50	0.02
YA053	14.00	19.00	5.00	4047.00	0.40	490.80	0.05
YA054	21.00	23.00	2.00	3740.00	0.37	219.00	0.02

Table D Significant Intercepts based on a 0.5% Nickel lower cutoff with no internal waste

Significant Intercepts based on a 0.5% Nickel lower cutoff with no internal waste							
Hole	From	To	Interval	Ni ppm	Ni %	Co ppm	Co %
YA016	9.00	10.00	1.00	5190.00	0.52	197.00	0.02
YA218	10.00	12.00	2.00	5205.00	0.52	204.50	0.02
YA218	13.00	14.00	1.00	7490.00	0.75	304.00	0.03
YA218	19.00	20.00	1.00	5220.00	0.52	183.00	0.02
YA219	12.00	20.00	8.00	6637.50	0.66	280.13	0.03
YA027	14.00	17.00	3.00	6388.33	0.64	595.67	0.06
YA028	5.00	8.00	3.00	5860.00	0.59	2743.33	0.27
YA028	10.00	11.00	1.00	5560.00	0.56	695.00	0.07
YA044	2.00	3.00	1.00	5840.00	0.58	670.00	0.07
YA044	12.00	16.00	4.00	5582.50	0.56	1076.00	0.11

Table E Collar Table listing all Drill Collars used in this assessment

Note only holes with >0.05% Cobalt or >0.3% Nickel are listed in the intercept tables above

Hole ID	MGA North	MGA East	MGA zone	Collar RL	EOH
YA001	6227233	596903	55	290	69
YA002	6227124	596894	55	290	69
YA003	6225143	596551	55	290	30
YA018	6178216	603509	55	491	16
YA019	6178271	603696	55	489	45
YA020	6178302	603894	55	487	33
YA021	6178136	603385	55	492	24
YA022	6178060	603229	55	493	22
YA023	6178172	604585	55	482	20
YA024	6178162	604802	55	475	30
YA025	6175679	604230	55	480	34
YA026	6175573	604189	55	480	39
YA027	6174830	603355	55	508	21
YA028	6174736	603155	55	513	13
YA029	6174642	603008	55	515	10
YA030	6174540	602840	55	514	4
YA031	6174939	603489	55	504	35
YA032	6175005	603621	55	500	7
YA033	6175112	603778	55	496	39
YA034	6171876	603871	55	516	24
YA035	6171742	603945	55	518	17
YA036	6171564	603968	55	521	20
YA037	6171392	603970	55	520	19
YA038	6171201	603986	55	525	8
YA039	6171039	604052	55	540	14
YA040	6170822	604113	55	538	32
YA041	6170660	604099	55	530	31
YA042	6170476	604068	55	522	38
YA043	6170216	604034	55	516	12
YA044	6169253	605354	55	540	19
YA045	6169444	605477	55	540	15
YA046	6169362	604996	55	536	27
YA047	6169367	604881	55	536	21
YA048	6169432	604303	55	539	8
YA049	6169529	603974	55	511	15
YA050	6169537	603876	55	509	12
YA051	6169575	603692	55	495	9
YA052	6169776	603027	55	516	7
YA053	6174880	603423	55	506	27
YA054	6174771	603270	55	510	23
YA055	6173833	599457	55	440	9

YA056	6173873	599333	55	444	10
YA057	6170205	599787	55	395	21
YA058	6170083	600299	55	415	9
YA059	6166042	603190	55	419	5
YA060	6166138	603317	55	420	12
YA061	6166171	603405	55	422	8
YA062	6166687	604271	55	478	17
YA067	6166711	604361	55	484	5
YA068	6166704	604525	55	490	7
YA069	6166595	605214	55	480	18
YA070	6166621	605160	55	485	9
YA071	6166537	605289	55	475	11
YA072	6169271	605252	55	538	30
YA073	6169930	603843	55	500	11
YA074	6165200	602278	55	382	16
YA075	6165282	602036	55	395	18
YA076	6165445	601202	55	420	10
YA077	6165469	601130	55	427	11
YA078	6165495	601021	55	435	9
YA079	6161798	601829	55	345	24
YA080	6161823	601722	55	345	21
YA081	6161835	601610	55	345	12
YA082	6178322	603782	55	488	33
YA083	6178239	603601	55	490	18
YA015	6188494	599052	55	407	6
YA013A	6193439	598752	55	385	2
YA220	6198430	597526	55	338	90
YA218	6190488	600106	55	374	20
YA217	6190663	596294	55	339	15
YA013	6193447	598740	55	384	2
YA011	6198635	594528	55	316	66
YA084	6188579	598595	55	412	5
YA219	6190477	600205	55	376	30
YA215	6191145	596185	55	335	47
YA010	6199812	595620	55	320	69
YA014	6193532	598791	55	380	35
YA012	6193250	598705	55	388	17
YA216	6191125	596279	55	335	45
YA017	6188571	598687	55	411	9
YA221	6198447	597428	55	336	74
YA016	6188527	598864	55	409	11
PDH119	6165277	607960	55	400	40
PDH123	6163856	607847	55	400	80
1-1-1D	6167323	607190	55	400	207.6
1-1-2D	6166593	607555	55	400	122.5

1-1-3D	6166668	608480	55	400	144.8
1-1-4D	6166718	606765	55	400	212.08
GF002	6248492	603748	55	396	60
GF003	6248479	603767	55	399	84
GF004	6248472	603791	55	399	106
GF005	6248660	603838	55	385	72
GF006	6248645	603867	55	386	97
GF007	6248636	603884	55	387	109
GF008	6248623	603902	55	384	145
GF009	6248293	603623	55	395	169
GF010	6248277	603644	55	400	145
GF011	6248977	604050	55	395	91
GF012	6248969	604065	55	396	91
GF013	6248961	604083	55	395	109
GF014	6254402	604559	55	560	91
GF015	6254466	604611	55	560	49
GF016	6254384	604575	55	555	54
GF017	6254358	604590	55	550	77
GF018	6254456	604627	55	555	49
GF019	6254349	604606	55	545	45
GF020	6248265	603673	55	440	197
PDH4	6258943	607895	55	400	100
WRC1	6267420	607582	55	400	50
WRC2	6267370	607573	55	400	50
WRC3	6267375	607552	55	400	50
WRC4	6267384	607507	55	400	53.5
WRC5	6267435	607514	55	400	59.5
WRC6	6267479	607543	55	400	50
WRC7	6267424	607559	55	400	65.5
WRC8	6267470	607584	55	400	75
WRC9	6267464	607610	55	400	53.5
WRC10	6267378	607541	55	400	35

Competent Person's Statement

The information in this announcement that relates to the Cootamundra Project is based on information compiled and fairly represented by Mr Chris Spurway is a Fellow of the Australasian Institute of Mining and Metallurgy and is a consultant to the company. Mr Spurway has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results. Mr Spurway consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Table 1: JORC Code Reporting Criteria
Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
<p>Sampling Techniques</p>	<ul style="list-style-type: none"> • 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 representivity and the appropriate calibration of any measurement tools or systems used. 	<p>Pacminex (1968-1970) explored EL104, which covered much of the current license area under an option with Exploration Holdings. They completed 8600m (23,000ft) of drilling targeting base metal deposits. No economic mineralisation was discovered. 14 drill holes were completed on the Fontenoy prospect, north of the current tenement with one drill sample returning 0.8%Ni in a highly weathered serpentinite. At Cullinga, located in the current northern block, partially serpentinitised units were mapped as well as steeply dipping schist, metaquartzite and metavolcanics. Few nickel assay values are known though a value of 0.34%Ni was returned from one drill hole at 72-75m in a greenschist hornfels unit.</p> <p>The Muttama prospect occurs in the central part of the current license. A sequence of greenschist intruded by lenses of narrow serpentinite was noted, that may be a partly eroded weathering profile. Bongongalong in the south outlined a lead and zinc anomaly. Narrow gossanous zones occur along the northwest strike of a large slate ridge, though no ultramafic rocks were noted. In 1980 to 1982 BHP targeted Silurian acid volcano-sedimentary massive sulphide deposits with exploration comprising stream sediment and soil sampling, and ground geophysics work. No significant massive sulphides were uncovered. No work was undertaken over ultramafic units.</p> <p>Billiton Australia, 1985, explored for epithermal gold and porphyry copper-gold deposits over the Fontenoy prospect. Billiton relogged and assayed drillholes completed in the early 1970's by Exploration Holdings but no follow up was undertaken. Alloy resources held EL 7518 from 28 April 2011 for 2 years. During the period desktop studies were undertaken on the prospectivity where a focus was placed on manganese, along with iron, base metals and gold. Detailed field mapping and rock chipping were undertaken for Mn, Au and Fe.</p>

Criteria	JORC Code Explanation	Commentary
		<p>All this work has yet to be validated by the Companies due diligence process and as such is not reported within.</p> <p>The original Application for an Exploration License (ELA 1137 Sydney, Group 1 Minerals) was lodged on 18th November 1997 by Jervois mining and comprised 175 units. Some of these units overlaid three granted exploration licenses for Group 2 Minerals held by Young Mining Co. Pty. Ltd. Consequently, these units were excised from the application and Exploration License No. 5527 was granted on 6th October 1998 over 164 units. 82 units were surrendered in August 2002 with work on this area being ground magnetic surveying and drilling of air core reverse circulation holes. A further 34 units were surrendered in February 2003 work on this area consisted of ground magnetic surveying and drilling of 17 air core reverse circulation drill holes.</p> <p>A further 9 units were relinquished in September 2015, work on this area consisted of 4 air core drill holes returning assays of below 400ppm nickel and <0.01% Cobalt values.</p> <p>Anaconda NSW Pty Ltd held the Cullinga target covered by EL5628 from September 1999 for a period of 2 years. Anaconda explored the licenses primarily for their potential to host an economic resource of Nickle-cobalt laterite. Undertaking ground magnetics, geological prospecting (rock chip sampling) and drill program planning. Limited rock chip sampling returned up to 0.44% nickel & up to 370ppm cobalt, indicating the presence of prospective ultramafic bedrock. The drill program was never completed. A highly gold anomalous (17.1 g/t Au) sample was obtained from a quartz vein in talc schist.</p>

Criteria	JORC Code Explanation	Commentary
Drilling Techniques	<ul style="list-style-type: none"> • 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). 	<p>Reverse Circulation Air Core drilling conducted by Jervois Mining using a model 450 rig complete with onboard 350 CFM 150PSI air compressor mounted on a 4X4 international truck. A larger compressor was introduced into the program being a 400 CFM 200 PSI, hole diameter was 85mm.</p> <p>Aircore drilling samples were collected and split using a riffle splitter, with one sample submitted for analysis and a duplicate retained. Geological chip trays were prepared for each aircore hole and geologically logged and magnetic susceptibility readings recorded using a Geoinstruments GMS-2 susceptibility meter.</p>
Drill Sample Recovery	<ul style="list-style-type: none"> • 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. 	<p>Sample quality is documented on the drill logs when compromised, no other record of sample quality is recorded. Moisture content is recorded and when water table is intersected and where water injection was required. Recoveries are not recorded.</p>
Logging	<ul style="list-style-type: none"> • 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. 	<p>Aircore drilling has been geologically logged on 1m intervals to a good qualitative industry standard given the nature of the sample and drilling technique undertaken. Geological chip trays were prepared for each aircore hole and geologically logged and magnetic susceptibility readings recorded using a Geoinstruments GMS-2 susceptibility meter.</p>
	<ul style="list-style-type: none"> • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. 	<p>Geological logging of drill chips is qualitative by nature, drill chips were geologically logged on 1m intervals recording lithology, a brief sample description, colour and moisture content.</p>
	<ul style="list-style-type: none"> • The total length and percentage of the relevant intersections logged. 	<p>All holes drilled are logged on 1m intervals and reported in drill logs</p>
Sub-Sampling Techniques and Sample Preparation	<p>If core, whether cut or sawn and whether quarter, half or all core taken.</p>	<p>No core reported in this release.</p>
	<ul style="list-style-type: none"> • 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. • Quality control procedures adopted for all sub-sampling stages to maximise 	<p>The samples were split using a riffle splitter, one sample sent for analysis and a duplicate retained.</p> <p>Moisture content was recorded on the drill logs and whether water injection was required at the time of drilling. Hole YA215 is noted to be a</p>

Criteria	JORC Code Explanation	Commentary
	<p>representivity of samples.</p> <ul style="list-style-type: none"> 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. 	<p>sludge sample.</p> <p>No sample quality control measures, sample sizes, information on representative nature of the material collected are reported in the sources used for this release. Information in this release is based on historical information only, verification of the sampling techniques and adequacy has not been made.</p>
<p>Quality of Assay Data and Laboratory Tests</p>	<ul style="list-style-type: none"> 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. 	<p>Samples were submitted to Australian Laboratory Services Pty Ltd Orange, NSW. They were assayed for nickel and cobalt by AAS (method A102-nitric, perchloric, hydrofluoric acid digestion, hydrochloric acid leach, flame AAS determination. Reference measures to ensure sample representivity was not adequately documented or completed by previous explorers.</p> <p>All analytical results are sourced from the NSW Digital Imaging of Geological Systems (DIGS) No reporting of QA/QC has been made or has been verified. There is an implied reliance on the internal QA/QC procedures of ALS in that the issued results are adequate to be released to the client at the time of analyses. The assays values sourced from DIGS reflect those shown in historical reporting submitted. The results supplied have not been validated against those issued by ALS.</p>
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> 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. 	<p>No information has been provided on the independent variation of sampling and assaying. Assaying has been completed by industry accredited laboratories (ALS Orange NSW). Selected drill hole data has been obtained from the historic assay data file located in previous explorer The competent person has recommended the twinning of anomalous drilling results identified within the exploration licenses to confirm and validate the previous sampling techniques, assay methodologies and interpretations.</p>
<p>Location of Data Points</p>	<ul style="list-style-type: none"> 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. 	<p>Drill hole collar coordinates for holes YA01- YA084 were located using a Magellan GPS Nav 1000 Pro instrument and collar elevations taken from 1:50,000 topographic map sheets. Drill holes YA215 and higher were surveyed using a PROXRS GPS system by contract surveyors Whelan Australia Pty Ltd.</p> <p>The use of GPS systems and topographical maps for collection of hole collar</p>

Criteria	JORC Code Explanation	Commentary
Data Spacing and Distribution	<ul style="list-style-type: none"> • 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. 	<p>coordinates and calculation of elevation is considered adequate for the phase of data collection and nature of the data reported.</p> <p>Data spacing is variable and consistent with reconnaissance style exploration activities. No determination has been made regarding data spacing and whether sample distribution is sufficient for resource estimation. The competent person considers the level of error associated with the drill hole collar survey and sampling density to be appropriate for the reporting of exploration results and to provide an indication of mineral prospectivity of the tenements. No mineral resources or reserves have been estimated, the competent person considers the results of further exploration including drilling and sampling would be required to establish the geological and grade continuity in the tenements. Sample compositing was applied to portions of the drill hole assay data file obtained from the NSW open file tenure reporting database (DIGS) where lithological interpretations were considered unprospective at the time of sampling.</p>
Orientation of Data in Relation to Geological Structure	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<p>Interpretation, based the DIGS data, indicates cobalt nickel mineralisation is hosted in a sub-horizontal, draped saprolite profile developed above the primary ultramafic units. Drilling completed by Jervois Mining Ltd are vertical and drill intersections are considered to represent the apparent true thickness based on the interpreted draped sarolite profile hosting the reported mineralisation.</p>
Sample Security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<p>No information has been provided in historical reports regarding sample security, however based on a review of the available open file tenure reporting data the competent person has encountered no reason to question sample security.</p>
Audits or Reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<p>No information has been provided in historical reporting regarding audits of methodologies or results. Peer review of the collated historical technical information for the tenements has occurred. No formal audits of the collected technical information have been completed by an independent third party. The company is currently proposing a drill program to confirm reported historical data.</p>

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code Explanation	Commentary
Mineral Tenement and Land Tenure Status	<ul style="list-style-type: none"> 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 impediments to obtaining a license to operate in the area. 	<p>The Cootamundra Project includes two exploration licenses EL8726 and EL8727 located in NSW, Australia. Both EL8726 & EL8727 were granted on the 4th April 2018 for 2 years, each include 100 units for 288km².</p> <p>EL8727 and EL8726 are owned 100% by Cobalt Magnetic Pty Ltd. Both exploration licenses cover predominately private farm land utilized for cereal cropping and stock grazing. The tenements are in good standing, and all work is conducted under specific approvals from NSW Trade and Investment, Mineral Resources.</p>
Exploration Done by Other Parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<p>Pacminex (1968-1970) explored EL104, which covered much of the current license area under an option with Exploration Holdings. They completed 8600m (23,000ft) of drilling targeting base metal deposits. No economic mineralisation was discovered.</p> <p>14 drill holes were completed on the Fontenoy prospect, north of the current tenement with one drill sample returning 0.8%Ni in a highly weathered serpentinite. At Cullinga, located in the current northern block, partially serpentinitised units were mapped as well as steeply dipping schist, metaquartzite and metavolcanics. Few nickel assay values are known though a value of 0.34%Ni was returned from one drill hole at 72-75m in a greenschist hornfels unit.</p> <p>The Muttama prospect occurs in the central part of the current license. A sequence of greenschist intruded by lenses of narrow serpentinite was noted, that may be a partly eroded weathering profile. Bongongalong in the south outlined a lead and zinc anomaly. Narrow gossanous zones occur along the northwest strike of a large slate ridge, though no ultramafic rocks were noted. In 1980 to 1982 BHP targeted Silurian acid volcano-sedimentary massive sulphide deposits with exploration comprising stream sediment and soil sampling, and ground geophysics work. No significant massive sulphides were uncovered. No work was undertaken over ultramafic units.</p>

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		<p>Billiton Australia, 1985, explored for epithermal gold and porphyry copper-gold deposits over the Fontenoy prospect. Billiton re-logged and assayed drill holes completed in the early 1970's by Exploration Holdings but no follow up was undertaken. Alloy resources held EL 7518 from 28 April 2011 for 2 years. During the period desktop studies were undertaken on the prospectivity where a focus was placed on manganese, along with iron, base metals and gold. Detailed field mapping and rock chipping were undertaken for Mn, Au and Fe.</p> <p>All this work has yet to be validated by the Companies due diligence process and as such is not reported within.</p> <p>The original Application for an Exploration License (ELA 1137 Sydney, Group 1 Minerals) was lodged on 18th November 1997 by Jervois mining and comprised 175 units. Some of these units overlaid three granted exploration licenses for Group 2 Minerals held by Young Mining Co. Pty. Ltd. Consequently, these units were excised from the application and Exploration License No. 5527 was granted on 6th October 1998 over 164 units. 82 units were surrendered in August 2002 with work on this area being ground magnetic surveying and drilling of air core reverse circulation holes. A further 34 units were surrendered in February 2003 work on this area consisted of ground magnetic surveying and drilling of 17 air core reverse circulation drill holes.</p> <p>A further 9 units were relinquished in September 2015, work on this area consisted of 4 air core drill holes returning assays of below 400ppm nickel and <0.01% Cobalt values.</p> <p>Anaconda NSW Pty Ltd held the Cullinga target covered by EL5628 from September 1999 for a period of 2 years. Anaconda explored the licenses primarily for their potential to host an economic resource of Nickel-cobalt laterite. Undertaking ground magnetics, geological prospecting (rock chip sampling) and drill program planning. Limited rock chip sampling returned up to 0.44% nickel & up to 370ppm cobalt, indicating the presence of prospective ultramafic bedrock. The drill program was never completed. A highly gold anomalous (17.1 g/t Au) sample was obtained</p>

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		<p>from a quartz vein in talc schist.</p> <p>Bligh Resources held EL7556 for 3 years from May 2010. They undertook an RC drilling program at Grenfell during October and early November 2012. A total of 1,840 m was drilled over the 19 holes. The program tested two historical mining areas, with six holes at Grenfell North which hosted the Bellbird Workings and 13 holes at Grenfell South where the Hoskins Mine is located.</p> <p>The current project holder Cobalt Magnetic PTY LTD have been focused on interpreting historic data that supports the presence of a laterite hosted Co Ni system at the Prospects.</p>
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<p>The project lies within the East Lachlan Fold Belt of New South Wales. Within the project area the underlying geology is dominated by the Cambrian Jindalee Beds (metamorphosed oceanic sediments, basalts, other mafic and ultramafic rocks) and fault-bounded serpentinites and ultramafic complexes (including peridotites, dunites, harzburgites, pyroxenites and gabbros) of the Wambidgee Serpentine. Subsequent weathering during the Tertiary period resulted in the development of a complex regolith profile with repeated hematite-limonite-saprolite horizons and laterite development, which host Cobalt, Nickel and Scandium mineralisation. The profile consists of an upper hematite (pisolite / laterite) clay zone, overlying a limonite clay zone, which in turn overlies a saprolite (smectite clay) zone, before entering weathered serpentinite and fresh serpentinite. This weathering has produced strike extensive zones of laterite / saprolite, up to 40m deep, which can sub-crop or are preserved under 3 to 12m of later cover.</p>
Drill Hole Information	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ 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 	<p>Drill hole information considered in this release were obtained from the historic collar and assay data files sourced from the NSW open file tenure reporting database (DIGS). The DIGS data was sourced from historical reports accessible as open file tenure reporting data. Relevant data where Co and Ni assays are provided and used in the compilation of this report includes data from the following companies: Jervis Mining, (drill holes prefixed YA) Exploration Holdings (re-assays by Billiton) for drill holes prefixed 1-1 and Bligh Resources for holes prefixed GF.</p>

Criteria	JORC Code Explanation	Commentary
	<p>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.</p>	<p>Drill hole collar and analytical results reported in this release are sourced from Jervois Mining data files and provided to E2 Metals by Cobalt Magnetic. The collar file contains the following drill hole information; Hole ID, MGA Zone 55 GDA94 Easting and Northing, Elevation RL, EOH depth, dip, GDA azimuth, company, drill type, tenement. The assay file contains; Hole_ID, downhole From and To meters, Co and Ni assays.</p>
<p>Data Aggregation Methods</p>	<ul style="list-style-type: none"> • 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 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. 	<p>This report relates to historical drill holes sourced from NSW DIGS. Only holes with analytical results greater than 0.03% cobalt and/or 0.3% nickel are reported. Holes not matching this criteria were reviewed but not used.</p> <p>Cobalt intercepts were calculated based on a greater than or equal to 0.05% Co cutoff with greater than or equal to 1m downhole thickness with no internal dilution. Higher grade intercepts reported are based on cut off of 0.1% Cobalt with the same intersection criteria.</p> <p>Nickel intercepts were calculated based on a greater than or equal to 0.3% Nickel cutoff with greater than or equal to 1m downhole thickness with no internal dilution. Higher grade intercepts reported are based on cut off of 0.5% Nickel with the same intersection criteria.</p> <p>Metal equivalents are not reported.</p>
<p>Relationship Between Mineralisation Widths and intercept lengths.</p>	<ul style="list-style-type: none"> • 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”). 	<p>Current observations based from historical reporting suggest cobalt/nickel mineralisation is hosted in a sub-horizontal, topographically draped saprolitic profile developed above ultramafic units. Vertical holes drill intersections are considered to represent a true thickness based on interpreted horizontal saprolite profile.</p> <p>Drill hole intercepts have been reported as down hole intervals.</p>
<p>Diagrams</p>	<ul style="list-style-type: none"> • 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. 	<p>All diagrams including table of intercepts and plan view maps of historic drill hole collars are included in the body of the report. All maps and plans have scale for reference.</p>
<p>Balanced Reporting</p>	<ul style="list-style-type: none"> • 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 reporting of Exploration 	<p>Cobalt intercepts were calculated based on a greater than or equal to 0.05% Co cutoff with greater than or equal to 1m downhole thickness with no internal dilution. Higher grade intercepts reported are based on</p>

Criteria	JORC Code Explanation	Commentary
	Results.	<p>cut off of 0.1% Cobalt with the same intersection criteria.</p> <p>Nickel intercepts were calculated based on a greater than or equal to 0.3% Nickel cutoff with greater than or equal to 1m downhole thickness with no internal dilution. Higher grade intercepts reported are based on cut off of 0.5% Nickel with the same intersection criteria.</p> <p>The nature of this report is indicative of exploration potential for Co-Ni mineralization and as such drill holes with less than 0.05% Co have not been reported.</p>
Other Substantive Exploration Data	<ul style="list-style-type: none"> 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. 	<p>The company is currently undertaking due diligence on past exploration conducted at the Cootamundra project. This work includes rock chip sampling, soil geochemistry, geological mapping and geophysics (e.g. ground magnetics and induced polarization I.P.).</p>
Further Work	<ul style="list-style-type: none"> 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. 	<p>Future work by the company on the project is reliant on the due diligence process currently in progress. It is envisaged that the company will undertake soil sampling and an air core / RC drill program to confirm and validate historic high grade Co Ni drill intercepts as an initial phase of work.</p>