

E2 Metals Limited

ABN 34 116 865 546

Half Year Report - 31 December 2020

E2 Metals Limited
Contents
31 December 2020



| | |
|---|----|
| Corporate directory | 2 |
| Directors' report | 3 |
| Auditor's independence declaration | 5 |
| Statement of profit or loss and other comprehensive income | 6 |
| Statement of financial position | 7 |
| Statement of changes in equity | 8 |
| Statement of cash flows | 9 |
| Notes to the financial statements | 10 |
| Directors' declaration | 15 |
| Independent auditor's review report to the members of E2 Metals Limited | 16 |

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 3
100 Pirie Street
Adelaide SA 5000

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 2020.

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 \$1,672,660 (31 December 2019: \$1,435,225).

Operating results

Operating expenses for the half year was \$3,230,486, an increase of \$1,514,279 over the corresponding prior period (2019: \$1,716,207). This was mainly due to \$1.14m increase in cost on the exploration activities and increase in the administration expenses by \$0.25m mainly driven by \$0.18m foreign exchange loss on cash and cash equivalents during the half year. During the half year, the Consolidated entity had \$1.25m (2019: nil) gain from the sale of Argentine CCL bonds which were acquired in US Dollars and liquidated in Argentine Peso as part of transferring the operating working capital to the Group's Argentine subsidiary for exploration activities.

Financial position

Net assets have increased by \$12,402,185 from \$3,907,102 at 30 June 2020 to \$16,309,287. This was mainly driven by a increase in working capital due to \$14.4m capital raised (net of transaction costs) during the half year.

Review of operations

During the six months to 31 December 2020, the Consolidated entity remained focused on exploration within its flagship Conserrat gold and silver project located in the Santa Cruz province, Argentina.

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 prospective for Low Sulphidation (LS) Epithermal vein deposits associated with Jurassic age volcanic rocks of the Deseado Massif geological complex. This includes four principal projects located along trend from established mining districts.

The Company's principal focus continues to be the Conserrat project centred 20km west-northwest of AngloGold Ashanti's Cerro Vanguardia mine. Exploration works during the reporting period included a combined 7331m Reverse Circulation (RC) and Diamond drill program and an Electrical Tomography geophysical program. On 28 October 2020, the Company announced the discovery of high-grade gold and silver mineralisation (18m at 47gpt Au and 208gpt Ag from 66m) at the Mia prospect, located in the south-eastern project area. Exploration work programs at Conserrat remain ongoing.

Rio Negro Gold Silver Project

E2 Metals holds an 80% interest in exploration titles totalling 37,979Ha and 100% interest in titles totalling 50,790Ha, located in the Rio Negro province of Argentina prospective for gold and silver 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 175km² 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

There were no 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 2021

**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 2020 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
N.S. Benbow
Director

Dated this 10th day of March, 2021

ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
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E2 Metals Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020



| | | Consolidated | |
|--|-------------|-------------------------|-------------------------|
| | | 31 December 2020 | 31 December 2019 |
| | Note | \$ | \$ |
| Revenue | | | |
| Grant and other income | | 29,865 | - |
| Interest income | | 4,007 | 12,333 |
| Investment income | 4 | 1,253,710 | - |
| Expenses | | | |
| Administration expenses | | (338,763) | (89,514) |
| Corporate expense | | (268,030) | (172,503) |
| Employment expenses | | (154,434) | (130,177) |
| Exploration expenses | | (2,469,259) | (1,324,013) |
| Loss before income tax expense | | (1,942,904) | (1,703,874) |
| Income tax expense | | - | - |
| Loss after income tax expense for the half-year | | (1,942,904) | (1,703,874) |
| Other comprehensive loss | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Foreign currency translation | | (86,478) | (15,399) |
| Other comprehensive loss for the half-year, net of tax | | (86,478) | (15,399) |
| Total comprehensive loss for the half-year | | <u>(2,029,382)</u> | <u>(1,719,273)</u> |
| Loss for the half-year is attributable to: | | | |
| Non-controlling interest | | (270,244) | (268,649) |
| Owners of E2 Metals Limited | | (1,672,660) | (1,435,225) |
| | | <u>(1,942,904)</u> | <u>(1,703,874)</u> |
| Total comprehensive loss for the half-year is attributable to: | | | |
| Non-controlling interest | | (180,568) | (262,776) |
| Owners of E2 Metals Limited | | (1,848,814) | (1,456,497) |
| | | <u>(2,029,382)</u> | <u>(1,719,273)</u> |
| | | Cents | Cents |
| Basic earnings/(loss) per share | 10 | (1.24) | (1.56) |
| Diluted earnings/(loss) per share | 10 | (1.24) | (1.56) |

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 2020



Assets

Current assets

| | |
|---------------------------|--|
| Cash and cash equivalents | |
| GST and other receivables | |
| Other assets | |
| Total current assets | |

Non-current assets

| | |
|-------------------------------|--|
| GST and other receivables | |
| Property, plant and equipment | |
| Security deposits | |
| Total non-current assets | |

Total assets

Liabilities

Current liabilities

| | |
|---------------------------|--|
| Trade and other payables | |
| Employee benefits | |
| Total current liabilities | |

Non-current liabilities

| | |
|-------------------------------|--|
| Employee benefits | |
| Total non-current liabilities | |

Total liabilities

Net assets

Equity

| | |
|--|--|
| Issued capital | |
| Reserves | |
| Accumulated losses | |
| Equity attributable to the owners of E2 Metals Limited | |
| Non-controlling interest | |

Total equity

| Note | Consolidated | |
|------|---------------------------|--------------------|
| | 31 December 2020 \$ | 30 June 2020 \$ |
| | 15,589,127 | 3,564,498 |
| 5 | 546,626 | 322,098 |
| | 28,695 | 43,195 |
| | <u>16,164,448</u> | <u>3,929,791</u> |
| 5 | 126,338 | 19,616 |
| | 87,765 | - |
| | 30,000 | 30,000 |
| | <u>244,103</u> | <u>49,616</u> |
| | <u>16,408,551</u> | <u>3,979,407</u> |
| 6 | 78,683 | 64,741 |
| | 18,330 | 6,459 |
| | <u>97,013</u> | <u>71,200</u> |
| | 2,251 | 1,105 |
| | <u>2,251</u> | <u>1,105</u> |
| | <u>99,264</u> | <u>72,305</u> |
| | <u>16,309,287</u> | <u>3,907,102</u> |
| 7 | 29,041,443 | 14,562,344 |
| | (46,649) | 177,037 |
| | (11,821,079) | (10,148,419) |
| | 17,173,715 | 4,590,962 |
| | (864,428) | (683,860) |
| | <u>16,309,287</u> | <u>3,907,102</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 2020



| 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> |
| Consolidated | Issued capital \$ | Shared based payment reserve \$ | Foreign currency translation reserve \$ | Accumulated losses \$ | Non-controlling interest \$ | Total equity \$ |
| Balance at 1 July 2020 | 14,562,344 | 205,093 | (28,056) | (10,148,419) | (683,860) | 3,907,102 |
| Loss after income tax expense for the half-year | - | - | - | (1,672,660) | (270,244) | (1,942,904) |
| Other comprehensive income/(loss) for the half-year, net of tax | - | - | (176,154) | - | 89,676 | (86,478) |
| Total comprehensive loss for the half-year | - | - | (176,154) | (1,672,660) | (180,568) | (2,029,382) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | | |
| Issue of share capital | 15,166,300 | - | - | - | - | 15,166,300 |
| Transaction cost | (876,138) | - | - | - | - | (876,138) |
| Share issued on exercise of unlisted options | 125,621 | - | - | - | - | 125,621 |
| Movement reserve on the exercise of options | 63,316 | (63,316) | - | - | - | - |
| Share based payment expense | - | 15,784 | - | - | - | 15,784 |
| Balance at 31 December 2020 | <u>29,041,443</u> | <u>157,561</u> | <u>(204,210)</u> | <u>(11,821,079)</u> | <u>(864,428)</u> | <u>16,309,287</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 2020



| | Consolidated | |
|---|-------------------------|-------------------------|
| | 31 December 2020 | 31 December 2019 |
| | \$ | \$ |
| Cash flows from operating activities | | |
| Payments to suppliers and employees (inclusive of GST) | (3,409,014) | (1,580,655) |
| Interest received | 3,766 | 12,333 |
| Interest paid | - | (1,744) |
| COVID-19 ATO incentives received | 29,865 | - |
| Net cash used in operating activities | (3,375,383) | (1,570,066) |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | (89,825) | - |
| Net proceeds from the sales of bonds | 1,253,709 | - |
| Net cash from investing activities | 1,163,884 | - |
| Cash flows from financing activities | | |
| Proceeds from issue of shares | 15,291,921 | - |
| Equity raising costs | (876,138) | - |
| Repayment of borrowings | - | (26,606) |
| Net cash from/(used in) financing activities | 14,415,783 | (26,606) |
| Net increase/(decrease) in cash and cash equivalents | 12,204,284 | (1,596,672) |
| Cash and cash equivalents at the beginning of the financial half-year | 3,564,498 | 3,946,719 |
| Effects of exchange rate changes on cash and cash equivalents | (179,655) | 1,070 |
| Cash and cash equivalents at the end of the financial half-year | <u>15,589,127</u> | <u>2,351,117</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 2021.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 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 2020 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.

Note 3. 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
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.

Note 3. Operating segments (continued)

Consolidated - 31 December 2020

| | Argentina \$ | Australia \$ | Unallocated \$ | Total \$ |
|---------------------------------------|--------------------|-----------------|-------------------|--------------------|
| Other income | 1,253,710 | 33,872 | - | 1,287,582 |
| Administration expenses | - | - | (338,763) | (338,763) |
| Corporate expenses | - | - | (268,030) | (268,030) |
| Employment expenses | - | - | (154,434) | (154,434) |
| Exploration expense | (2,381,047) | (88,212) | - | (2,469,259) |
| Loss before income tax expense | <u>(1,127,337)</u> | <u>(54,340)</u> | <u>(761,227)</u> | <u>(1,942,904)</u> |
| Income tax expense | | | | - |
| Loss after income tax expense | | | | <u>(1,942,904)</u> |

Assets

Unallocated assets:

| | |
|-----------------------------|-------------------|
| Cash and cash equivalents | 15,589,127 |
| Trade and other receivables | 672,964 |
| Other current assets | 28,695 |
| Other non-current assets | 117,765 |
| Total assets | <u>16,408,551</u> |

Liabilities

Unallocated liabilities:

| | |
|--------------------------|---------------|
| Trade and other payables | 78,683 |
| Employee benefits | 20,581 |
| Total liabilities | <u>99,264</u> |

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> |

Consolidated - 30 June 2020

Assets

Unallocated assets:

| | |
|-----------------------------|------------------|
| Cash and cash equivalents | 3,564,498 |
| Trade and other receivables | 341,714 |
| Other current assets | 43,195 |
| Other non-current assets | 30,000 |
| Total assets | <u>3,979,407</u> |

Liabilities

Unallocated liabilities:

| | |
|--------------------------|---------------|
| Trade and other payables | 64,741 |
| Employee benefits | 7,564 |
| Total liabilities | <u>72,305</u> |

Note 4. Investment income

| | Consolidated | |
|-----------------|-------------------------|-------------------------|
| | 31 December 2020 | 31 December 2019 |
| | \$ | \$ |
| Gain from bonds | 1,253,710 | - |

The gain from bonds relates to gain from the sale 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 Peso as part of transferring the operating working capital to the Group's Argentine subsidiary for exploration activities. The bonds were acquired and sold during the half-year ended December 2020. There were no bonds on hand as at 31 December 2020.

Note 5. GST and other receivables

| | Consolidated | |
|-------------------------------------|-------------------------|---------------------|
| | 31 December 2020 | 30 June 2020 |
| | \$ | \$ |
| GST and VAT receivable- current | 535,669 | 313,264 |
| GST and VAT receivable- non-current | 126,338 | 19,616 |
| Other receivables -current | 10,957 | 8,834 |
| | <u>672,964</u> | <u>314,714</u> |

Non-current GST and VAT receivables represents the amount of VAT as at 31 December 2020 that is reimbursable under the Mining Investment Law in Argentina after a period of up to 15 months from the date that the VAT credit originated through a purchase of a VAT-taxable supply.

Note 6. Trade and other payables

| | Consolidated | |
|----------------|-------------------------|---------------------|
| | 31 December 2020 | 30 June 2020 |
| | \$ | \$ |
| Trade payables | 20,969 | 14,173 |
| Accruals | 9,497 | 28,199 |
| Other payables | 48,217 | 22,369 |
| | <u>78,683</u> | <u>64,741</u> |

Note 7. Equity - issued capital

| | Consolidated | | | |
|------------------------------|-------------------------|---------------------|-------------------------|---------------------|
| | 31 December 2020 | 30 June 2020 | 31 December 2020 | 30 June 2020 |
| | Shares | Shares | \$ | \$ |
| Ordinary shares - fully paid | <u>149,658,406</u> | <u>113,869,786</u> | <u>29,041,443</u> | <u>14,562,344</u> |

Note 7. Equity - issued capital (continued)

Movements in ordinary share capital

| Details | Date | Shares | Issue price | \$ |
|--|------------------|--------------------|-------------|-------------------|
| Balance | 1 July 2019 | 91,869,786 | | 11,855,059 |
| Share placement to sophisticated investors | 4 June 2020 | 22,000,000 | \$0.125 | 2,750,000 |
| Capital raising cost | | - | \$0.000 | (42,715) |
| Balance | 1 July 2020 | 113,869,786 | | 14,562,344 |
| Share placement to sophisticated investors | 3 July 2020 | 17,330,400 | \$0.125 | 2,166,300 |
| Share issued on exercise of unlisted options | 6 November 2020 | 350,000 | \$0.269 | 94,887 |
| Share issued on exercise of unlisted options | 16 November 2020 | 300,000 | \$0.316 | 94,049 |
| Share placement to sophisticated investors | 26 November 2020 | 17,808,220 | \$0.730 | 13,000,000 |
| Capital raising cost | | - | \$0.000 | (876,137) |
| Balance | 31 December 2020 | <u>149,658,406</u> | | <u>29,041,443</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 group had no material contingent liabilities as at the date of this report (30 June 2020: nil)

Note 9. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 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 2020 | 31 December 2019 |
| | \$ | \$ |
| Loss after income tax | (1,942,904) | (1,703,874) |
| Non-controlling interest | 270,244 | 268,649 |
| Loss after income tax attributable to the owners of E2 Metals Limited | <u>(1,672,660)</u> | <u>(1,435,225)</u> |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | <u>134,483,047</u> | <u>91,869,786</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>134,483,047</u> | <u>91,869,786</u> |

Note 10. Earnings per share (continued)

| | Cents | Cents |
|-----------------------------------|--------------|--------------|
| Basic earnings/(loss) per share | (1.24) | (1.56) |
| Diluted earnings/(loss) per share | (1.24) | (1.56) |

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 2020 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 2021

Independent auditor's review report

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 2020, 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, 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 2020 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of Management 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.

ACCOUNTANTS & ADVISORS

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Melbourne VIC 3000

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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. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 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*.

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.

William Buck

William Buck Audit (Vic) Pty Ltd

ABN: 59 116 151 136



N.S. Benbow

Director

Dated this 10th day of March, 2021

ACCOUNTANTS & ADVISORS

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