



EMETALS
— LIMITED —

29 April 2020

The Manager
Market Announcements Office
Level 40, Central Park,
152-158 St George's Terrace
PERTH WA 6000

QUARTERLY ACTIVITIES REPORT TO 31 MARCH 2020

The Directors of eMetals Limited (**ASX:EMT**)(**eMetals**)(**Company**), are pleased submit the Quarterly Activities Report and Appendix 5B for the quarter ending 31 March 2020.

HIGHLIGHTS

- Completion of RWG Minerals Pty Ltd (RWG) acquisition
- Progress development of commercial relationships to identify and evaluate mineral interests (Prospects) in the Areas of Mutual Interest
- Ongoing project review and strategic acquisitions
- Review of Nardoo Well Project historical exploration identifies Rare Earth Element, niobium and tantalum prospectivity
- Stream sediment sampling defined new tungsten, niobium, tin and tantalum anomalies at the Nardoo East and Beryl Well Prospects and validates exploration model
- Acquisition of 100% of E09/2156 from Venus Metals Corporation (VMC) materially strengthens tenure position of the Nardoo Well Project
- Permitting and Program of Works submitted for all projects to advance toward drilling

CORPORATE

- Public offer (Offer) successfully closed, raising \$4,354,000 (before costs), strengthens balance sheet and provides capital to be deployed across the Projects
- Completion of E09/2156 Acquisition welcomes Venus Metals Corporation (VMC) as a substantial shareholder

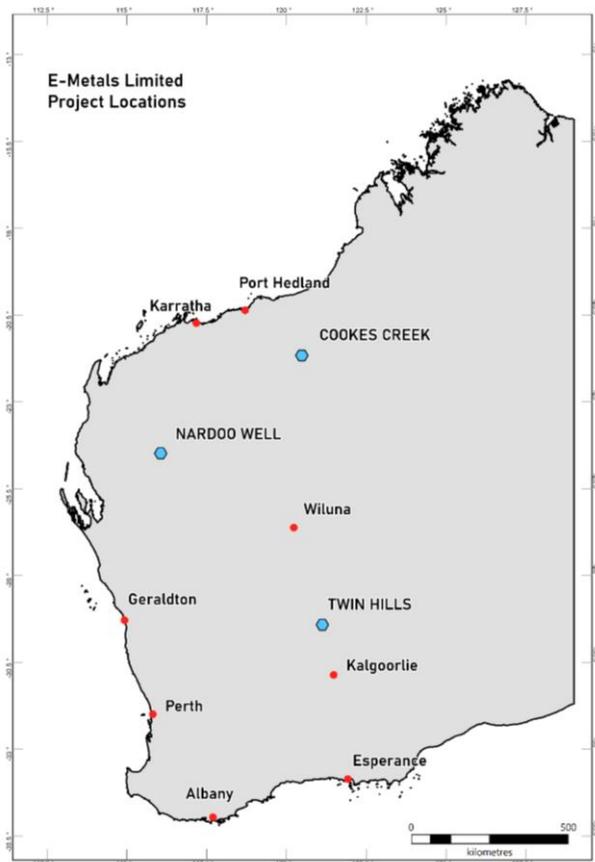
MARCH QUARTER ACTIVITIES

The Company is pleased to advise that it had recommenced trading on 24 January 2020, following its re-compliance with Chapters 1 and 2 of the ASX Listing Rules. EMT acquired RWG Pty Ltd pursuant to the quotation of its securities on the ASX effective 24 January 2020.

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Activities during the quarter comprised initial reviews and data compilation on the Company's projects, and receipt of assays from work undertaken during 2019 as required under statutory tenement conditions, with samples submitted in February 2020.

Reviews of historical WAMEX data were interpreted to show elevated rare earth element (REE), niobium-tantalum and lithium prospectivity on the Nardoo Well tungsten project. eMetals announced the results of stream sediment reconnaissance sampling on the Nardoo Well tenement (see ASX announcement 27th April 2020) which were received late in the quarter.

This work has defined a new niobium-tantalum-tungsten anomaly at Nardoo East, which requires follow up exploration.

Work on the Cookes Creek and Twin Hills projects has involved planning for initial drill programs, heritage clearance surveys and

landholder access negotiations. Program of Works (POW) were submitted on all projects and have been received, with heritage surveys required prior to drilling.

Nardoo Hill Rare Metals Project

Tenement Acquisition

Further strengthening its tenement position, the Company entered into a binding tenement sale and purchase term sheet to acquire a mineral tenement from Venus Metals Corporation Limited (VMC). The Company agreed to acquire 100% of the legal and beneficial right, title and interest in E09/2156.

Under the terms of the Acquisition Agreement, the Company will acquire E09/ 2156 (**Tenement**) in consideration for, A\$15,000 in immediately available funds, 25,000,000 fully paid ordinary shares in the capital of the Company (issued at \$0.014 per Share) and a royalty of A\$0.50 per tonne of ore extracted from the area within the Tenement, payable in cash. Further details on the acquisition are detailed below, and in the 16th March ASX announcement.

The Acquisition is consistent with the objectives of the Company and its intended business strategy of acquiring and investing in companies or prospects complementary to its existing projects, including the Nardoo Well tenement in the Gascoyne Province of Western Australia (ASX Release 16 March 2020).

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The Nardoo Hill Rare Metals Project is located within the Gascoyne Mineral Province in Western Australia, approximately 840 km to the north of Perth. E09/2114 Nardoo Hill contains approximately 15 strike kilometres of tungsten mineralized skarns within the Mount James Subgroup, and several Li-Ta-Nb-REE mineralized pegmatite occurrences.

E09/2156 overlies the historical Nardoo Hill & Morrissey Hill workings, in a pelitic and gneissic terrain that has been extensively intruded by pegmatites, which host tantalum-lithium-niobium mineralization.

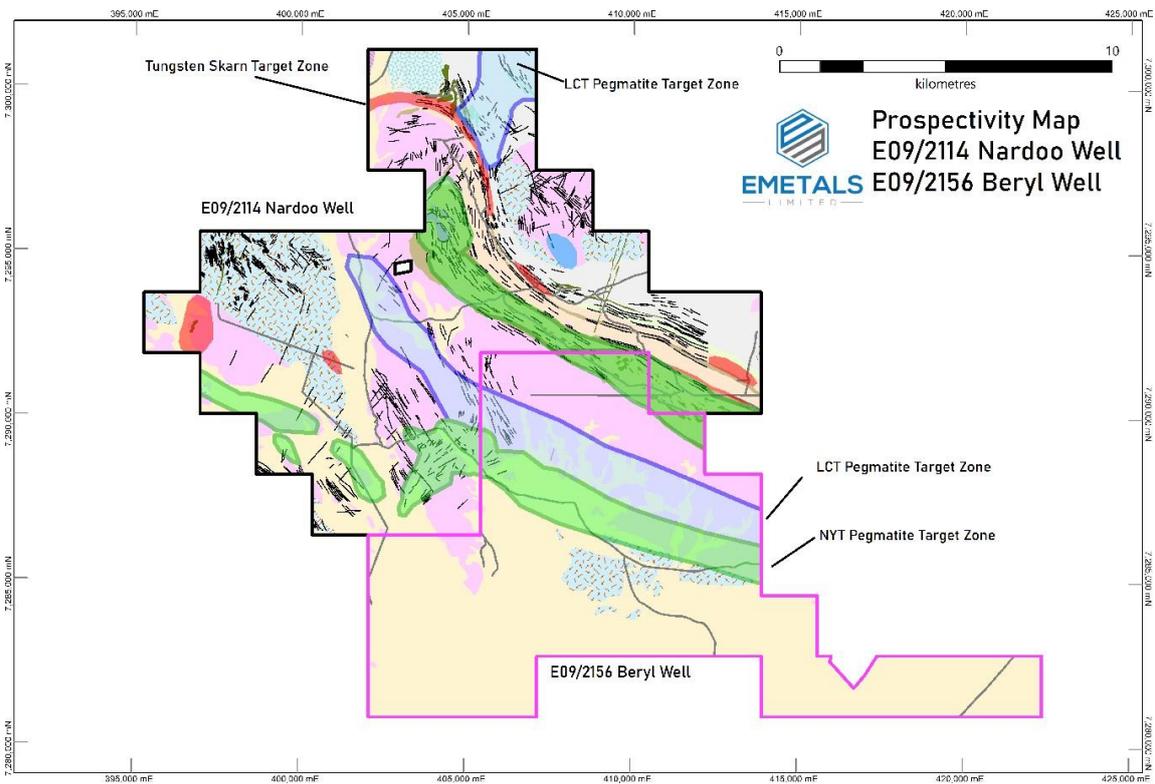


Figure 1. Location of the Tenement the subject of the Agreement between the Company and Venus Metals Corporation Limited and proximity to eMetals existing Nardoo Well tenement.

Venus Metals Limited exploration, comprising field mapping and rock-chip sampling, has focussed on a 4 km² area centred on the Beryl Well (Nardoo Hill) prospect. An initial program of reconnaissance mapping & sampling has been completed over the project area and identified the extensive mineralised structural and stratigraphic Nardoo Lithium-Tantalum-Niobium Trend, which covers over twenty kilometres of strike.

The acquisition of E09/2156 has expanded EMT's tenement position to include areas which were identified as prospective for niobium, tantalum and rare earth element pegmatites (Nb-Ta-REE) as detailed in an ASX Announcement on 9 March 2020.



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PROSPECTIVITY REVIEW

eMetals has engaged an independent geological consultant, Gneiss Results (**Gneiss**) to undertake field mapping, prospecting and structural study aimed at confirming the mineralisation and producing an exploration program for 2020. A comprehensive project review of historical exploration activities on the Nardoo Well tenement has been undertaken, which involved compiling historical WAMEX reports into a GIS database.

The review by Gneiss identified that historic drilling of the Nardoo Well tungsten skarns may have under-represented the tungsten mineralization due to deficiencies in methodology and assay techniques. Gneiss Results has recommended that the Nardoo Well tungsten skarns be drilled using diamond core, and recommended improvements to sampling and assaying methods to provide the highest quality test of the skarns.

The review of historical exploration has resulted in identification of pegmatites enriched in Rare Earth Elements (REE), niobium-tantalum, and lithium. Sampling information is detailed in eMetals ASX announcement on 9th March 2020.

These results are interpreted to show that certain pegmatites within the Yinnetharra region are strongly enriched in Y-REE phosphates such as xenotime, euxenite and pyrochlore and may be prospective for mineralization of this nature. Historical sampling within the region has not included many REE analyses, and considerable potential is interpreted to exist on E09/2115 and E09/2156.

This interpretation has been borne out by the recent stream sediment sampling results which have materially added to the potential of the Nardoo Hill Project.

SURFACE GEOCHEMISTRY

During the Quarter results were received for stream sediment sampling (see ASX Release 27 April 2020). The stream sediment sampling was undertaken in 2019 to maintain tenements in good standing, with samples submitted to the laboratory during February 2020, and interpretation completed late in the Quarter.

Results indicate highly significant, extremely anomalous results for tungsten (maximum 129ppm), niobium (maximum 355ppm), tantalum (maximum 75.6ppm), cerium (maximum 300ppm), and tin (maximum 0.05% or 500ppm) associated with several small catchment areas at Nardoo East.

These anomalous results exceed the previous tungsten anomaly thresholds from Mincor Resources' 2006 stream sediment sampling, which led Mincor to the outcropping skarn mineralization primarily via the use of UV night lamping, rock chip sampling and mapping.

The current stream sediment sampling results at Nardoo East are interpreted to reflect a source of mineralization within the catchments that will be the subject of further exploration work such as infill soil sampling, rock chip sampling and UV lamping.

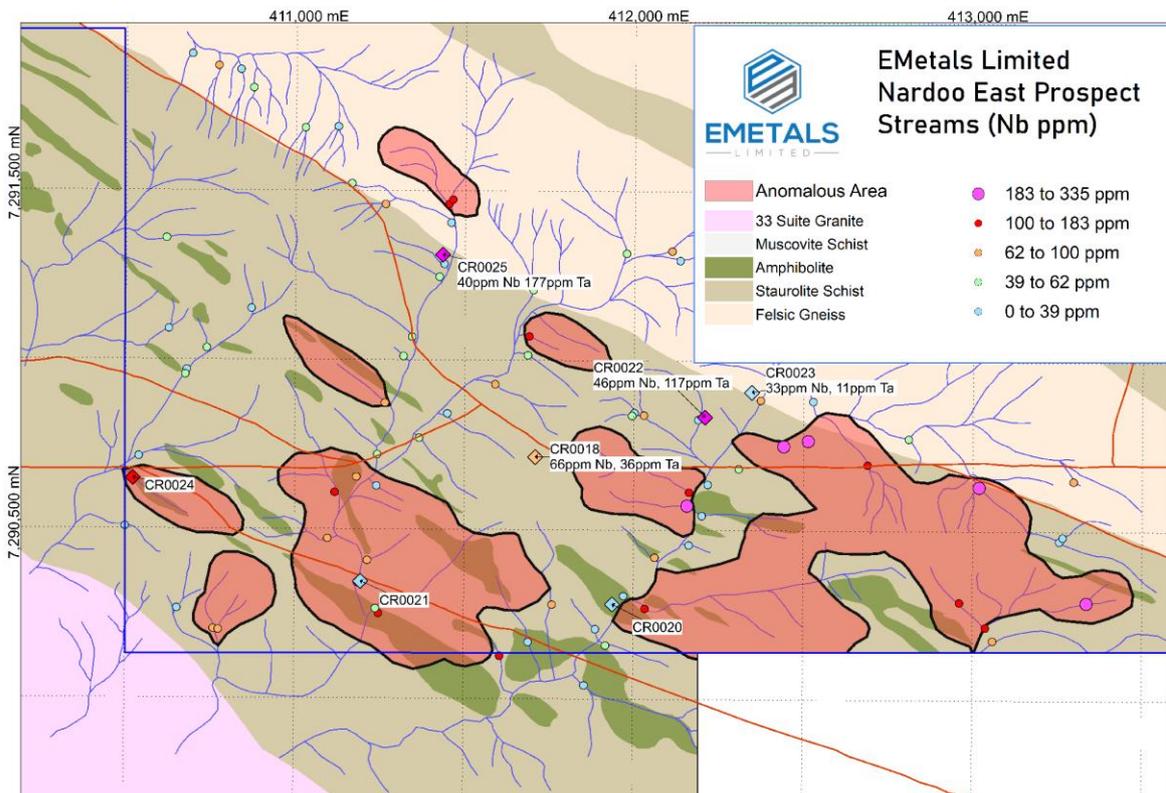
Rock chip samples included a maximum of 0.8% copper (in amphibolite), 177ppm tantalum and 152ppm niobium. Enrichments in niobium and tantalum were noted in pegmatites, primarily from the Nardoo East area.

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The presence of extremely anomalous niobium within the Nardoo East area is unexpected, but is interpreted to reflect the presence of a niobium-tantalum bearing pegmatite within the catchment(s). These anomalies demonstrate the potential of the entire Project area to host Nb-Ta-REE and/or lithium bearing pegmatites.



Planned Exploration Program

EMT has begun planning an exploration program which involves a diamond core program to twin historical RC holes at the Nardoo Well tungsten skarn prospects. The objective of this drilling will be to assess whether the strongly mineralised outcrop mineralisation persists at depth, gain structural information, and confirm that diamond core provides more accurate sampling of mineralisation.

The Company has begun the process of engaging with Native Title holders, pastoralists. A Program of Works was submitted and approved during the March Quarter. Required native title heritage surveys were scheduled to occur, but have been delayed indefinitely due to travel restrictions imposed by the State Government in response to the COVID-19 pandemic.

The Company is re-submitting the soil samples for Rare Earth Element (REE) characterization, to assess the nature of REE enrichments, and is planning an expanded stream sediment sampling, rock chipping and mapping program to follow up on the highly encouraging results at the Nardoo East Prospect and Beryl Well.

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Cookes Creek Project

During the Quarter, eMetals Limited continued to review the Cookes Creek Project and compile historical exploration results into a GIS database. A consultant report by BinEx Consulting was received and reviewed, highlighting the McLeod's Vein tungsten occurrence as the most prospective opportunity within the Cookes Creek tenement.

The Company progressed plans to drill the McLeod's Vein prospect and lodge a Program of Works for 3 RC holes. The POW was approved by the Department of Mines and Petroleum (DMP) in early January, subject to heritage clearance and standard environmental protocols.

The Company has begun the process of engaging with Native Title holders and pastoralists to seek access to the tenement for the purposes of drilling. Required native title heritage surveys have been delayed indefinitely due to travel restrictions imposed by the State Government in response to the COVID-19 pandemic.

eMetals will continue to monitor the situation and progress drilling as and when possible.

Twin Hills

EMT lodged a Program of Works for 750 auger holes to infill historical auger geochemistry. The POW has been approved and the Company is seeking quotes from drilling contractors to undertake the work, subject to rig availability.

COVID-19 IMPACTS

eMetals Limited has been impacted by the COVID-19 pandemic primarily by the imposition of travel restrictions by the State Government of Western Australia. Specifically, travel restrictions aimed at protecting the Aboriginal and remote communities of Western Australia have resulted in the cessation of all travel into and contact with the communities in the Nardoo Well and Cookes Creek areas. This has indefinitely delayed native title heritage clearance surveys required prior to drilling.

At this stage it is unknown when the required heritage surveys can be completed and what impact this will have on the ability of the Company to drill its projects.

CORPORATE

EMT is pleased to advise that it had recommenced trading on 24 January 2020, following its re-compliance with Chapters 1 and 2 of the ASX Listing Rules. EMT acquired 100% of the share capital in RWG Pty Ltd pursuant to the quotation of its securities on the ASX effective 24 January 2020. In January 2020 and March 2020, the Company issued the following securities:

- 217,700,00 Shares under the Public Offer;
- 10,000,000 Shares under the Vendor Offer; and
- 25,000,000 Shares under the Tenement Acquisition Agreement.

CATEGORY	ASX CODE	NUMBER
Issued Ordinary Shares	EMT	410,200,000

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The Company engages Cicero Group Pty Ltd for accounting, administrative and company secretarial services at \$4,000 per month (exclusive of GST). Mr Mathew Walker is a shareholder in Cicero Group Pty Ltd as disclosed in the Prospectus lodged on 5 November 2019.

Payments of monthly and accrued Director fees, superannuation and provision of administration/consulting services totaled \$94,422 during the March quarter. This is also detailed in section 6 of the Appendix 5B.

eMetals provides the following disclosures required by ASX Listing Rule 5.3.4 regarding a comparison of its actual expenditure to date since listing on 24/1/2020 against the "use of funds" statement in its Prospectus dated 5 November 2019.

EXPENDITURE ITEM	2 Year Use of Funds \$'000	Mar Q Use of Funds ¹ \$'000	Actual Mar Q 5B \$'000	Variance \$'000	Notes
Expenses of the Offer	\$311	\$311	\$342	\$31	Variance due to GST component.
Exploration Program costs and AMI	\$3,200	\$188	\$171	-\$16	Following listing, the Company commenced review and exploration activities to which further spending is expected to be incurred in Jun and Sep Q. Impact of COVID-19 could delay certain work programs.
Acquisition costs and deposit	\$50	\$50	\$59	\$9	Direct acquisition costs due to VMC tenement acquisition and acquisition costs of RWG.
Administration, Corporate and Staff costs	\$692	\$289	\$331	\$42	Corporate expenses, due diligence and legal expenses relation to VMC tenement acquisition.
General Working capital	\$290	\$41	\$73	\$31	Working capital expenditure incurred in Mar Q, subject to timing impacts due to listing during the Mar Q.

¹ The use of funds is allocated on a budgeted basis to which expenditure incurred will be dependent on timing factors, resourcing, sequence & priority of work programs and impact of external economic & operational factors.

TENEMENT SCHEDULE

Project	Tenements	No of Shares	Granted	Expires	Area (Blocks)
Nardoo Well	E09/2114	100/100	28/08/2015	27/08/2020	42
Beryl Well	E09/2156	100/100	02/06/2017	05/02/2022	35
Twin Hills	E29/950	100/100	23/09/2015	22/09/2020	10
Cookes Creek	E46/1095	100/100	05/04/2017	04/04/2022	13
Cookes Creek	E46/1163	100/100	08/02/2018	07/02/2023	3

This announcement is authorised by the board of eMetals Limited.

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For, and on behalf of, the Board of the Company

Gary Lyons
Chairman
EMETALS Limited

-ENDS-

Shareholders and other interested parties can speak to Mr Sonu Cheema if they have any queries in relation to this announcement: +618 6489 1600

Forward looking statements

This announcement contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and our management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law. These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements.

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr Roland Gotthard. Mr Gotthard is a consultant geologist for eMetals and a member of the Australian Institute of Mining and Metallurgy. Mr Gotthard has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Mr Gotthard consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

ASX Listing Rules Compliance

In preparing the Quarterly Report for the period ended 31 March 2020 and to date, the Company has relied on the following ASX announcements.

ASX Announcement	27/04/2020	Exploration Results
ASX Announcement	24/03/2020	Prospectus
ASX Announcement	16/03/2020	NARDOO HILL TENEMENT ACQUISITION
ASX Announcement	16/03/2020	VMC: Agreement to Sell Nardoo Hill Tenement
ASX Announcement	9/03/2020	Nardoo Well Exploration Update
ASX Announcement	5/11/2019	Prospectus
ASX Announcement	30/10/19	Notice of AGM

Compliance Statement

This report contains information extracted from reports cited herein. These are available to view on the website. In relying on the above ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the abovementioned announcements or this Quarterly Report for the period ended 31 March 2020 and to date.

Appendix 5B

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

Name of entity

eMetals Limited

ABN

71 142 411 390

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(171)	(171)
(b) development	-	-
(c) production	-	-
(d) staff costs	(94)	(94)
(e) administration and corporate costs	(237)	(520)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
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)	-	27
1.9 Net cash from / (used in) operating activities	(499)	(755)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(60)	(60)
(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 (9 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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(60)	(60)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,354	4,354
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	(342)	(342)
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)	(73)	(73)
3.10	Net cash from / (used in) financing activities	3,939	3,939
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12	268
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(499)	(755)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(60)	(60)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,939	3,939

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,392	3,392

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	89	12
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (High Interest Account)	3,303	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,392	12

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1¹
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

94

-

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

7. Financing facilities

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.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

**Total facility
amount at quarter
end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

-

-

-

-

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.

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8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	499
8.2	Capitalised exploration & evaluation (Item 2.1(d))	60
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	559
8.4	Cash and cash equivalents at quarter end (Item 4.6)	3,392
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	3,392
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	6.08

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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: NA

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: NA

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: NA

Compliance statement

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

Date:29/4/20.....

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

Notes

- 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.
- 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.

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

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