

DECEMBER 2022 QUARTERLY REPORT

E2 Metals (**E2** or **the Company**) is pleased to present the quarterly report for the period ended 31 December 2022 and provide an update on exploration activities across the Company's portfolio.

HIGHLIGHTS

TRANSFORMATIVE 100% ACQUISITION OF ADVANCED PINGÜINO SILVER GOLD PROJECT (SANTA CRUZ)

- 100% acquisition of one of the largest undeveloped silver gold resources in Santa Cruz, strategically located 15km north of E2's flagship Conserrat project (see Figure 1)
- Consolidation of two adjacent silver gold districts to provide accelerated pathway to critical mass and further resource development
- Indicated and inferred resources¹ (NI 43-101 foreign estimate) as of September 2014:
 - **51Moz at 90gpt AgEq²** (32Moz Ag and 219koz Au) at 20gpt Ag cut off
 - **31Moz at 201gpt AgEq²** (21Moz Ag and 132koz Au) at 70gpt Ag cut off
- Includes 9,986 Ha landholding hosting +115km cumulative strike of underexplored epithermal veins
- Significant potential to upgrade resource through resource expansion and new vein discoveries
- Upfront payment of US\$2.5m to be funded from existing cash reserves
- Regional consolidation to be complemented by E2's upcoming maiden Mineral Resource Estimate (MRE) at Conserrat expected in Q1 2023, after closing transaction

WESTERN RIO NEGRO PORTFOLIO (RIO NEGRO, ARGENTINA)

- The Company reports encouraging preliminary surface geochemical results from the Paredes project (80% E2) with strong copper (up to 25%), gold (up to 2.7gpt) and silver (up to 148gpt) in rock chip samples over an area of 3 kilometers by 2 kilometers.

CORPORATE

- Cash balance at the end of the quarter is \$8.24M

¹see Foreign estimate Table 1 and details below

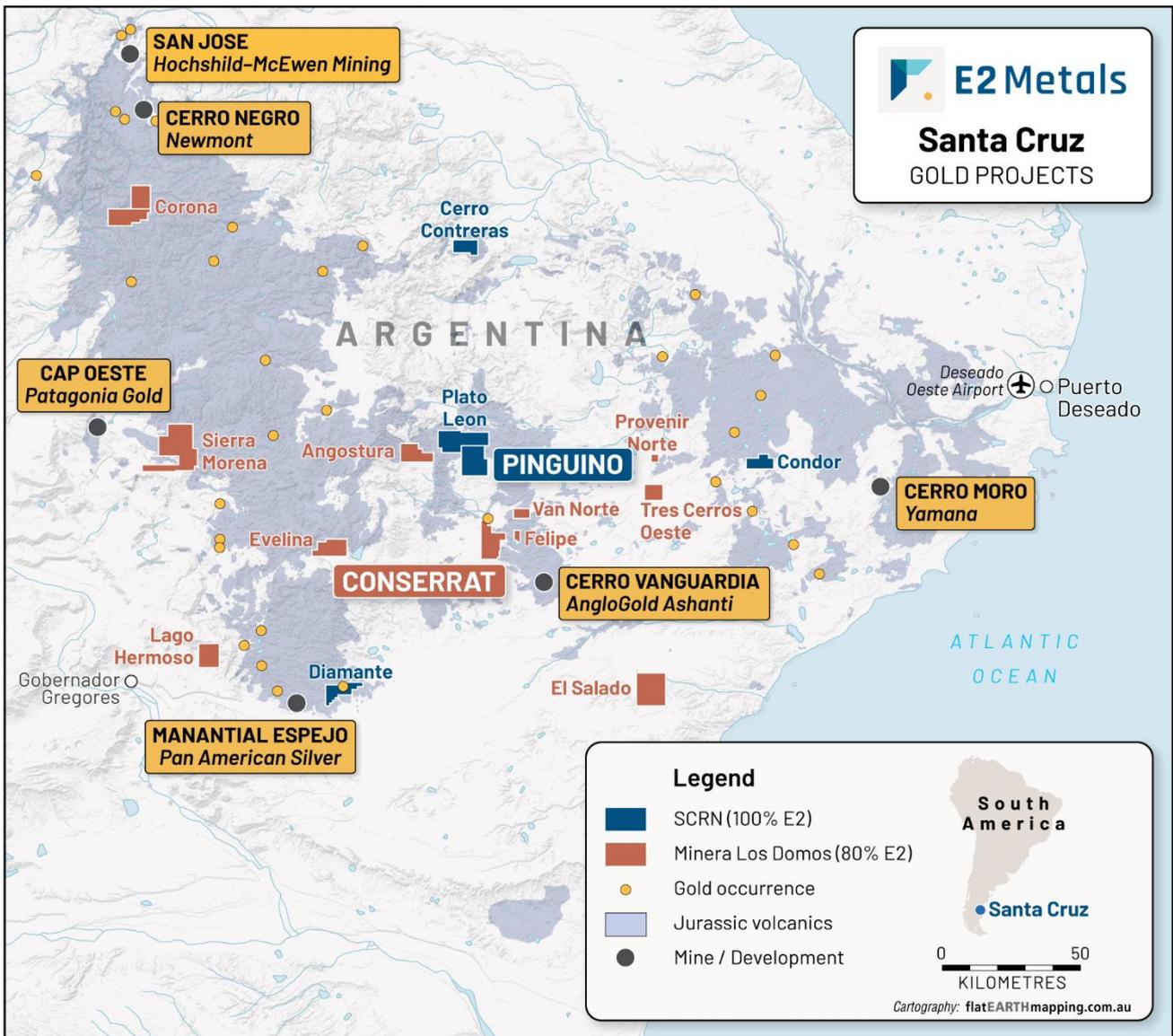
²Silver equivalent grades calculated at spot price of USD\$1700/oz gold and USD\$20/oz silver (Ag + Au*85)



SANTA CRUZ PROJECTS, ARGENTINA

OVERVIEW

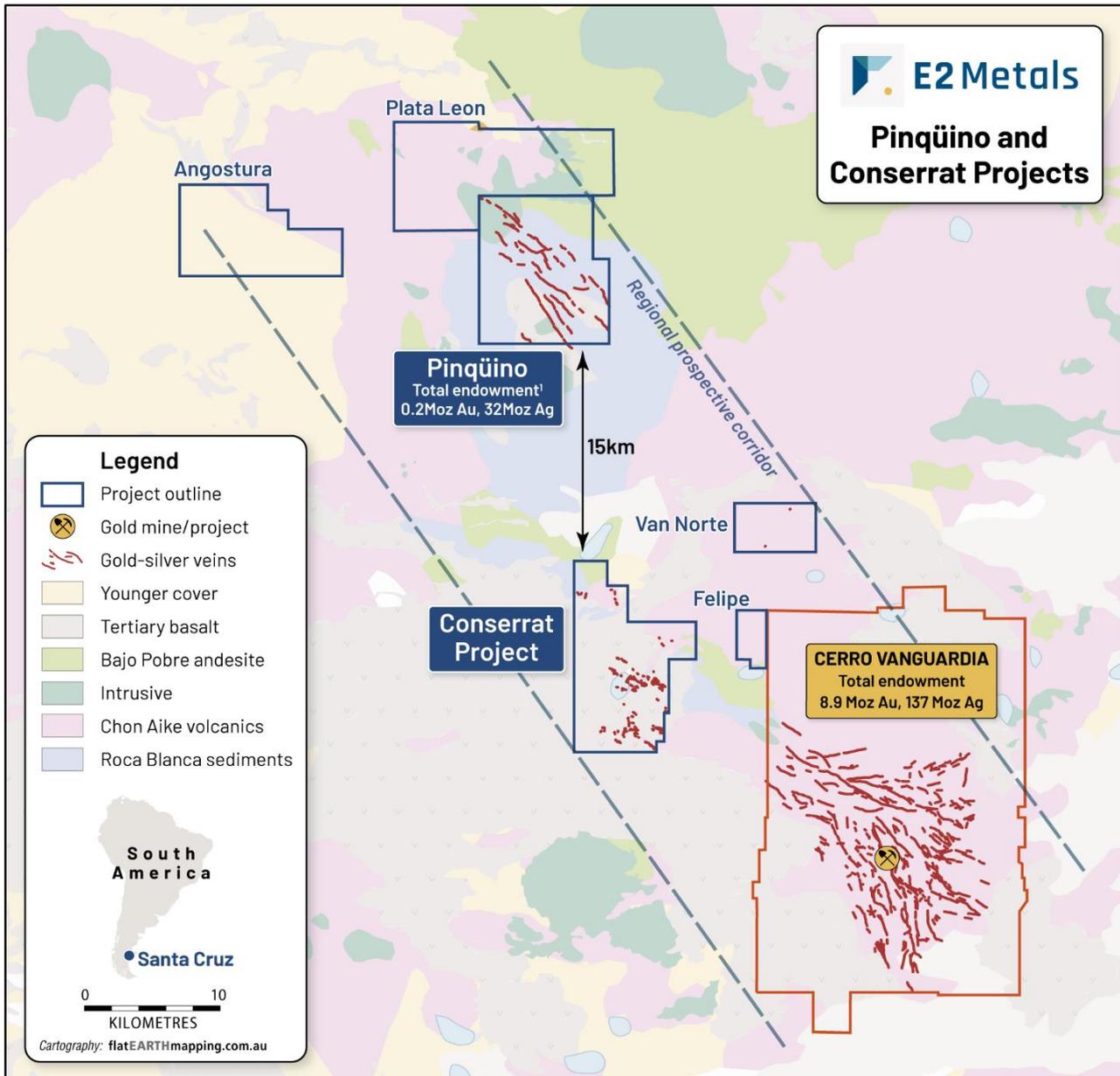
E2 is focused on its Santa Cruz projects in Argentina where it holds an 80% interest in a 90,000-hectare land package prospective for multi-million-ounce gold and silver epithermal vein deposits similar to Cerro Negro (Newmont) and Cerro Vanguardia (AngloGold Ashanti) mines. During November 2022, the Company announced the acquisition of the advanced Pingüino silver gold project from Austral Gold Limited (**Austral Gold** or **AGCL**), expanding the Company’s landholding in Santa Cruz (see Figure 1).



• Figure 1: Santa Cruz Portfolio

TRANSACTION OVERVIEW

On 25 November 2022, the Company announced that it had signed a formal Share Sale Agreement (the Agreement) with ASX and TSX-V listed Austral Gold and its subsidiary, Austral Gold Canada Limited (formerly Argentex Mining Corporation) (**AGCL**), to acquire all of the outstanding shares in SCRN Properties Limited (**SCRN**), a private Canadian company that owns the mineral claims that make up the Pingüino silver and gold project (**Pingüino Project**). The Pingüino Project is strategically located 15km north of E2's Conserrat project in the Santa Cruz province of Argentina (see Figure 2).



• Figure 2: Conserrat Project

TRANSACTION HIGHLIGHTS

- 100% acquisition of one of the largest undeveloped silver and gold resource in Santa Cruz
- Creation of an emerging pure play silver development company on the ASX
- Consolidation of two adjacent silver gold districts to provide accelerated pathway to critical mass and further resource development
- Commanding landholding in the world-class Cerro Vanguardia precious metals region
- Total Indicated and Inferred Foreign estimate¹ as of September 2014 of
 - **51Moz at 90gpt AgEq²** (32Moz Ag and 219koz Au) at 20gpt Ag cut off
 - **31Moz at 201gpt AgEq²** (21Moz Ag and 132koz Au) at 70gpt Ag cut off
- 85% of Indicated and Inferred resource less than 130 vertical meters below the surface
- Significant potential for resource expansion and new vein discoveries:
 - 19 exploration targets untested by drilling
 - 6 mineralised veins defined by historical drilling that are not included in the foreign estimate, or where mineralisation is open at depth or along strike
- The transaction includes the underlying surface rights (El Piche farm) and camp infrastructure, improving site access and reducing operational costs
- Conserrat MRE due in Q1 2023 after closing the transaction

PINGÜINO PROJECT

The Pingüino Project is made up of four mining titles (see Table 2) comprising 9,986 Ha located in the central-south Deseado Massif geological province, 35km north-northwest of AngloGold Ashanti's Cerro Vanguardia mine. Silver and gold mineralisation was first discovered at Pingüino in the mid-1990s by Mincorp Exploraciones S.A. (Mincorp), a company owned by Anglo American and a local oil company. Mincorp relinquished the properties and it was subsequently acquired by Argentex Mining Corporation (Argentex) via a deal with a local prospector Christopher Dyakowski.

The project is host to the second largest vein field in all of Santa Cruz (behind Cerro Vanguardia) with measured dimensions of 12 kilometers by 9 kilometers. Mineralised veins outcrop, are up to 13m wide and cover a combined strike of 115 kilometers. Mineralisation is associated within quartz-rich, precious metal-bearing veins (related to middle Jurassic andesitic rocks) and sulphide-rich polymetallic veins (related to lower Jurassic diorites).

From 2005 to 2013, Argentex completed multiple exploration and resource delineation campaigns completing 735 holes for 69,497m of combined Reverse Circulation (RC) and diamond drilling. The Pingüino Project has a foreign resource estimate that has been prepared in accordance with Canadian Securities Administrators' National Instrument 43-101 (NI 43-101), as set out in the table below.

• **Table 1: Foreign estimate as of September 2014**

| Cutoff | Category | Mt | AgEq*85 | Ag (gpt) | Au (gpt) | Ag (Moz) | Au (Koz) | AgEq (Moz) | Zn (Mlbs) | Pb (Mlbs) |
|--------|--------------------------------|-------------|------------|------------|------------|-------------|------------|-------------|--------------|--------------|
| 20 | Indicated | 11.6 | 100 | 66 | 0.4 | 24.9 | 148 | 37.5 | 199.6 | 112.5 |
| 20 | Inferred | 6.0 | 70 | 39 | 0.4 | 7.6 | 71 | 13.7 | 84.9 | 38.3 |
| | Total (Ind. & Inf.) | 17.7 | 90 | 57 | 0.4 | 32.5 | 219 | 51.1 | 284.5 | 150.9 |
| 70 | Indicated | 3.8 | 212 | 147 | 0.8 | 18.0 | 93 | 25.9 | 85.3 | 54.6 |
| 70 | Inferred | 1.3 | 166 | 87 | 0.9 | 3.7 | 39 | 7.0 | 27.5 | 13.2 |
| | Total (Ind. & Inf.) | 5.1 | 201 | 132 | 0.8 | 21.7 | 132 | 32.9 | 122.8 | 67.8 |
| 125 | Indicated | 1.8 | 321 | 236 | 1.0 | 13.7 | 60 | 18.8 | 35.2 | 29.4 |
| 125 | Inferred | 0.5 | 262 | 134 | 1.5 | 2.0 | 23 | 4.0 | 10.4 | 6.0 |
| | Total (Ind. & Inf.) | 2.3 | 309 | 215 | 1.1 | 15.8 | 83 | 22.8 | 45.6 | 35.3 |

Pursuant to the requirements of ASX Listing Rule 5.12 E2 provides the following information:

1. The foreign estimate is sourced from a technical report on the Pingüino Project from Mine Development Associates, which was prepared for Argentex Mining Corporation on 19 September 2014.

2. The foreign estimate uses categories of mineralization of inferred and indicated resources, which are the same categories as in the JORC code.

3. These foreign estimates relate to the Pingüino Project, which E2 has entered into the Agreement to acquire. The acquisition is considered material to E2. The Pingüino Project is complementary to E2's existing Conserrat Project and the consolidation of two large silver and gold vein district under one company is anticipated to provide an accelerated pathway to critical mass and resource development (assuming that the Pingüino Project foreign estimate is converted to a JORC compliant resource).

4-5. Detail on the reliability of the foreign estimate, including a summary of the work programs on which the foreign estimate is based, are summarised in the JORC Table in Appendix A

6. No work has been completed since the September 2014 resource estimate

7. It is anticipated that desktop studies, database audit and a field review will be required to verify the foreign estimate as a mineral resource under the JORC Code. This work will be funded out of existing cash reserves and is anticipated to be completed within 3 months of closing the transaction

8. Cautionary Statement

(a) The Foreign Estimate of mineralisation included in this announcement is not compliant with the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code) and is a "Foreign Estimate"

(b) An independent resource consulting group Mine Development Associates was commissioned by AGCL (a subsidiary of Austral Gold) to prepare an independent Technical Report on the Pingüino Project suitable for reporting purpose under the standards of NI 43-101. The estimate work was carried out during August 2014.

(c) A Competent Person (under ASX Listing Rules) has not yet done sufficient work to classify the Foreign Estimate as Mineral Resources or Ore Reserves in accordance with the 2012 JORC Code.

(d) It is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code 2012.

9. A Competent Person's statement is located at the end of this announcement.

During March 2013, Austral Gold acquired a strategic 19.9% stake in Argentex via a private placement of new shares. Subsequent to that, the price of spot silver collapsed from US\$28 per ounce to a low of US\$13.8 per ounce, halting the development of the Pingüino project. In 2016, Austral Gold acquired all of the issued and outstanding common shares of Argentex that were not already held by Austral Gold. No further systematic exploration works or drilling has been completed since then.

TRANSACTION TERMS

E2 has executed an Agreement with Austral Gold to acquire 100% of the shares of SCRN Properties Ltd, the owner of the Pingüino Project. SCRN also owns the surface rights for 70% of the Pingüino Project (the El Piche Farm) and holds 17 other non-core mineral projects in Santa Cruz and Rio Negro provinces, complimenting E2's existing portfolio (see Table 3).

Conditions Precedent

The Agreement is subject to usual conditions precedent for a transaction of this sort, including the following conditions that must be satisfied before completion of the Pingüino Acquisition (completion) occurs:

1. E2 obtaining all necessary Shareholder approvals to issue the shares and options comprised in the consideration and, if necessary, proceed with the transaction;
2. no material adverse change occurring to the financial position, value, performance, assets, liabilities, business, results or operations of SCRN before Completion;
3. no material adverse change occurring to the financial position, value, performance, assets, liabilities, business, results or operations of E2 before Completion; and
4. the ASX having confirmed that ASX Listing Rule 11.1.3 does not apply to the transaction; and
5. the Directors of E2, Mr. Todd Williams and Mr Peter Mullens, having entered into voluntary escrow deeds with the Company for their shares and those deeds having become binding, including by way of the Company having obtained ASIC relief or shareholder approval.

Consideration

The total consideration payable by E2 for the acquisition is:

- US\$5 million in upfront and deferred cash (Cash Consideration Payments)
- the issue of 49.7 million fully paid E2 shares representing approximately 19.9% of E2's pro-forma share capital (Consideration Shares) which will be subject to escrow and released 50% after 12 months and 50% after 2 years.; and
- the issue of 15 million options to subscribe for fully paid E2 shares at a strike price of 26 Australian cents, with a 3-year expiry (Consideration Options).

The Cash Consideration Payments are payable in four tranches as follows:

1. US\$2.5 million payment at the completion date in the Agreement
2. US\$750,000 payment on each of the first and second anniversary of signing the Agreement
3. US\$1 million payment on the third anniversary of signing the Agreement

As noted above, the issue of the Consideration Shares and Consideration Options is subject to E2 shareholder approval, which will be sought at a general meeting to be convened in the coming months.

The Consideration Shares will be issued at completion and are subject to voluntary escrow with half released after 1 year and the second half released after 2 years.

The Consideration Options will be issued at completion and will be non-transferable outside of the Austral Gold group of companies and subject to conditions that Austral Gold can only exercise the Consideration Options to the extent that it will not (and no other party will) exceed 19.9% voting power in E2.

Other Key Terms

Austral Gold will have the right to appoint one person to the Board of E2 for so long as it holds at least 9% voting power in E2.

There is a residual 2% net smelter return royalty (NSR) payable in relation to the Pingüino Project (Pingüino Royalty) and a 1% net smelter return royalty (NSR) payable in relation to the Condor Project.

As part of the proposed transaction, the seller will retain its existing option to purchase the relevant royalty (such that some or all of the Pingüino Royalty could be payable to AGCL, if the option is exercised).

The post completion payments will be secured by a share mortgage over 51% of the shares in SCRNL Properties Limited, which will be lifted progressively as the post completion payments are made.

Todd Williams (Managing Director of E2) and Peter Mullens (Chairman of E2M) have also agreed to enter into a restriction deed with E2 for the securities held by them at Completion, to be released 50% after 12 months and 50% after 2 years. These Restriction Deeds will be subject to ASIC waiver or Shareholder approval due to the technical application of Chapter 6 of the Corporations Act.

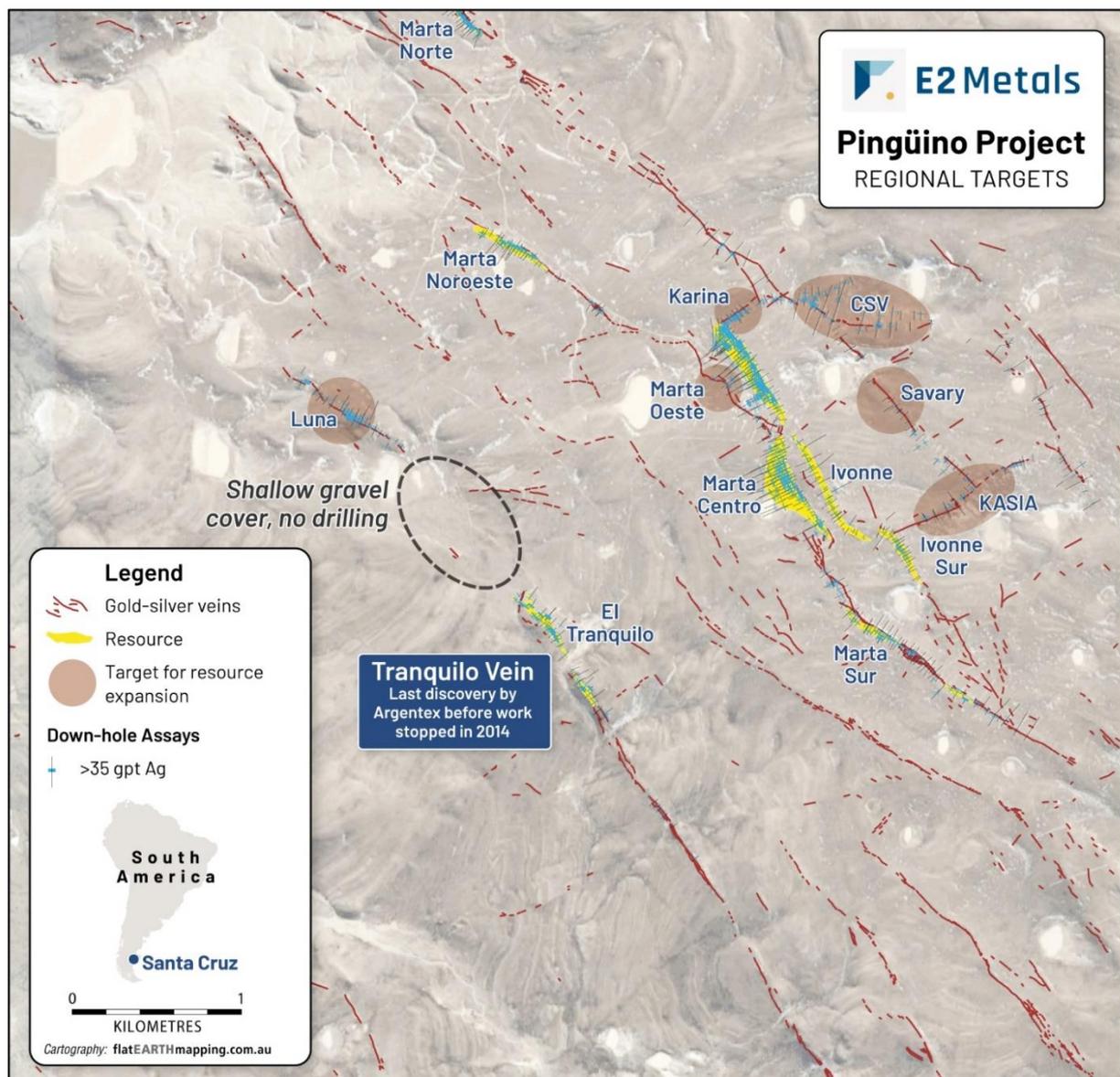
TRANSACTION TIMELINE

Completion of the proposed transaction is subject to satisfaction or due waiver of the Conditions Precedent by no later than 28 February 2023 or, in some circumstances due to regulatory delay, 31 March 2023, (or such later date agreed by the parties).

A General Meeting (GM) will be held 1PM (AEST) 20 February 2023 to obtain shareholder approvals to finalise the completion of the transformative Pingüino silver gold transaction.

UPCOMING WORK

E2 has concluded substantial due diligence on the Pingüino Project to date, including understanding the existing mineral resource estimate and exploration potential. A total of 19 exploration targets have been defined which includes prospects where delineation drilling is planned, advanced prospects where unmineralized surface veins remain untested by drilling, and early-stage prospects prospective for blind or concealed mineralisation. Importantly, historical drilling defines six mineralised veins that were excluded from the Foreign estimate and mineralisation remains open at depth and along strike, providing immediate options for resource expansion. Subject to closing the transaction, E2 intends to complete an updated mineral resource estimate in accordance with JORC, and at the same time, complete a maiden resource estimate (MRE) for Conserrat. This includes baseline environmental studies to update current permits to include diamond drilling.



• Figure 3: Pingüino Project and regional targets

- **Table 2: Pingüino Project Properties**

| Name | Location | Holder | ID |
|-------------|-----------------------|---------------------|----------------|
| Pingüino | Santa Cruz, Argentina | SCRN Properties Ltd | 414409/CID/00 |
| Tranquilo 1 | Santa Cruz, Argentina | SCRN Properties Ltd | 405334/SCRN/05 |
| Tranquilo 2 | Santa Cruz, Argentina | SCRN Properties Ltd | 405335/SCRN/05 |
| Cañadón | Santa Cruz, Argentina | SCRN Properties Ltd | 405336/SCRN/05 |

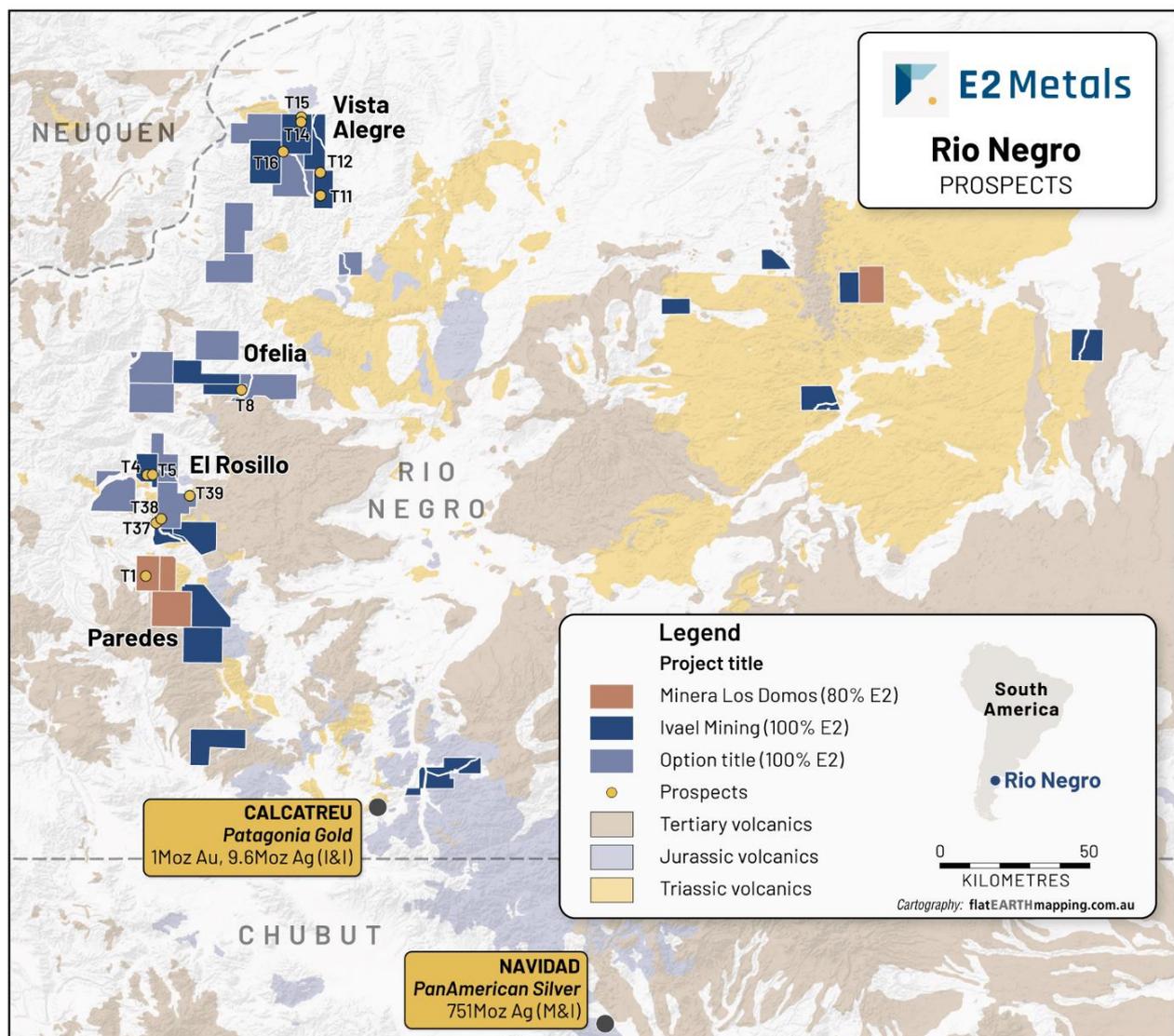
- **Table 3: Regional Project Properties Held by SCRN Properties Ltd**

| Name | ID | Holder | Registered Holder |
|----------------------------|-----------------------|---------------------|-------------------|
| Cóndor | Santa Cruz, Argentina | SCRN Properties Ltd | 414085/CID/00 |
| Mina Alto Condor | Santa Cruz, Argentina | SCRN Properties Ltd | 400.720/SCRN/10 |
| Mina Cerro Contreras Oeste | Santa Cruz, Argentina | SCRN Properties Ltd | 424.987/SCRN/10 |
| Mina Cerro Contreras Este | Santa Cruz, Argentina | SCRN Properties Ltd | 424.988/SCRN/10 |
| Diamante 1 | Santa Cruz, Argentina | SCRN Properties Ltd | 407.929/CID/03 |
| Diamante 2 | Santa Cruz, Argentina | SCRN Properties Ltd | 407.928/CID/03 |
| Plata Leon II | Santa Cruz, Argentina | SCRN Properties Ltd | 445249/SCRN/21 |
| Plata Leon III | Santa Cruz, Argentina | SCRN Properties Ltd | 421.850/SCRN/22 |
| Plata Leon I | Santa Cruz, Argentina | SCRN Properties Ltd | 432.542/SCRN/15 |
| Menucos 6 | Rio Negro, Argentina | SCRN Properties Ltd | 28.036-M-03 |
| Menucos 7 | Rio Negro, Argentina | SCRN Properties Ltd | 28.037-M-03 |
| Menucos 8 | Rio Negro, Argentina | SCRN Properties Ltd | 28.038-M-03 |
| Menucos 9 | Rio Negro, Argentina | SCRN Properties Ltd | 28.039-M-03 |
| Menucos 10 | Rio Negro, Argentina | SCRN Properties Ltd | 28.040-M-03 |
| Menucos 11 | Rio Negro, Argentina | SCRN Properties Ltd | 28.041-M-03 |
| Menucos 12 | Rio Negro, Argentina | SCRN Properties Ltd | 28.042-M-03 |
| Menucos 13 | Rio Negro, Argentina | SCRN Properties Ltd | 28.043-M-03 |

RIO NEGRO PROJECTS, ARGENTINA

OVERVIEW

The Rio Negro Province contains the northern portion of the Somuncura Massif, a large volcanic province that is geologically similar to the Deseado Massif in Santa Cruz, but has been subject to far less modern exploration. The Somuncura Massif is host to Pan American Silver’s Navidad deposit, the largest undeveloped silver deposit in the world with over 700 million ounces of silver resources. The Company has consolidated four large districts in the western part of the Rio Negro province centered on the Vista Alegre, Ofelia, Paredes and El Rosillo properties (Figure 4) respectively.

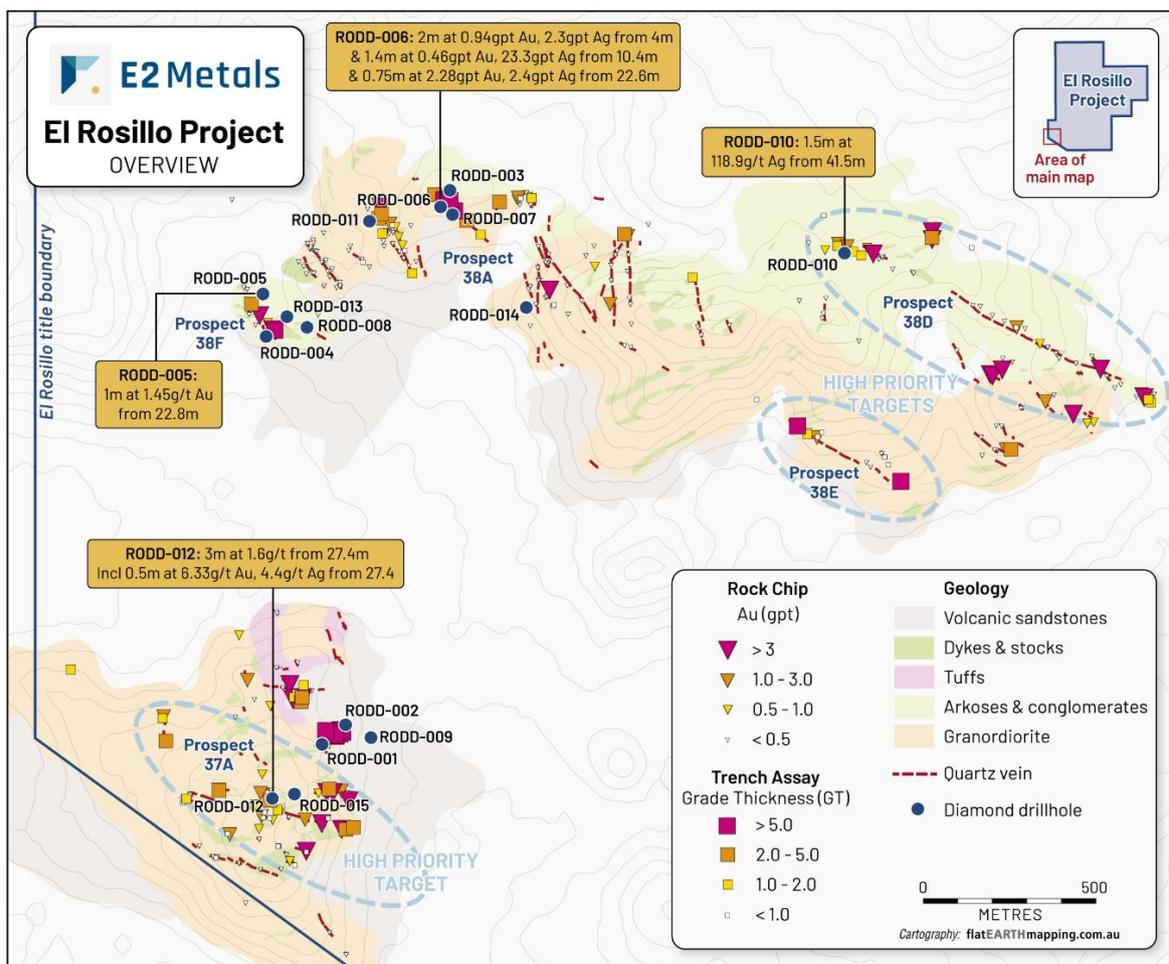


• Figure 4: Rio Negro Portfolio

EL ROSILLO DRILLING

Gold and silver assays results are reported for 15 scout diamond holes totalling 1,380m completed at the El Rosillo project (see Figure 5 and Table 4). The initial scout program was aimed at testing the extent of high-grade mineralisation identified in trenches and surface samples (*ASX announcement 28 February 2022, further high-grade surface targets at El Rosillo*). Given the presence of coarse particulate gold in trench samples, all drill hole samples were shipped to a second laboratory and analysed via Screen Fire Analysis, delaying receipt of final assay results. The program focused on four prospect areas where surface trench geochemistry indicated the potential for high-grade mineralised shoots. Drill holes were spaced 50m apart to resolve vertical continuity of mineralisation and potential shoot geometry.

Gold and silver assay results are summarised in Table 5. While vein structures were intercepted in all holes, the drill program failed to return precious metal tenors at all four prospects similar to the grades and thicknesses in surface trench samples. Despite this, the Company remains confident in the district-scale potential of the El Rosillo and Paredes portfolio's, particularly at Paredes where surface exploration completed during the December 2022 quarter confirmed a new, previously unidentified copper-gold mineralised centre. Three target areas within El Rosillo are prioritised for further exploration.



• Figure 5: El Rosillo drill holes and gold and silver assay results

• **Table 4: El Rosillo drill hole locations (WGS84 UTM Zone 19S)**

| Hole ID | East | North | RL (m) | Dip | Azimuth | Length (m) |
|----------|--------|---------|---------|--------|---------|------------|
| RODD-001 | 402480 | 5443839 | 956.70 | -50.00 | 50.00 | 100.00 |
| RODD-002 | 402548 | 5443896 | 942.30 | -50.00 | 230.00 | 61.00 |
| RODD-003 | 402850 | 5445454 | 1005.22 | -50.00 | 210.00 | 101.50 |
| RODD-004 | 402318 | 5445028 | 950.35 | -50.00 | 50.00 | 112.00 |
| RODD-005 | 402309 | 5445152 | 952.62 | -50.00 | 230.00 | 64.00 |
| RODD-006 | 402823 | 5445406 | 1003.99 | -50.00 | 35.00 | 70.00 |
| RODD-007 | 402858 | 5445383 | 999.52 | -50.00 | 35.00 | 58.00 |
| RODD-008 | 402436 | 5445055 | 961.00 | -50.00 | 230.00 | 133.00 |
| RODD-009 | 402621 | 5443859 | 937.00 | -50.00 | 230.00 | 124.00 |
| RODD-010 | 403992 | 5445271 | 1052.00 | -50.00 | 40.00 | 73.00 |
| RODD-011 | 402617 | 5445364 | 968.90 | -50.00 | 50.00 | 67.00 |
| RODD-012 | 402336 | 5443681 | 980.80 | -50.00 | 205.00 | 101.50 |
| RODD-013 | 402378 | 5445086 | 958.10 | -50.00 | 230.00 | 104.50 |
| RODD-014 | 403071 | 5445113 | 971.00 | -50.00 | 50.00 | 88.00 |
| RODD-015 | 402400 | 5443694 | 979.00 | -50.00 | 205.00 | 121.00 |

• **Table 5: El Rosillo drill hole gold and silver assay results**

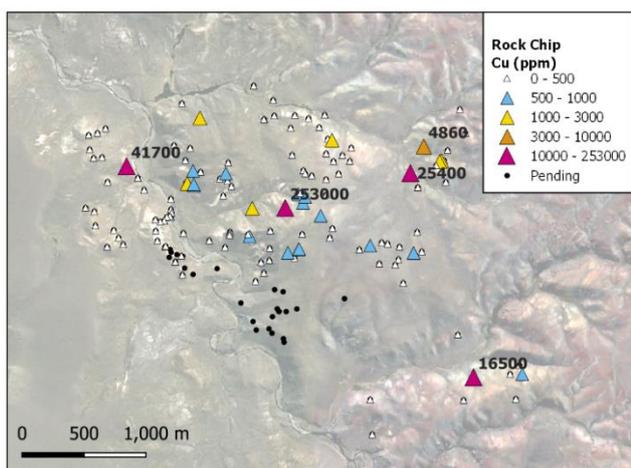
| Hole ID | From | To | Interval | Au (g/t) | Ag (g/t) | Statement |
|----------|-------|-------|----------|----------|----------|--|
| RODD-005 | 22.8 | 23.8 | 1 | 1.45 | 0 | 1m at 1.45gpt Au from 22.8m |
| RODD-006 | 4 | 6 | 2 | 0.94 | 2.31 | 2m at 0.94gpt Au, 2.3gpt Ag from 4m |
| RODD-006 | 10.4 | 11.8 | 1.4 | 0.46 | 23.26 | 1.4m at 0.46gpt Au, 23.3gpt Ag from 10.4m |
| RODD-006 | 22.6 | 23.35 | 0.75 | 2.28 | 2.42 | 0.75m at 2.28gpt Au, 2.4gpt Ag from 22.6m |
| RODD-007 | 16.6 | 17.1 | 0.5 | 0.15 | 49.84 | 0.5m at 0.15gpt Au, 49.8gpt Ag from 16.6m |
| RODD-007 | 36 | 36.5 | 0.5 | 1.54 | 2.65 | 0.5m at 1.54gpt Au, 2.7gpt Ag from 36m |
| RODD-008 | 24.2 | 25 | 0.81 | 0.53 | 0 | 0.81m at 0.53gpt Au from 24.2m |
| RODD-008 | 68 | 68.5 | 0.5 | 0.55 | 0 | 0.5m at 0.55gpt Au from 68m |
| RODD-009 | 1.5 | 2.5 | 1 | 0.72 | 2.05 | 1m at 0.72gpt Au, 2.1gpt Ag from 1.5m |
| RODD-009 | 102.5 | 103.5 | 1 | 0.46 | 2.88 | 1m at 0.46gpt Au, 2.9gpt Ag from 102.5m |
| RODD-010 | 41.5 | 43 | 1.5 | 0 | 118.89 | 1.5m at 118.9gpt Ag from 41.5m |
| RODD-012 | 27.4 | 30.4 | 3 | 1.61 | 0 | 3m at 1.61gpt Au from 27.4m |
| RODD-012 | 58.8 | 59.5 | 0.71 | 1.04 | 13.68 | 0.71m at 1.04gpt Au, 13.7gpt Ag from 58.8m |
| RODD-012 | 73.5 | 75 | 1.5 | 0.67 | 2.39 | 1.5m at 0.67gpt Au, 2.4gpt Ag from 73.5m |
| RODD-014 | 75 | 75.75 | 0.75 | 0.78 | 10.07 | 0.75m at 0.78gpt Au, 10.1gpt Ag from 75m |
| RODD-015 | 82 | 82.5 | 0.5 | 2.28 | 6.05 | 0.5m at 2.28gpt Au, 6.1gpt Ag from 82m |
| RODD-015 | 85 | 86.5 | 1.5 | 0.64 | 9.46 | 1.5m at 0.64gpt Au, 9.5gpt Ag from 85m |
| RODD-015 | 88 | 88.5 | 0.5 | 1.4 | 2.54 | 0.5m at 1.4gpt Au, 2.5gpt Ag from 88m |

PAREDES SURFACE GEOCHEMISTRY

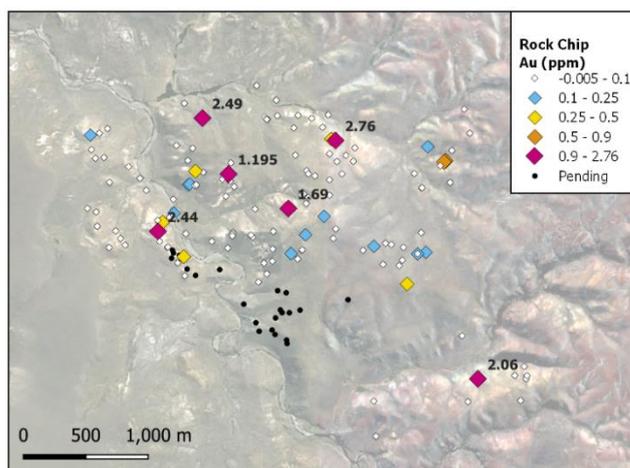
At the Paredes project (80% E2), reconnaissance exploration continued during the December 2022 quarter. Paredes is located 15km south of El Rosillo and is centered on a major alteration system within the Gastre Fault Zone (host to the 700Moz Navidad silver deposit). The area was prioritised for exploration based on strong clay alteration anomalies in ASTER satellite images.

The project geology is made up of volcanic rocks (ignimbrite and andesite) intruded by dacitic to rhyodacitic porphyries, which in turn is overprinted by phyllic to argillic alteration with dimensions of 5 square kilometers. Initial mapping and sampling identified multiple zones of secondary copper mineralisation (azurite, malachite and chrysocolla) in association with quartz and quartz-magnetite veins thought to be of porphyry affinity.

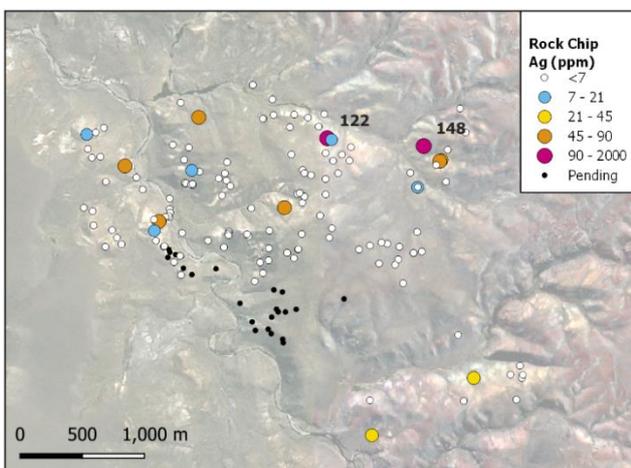
A total of 168 rock chip samples have been collected to date within the project. Preliminary results show **widespread surface anomalies in copper (up to 25%), gold (up to 2.7gpt) and silver (up to 148gpt Ag) over an area of 3km by 2km**. Anomalies are associated with oxidised and fresh sulphide veinlets exposed in sporadic outcrop restricted to incised valleys as windows through the younger colluvium cover.



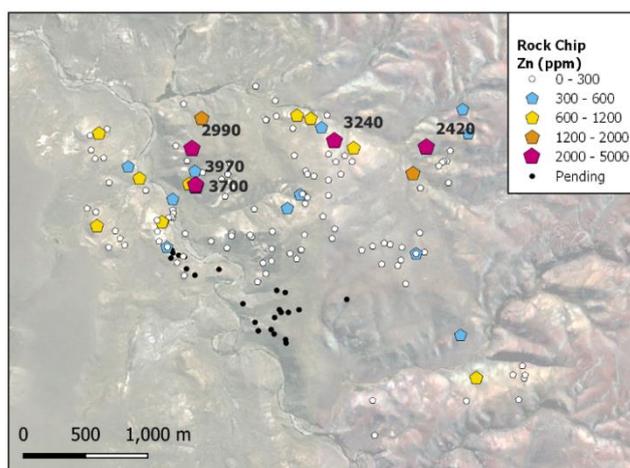
• Paredes rock chip geochemistry: Copper



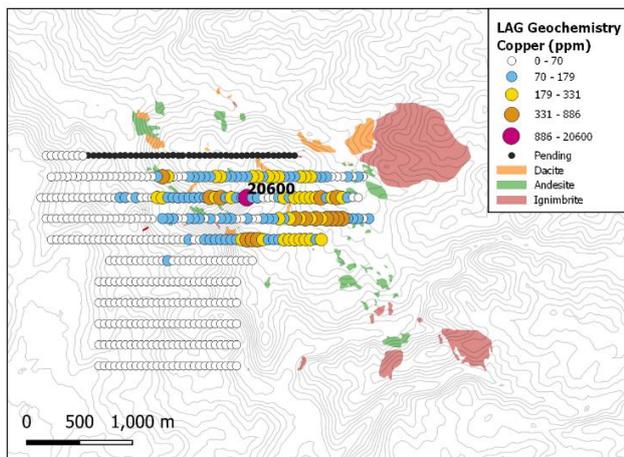
• Paredes rock chip geochemistry: Gold



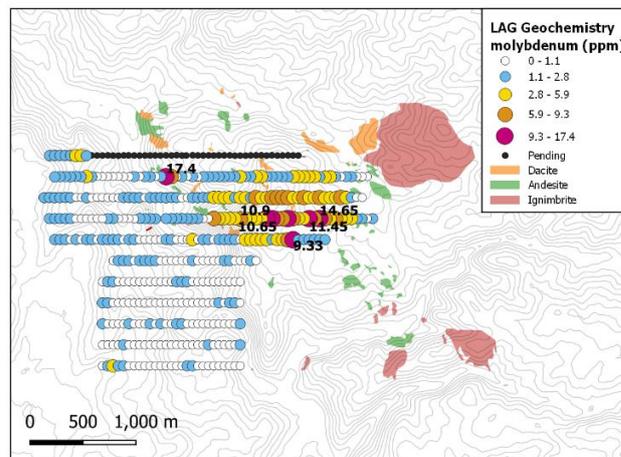
• Paredes rock chip geochemistry: Silver



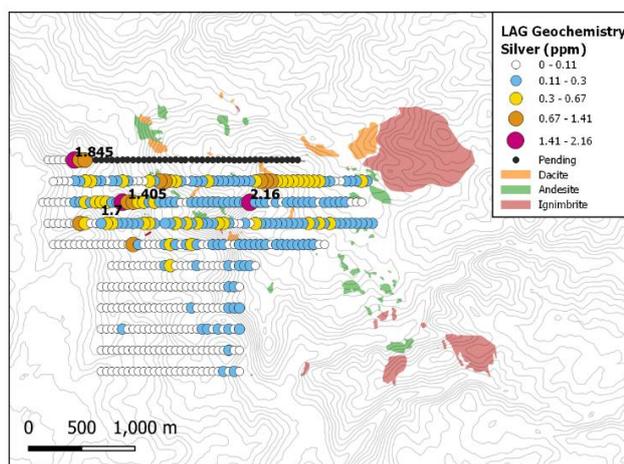
• Paredes rock chip geochemistry: Zinc



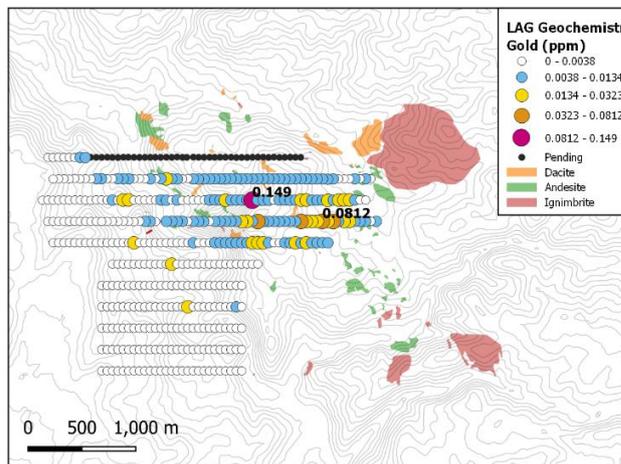
• **Paredes LAG geochemistry: Copper**



• **Paredes LAG Geochemistry: Molybdenum**



• **Paredes LAG geochemistry: Silver**



• **Paredes LAG geochemistry: Gold**

A coarse fraction soil (LAG) grid was completed over the central and western portion of the alteration system on sample centres spaced 200m by 50m to assist sampling and define zones for follow up. Multi-element assay results for 405 samples have been received date and 39 samples are pending. The results confirm several large and multi-element anomalies that remain open to the north and southeast.

Preliminary interpretation of the soil geochemical survey are as follows:

- The single coherent molybdenum (14ppm), copper (886ppm) and gold (80ppb) anomaly with dimensions of 1km northeast and 500m southeast, open to the southeast.
- A second parallel anomaly with punctual copper (up to 2%), gold (149ppb), silver (2160ppb) and zinc (816ppm) defined over 500m strike, open to the north-northwest the western.
- In western limits of the survey area, silver is elevated in several zones over a 750m strike with local maximum values of 1845ppb and 1700ppb respectively. The anomaly is broadly coincident to

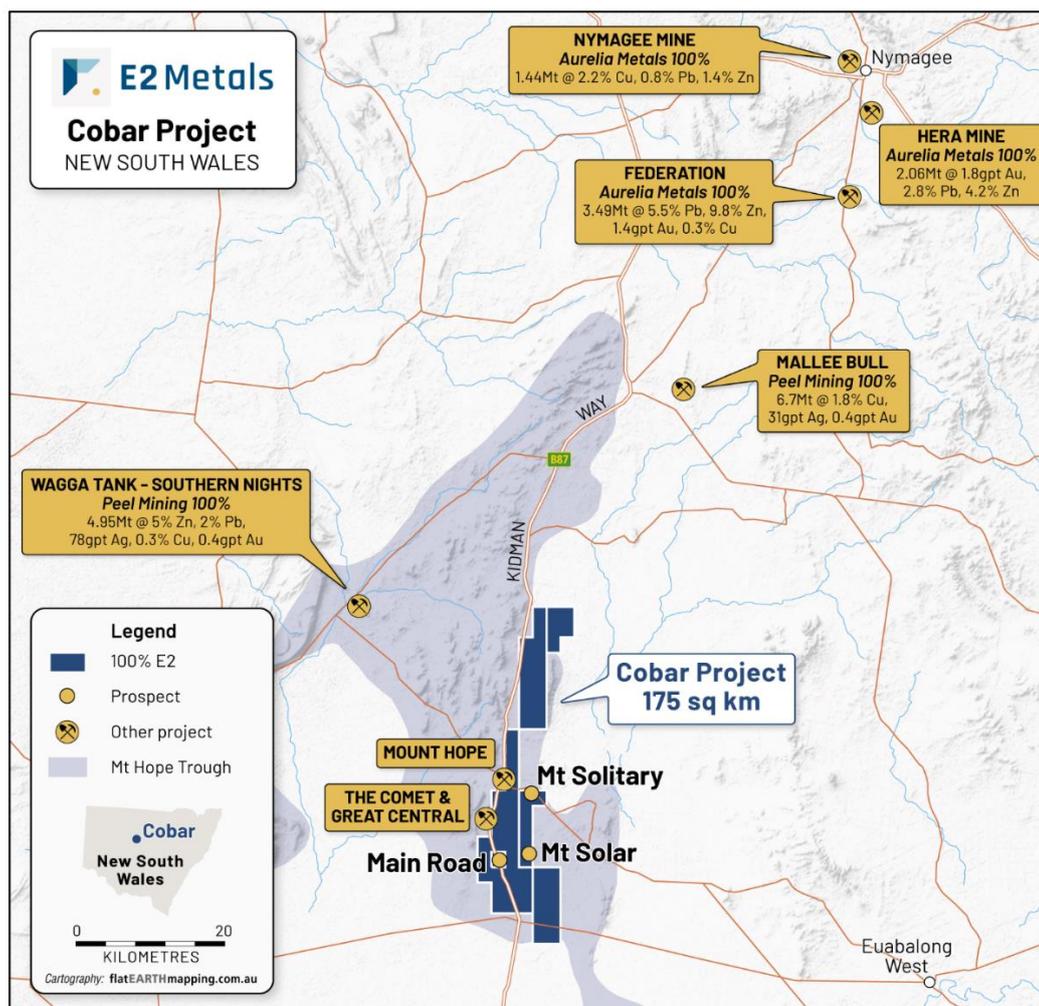
moderate gold (up to 2.4gpt) and silver (up to 70gpt) in rock chip samples.

It is worth noting that the rock chip sample program defined anomalies in two sectors outside of the current soil grid. Sampling in the northern sector returned maximum rock chip values of 2.54% Cu, 2.7gpt Au and 148gpt Ag, whereas sampling in the southern sector returned maximum rock chip values of 1.65% Cu and 2gpt Au. Both zones are within incised valleys at the intersections of major topographic lineaments interpreted to be structures.

COBAR PROJECTS, AUSTRALIA

OVERVIEW

E2 Metals holds a large 175km² strategic landholding in the prolific Cobar Superbasin, New South Wales, located on the eastern margin of the Silurian to early Devonian Mount Hope Trough (Figure 6). 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. No work was completed during the reporting period.



• Figure 6: Mount Hope Portfolio

CORPORATE

SUMMARY OF EXPENSES

During the quarter ended 31 December 2022, the Company spent \$960k on exploration and evaluation, \$71k on staff costs and \$398k on administration and corporate costs. These payments on operating activities relate to regional exploration within the broader Western Rio Negro portfolio in addition to the recently announced Pingüino transaction. In addition, the company received \$446k of net income from sales of Argentine CCL bonds which were acquired for the purpose of selling in the short term. The bonds were acquired in US Dollars and liquidated in Argentine Pesos as part of transferring the operating working capital to the Group's Argentine subsidiary for exploration activities.

PAYMENTS TO RELATED PARTIES OF THE ENTITY AND THEIR ASSOCIATES

The payments as disclosed in section 6.1 of the Appendix 5B

- Payment of \$80k for Director's fees for the quarter; and
- Payment of \$37k to Vistra Australia, an associated entity of Ms Melanie Leydin, for CFO and company secretarial fees during December 2022 quarter

The Company remains in a robust financial position with \$8.24M cash as of December 2022.

NEXT STEPS

SANTA CRUZ

- A General Meeting is to be held 1PM (AEDT) 20 February 2023 to obtain shareholder approvals to finalise the completion of the transformative Pingüino silver gold transaction.
- Upon successful completion, the Company will:
 - convert the NI 43-101 resource estimate for Pingüino to JORC (2012), and at the same time, publish a maiden resource estimate for Conserrat.
 - Commence a phased drill program at Pingüino and Conserrat targeting new discoveries and resource expansion.

WESTERN RIO NEGRO PROJECT

- At Paredes, further detailed surface exploration is planned including rock chip sampling, and expanded soil grid, and potentially a ground magnetic geophysical survey.

THIS ANNOUNCEMENT IS AUTHORISED FOR RELEASE TO THE MARKET BY THE BOARD OF DIRECTORS OF E2 METALS LIMITED

SCHEDULE OF TENEMENTS

31 DECEMBER 2022

| Description | Tenement number | Holder | Interest owned by E2 Metals Limited % |
|-------------------------------------|-----------------|--------|---------------------------------------|
| Mount Hope, Australia | EL6837 | Fisher | 100 |
| Main Road, Australia | EL8058 | Fisher | 100 |
| Broken Range, Australia | EL8290 | Fisher | 100 |
| Mount Hope, Australia | EL8654 | Fisher | 100 |
| Evelina, Argentina | 423.826/MS/09 | Minera | 80 |
| Lago Hermoso, Argentina | 423.827/MS/09 | Minera | 80 |
| El Salado Este, Argentina | 423.828/MS/09 | Minera | 80 |
| El Salado Central I, Argentina | 424.985/MS/10 | Minera | 80 |
| El Porvenir Norte, Argentina | 421.672/MS/12 | Minera | 80 |
| Tres Cerro Oeste, Argentina | 422.990/MS/12 | Minera | 80 |
| Sierra Morena I, Argentina | 430.269/MS/14 | Minera | 80 |
| Sierra Morena II, Argentina | 430.270/MS/14 | Minera | 80 |
| Cañadón La Angostura, Argentina | 437.502/BVG/17 | Minera | 80 |
| Van Norte, Argentina | 437.503/BVG/17 | Minera | 80 |
| Corona Norte, Argentina | 437.470/BVG/17 | Minera | 80 |
| Corona Sur, Argentina | 437.472/BVG/17 | Minera | 80 |
| Conserrat, Argentina | 437.471/BVG/17 | Minera | 80 |
| Felipe, Argentina | 440.732/LD/19 | Minera | 80 |
| Cerros Blancos, Argentina | 32.053/M/2007 | Minera | 80 |
| Marinao, Argentina | 32.055/M/2007 | Minera | 80 |
| Arroyo de la Ventana, Argentina | 32.056/M/2001 | Minera | 80 |
| Laguna Redonda, Argentina | 32.057/M/2007 | Minera | 80 |
| Paredes Este | 45248/M/2020 | Minera | 80 |
| Paredes, Argentina | 42.056/M/2017 | Minera | 80 |
| Los Leones, Argentina | 46006-M-2021 | Minera | 80 |
| Calvo, Argentina | 45041-M-2020 | Ivael | 100 |
| Curva Oeste y Curva Este, Argentina | 45037-M-2020 | Ivael | 100 |
| Loma Negra, Argentina | 45039-M-2020 | Ivael | 100 |
| Maria, Argentina | 45042-M-2020 | Ivael | 100 |
| Marinao Oeste, Argentina | 45043-M-2020 | Ivael | 100 |
| Ofelia, Argentina | 45044-M-2020 | Ivael | 100 |
| Ojo Del Toro, Argentina | 45040-M-2020 | Ivael | 100 |

| Description | Tenement number | Holder | Interest owned by E2 Metals Limited % |
|---|-----------------|----------------|---------------------------------------|
| Quila Mahuida, Argentina | 45038-M-2020 | Ivail | 100 |
| Vista Alegre, Argentina | 45035-M-2020 | Ivail | 100 |
| Yanquihuen, Argentina | 45035-M-2020 | Ivail | 100 |
| Buitrera, Argentina | 46003-M-2021 | Ivail | 100 |
| Buitrera Sur, Argentina | 46005-M-2021 | Ivail | 100 |
| Comallo Arriba | 46000-M-2021 | Ivail | 100 |
| Doradillo, Argentina | 46001-M-2021 | Ivail | 100 |
| Efeil, Argentina | 46002-M-2021 | Ivail | 100 |
| Saladero Sur, Argentina | 46004-M-2021 | Ivail | 100 |
| Ofelia Norte, Argentina | 46110/M/2021 | Ivail | 100 |
| Cerro Bayo, Argentina | 46111-M-2021 | Ivail | 100 |
| Rosillo Sur, Argentina | 46154-M-2021 | Ivail | 100 |
| Vista Alegre Este, Argentina | 46166-M-2021 | Ivail | 100 |
| Quila Mahuida Este, Argentina | 46178-M-2021 | Ivail (Option) | 100 |
| Yanquihuen Oeste, Argentina | 46179-M-2021 | Ivail (Option) | 100 |
| Bonito, Argentina | 46180-M-2021 | Ivail (Option) | 100 |
| Ofelia Este, Argentina | 46181-M-2021 | Ivail (Option) | 100 |
| Cañadon Guanaco Muerto Norte, Argentina | 46210-M-2021 | Ivail (Option) | 100 |
| Cañadon Guanaco Muerto Sur, Argentina | 46211-M-2021 | Ivail (Option) | 100 |
| Cerro Campo Limpio, Argentina | 46209-M-2021 | Ivail (Option) | 100 |
| Quinihuau, Argentina | 46208-M-2021 | Ivail (Option) | 100 |
| Aguada Reuque, Argentina | 46207-M-2021 | Ivail (Option) | 100 |
| Arroyo Pilahue, Argentina | 46206-M-2021 | Ivail (Option) | 100 |
| Rosillo Oeste, Argentina | 46226-M-2021 | Ivail (Option) | 100 |
| Ipa, Argentina | 444,802/IM/2021 | Ivail | Application |
| Delia, Argentina | 444,800/IM/2021 | Ivail | Application |
| Los Calafates, Argentina | 444,801/IM/2021 | Ivail | Application |
| El Rosillo | 42028-2017 | Ivail | 100 |

Notes:

Minera - Minera Los Domos S.A, a subsidiary of E2 Metals Limited

Ivail - Ivail Minings S.A, a subsidiary of E2 Metals Ltd

Fisher - Fisher Resources Pty Ltd, a wholly owned subsidiary of E2 Metals Ltd

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 Todd Williams, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Williams is the Managing Director of E2 Metals Limited. Mr. Williams 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. Williams 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.

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. | <p>El Rosillo composite rock sampling</p> <ul style="list-style-type: none"> Sampling was undertaken on a grid pattern on lines perpendicular to the main trends of quartz veins and veinlets identified during reconnaissance mapping Lines on the grid were spaced 40m apart and samples taken as composites over intervals of 20m. Composite sampling over these 20m intervals was done by taking a small representative sample of whatever rock or float material that was encountered every metre with a rope marked with knots at 1m intervals to control this spacing. When there was insufficient material representative of bed-rock at the 1m intervals the geologist walked over the 20m interval collecting float fragments of what was visually estimated to be a representative sample. A small sample was taken from the central part of each sample interval for spectral analysis by an Orexpress instrument. <p>Sample locations are determined by a handheld GPS</p> <p>El Rosillo continuous channel chip samples</p> <ul style="list-style-type: none"> Continuous channel chip samples were collected on sample intervals no less than 0.5m and no greater than 3m. Samples were collected using a hammer and chisel and are collected to be representative with both vein and wall rock material. Sample weights approximate 5 kilograms. <p>El Rosillo Trenches</p> <ul style="list-style-type: none"> Trenches are marked using a handheld GPS and excavated with pick and shovel, removing less than 0.5m of soil and colluvium to expose the underlying bedrock. Samples intervals are no less than 0.5m and no greater than 3m. Continuous samples are collected using a hand-held circular saw with a masonry blade cutting channels in the floor of the trench up to 10cm wide. <p>El Rosillo Drilling</p> <ul style="list-style-type: none"> Drill core was split on site using rock saws Sample intervals were defined from lithological mineralogical, and structural characteristics |

| Criteria | JORC Code Explanation | Commentary |
|--|--|--|
| | | <p>with sample length no longer than 2m and no less than 0.4m</p> <ul style="list-style-type: none"> The orientation of the cut line is defined where possible from structural features such as contacts, fractures, faults and veinlets so as to cut the core in two equal parts. Sample intervals are defined and subsequently checked by geologists, and sample tags are attached (stapled) to the wood core trays for every sample interval. Certified reference material, blanks and duplicates were inserted into every 12.5 samples on average. |
| 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"> Diamond drilling used a HQ diameter with triple tube core recovery configuration |
| 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. | <ul style="list-style-type: none"> Diamond drill core recoveries were assessed using the standard industry best practice which involved: <ul style="list-style-type: none"> Measuring core lengths with a tape measure. Removing the core from the split innertube and placing it carefully in the core box. Assessing recovery against core block depth measurements. Measuring RQD, recording any measured core loss for each core run. All core was carefully placed in HQ sized core boxes and transported a short distance to a built for purpose core processing area where logging, photography and logging could be completed. Overall, core quality was good with minimal core loss. Where there was localized faulting core recoveries decreased, however in most cases this was a very small percentage of the mineralised intersections. |
| <ul style="list-style-type: none"> 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"> Systematic geological logging was undertaken using a hand lens to closely examine the chips and cores. Data collected includes: <ul style="list-style-type: none"> Nature and extent of lithologies. Relationship between lithologies. Alteration extent, nature and intensity. Oxidation extent, mineralogy and intensity. Sulphide types and visually estimated percentage. Quartz vein, veinlets, breccia types and visually estimated percentage. Structure's occurrence and attitude. |

| Criteria | JORC Code Explanation | Commentary |
|---|--|--|
| | <ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. | <p>El Rosillo Drilling</p> <ul style="list-style-type: none"> All holes were logged from start to finish in a purpose-built core-shack Both qualitative and quantitative data was collected, using predefined logging codes for the lithology, mineralogy, and physical characteristics. Core was photographed after logging, with sample numbers marked on the boxes, before and after being cut |
| | <ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. | <ul style="list-style-type: none"> 100% of all core is logged |
| Sub-Sampling Techniques and Sample Preparation | <p>If core, whether cut or sawn and whether quarter, half or all core taken.</p> | <ul style="list-style-type: none"> Core was sawn in half so that each half was representative of the sample |
| | <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. | <p>El Rosillo Drilling</p> <ul style="list-style-type: none"> Core intervals were marked, and the core was split Half core samples were placed in plastic bags and tagged with a unique sample number. The other half of the core was placed back into the core trays and securely stored as a record. <p>Alex Stewart Fire Assay</p> <ul style="list-style-type: none"> All drill holes samples are submitted to Alex Stewart Mendoza. Samples are dried and crushed until more than 80% is finer than 10 mesh size, then a 600g split obtained by riffle splitting is pulverized until 95% is finer than 106 microns. Certified Standard Reference materials and duplicate samples are inserted every 12.5 samples (DDH) to assess the accuracy and reproducibility. |
| Quality of Assay Data and Laboratory Tests | <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 | <ul style="list-style-type: none"> No geophysical tools were used in the determination of the assay results. All assay results were generated by an independent third-party laboratory as described above. Certified reference material, blanks or duplicates were inserted at least every 25 samples. Standards are purchased from a Certified Reference material manufacture company – Ore Research and Exploration. Standards were purchased in foil lines packets of between 60g and 100g. Different reference materials were used to cover high grade, medium grade and low grader ranges of gold and silver. The standard names on the foil packages were erased before going into the pre-numbered sample bag and the standards are submitted to the lab blind. |



| Criteria | JORC Code Explanation | Commentary |
|--|--|---|
| | checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established. | |
| 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"> The raw assay data forming significant intercepts are examined and discussed by at least two company personnel. No twinned holes have been completed at this stage Drillhole logging is entered directly by the geologist in digital form onto appropriate devices, with careful verification by several staff focusing on sample numbers and sample intervals, and then verified in Micromine. Assay data is provided by Alex Stewart in three formats, csv spreadsheets, Excel spreadsheets and signed pdf files. The csv files are used to merge the data into MapInfo files. Hard copy of this and other data is stored with the other drill data. Absolute values of the assay results are checked by comparing results of the quality control samples with the known values of the international standards and sterile samples which were inserted by the geologists into the sample sequence. Repeatability of assay results was verified by examining the results of duplicate samples inserted by the company and internal laboratory duplicate results included with the assay certificates. |
| 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"> Trench collars are located using Garmin hand-held GPS accurate to $\pm 5m$. All coordinates are based on UTM Zone 19S using a WGS84 datum. Topographic control to date has used GPS data, which is adequate considering the small relief (<50m) in the area. |
| 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"> Not applicable as no Ore Resource or Reserve has been completed at El Rosillo. |
| 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 mineralized structures is | <ul style="list-style-type: none"> Drilling is orientated to cross the interpreted, steeply dipping mineralised veins at a high-angle. No known bias has been introduced into the drilling orientation. |

| Criteria | JORC Code Explanation | Commentary |
|--------------------------|---|--|
| | 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"> Chain of custody was managed by E2Metals. Samples were placed into taped polyethylene bags with sample numbers that provided no specific information on the location of the samples. Samples were transported from site to the Alex Stewart preparation lab in Mendoza by courier and after preparation pulps were transported for final analysis using transport organized by Alex Stewart. |
| 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"> No audit or review of the sampling regime at El Rosillo has been undertaken. |

SECTION 2 REPORTING OF EXPLORATION

| Criteria | JORC Code Explanation | Commentary |
|--|---|---|
| Mineral Tenement and Land Tenure Status | <p>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.</p> <p>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> | <p>E2 holds a 100% interest in the El Rosillo project through its ownership in local Argentina holding company Ivael Mining SA.</p> <p>El Rosillo Project title Title ID 42048/17</p> |
| Exploration Done by Other Parties | Acknowledgment and appraisal of exploration by other parties. | <p>El Rosillo Project <u>Reconnaissance exploration by Valcheta</u></p> <ul style="list-style-type: none"> Valcheta has completed a limited phase of selective rock chip sampling at the El Rosillo project. This work led to the identification of Intrusion Related Gold-type mineralisation at Targets 37 and 38. |

| Criteria | JORC Code Explanation | Commentary |
|---------------------------------|---|---|
| Geology | Deposit type, geological setting and style of mineralisation. | Deposit Model <ul style="list-style-type: none"> • El Rosillo is located towards the western margin of the Somuncura Massif geological province that stretches across southern Argentina into the Chilean southern Andes. This massif is underlain by Triassic and Jurassic aged volcanic and volcanoclastic rocks. • Important precious metal deposits have been discovered in the province during the past 20 years. Gold and silver mineralisation is associated with Low Sulphidation (LS) Epithermal veins related to northwesterly structures that were active at the time of mineralisation. |
| Drill Hole Information | 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> | <ul style="list-style-type: none"> • Drill holes are shown in the tables contained within the main report |
| Data Aggregation Methods | 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. | <ul style="list-style-type: none"> • Significant intercepts are calculated using a 0.25gpt Au equivalent cut off. Sample grades are weighted by interval length. |

| Criteria | JORC Code Explanation | Commentary |
|--|--|---|
| | <p>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.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p> | |
| Relationship Between Mineralisation Widths and intercept lengths. | <p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>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> | <ul style="list-style-type: none"> • True widths are estimated to be 50-70% of reported widths |
| Diagrams | <p>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> | Yes. |
| Balanced Reporting | <p>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.</p> | Yes |
| Other Substantive Exploration Data | <p>Other exploration data, if meaningful and material, should be reported including (but not limited to):</p> | There is no exploration data unreported in this announcement |

| Criteria | JORC Code Explanation | Commentary |
|---------------------|---|--|
| | 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. | |
| Further Work | 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 trenching and drilling is planned at all prospects |

E2 METALS LIMITED

ABN: 34 116 865 546

ASX Code: E2M

Issued Capital

199.1 M fully paid
ordinary shares

DIRECTORS / SECRETARY

Peter Mullens – Chair

Todd Williams – Managing Director

Melanie Leydin – Non-Executive Director & Secretary

ADDRESS

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

E2 Metals Limited

ABN

34 116 865 546

Quarter ended ("current quarter")

31 December 2022

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (960) | (2,348) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (71) | (132) |
| (e) administration and corporate costs | (398) | (755) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | 31 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | 26 | 26 |
| 1.9 Net cash from / (used in) operating activities | (1,403) | (3,178) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | | |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) exploration & evaluation | - | - |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2 | Proceeds from the disposal of: | - | - |
| | (a) entities | | |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (net gains received from the sale of Bonds) | 446 | 814 |
| 2.6 | Net cash from / (used in) investing activities | 446 | 814 |

| | | | |
|-------------|---|-------------|-------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 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 (provide details if material) | (13) | (26) |
| 3.10 | Net cash from / (used in) financing activities | (13) | (26) |

| | | | |
|-----------|--|---------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 9,290 | 10,678 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,403) | (3,178) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 446 | 814 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (13) | (26) |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | (80) | (48) |
| 4.6 | Cash and cash equivalents at end of period | 8,240 | 8,240 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 8,240 | 9,290 |
| 5.2 | Call deposits | | |
| 5.3 | Bank overdrafts | | |
| 5.4 | Other (Short term bonds) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 8,240 | 9,290 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 117 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | | - |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (1,403) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (1,403) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 8,240 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 8,240 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 5.8 |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: N/A | |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: N/A | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

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

Date: 27 January 2023

Authorised by: By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.