

E2 Metals Limited

ABN 34 116 865 546

Half Year Report - 31 December 2019

E2 Metals Limited
Contents
31 December 2019



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Directors	Ms Melanie Leydin (Chairperson) Mr Todd Williams (Managing Director) Mr Alastair Morrison (Non-executive Director)
Company Secretary	Ms Melanie Leydin
Registered office	Level 4 100 Albert Road South Melbourne VIC 3205 Phone: 03 9692 7222
Principal place of business	Level 7 24-28 Collins Street Melbourne VIC 3000
Share register	Link Market Services Tower 4, 727 Collins Street Docklands VIC 3008 Phone: 1300 554 474
Auditor	William Buck Level 20, 181 William Street Melbourne VIC 3000
Stock exchange listing	E2 Metals Limited shares are listed on the Australian Securities Exchange (ASX code: E2M)

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated entity') consisting of E2 Metals Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Directors

The following persons were directors of E2 Metals Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

Ms Melanie Leydin (Chairperson)
Mr Todd Williams (Managing Director)
Mr Alastair Morrison (Non-executive Director)

Principal activities

During the half-year the principal continuing activities of the Consolidated entity consisted of exploration and evaluation of mineral deposits in Australia and Argentina, together with reviewing other asset opportunities.

Review of operations

The loss for the Consolidated entity after providing for income tax and non-controlling interest amounted to \$1,435,225 (31 December 2018: \$378,949).

Operating results

Operating expenses for the half year was \$1,716,207, an increase of \$1,302,339 over the corresponding period (2018: \$413,868). This increase was mainly due to cost on the exploration activities during the half year.

Financial position

Net assets have decreased by \$1,691,509 from \$3,964,368 at 30 June 2019 to \$2,272,859. This was driven by a decrease in working capital due exploration expenditure during the half year.

Review of operations

During the six months to 31 December 2019, the Consolidated entity remained focused on the development of precious metal projects in prospective areas within existing goldfields where known mineralisation exists and where further exploration success is likely to support production.

Santa Cruz Gold Silver Project

E2 Metals holds an 80% interest in exploration titles totalling 90,000 Ha located in the Santa Cruz province of Argentina. Santa Cruz is host to numerous multi-million-ounce Low Sulphidation (LS) Epithermal vein deposits associated with Jurassic age volcanic rocks of the Deseado Massif geological complex.

The Company's focus during the reporting period has been the Conserrat project which is located 20km west-northwest of AngloGold Ashanti's Cerro Vanguardia mine. Systematic exploration by E2 Metals commenced December 2018 with a regional soil and rock chip geochemical program. Recent work has included a Pole-Dipole (PDP) IP and Controlled Source Magneto-telluric (CSAMT) geophysical surveys, trenching and scout RC drilling. This work led to the discovery of gold and silver mineralisation at five prospects including Veta Blanca, Mia, Patricia, Ro and Florencia. Exploration is considered early stage and further work is warranted.

The Corona project comprises two titles for 14,010 located 30km south of Newmont's Cerro Negro gold and silver mine. The Company commenced exploration at Corona in November 2019 which was limited to a reconnaissance site visit and regional soil grid at the Corona Norte sinter target. A total of 333 soil samples were collected and results are pending.

The Sierra Morena project comprises two titles for 19,676 located 30km east of the El Tranquillo gold district, which is host to Pan American Silver's COSE and Patagonia Gold's Cap Oeste gold and silver mines. No field work was completed during the reporting period.

Rio Negro Gold Silver Project

E2 Metals holds an 80% interest in exploration titles totalling 30,000Ha located in the Rio Negro province of Argentina prospective for similar LS Epithermal gold and silver vein deposits. Work was limited to desktop studies, data compilation and regional target generation.

Cobar Project, New South Wales

E2 holds a 100% interest in a 273km² land package over the historic Mount Hope copper gold district located in the Cobar Superbasin, New South Wales. Work was limited to desktop studies, data compilation and regional target generation.

Significant changes in the state of affairs

During the half year, the Consolidated entity has closed the operations of its subsidiary Hauraki Gold Limited and deregistered the company New Zealand.

There were no other significant changes in the state of affairs of the Consolidated entity during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Todd Williams
Managing Director

10 March 2020

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF E2 METALS LIMITED**

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2019 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (Vic) Pty Ltd

ABN: 59 116 151 136



N.S. Benbow

Director

Dated this 10th day of March, 2020

ACCOUNTANTS & ADVISORS

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E2 Metals Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019



		Consolidated	
		31 December	
	Note	2019	2018
		\$	Restated
			\$
Revenue			
Interest income		12,333	34,919
Expenses			
Administration expenses		(89,514)	(57,088)
Corporate expense		(172,503)	(213,231)
Employment expenses		(130,177)	(160,058)
Lapse of performance rights		-	144,816
Exploration expenses		(1,324,013)	(128,307)
Loss before income tax expense		(1,703,874)	(378,949)
Income tax expense		-	-
Loss after income tax expense for the half-year		(1,703,874)	(378,949)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(15,399)	16,567
Other comprehensive income/(loss) for the half-year, net of tax		(15,399)	16,567
Total comprehensive loss for the half-year		(1,719,273)	(362,382)
Loss for the half-year is attributable to:			
Non-controlling interest		(268,649)	-
Owners of E2 Metals Limited		(1,435,225)	(378,949)
		(1,703,874)	(378,949)
Total comprehensive loss for the half-year is attributable to:			
Non-controlling interest		(262,776)	-
Owners of E2 Metals Limited		(1,456,497)	(362,382)
		(1,719,273)	(362,382)
		Cents	Cents
Basic earnings/(loss) per share	10	(1.56)	(0.62)
Diluted earnings/(loss) per share	10	(1.56)	(0.62)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

E2 Metals Limited
Statement of financial position
As at 31 December 2019



		Consolidated	
	Note	31 December 2019 \$	30 June 2019 \$
Assets			
Current assets			
Cash and cash equivalents		2,351,117	3,946,719
Trade and other receivables	5	234,051	146,935
Other assets		25,078	29,843
Total current assets		<u>2,610,246</u>	<u>4,123,497</u>
Non-current assets			
Security deposits		30,000	30,000
Total non-current assets		<u>30,000</u>	<u>30,000</u>
Total assets		<u>2,640,246</u>	<u>4,153,497</u>
Liabilities			
Current liabilities			
Trade and other payables	6	361,499	157,001
Borrowings		-	26,606
Employee benefits		5,278	5,217
Total current liabilities		<u>366,777</u>	<u>188,824</u>
Non-current liabilities			
Employee benefits		610	305
Total non-current liabilities		<u>610</u>	<u>305</u>
Total liabilities		<u>367,387</u>	<u>189,129</u>
Net assets		<u>2,272,859</u>	<u>3,964,368</u>
Equity			
Issued capital	7	11,855,059	11,855,059
Reserves		340,380	339,164
Accumulated losses		(9,401,826)	(7,971,877)
Equity attributable to the owners of E2 Metals Limited		2,793,613	4,222,346
Non-controlling interest		(520,754)	(257,978)
Total equity		<u>2,272,859</u>	<u>3,964,368</u>

The above statement of financial position should be read in conjunction with the accompanying notes

E2 Metals Limited
Statement of changes in equity
For the half-year ended 31 December 2019



Consolidated	Issued capital \$	Shared based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2018	8,381,747	326,466	10,854	(3,234,173)	5,484,894
Adjustment for change in accounting policy*	-	-	-	(1,758,183)	(1,758,183)
Balance at 1 July 2018 - restated	8,381,747	326,466	10,854	(4,992,356)	3,726,711
Loss after income tax expense for the half-year	-	-	-	(378,949)	(378,949)
Other comprehensive income for the half-year, net of tax	-	-	16,567	-	16,567
Total comprehensive income/(loss) for the half-year	-	-	16,567	(378,949)	(362,382)
<i>Transactions with owners in their capacity as owners:</i>					
Performance rights issued	-	944	-	-	944
Derecognition of performance rights	-	(144,816)	-	-	(144,816)
Balance at 31 December 2018	<u>8,381,747</u>	<u>182,594</u>	<u>27,421</u>	<u>(5,371,305)</u>	<u>3,220,457</u>

* This relates to change in accounting policy as described in Note 3. The restated balance as at 1 July 2018 is as reported in the 2019 Annual report.

Consolidated	Issued capital \$	Shared based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2019	11,855,059	294,011	45,153	(7,971,877)	(257,978)	3,964,368
Loss after income tax expense for the half-year	-	-	-	(1,435,225)	(268,649)	(1,703,874)
Other comprehensive income/(loss) for the half-year, net of tax	-	-	(21,272)	-	5,873	(15,399)
Total comprehensive loss for the half-year	-	-	(21,272)	(1,435,225)	(262,776)	(1,719,273)
Reclassification of Hauraki reserve	-	-	(5,276)	5,276	-	-
<i>Transactions with owners in their capacity as owners:</i>						
Share-based payments	-	27,764	-	-	-	27,764
Balance at 31 December 2019	<u>11,855,059</u>	<u>321,775</u>	<u>18,605</u>	<u>(9,401,826)</u>	<u>(520,754)</u>	<u>2,272,859</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

E2 Metals Limited
Statement of cash flows
For the half-year ended 31 December 2019



	Consolidated	31 December
	31 December	2018
	2019	Restated
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(1,580,655)	(621,612)
Interest received	12,333	34,919
Interest paid	(1,744)	(1,640)
	<u> </u>	<u> </u>
Net cash used in operating activities	<u>(1,570,066)</u>	<u>(588,333)</u>
 Cash flows from investing activities		
Payment for term deposit	-	(20,000)
Proceeds from release of security deposits	-	20,000
	<u> </u>	<u> </u>
Net cash from investing activities	<u>-</u>	<u>-</u>
 Cash flows from financing activities		
Repayment of borrowings	(26,606)	-
	<u> </u>	<u> </u>
Net cash used in financing activities	<u>(26,606)</u>	<u>-</u>
 Net decrease in cash and cash equivalents	(1,596,672)	(588,333)
Cash and cash equivalents at the beginning of the financial half-year	3,946,719	2,703,480
Effects of exchange rate changes on cash and cash equivalents	1,070	(28)
	<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial half-year	<u><u>2,351,117</u></u>	<u><u>2,115,119</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover E2 Metals Limited as a Consolidated entity consisting of E2 Metals Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is E2 Metals Limited's functional and presentation currency.

E2 Metals Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the Consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 10 March 2020.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the Consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the Consolidated entity:

AASB 16 Leases

The Consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in administration expenses) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

There is no impact on the adoption of AASB 16 as the Consolidated entity currently has no leases.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated entity for the period ended 31 December 2019.

Note 3. Restatement of comparatives

Change in accounting policy- Exploration and Evaluation costs

As reported in 2019 Annual Report, the Consolidated Entity had made a voluntary change to its accounting policy relating to exploration and evaluation expenditure. The new accounting policy was adopted for the year ended 30 June 2019 with effect from 1 July 2018 and has been applied retrospectively.

The new exploration and evaluation accounting policy charges exploration and evaluation expenditure against profit and loss as incurred, except for expenditure incurred after a decision to proceed to development is made, in which case the expenditure is capitalised as an asset. The impact on the consolidated statement of cash flows is a movement from investing activities to a movement in operating activities.

The following tables summarises the impact of the above voluntary change in the accounting policy on the comparative statement of profit or loss and other comprehensive income for half year ended 31 December 2018.

	Consolidated		
	31 December 2018		31 December 2018
	\$ Reported	\$ Adjustment	\$ Restated
Interest income	34,919	-	34,919
Expenses			
Administration expenses	(57,088)	-	(57,088)
Corporate expense	(213,231)	-	(213,231)
Employment expenses	(160,058)	-	(160,058)
Impairment of exploration assets	(788,027)	788,027	-
Lapse of performance rights	144,816	-	144,816
Exploration expenses		(128,307)	(128,307)
Loss after income tax expense from continuing operations	(1,038,669)	659,720	(378,949)
Income tax expense	-	-	-
Loss after income tax expense for the half-year	(1,038,669)	659,720	(378,949)
Other comprehensive loss			
Foreign currency translation	16,567	-	16,567
Other comprehensive loss for the year, net of tax	-	-	-
Total comprehensive loss for the year	(1,022,102)	659,720	(362,382)
	Cents Reported	Cents Adjustment	Cents Restated
Basic earnings/(loss) per share	(1.71)	1.09	(0.62)
Diluted earnings/(loss) per share	(1.71)	1.09	(0.62)

Note 4. Operating segments

Identification of reportable operating segments

The Consolidated entity is organised into two operating segments: Australia projects and Argentina projects. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews financial management accounts on a monthly basis. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The reportable segments are:

Australia; and
Argentina

Intersegment transactions

There were no material intersegment transactions during the reporting period.

There were no material intersegment receivables, payables and loans during the reporting period.

Major customers

The Consolidated entity does not have any customers.

Consolidated - 31 December 2019	Argentina* \$	Australia \$	Unallocated \$	Total \$
Other income	-	12,333	-	12,333
Administration expenses	-	-	(89,514)	(89,514)
Corporate expenses	-	-	(172,503)	(172,503)
Employment expenses	-	-	(130,177)	(130,177)
Exploration expense	(1,294,281)	(29,732)	-	(1,324,013)
Loss before income tax expense	<u>(1,294,281)</u>	<u>(17,399)</u>	<u>(392,194)</u>	<u>(1,703,874)</u>
Income tax expense				-
Loss after income tax expense				<u>(1,703,874)</u>
Assets				
<i>Unallocated assets:</i>				
Cash and cash equivalents				2,351,117
Trade and other receivables				234,051
Other current assets				25,078
Other non-current assets				30,000
Total assets				<u>2,640,246</u>
Liabilities				
<i>Unallocated liabilities:</i>				
Trade and other payables				361,499
Employee benefits				5,888
Total liabilities				<u>367,387</u>

Note 4. Operating segments (continued)

	New Zealand** \$	Australia \$	Unallocated \$	Total \$
Consolidated - 31 December 2018 Restated				
Other income	-	34,919	-	34,919
Administration expenses	-	-	(57,088)	(57,088)
Corporate expenses	-	-	(213,231)	(213,231)
Employment expenses	-	-	(160,058)	(160,058)
Lapse of performance rights	-	-	144,816	144,816
Exploration expense	(24,022)	(104,285)	-	(128,307)
Loss before income tax expense	<u>(24,022)</u>	<u>(69,366)</u>	<u>(285,561)</u>	<u>(378,949)</u>
Income tax expense				-
Loss after income tax expense				<u>(378,949)</u>

Consolidated - 30 June 2019

Assets

<i>Unallocated assets:</i>	
Cash and cash equivalents	3,946,719
Trade and other receivables	146,935
Other current assets	29,843
Other non-current assets	30,000
Total assets	<u>4,153,497</u>

Liabilities

<i>Unallocated liabilities:</i>	
Trade and other payables	157,001
Employee benefits	5,522
Other liabilities	26,606
Total liabilities	<u>189,129</u>

* There was no comparative for Argentina segment for half year ended 31 December 2018 as the Los Domos group was acquired by the Consolidated entity during second half of the 2019 financial year.

** There is no New Zealand reportable segment for half year ended 31 December 2019 due to the closure of operations and de-registration of Hauraki Gold Limited in the New Zealand.

Note 5. Current assets - trade and other receivables

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
GST and other receivables	<u>234,051</u>	<u>146,935</u>

Note 6. Current liabilities - trade and other payables

	Consolidated	
	31 December	30 June 2019
	2019	2019
	\$	\$
Trade payables	310,722	73,034
Accruals	16,351	51,161
Other payables	34,426	32,806
	<u>361,499</u>	<u>157,001</u>

Note 7. Equity - issued capital

	Consolidated			
	31 December	30 June 2019	31 December	30 June 2019
	2019	2019	2019	2019
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>91,869,786</u>	<u>91,869,786</u>	<u>11,855,059</u>	<u>11,855,059</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 8. Contingent liabilities

The Consolidated entity had no material contingent liabilities as at the date of this report.

Note 9. Events after the reporting period

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.

Note 10. Earnings per share

	Consolidated	
	31 December	31 December
	2019	2018
	\$	Restated
	\$	\$
Loss after income tax	(1,703,874)	(378,949)
Non-controlling interest	268,649	-
Loss after income tax attributable to the owners of E2 Metals Limited	<u>(1,435,225)</u>	<u>(378,949)</u>

Note 10. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	91,869,786	<u>60,707,938</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>91,869,786</u>	<u>60,707,938</u>
	Cents	Cents
Basic earnings/(loss) per share	(1.56)	(0.62)
Diluted earnings/(loss) per share	(1.56)	(0.62)

Diluted earnings/(loss) per share

The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The rights to options are non-dilutive as the consolidated entity has generated a loss for the year.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated entity's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Todd Williams
Managing Director

10 March 2020

E2 Metals Limited

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of E2 Metals Limited (the company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of E2 Metals Limited is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

Responsibilities of the Directors for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of E2 Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

ACCOUNTANTS & ADVISORS

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

**William Buck Audit (Vic) Pty Ltd**

ABN: 59 116 151 136

**N.S. Benbow**

Director

Dated this 10th day of March, 2020