

E2 Metals Limited

ABN: 34 116 865 546
ASX Code: E2M

Level 4, 100 Albert Road
South Melbourne VIC 3205
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Directors / Secretary

Melanie Leydin
Chair & Company Secretary

Todd Williams
Managing Director

Alastair Morrison
Non-Executive Director

Michael Sapountzis
Company Secretary

Issued Capital

75.7M fully paid ordinary shares

Letter to Unlisted Loyalty Optionholders

14th March 2019

E2 Metals Limited (**E2 Metals** or **Company**) wishes to advise that the attached reminder letter has been sent to all holders of unlisted loyalty options (**Options**) exercisable at \$0.20 (20 cents) per Option.

The Options will expire at **5.00pm (AEST) on Thursday, 4 April 2019.**

If you require more information on how to exercise your Options, please contact the Company on +61 3 9692 7222.

Yours faithfully,

Melanie Leydin
Company Secretary

13 March 2019

Dear Optionholder,

EXERCISE OF LOYALTY OPTIONS

You are the registered holder of loyalty options (**Options**) in E2 Metals Limited (ASX: E2M) (**E2 Metals** or **Company**). These Options were issued to shareholders who subscribed for a minimum of \$2,000 worth of fully paid ordinary shares pursuant to the Company's initial public offering.

The Options will expire at 5.00pm (AEST) on Thursday, 4 April 2019.

Optionholder Choices:

1. Exercise all or a portion of your options

You may complete the enclosed 'Application for Shares on Exercise of Options' form in full, sign it and send it to the Company's registered office by post. Exercise of Options will be completed and processed in accordance with the Terms of Options set out on the back of the Application for Shares on Exercise of Options form. In particular, please note that Options will not be exercised before 4 April 2019, regardless of when the payment is received. Payment must be made by Cheque, payable to E2 Metals Limited. Alternatively, you can pay by EFT using the details on the form.

2. Do Nothing

If you choose to do nothing, your Options will expire at **5.00pm (AEST) on Thursday, 4 April 2019** and have no value.

Addition Information

The Company provides additional information as follows:

- (a) The name of the Optionholder is contained on the enclosed personalised 'Application for Shares on Exercise of Options' form.
- (b) The number of Options held in the Company is contained in the enclosed personalised 'Application for Shares on Exercise of Options' form.
- (c) The exercise price for the Options is \$0.20 (20 cents) per Option.
- (d) The due date for payment of the exercise price is on or before **5:00pm (AEST) on Thursday, 4 April 2019**.
- (e) The last traded price for E2 Metals shares was \$0.175 (17.5 cents) on 12 March 2019.
- (f) The highest and lowest market price for E2 Metals shares during the 3 months immediately before this notice is as follows:

Highest: \$0.20 (20 cents) on 6 March 2019

Lowest: \$0.057 on (5.7 cents) 19 December 2018

Further Information

The Board encourages you to consider your choices as an Optionholder and to take the action that best suits your individual circumstances. If you require more information on how to exercise your Options, please contact the Company on +61 9692 7222. If you are unsure whether to take up your Options, please contact your stockbroker, financial advisor or other professional advisor.

Yours faithfully,

Melanie Leydin
Company Secretary

E2 Metals Limited

Application for Shares on Exercise of Options

Options exercisable at A\$0.20 on 4 April 2019

**Total Number of Options
Registered in your name:**

To be completed by Optionholder:

Number of Options being exercised to fully paid ordinary shares:	Multiplied by the exercise price of A\$0.20	Amount Paid:
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Payment may only be made by cheque or EFT. Cash will not be accepted via the mail or at E2 Metals Limited's Registered Office. Payments cannot be made at any bank. Please tick the relevant box below to confirm your method of payment.

Payment Option 1 – Cheque (Record cheque details below) (tick the relevant box)

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT \$AUD
				\$

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to "E2 Metals Limited" and crossed "Not Negotiable" and should be attached to this form.
- The amount of your payment received in the account, divided by the exercise price, will be deemed to be the total number of options you are exercising.

Payment Option 2 – EFT (tick the relevant box)

Bank:	National Australia Bank		
Account Name:	E2 Metals Limited	BSB: 083-419	Account Number: 17-008-6599
Reference:	Your SRN/HIN or Registered Shareholding Name		

- The amount of your payment received in the account divided by the exercise price will be deemed to be the total number of options you are exercising

To the Directors of E2 Metals Limited ('Company')

I/We being the registered holder(s) of Options to acquire Fully Paid Ordinary Shares in the Company hereby give notice of the exercise of Options.

I/We agree to my/our name/s being placed on the Register of Members in respect to the number of Fully Paid Ordinary Shares in the Company allotted and to be bound by the Constitution of the Company.

Please sign here:

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)

Sole Director & Company Secretary

Director

Director / Company Secretary

Telephone No. (Business Hours) () _____ Date _____

Lodgement of Application

E2 Metals Limited, Level 4, 100 Albert Road, SOUTH MELBOURNE VIC 3205

The Company does not accept any responsibility if you lodge this Application at any other address or by any other means.

Terms of Loyalty Options E2 Metals Limited

The terms and conditions of the Loyalty Options are as follows:

- (a) Issue price: The Loyalty Options will be issued for no consideration.
- (b) Entitlement to be issued Shares and vesting: Upon vesting and subject to paragraph (f) below, each Loyalty Option entitles the holder to be issued one Share for each Loyalty Option vested.

The number of Loyalty Options to vest will be the lesser of:

- i. the number of Loyalty Options held on the Vesting Date where the Vesting Date is the date that is 3 months following the commencement of trading of the Company's Shares on ASX; and
 - ii. the number of Shares held on the Vesting Date divided by 3. Loyalty Options which do not vest on the Vesting Date will immediately lapse.
- (c) Exercise price: The exercise price of the Loyalty Options is \$0.20 each.
- (d) Expiry Date: The expiry date of the Loyalty Options is 2 years from the date of issue (Expiry Date). Subject to the Loyalty Options vesting the Loyalty Options can only be exercised on the Expiry Date, in whole or in part, upon payment of the exercise price per Loyalty Option.
- (e) Transferable: The Loyalty Options are not transferable prior to vesting. Following the Vesting Date the Loyalty Options will become transferable. The Loyalty Options will not be quoted on ASX.
- (f) Exercise: The Company will provide to each Loyalty Option holder a notice that is to be completed when exercising the Loyalty Options (Notice of Exercise). Loyalty Options may be exercised by the Loyalty Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Company Secretary to be received prior to the Expiry Date. The Notice of Exercise must state the number of Loyalty Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by a Loyalty Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount equal to the aggregate of the exercise price per Shares.
- (g) Ranking of Shares: All Shares issued upon the exercise of the Loyalty Options will rank equally in all respects with the Company's then issued Shares. The Company will apply to the ASX for quotation of all Shares issued upon exercise of Loyalty Options.
- (h) Participating rights: There are no participating rights or entitlements inherent in the Loyalty Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Loyalty Options. The Loyalty Option holder has no rights to a change in the exercise price of the Loyalty Option or a change to the number of underlying securities over which the Loyalty Option can be exercised except in the event of a bonus issue.
- (i) Bonus issue: If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (Bonus Issue), then upon exercise of his or her Loyalty Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Loyalty Options had been exercised before the Loyalty Option Record Date for the Bonus Issue.
- (j) Reconstructions: In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Loyalty Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.