

# E2 Metals

## ASX RELEASE

E2 Metals Limited

ABN: 34 116 865 546  
ASX Code: E2M

Level 4, 100 Albert Road  
South Melbourne VIC 3205  
P: +61 3 9692 7222  
F: +61 3 9077 9233  
E: [info@e2metals.com.au](mailto:info@e2metals.com.au)

### Directors / Secretary

Melanie Leydin  
Chair & Company Secretary

Todd Williams  
Managing Director

Justin Klintberg  
Non-Executive Director

Michael Sapountzis  
Company Secretary

### Issued capital

60.7M fully paid ordinary shares

## Quarterly Activities Report – December 2018

18<sup>th</sup> January 2019

### Highlights:

- **E2 Metals Limited to acquire a portfolio of gold and silver projects in the world-class Santa Cruz Province**
- **Appointment of Mr Todd Williams as new Managing Director**
- **Termination of Neavesville Agreement**

### Santa Cruz Acquisition (Argentina)

On 20<sup>th</sup> December 2018 E2 Metals Limited (**E2 Metals** or **Company**) announced that it had executed a binding agreement to acquire an 80% interest in a highly prospective land package in the Santa Cruz and Rio Negro provinces of Argentina.

The portfolio totaling 127,000 hectares is held by private Australian explorer Circum Pacific Pty Ltd and is prospective for multi-million-ounce epithermal gold deposits like Goldcorp's Cerro Negro and AngloGold Ashanti's Cerro Vanguardia mines.

The Company will hold a shareholder meeting on 5<sup>th</sup> February 2019 to approve the acquisition.

An Environmental Impact Assessment has been submitted by Circum Pacific to the Santa Cruz authorities to undertake an approximately 2500m drill program to test outcropping gold and silver mineralised veins at the Sierra Morena project. Drilling is planned for Q2 2019.

The Company has devised a program of works for the high priority Veta Blanca prospect at the Conserrat Project that will commence immediately on closing of the transaction.

### Mount Hope Project

The Cobar region where the Mount Hope project is located experienced renewed interest during this quarter following the announcement by Peel Mining Ltd (ASX: PEX) of a high-grade polymetallic zinc and lead discovery at the Southern Nights prospect<sup>1</sup>. This discovery reinforces the potential for small but significant high-grade ore shoots at the Company's Mount Hope project in areas of known mineralisation tested by limited and wide spaced drilling.

### Neavesville Project (New Zealand)

On 20<sup>th</sup> December 2018 the Company advised that it had terminated its Share Sale Agreement with Eurasian Minerals Inc and Eurasian Holdings (BVI) Inc and withdrawn from the Pakirarahi No. 1B Joint Venture Agreement to relinquish all interest in the Neavesville project.

An application of the surrender for the Neavesville Project Permit 51767 was submitted to the relevant authorities.

### Corporate Update

#### ***Managing Director Appointment***

Concurrent with the announcement of the Santa Cruz acquisition, E2 Metals appointed Mr Todd Williams as its new Managing Director. Todd is the founder and principal of Circum Pacific and brings the expertise to lead the Company through its renewed focus of making world-class gold discoveries in the prolific Santa Cruz province, Argentina.

The appointment of Todd marked the completion of Mr Simon Peters' tenure as an Executive Director of the Company.

#### ***Joint Company Secretary Appointment***

The Company further advises that Mr Michael Sapountzis has been appointed as Joint Company Secretary. Mr Sapountzis will commence the role effective today together with the currently appointed Company Secretary, Ms Melanie Leydin.

Michael is a corporate governance professional with extensive experience in providing executive support and managing the regulatory requirements for a variety of ASX listed companies.

Mr Michael Sapountzis replaces Mr Justin Mouchacca who has resigned as Company Secretary effective today.

The Board would like to thank both Simon and Justin for their valuable contribution during their tenure.

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<sup>1</sup> Peel Mining Ltd ASX announcement 15 November 2018 – Southern Nights Returns Stunning Drill Intercept

**E2 Metals Tenement Holding Summary**

<b>Mining Tenement</b>	<b>Location</b>	<b>Beneficial Percentage held</b>	<b>Interest acquired/farm-in during the quarter</b>	<b>Interest disposed/farm-out during the quarter</b>
EL6837	Mt Hope	100%	-	-
EL8058	Main Road	100%	-	-
EL8290	Broken Range	100%	-	-
EL8654	Mt Hope	100%	-	-
EPM51767	New Zealand	100%	-	*

*\*an application of surrender for the Neavesville Project Permit 51767 was submitted during the period*

**For enquiries please contact:**

**Todd Williams**  
Managing Director  
+61 3 9692 7222

## 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 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(138)	(215)
(b) development	-	-
(c) production	-	-
(d) staff costs	(103)	(156)
(e) administration and corporate costs	(95)	(189)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	23	35
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 GST refund	-	-
1.9 Other (provide details if material)	-	-
<b>1.10 Net cash from / (used in) operating activities</b>	<b>(313)</b>	<b>(525)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	(64)	(64)

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(64)</b>	<b>(64)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,492	3,704
4.2	Net cash from / (used in) operating activities (item 1.10 above)	(377)	(589)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,115</b>	<b>3,115</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,115	3,492
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (funds held on trust)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,115</b>	<b>3,492</b>

**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 \$36K for directors fees during the quarter
- Payment of \$34K to Leydin Freyer Corporate, an associated entity of Ms Melanie Leydin, for CFO and company secretarial fees during the December 2018 quarter
- Payment of \$33K to Sustainable Project Services, an associated entity of Mr Simon Peters, for consulting fees during the December 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

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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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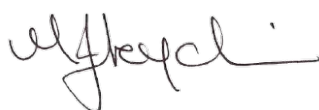
<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	506
9.2 Development	-
9.3 Production	-
9.4 Staff costs	106
9.5 Administration and corporate costs	119
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>731</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EPM51767, Hauraki Gold, New Zealand	Exploration permit	100%	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

**Compliance statement**

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

Sign here:



Date: 18 January 2019

Company Secretary

Print name:

Melanie Leydin

**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.