

Priority Electromagnetic Targets Defined at Cobar

09 March 2021

Highlights

- **Ten priority** airborne electromagnetic (AEM) **basement conductors** defined within the Mount Hope project **prospective for Cobar-style gold- copper** and polymetallic lead zinc mineralisation.
- The survey represents **the first modern AEM geophysical survey within the historical Mount Solitary mining district.**
- This work forms part of ongoing regional generative work in Australia and Argentina (Rio Negro Province) to unlock value from the Company's priority pipeline projects.

Overview

E2 Metals (**E2 or the Company**) is pleased to announce an update on regional exploration at the Company's Mount Hope project located in the Cobar Superbasin, New South Wales, including the results of a recent helicopter-borne electromagnetic (**VTEM**) geophysical survey.

The 433-line kilometre survey was flown in late February 2021 by Geotech Airborne Pty Ltd Australia and UTS Geophysics Pty Ltd on east-west lines spaced 100 to 200m apart, and represents the first modern geophysical survey of this type within the Company's tenure.

Interpretation of preliminary data has shown ten priority-1 bedrock conductors (Figure 1) within the survey area. These include bedrock conductors in areas of shallow cover along strike or adjacent to historical copper and gold mines or prospects, including:

- Three priority-1 bedrock conductors up to 500m southwest of Mount Solitary historical gold working (historical deeper drill intercepts 13MSR02: **6m at 8.2gpt Au from 148m¹**).
- One priority-1 bedrock conductor at the Mount Solar prospect (historical drill intercept SL005: **12m at 3.78gpt Au from 24m¹**).
- Two priority-1 bedrock conductors up to 500m north-northeast of the Main Road prospect (historical drill intercept MRRC009: **3m at 12.7gpt Au from 0m¹**).

¹ E2 Metals ASX Announcement 18 April 2017, Replacement Prospectus

E2 Metals Limited

ABN: 34 116 865 546
ASX Code: E2M

Issued Capital

150.2M fully paid
ordinary shares

Directors / Secretary

Melanie Leydin
Chair & Company Secretary

Todd Williams
Managing Director

Alastair Morrison
Non-Executive Director

Address

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



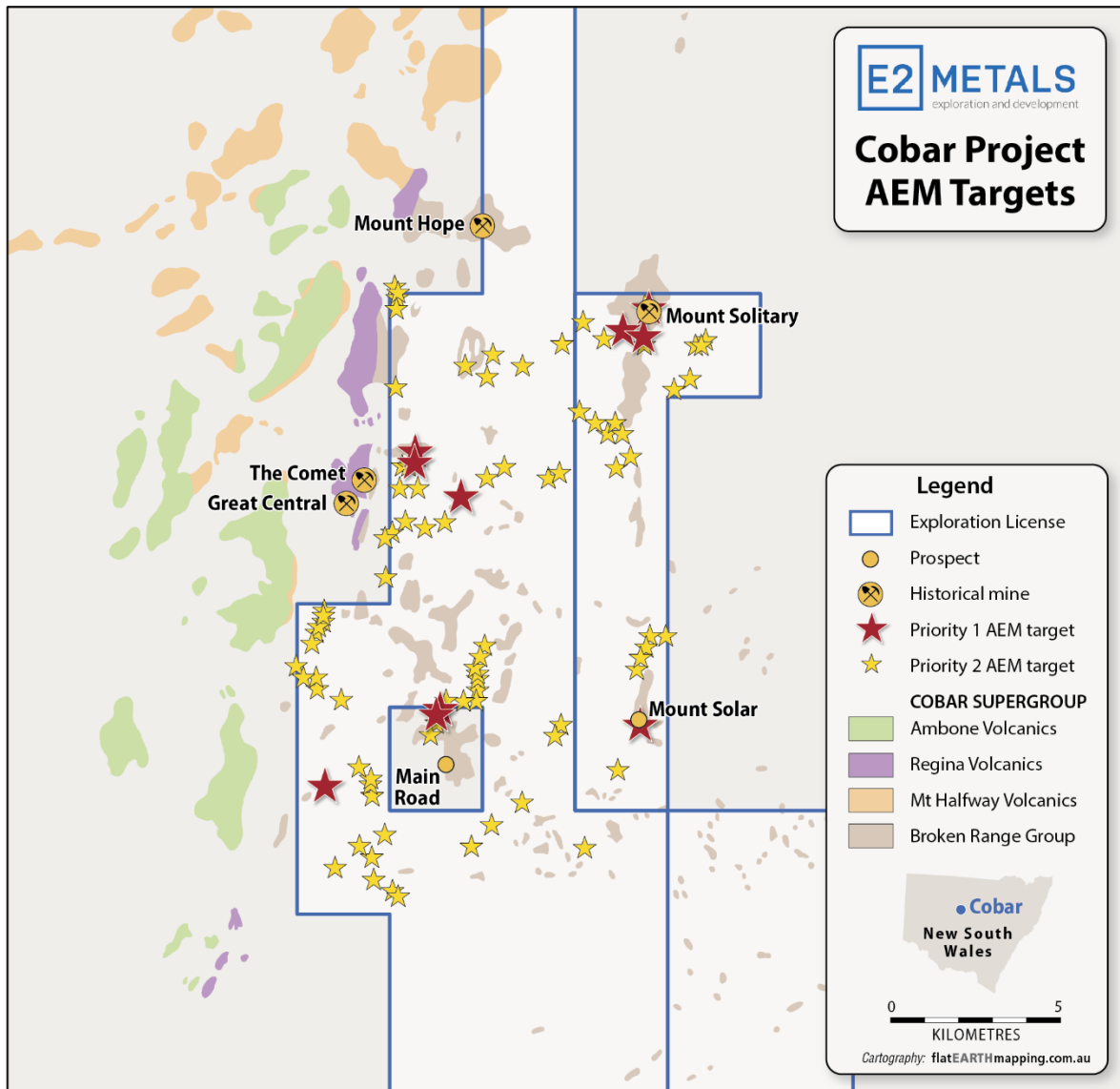


Figure 1: Surface geology and airborne electromagnetic (AEM) targets

Mineralisation at the Mount Hope project is considered to be analogous to other Cobar style deposits such as the Peak and Perseverance mines located within the Cobar Gold Fields (historical production 200,000 tonnes of copper and three million ounces of gold since 1870).

The application of modern geophysics in historical mining districts has led to multiple discoveries in the Cobar Superbasin, including **Aurelia Metals’ Federation (3.5Mt at 5.5% Pb, 9.8% Zn, 1.4gpt Au²)** and **Aeris Resources’ recent Constellation (19.9m at 2.4% Cu, 0.6gpt Au from 197m³)** discoveries.

Future Plans

The Company will complete a reconnaissance field trip to ground check all anomalies as the precursor for possible ground electromagnetic follow up and drill permitting.

2 Aurelia Metals ASX Announcement 23 February 2021, Updated Federation Mineral Resource Estimate

3 Aeris Resources ASX Announcement 21 December 2020, High grade copper intersected at Constellation.

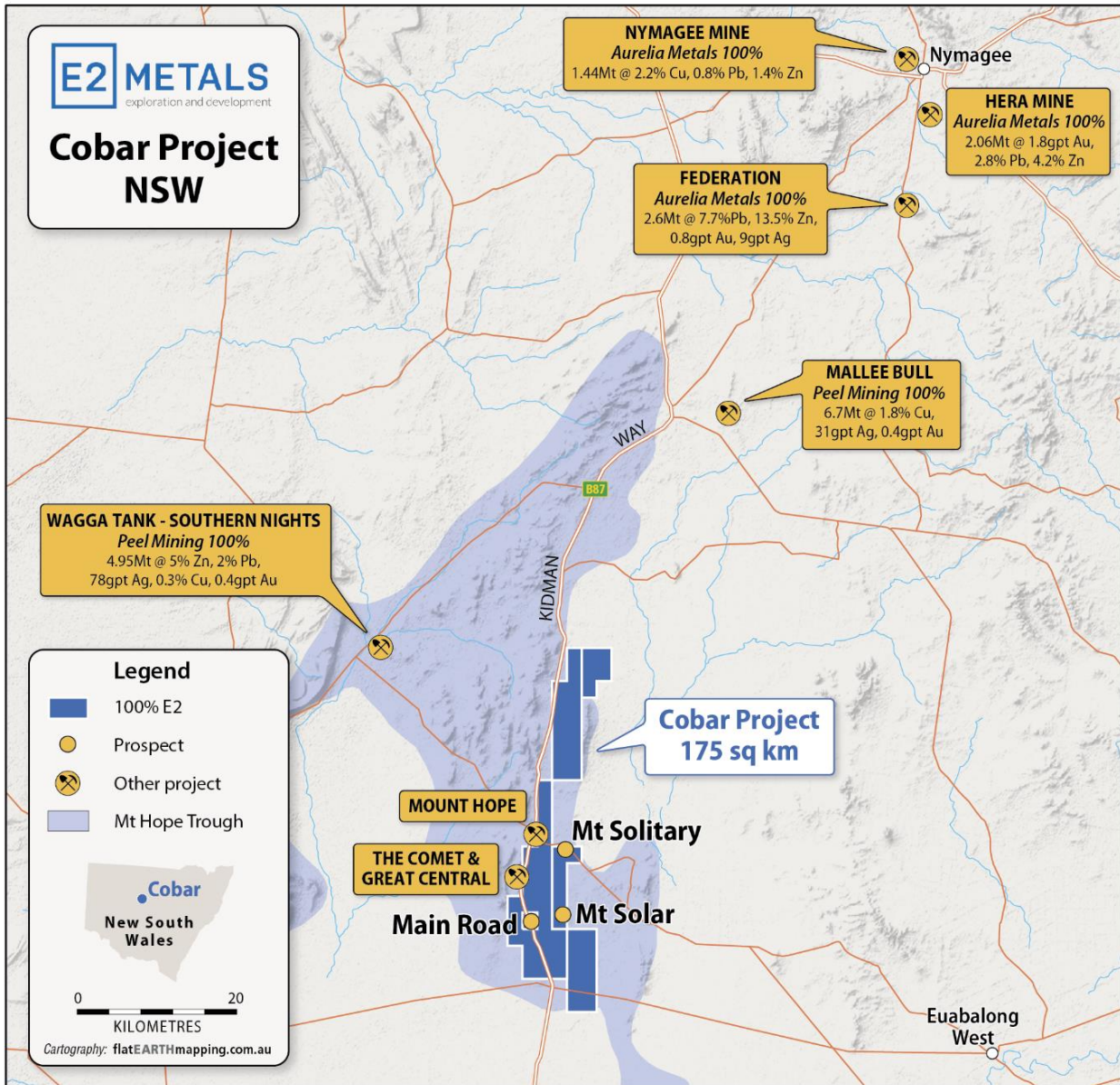


Figure 2: Mount Hope Project location plan

For enquiries please contact:

Todd Williams

Managing Director

M: + 61 4 2222 5211

This announcement is authorised for release to the market by the Board of Directors of E2 Metals Limited.

Competent Person's Statement

Information in this report that relates to Exploration results and targets is based on, and fairly reflects, information compiled by E2 Metals Limited and Colin Brodie, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Brodie is a Senior Technical Advisor and consultant to E2 Metals Limited. Mr. Brodie has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Brodie consents to the inclusion of the data in the form and context in which it appears

Forward Looking Statement

Certain statements in this announcement constitute "forward-looking statements" or "forward looking information" within the meaning of applicable securities laws. Such statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict" and other similar terminology, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. These statements reflect the Company's current expectations regarding future events, performance and results, and speak only as of the date of this announcement.

All such forward-looking information and statements are based on certain assumptions and analyses made by E2M's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believe are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking information or statements including, but not limited to, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts to perform as agreed; changes in commodity prices; unexpected failure or inadequacy of infrastructure, or delays in the development of infrastructure, and the failure of exploration programs or other studies to deliver anticipated results or results that would justify and support continued studies, development or operations.

Readers are cautioned not to place undue reliance on forward-looking information or statements. Although the forward-looking statements contained in this announcement are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this announcement and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this announcement.

JORC Code Reporting Criteria

Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	<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 representativity and the appropriate calibration of any measurement tools or systems used. 	<ul style="list-style-type: none"> VTEM_{TM} Max airborne EM survey totaling 433-line kms, completed at 100 200m line spacing, with lines orientated E - W o v e r t h e prospective sequence contractor - UTS Geophysics/Geotech VTEM_{TM} Max configuration: <ul style="list-style-type: none"> Flying height: 83m EM sensor height: 35m Magnetic sensor height: 73m Transmitter loop diameter: 35m Transmitter plus width: 7ms Peak dipole moment: 700,000 NIA Base frequency: 25Hz Receiver: Z, X coils VTEM surveys are an industry standard practise in testing for bed rock conductors representing potential mineralised massive sulphide mineralised bodies
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). 	<ul style="list-style-type: none"> Not relevant for VTEM_{TM} Max survey
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 	<ul style="list-style-type: none"> Not relevant for VTEM_{TM} Max survey

Criteria	JORC Code Explanation	Commentary
	have occurred due to preferential loss/gain of fine/coarse material.	
• 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. 	<ul style="list-style-type: none"> Not relevant for VTEM_{TM} Max survey
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. 	<ul style="list-style-type: none"> Not relevant for VTEM_{TM} Max survey
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Not relevant for VTEM_{TM} Max survey
Sub-Sampling Techniques and Sample Preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	<ul style="list-style-type: none"> Not relevant for VTEM_{TM} Max survey
	<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 representativity of samples. 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. 	<ul style="list-style-type: none"> Not relevant for VTEM_{TM} Max survey
Quality of Assay Data and	<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. 	<ul style="list-style-type: none"> VTEM_{TM} Max system calibrated prior to commencement of the survey All digital data is inspected daily by the Geotech site crew and the Company's consultant geophysicist

Criteria	JORC Code Explanation	Commentary
Laboratory Tests	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Company receives a daily report on production and of any equipment issues The data is reviewed by the Company's consultant geophysicist and any lines are re- flown if necessary The data presented here is preliminary data and has not undergone processing/levelling by Geotech. The Company's consultant geophysicist has completed QA/QC of the data and advised that it is suitable for public release Final data will be available in 4 to 6 weeks
Verification of sampling and assaying	<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. 	<ul style="list-style-type: none"> Daily data independently checked by Company's consultant geophysicist
Location of Data Points	<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. 	<ul style="list-style-type: none"> Real-time GPS navigation system utilising Novatel WAAS enabled GPS receiver providing in-flight accuracy of 3 metres, and up to 1.5m depending on satellites available. A preliminary flight path map is plotted daily and checked against survey specifications Coordinates presented are in WGS84 UTM Zone 55S
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. 	<ul style="list-style-type: none"> Spacing between flight lines was approximately 200m, with readings taken approximately 2 to 4m along line. Infill flight lines to 100m spacing were also completed.
Orientation of Data in Relation to	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the 	<ul style="list-style-type: none"> The flight path is approximately perpendicular to any known strike direction of geological formations and is sufficient to locate discrete conductive anomalies

Criteria	JORC Code Explanation	Commentary
Geological Structure	extent to which this is known, considering the deposit type. <ul style="list-style-type: none"> If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	
Sample Security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> All data acquired by Geotech reported to the Company's consultant geophysicist
Audits or Reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> The data was independently verified by the Company's consultant geophysicist Russell Mortimer of Southern Geoscience Consultants

Section 2 Reporting of Exploration

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. 	E2 Metals holds 100% interest in Exploration Licenses EL6837, 8058, 8290, 8654
Exploration Done by Other Parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	Previous relevant exploration was undertaken by: <ul style="list-style-type: none"> Electrolytic Zinc Co (1982)

Criteria	JORC Code Explanation	Commentary
		<ul style="list-style-type: none"> • Aberfoyle Exploration PL (1983 to 1984) • Amad NL (Normandy Resources NL) (1985 to 1986) • Nordgold (1987 to 1989) • Placer (1991 to 1994) • Central West Gold Mines (1996 to 2004) • Fischer Resources (2013) • E2 Metals (2017) Collectively those companies drilled: <ul style="list-style-type: none"> • Mount Solitary: 87 holes for 11,288m • Mount Solar: 26 holes for 3198m • Main Road: 15 holes for 1410m
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> • The Mt Hope Project is located within the Central Subprovince of the Lachlan Fold Belt (Lachlan Orogen) in central New South Wales (Figure 2). The Lachlan Orogen is host to significant gold and copper-gold deposits and comprises a significant part of the Palaeozoic geological architecture of eastern Australia and forms a structural unit extending from Tasmania in the south through Victoria and into NSW where it covers a significant part of this State. • The LFB is divided into three structural components aligned in a NWW-SSE direction. These components are known as the Eastern, Central and Western Subprovinces each interpreted to represent specific time constrained subduction zones (Gray & Foster, 2004) encompassing early to middle Palaeozoic time. Each of the Subprovinces is separated by major NNW-SSE trending fault structures. E2 Metals Mt Hope Project lies closer to the western margin of the Central Subprovince (Figure 2) • Within the Central Subprovince the major sub-divisions are the Cobar Trough in the north and merging southwards into the Mount Hope and Rast Troughs collectively termed the Cobar Supergroup. Whilst the Cobar Trough and Broken Range Group are dominated by the deposition of turbidite facies sediments the Mount Hope and Rast Troughs were sites of bimodal

Criteria	JORC Code Explanation	Commentary
		<p>dominantly felsic volcanism (Mt Hope Group and Rast Group).The Mount Solitary prospect occurs on a small ridge rising to a height of about 100m above the surrounding plain. Gold mineralisation is associated with a board NNW shear zone of strongly iron stained, silicified, sericite altered complex of folded sediments. Alteration is zoned from silica to sericite to chlorite with quartz veins, pyrite and gold. Surface indications of gold lie within an area 250 by 250m. Within the broader mineralised envelope there is a steepening shoot (from 80-90° NNE to 70-90° SSW) within the “Main Lode” zone and an array of closely spaced, parallel subsidiary lode structures.</p>
<p>Drill Hole Information</p>	<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>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>All historical drill hole information in this announcement is disclosed in E2 Metals Replacement Prospectus from 18 April 2017.</p> <p>13MSR01 (Mount Solitary prospect)</p> <ul style="list-style-type: none"> • Location 398093E, 6364509N, 240 mRL • Hole details: 244m, dip -60°, azimuth 50° <p>SL005 (Mount Solar prospect)</p> <ul style="list-style-type: none"> • Location 398292E, 6356994N, 238 mRL • Hole details: 46m, dip -60°, azimuth 95° <p>MRRC009 (Main Road prospect)</p> <ul style="list-style-type: none"> • Location 394551E, 6356915N, 248 mRL • Hole details: 92m, dip -90°, azimuth 350°

Criteria	JORC Code Explanation	Commentary
Data Aggregation Methods	<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. 	No new drill results are reported in this announcement
Relationship Between Mineralisation Widths and intercept lengths.	<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”). 	No new drill results are reported in this announcement
Diagrams	<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 	Airborne electromagnetic anomalies are shown if Figure 1

Criteria	JORC Code Explanation	Commentary
	of drill hole collar locations and appropriate sectional views.	
Balanced Reporting	<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 Results. 	No new drill results are reported in this announcement
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. 	All substantive historical exploration data for the Mount Hope project is disclosed in E2 Metals Replacement Prospectus from 18 April 2017.
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. 	Further ground electromagnetics surveys are considered but planning is ongoing