

29 January 2021

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

QUARTERLY ACTIVITIES REPORT TO 31 DECEMBER 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 December 2020.

HIGHLIGHTS

- Rock chip samples have identified a further four priority targets for Rare Metals inclusive of the **Panjshir Prospect** where extreme results for Lithium, Rubidium, Caesium and Beryllium include **2.98% Li₂O, 1.24% Rb₂O, 0.155% Cs₂O and 1.35% BeO.**
- A new 3.4 kilometer long Ni-Cu-Co-PGE anomaly has been defined in soil sampling at the **Mughal Prospect** where soil sampling has returned significant results of up to **0.15% Ni, 240ppm Cu, 380ppm Co and 114ppb PGE's** approximately 5 kilometres west of (and in the same ultramafic sequence as) historical tenement intercepts of **8m @ 0.72% Ni, 0.13% Co and 26ppb PGE's from 11m and 8m @ 1.0% Ni, 0.1% Co, 30ppb PGE's from 26m^{1,2}.**
- Rock chip sampling at **Poona** has identified a large 23km long and 200-500m wide intrusion that contains highly anomalous nickel, copper, cobalt and platinum group elements **0.12% Ni, 277ppm Cu, 167ppm Co, 47 ppb Au + Pt + Pd.**
- Significant tantalite potential identified at **The Raj Prospect** with results of up to **0.1% Ta₂O₅ in rock chips.** In-fill sampling and **drill planning completed.**
- Application lodged for highly prospective Codra Creek exploration license which contains stream sediment anomalies of up to **0.16% La and >500ppm Ce².** Importantly the assay method used by the previous explorer had an upper detection limit of 500ppm Ce and no other REE's were assayed so the true REE anomalism tenor and composition is unknown.
- A second auger program was completed at the **Twin Hills Gold Project** which has identified two additional target areas in addition to the target area identified from the phase one auger program completed in July this year.
- Subsequent to the end of the quarter **RC drilling at Twin Hills commenced** with **results expected within the current quarter.**

1 – WAMEX Report A69137

2 – WAMEX Report A117398



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eMetals Director Mathew Walker commented: "The Company continues to rapidly advance each of its highly prospective projects through a combination of aggressive field work and targeted acquisitions. The addition of the Codra Creek prospect during the quarter further enhances an impressive portfolio of strategic and rare metal projects that the Company looks forward to drill testing in the months ahead."

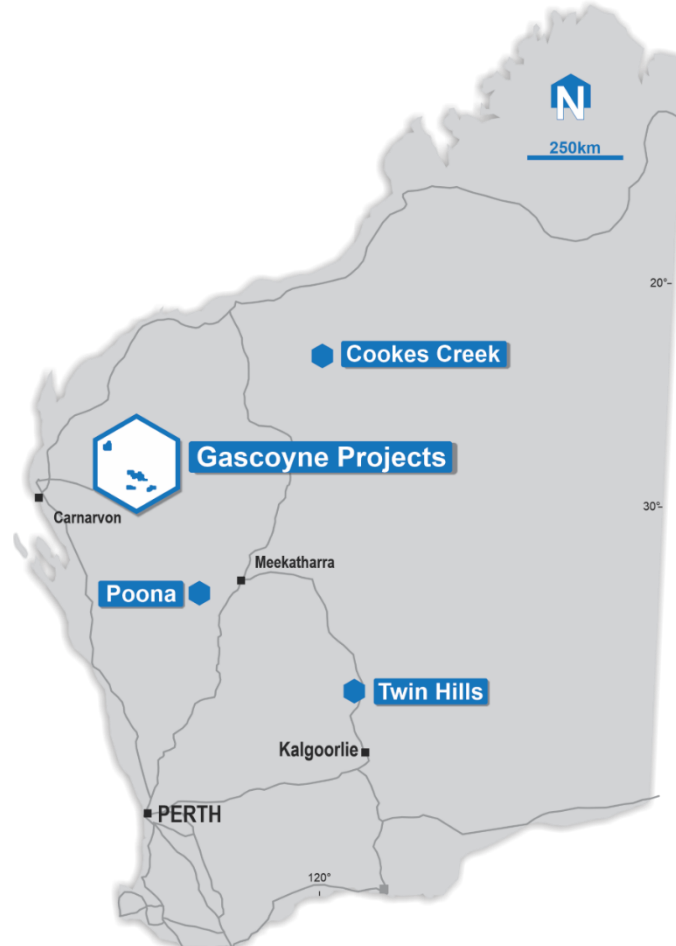


Figure 1: eMetals Limited Projects.

POONA RARE METALS PROJECT

The Poona Project is prospective for lithium-caesium-tantalum "LCT type" pegmatite mineralisation hosted within the greenstone belts of the Weld Range where they are intruded by the younger Telegoothera Monzogranite and its various intrusive units. The Company acquired E20/896 and E20/885 (90%) on 18 June 2020 and Callies Soak E20/854 in the preceding Quarter. It also has two substantial exploration license applications (E20/963 and E20/964).



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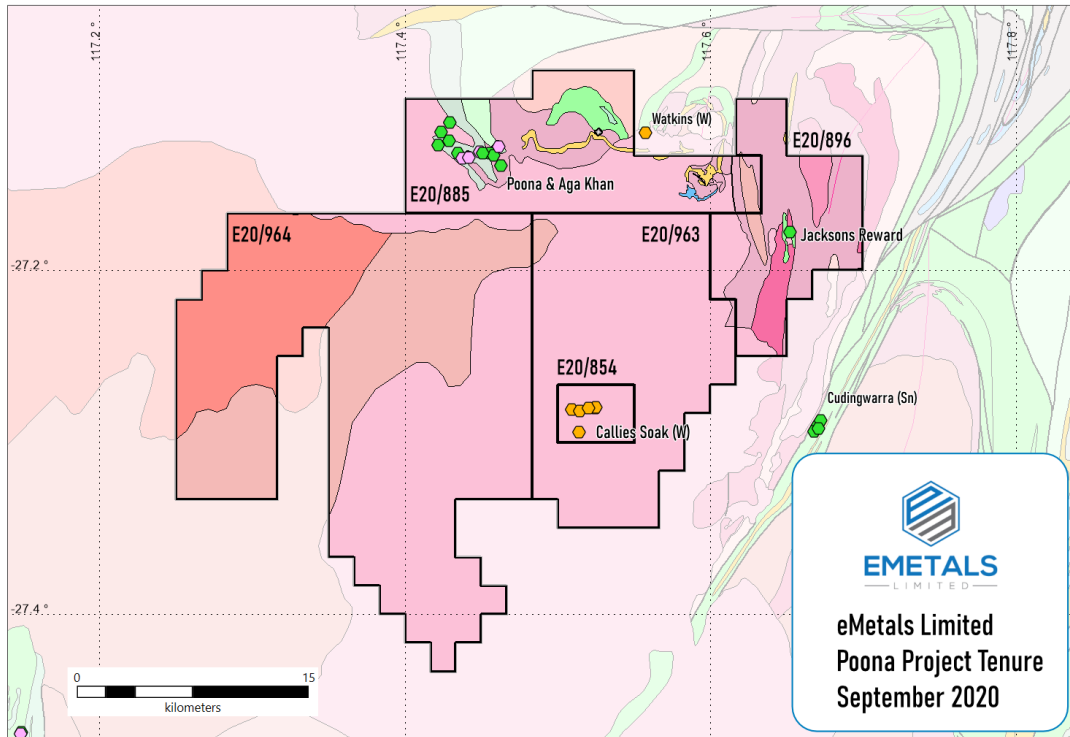


Figure 2: eMetals expanded tenure position at Poona Project.

During the quarter infill soil sampling was conducted on tenement E20/885 to bring the sampling density up to 400m x 50m across the Ni-Cu-PGE prospective stratigraphy of the **Mughal Prospect** and extensions. This involved the collection of an additional 1,950 soil samples and 50 rock chip samples during the quarter. eMetals exploration of the Poona Project has now totalled the collection of 280 rock chip samples and 2,600 soil samples.

Mughal Prospect

Results for soil sampling across the Mughal Prospect have defined a >3.4km strike of Ni-Cu-Co-PGE enrichment. The anomalous zones are depicted in Figure 3.

Soil anomalism at Mughal shows a substantial PGE and Cu enrichment associated with a stratigraphic contact between mafic and ultramafic schist. A substantial nickel and cobalt anomalous zone overlies the ultramafic schist, with a peak geochemical value of **0.15% Ni, 240pm Cu and 380ppm Co**. EMT's interpretation is that this may represent a nickel sulphide mineralised intrusion within the ultramafic schist, underlying a Cu-PGE enriched mafic intrusive zone. This may represent a similar arrangement of rock types and geochemistry to the Parkes Reef (Gnangooragoo Intrusion) where Podium Minerals has identified a 1.3M ounce platinum-palladium resource and attendant Ni-Cu sulphides.

EMT is planning a moving loop EM program to be undertaken during the quarter seeking to define conductive bodies or zones within the ultramafic schists which can then be



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tested by drilling. The Company has engaged geophysical consultants to plan and execute this work and will update the market as work progresses.

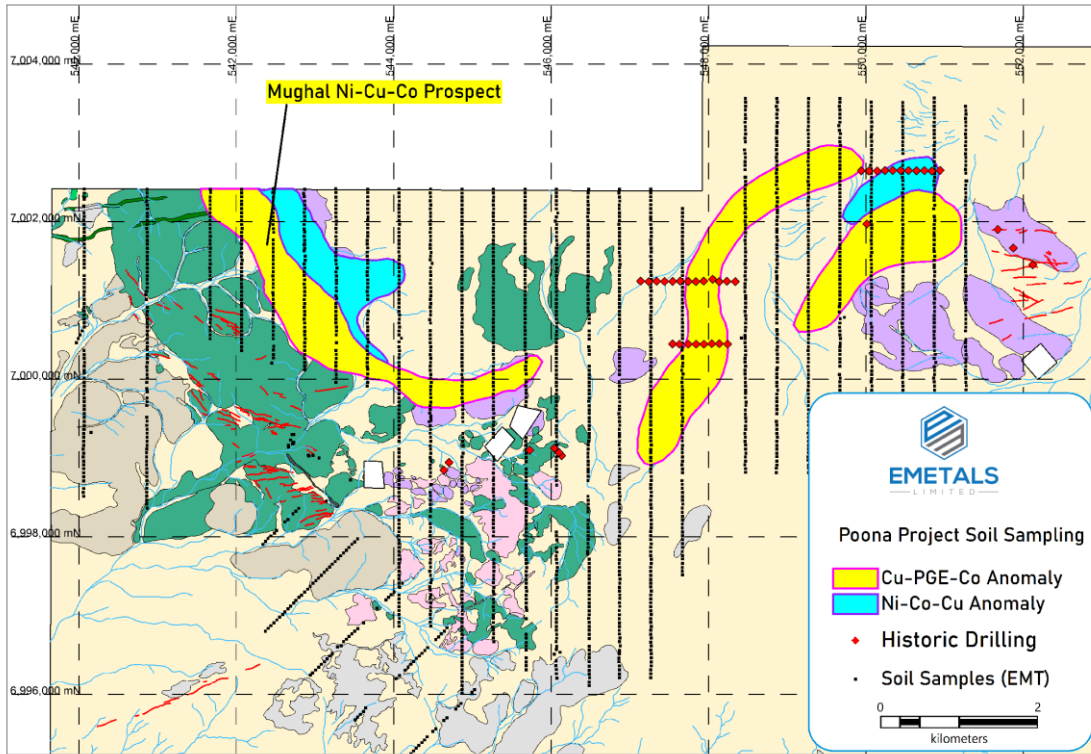


Figure 3: Ni-Cu-PGE soil geochemical anomalies E20/885

Rock chip sampling during the quarter has involved reconnaissance traversing of the Kyarra exploration license applications (E20/963 and E20/964), including investigation of a ~23 kilometre long Proterozoic pyroxenite intrusion which is enriched in Ni, Cu, Co and PGE. The intrusion was confirmed to be ultramafic in character in the western portions, with rock chip sample assays awaited.

Mapping, rock chip sampling and traversing of the Callies Soak tungsten occurrence (E20/854) was undertaken during the quarter. The Company has identified significant extensions of the host shear zones, tungsten-prospective greisen alteration and pegmatitic structures along strike of the known tungsten occurrences. This includes a significant pegmatite swarm at the western end of the pyroxenite intrusion. Several rock



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chip samples were taken to test these zones for anomalous geochemistry and assay results are awaited (Figure 4).

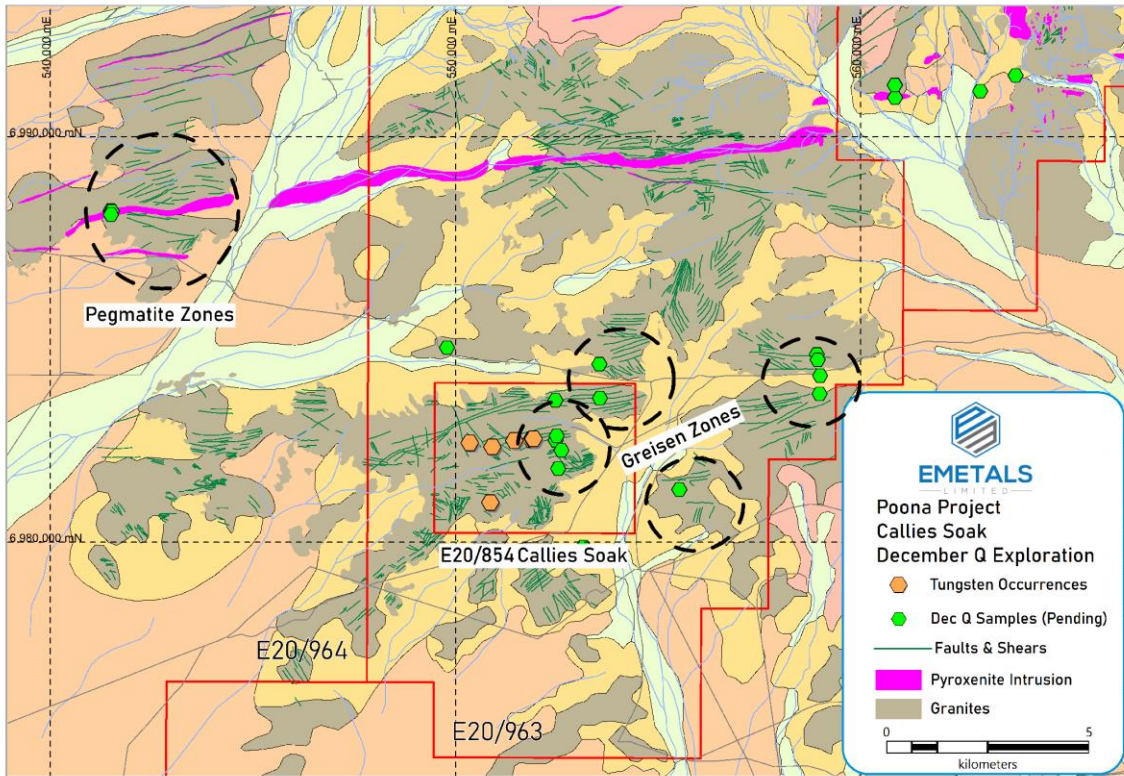


Figure 4: December quarter mapping and sampling, Callies Soak and Kyarra EL Applications

NARDOO RARE METALS PROJECT

The Nardoo Rare Metals Project consists of four granted tenements (E09/2358, E09/2302, E09/2114 and E09/2156) and four tenement applications (E08/3285, E09/2464, E09/2463 and E09/2472) and is prospective for a range of strategic metal and REE mineralisation styles including tungsten and Rare Earth Element bearing skarns.



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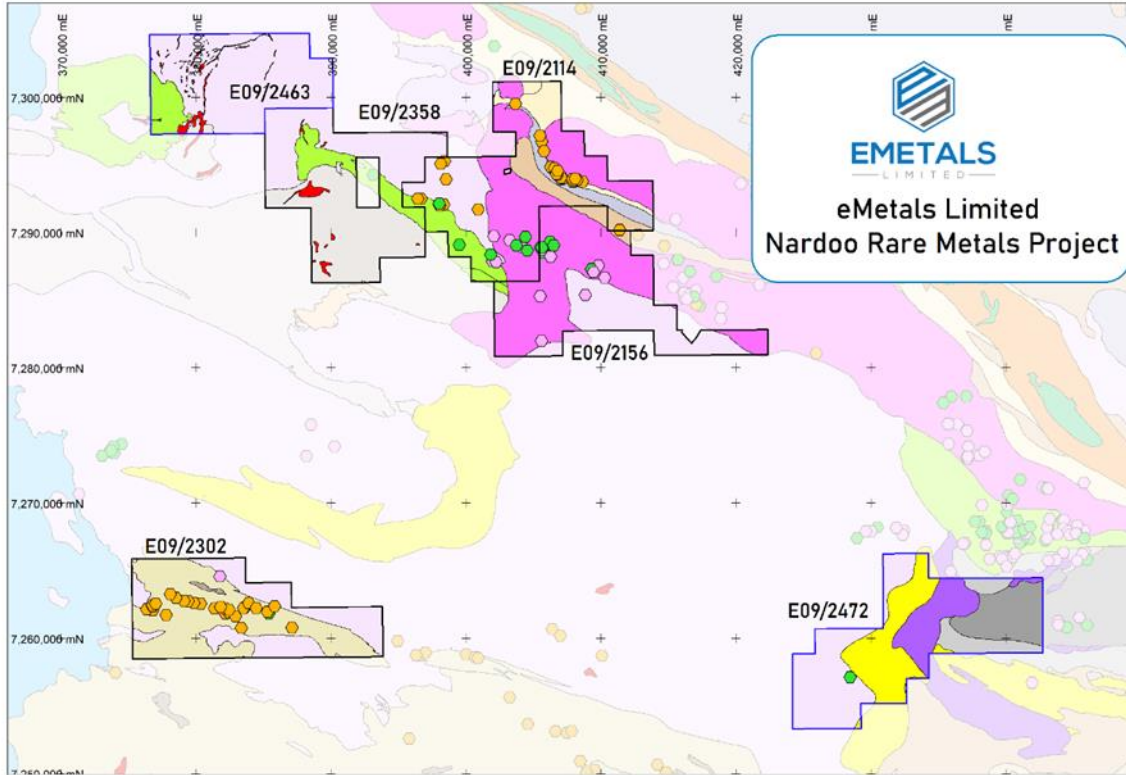


Figure 5: Nardoo Rare Metals Project, Tenements at December 2020

During the quarter the company withdrew its Camel Hill E09/2407 exploration license application. This tenement was downgraded in prospectivity from Company project generative work and WAMEX data compilation. However, this process identified the Codra Creek E09/2442 area as containing extremely strong REE anomalism in recently released WAMEX geochemical data and an application was placed over the prospective monzogranites.

Codra Creek E09/2472

The Codra Creek E09/2442 exploration license application contains stream sediment anomalies of up to 0.16% La and >500ppm Ce (Figure 6). The assay method used by the previous explorer had an upper detection limit of 500ppm Ce and no other REE's were assayed for under the laboratory method. Therefore, the true anomaly tenor and REE composition is unknown at this stage. The Company will undertake confirmatory sampling at the first opportunity and attempt to trace the stream anomalies back to a bedrock source.

The Codra Creek EL application also contains a 2.5 kilometre by 1.3 kilometre swarm of pegmatites as interpreted from high-quality aerial photography. These pegmatites have never been sampled. Pegmatites within the vicinity (eg, Wabli Creek) are REE mineralized and this pegmatite swarm is an exciting target.



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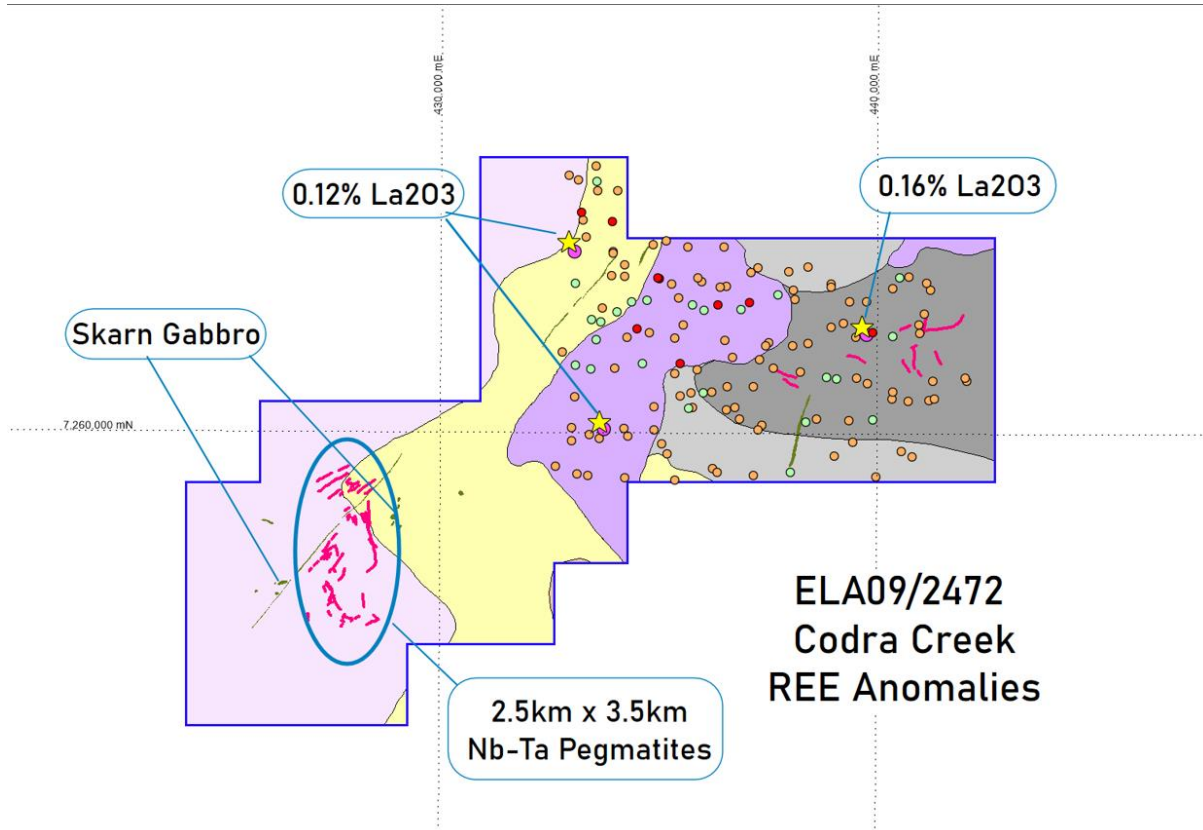


Figure 6: Codra Creek EL09/2472 Application showing La203 anomalies and exploration targets

TWIN HILLS GOLD PROJECT

The Twin Hills Project consists of a single granted exploration license (E29/950) located approximately 30 km north east of Menzies and 150km north of Kalgoorlie in the Eastern Goldfields of Western Australia. The tenement covers an area of approximately 30 km² and extends over about 10 km of strike of the greenstone sequence that hosts the excised historical Twin Hills gold mine. The tenement covers the north and south extension of the shear zone which is the interpreted host of mineralisation at Twin Hills.

At Twin Hills the geology is interpreted to be a narrow north-northwest striking Archaean greenstone belt of amphibolite facies chert, metabasalt and ultramafic schist and felsic porphyry dykes, sandwiched between later intrusive granites. Three main fault sets crosscut both greenstones and granites.

Auger drilling at the Project completed in 2020 has defined three target areas associated with gold enrichments lying over structural intersections that are interpreted as prospective for lode gold. The anomalies are defined by auger results forming a coherent cluster at greater than 3 ppb Au against a background of results below the detection limit of 1ppb Au. Please refer Figure 7.



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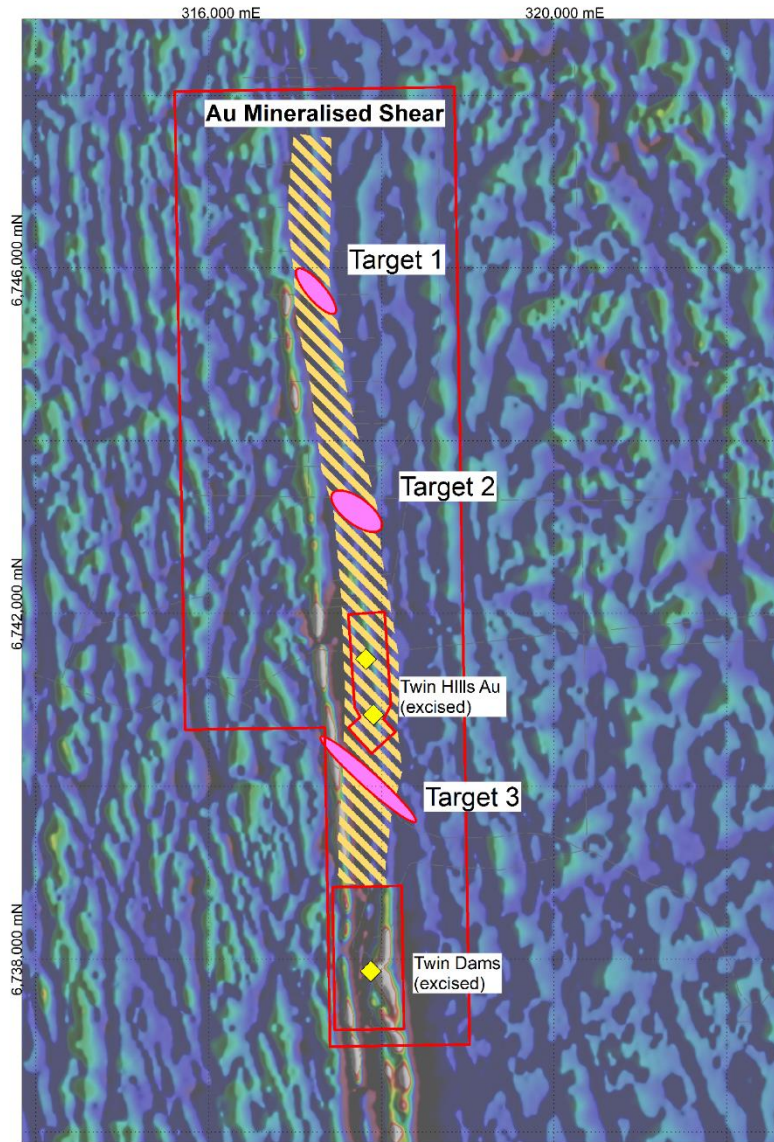


Figure 7: EMT's second phase auger drilling on E29/950

These combined target areas defined from both phase one and phase two auger drilling programs are in proximity to north-west trending de-magnetisation zones where they cross the north striking magnetic lineament that defines the Twin Hills Shear. The structures and anomalies are interpreted to potentially represent favorable structural intersections with gold anomalism potentially related to shoots of auriferous quartz lode.

A slimline RC drilling rig has been mobilized by the Company and has begun drilling 15 holes for 1,200m to test the three priority target areas. Results will be announced once assays are received from the laboratory, expected in early March 2021.



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COOKES CREEK PROJECT

The Cookes Creek Project is located in the Pilbara of Western Australia and is prospective for tungsten mineralization hosted in veins and skarns surrounding the Cookes Creek Granite. The Company has progressed plans to drill the McLeod's Vein prospect and has an approved Program of Works for three RC holes which the Company intends to drill upon heritage clearance.

The Company engaged an appropriately qualified indigenous anthropological consultancy to undertake a heritage and ethnographic survey of the proposed drill sites and access tracks at Cookes Creek. This survey has been completed. The Company continues to consult with the traditional owner groups to finalise the heritage survey report and gain permission to drill McLeod's Vein.

CORPORATE

CATEGORY	ASX CODE	NUMBER
Issued Ordinary Shares	EMT	410,200,000
Options (\$0.05 – 31 Dec 2022)	Unlisted Options	20,000,000

The Company engages Cicero Group Pty Ltd for accounting, administrative and company secretarial services at \$6,000 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 \$144k during the December quarter.

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 January 2020 against the "use of funds" statement in its Prospectus dated 5 November 2019.

EXPENDITURE ITEM	2 Year Use of Funds \$'000	DEC Q Use of Funds ¹ \$'000	Actual DEC Q 5B \$'000	Variance \$'000	Notes and Expenditure details
Expenses of the Offer	\$311	-	-	-	No costs incurred during quarter
Exploration Program costs and AMI	\$3,200	\$197	\$265	\$68	<ul style="list-style-type: none"> Logistics planning, reconnaissance and geological mapping Geochemical sample collection (rock chip and soils) Auger Drilling Program Sample transport and assay Analysis and reporting Technical geologist and consultants. Tenement legal, administration, reporting and management



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Acquisition costs and deposit	\$50	\$51	\$51	\$-	Tenement applications and acquisitions.
Administration, Corporate and working capital	\$982	\$131	\$215	\$84	<ul style="list-style-type: none"> • Staff Costs • Legal expenses • Compliance and listing fees • Marketing and IR • Company Insurances • Accounting and Company secretarial
Other – GST Refund	\$-	\$-	\$-	-\$38	GST BAS Refund

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 AND UPDATES

Tenements	Projects	No of Shares	Granted	Expires	Area (Blocks)
E09/2114	NARDOO WELL	100	28/08/2015	27/08/2025	42
E09/2156	YINNETHARRA	100	6/02/2017	5/02/2022	35
E09/2302	PYRAMID HILL	100	18/05/2020	17/5/2025	34
E09/2358	NARDOO WEST	100	13/03/2019	12/03/2024	35
E20/0885	POONA	90	26/07/2016	25/07/2021	50
E20/0896	POONA	100	9/10/2017	8/10/2022	32
E20/854	CALLIES SOAK	100	9/9/2016	6/9/2021	6
E20/0963	KYARRA	100	-	-	67
E20/0964	KYARRA	100	-	-	148
E29/0950	TWIN HILLS	100	23/09/2015	22/09/2020	10
E46/1095	COOKES CREEK	100	5/04/2017	4/04/2022	13
E46/1163	COOKES CREEK	100	8/02/2018	7/02/2023	3
E09/2464	WILLI CREEK	100	-	-	69
E09/2463	EUDAMULLAH	100	-	-	28
E08/3285	KIMBER WELL	100			15

E09/2407 Camel Hill exploration license application was withdrawn during the quarter.

This announcement has been authorised by the Board of eMetals Limited.

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

Mathew Walker
Director
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

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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 December 2020 and to date, the Company has relied on the following ASX announcements.

ASX Announcement	8/12/2020	EMETALS LIMITED INVESTOR PRESENTATION
ASX Announcement	12/11/2020	SIGNIFICANT NICKEL AND RARE METAL RESULTS AT POONA PROJECT
ASX Announcement	30/10/2020	QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B SEP 2020
ASX Announcement	19/10/2020	ADDITIONAL GOLD ANOMALIES DEFINED AT TWIN HILLS GOLD PROJECT
ASX Announcement	28/06/2020	ANNUAL REPORT 30 JUNE 2020
ASX Announcement	04/08/2020	AUGER PROGRAM CONFIRMS TARGETS AT TWIN HILLS GOLD PROJECT
ASX Announcement	30/07/2020	QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B JUN 2020
ASX Announcement	02/07/2020	NEW TUNGSTEN, NIOBIUM AND RARE EARTH ANOMALIES DISCOVERED
ASX Announcement	18/06/2020	POONA PROJECT - COMPLETION OF ACQUISITION AND SETTLEMENT
ASX Announcement	11/06/2020	POONA PROJECT ACQUISITION FROM VENUS METALS CORPORATION
ASX Announcement	29/05/2020	EXPLORATION PROGRESS REPORT
ASX Announcement	14/05/2020	FURTHER EXPLORATION RESULTS - EXPLORATION RECOMMENCES
ASX Announcement	29/04/2020	QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B MAR 2020
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

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 December 2020 and to date.



JORC CODE, 2012 EDITION – TABLE 1

- SECTION 1 SAMPLING TECHNIQUES AND DATA
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<ul style="list-style-type: none"> • <i>Sampling techniques</i> 	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised 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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • <i>Rock chip samples were collected from outcrops</i> • <i>Stream sediment samples were taken as 115 mesh (0.1-0.4mm) dry sieved samples of outwash stream bed material</i> • <i>Soil samples were taken by sieving ~100-300g of +0.4/-0.96mm material</i> • <i>100g of samples were taken in paper bags</i> • <i>Every 20th sample was taken as a duplicate</i> • <i>2 standards of lithium pegmatite material were inserted every 100 samples</i> • <i>Drill sampling is being undertaken via 4 metre composite samples in areas with no visual mineralization, and single metre cone split sampling in mineralized intervals</i> • <i>Historical sampling methods include scoop, spear and single metre sampling via riffle or cone splitter</i>
<ul style="list-style-type: none"> • <i>Drilling techniques</i> 	<ul style="list-style-type: none"> • <i>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).</i> 	<ul style="list-style-type: none"> • <i>Drilling at Twin Hills is being undertaken with a reverse circulation face-sampling hammer bit</i> • <i>Historical drilling includes RAB, AC and RC drilling of various diameters</i>
<ul style="list-style-type: none"> • <i>Drill sample recovery</i> 	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • <i>Drilling is incomplete and quality of sample recovery data is therefore not finalized</i> • <i>Sample recovery was maximised via drilling of dry samples, at high air pressure</i> • <i>No relationship between grade and sample recovery can be established at this time</i>



Criteria	JORC Code explanation	Commentary
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. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Rock chip samples were qualitatively logged RC drilling is logged qualitatively by the on-site geologist from drill chip samples taken every metre Logging is undertaken on geology, alteration, veining, sulphides and shearing. Logging of vein and sulphide percentages is semi-quantitative All drill metres are logged
<ul style="list-style-type: none"> Sub-sampling techniques and sample preparation 	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. 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 representivity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Soil sampling is considered an appropriate regional exploration technique Soil samples were taken of the +0.48 to - 0.96mm size fraction, dry sieved in the field 100g of soil is considered a sufficient mass of sample for analysis +1kg of rock is considered acceptable, given the sampling had to be conducted on foot 20th samples were field duplicated to control for sampling biases in the field. 2 samples from every 100 were commercially available standards. Insufficient analyses exist for a statistically robust analysis of laboratory performance but results are within acceptable deviations from published values Every 6th sample from the RC drilling is duplicated from an alternate sample port into a 1m bag Every 20th composite sample is duplicated in the field and submitted for assay
<ul style="list-style-type: none"> 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 checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Samples were analysed at Intertek Genalysis via 4 acid digest for 48 elements and rare earth elements (REE). Elements of economic significance which were likely to be hosted within refractory mineralogy (Nb, Ta, W, Y) were also assayed via peroxide fusion FP6 or FP1 methodology, to ensure accurate low detection limit assays and total digestion. 4-Acid OES assays are considered appropriate for the elements assayed in this procedure Composite RC drill samples and auger drill samples are analysed by 33 element Aqua Regia digest Single metre RC samples are analysed by 25g lead-collection Fire Assay Laboratory standards, duplicates and blanks are considered appropriate for semi-quantitative stream sediment assaying



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Criteria	JORC Code explanation	Commentary
<ul style="list-style-type: none"> 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"> Samples were recorded in the field on hard copy maps and notebooks and locations compared to GPS data Lithium, beryllium, tantalum, niobium, rare earth element and tungsten results in this release are presented as oxides, with conversion factors applied to convert from element to oxide. Element oxides for rare earth elements, Y, Ta, Nb and W were converted from elemental assays using conversion factors from https://www.jcu.edu.au/advanced-analytical-centre/services-and-resources/resources-and-extras/element-to-stoichiometric-oxide-conversion-factors
<ul style="list-style-type: none"> 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"> Samples and drill holes were located in the field on appropriate aerial photography and fixed with a handheld Garmin GPS unit Datum is MGA 1994 Zone 50 South Accuracy is +/-3m and adequate
<ul style="list-style-type: none"> 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"> N/A
<ul style="list-style-type: none"> 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 mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Drilling has been planned to be at a steep angle to the mapped structures but the orientation of structures to drilling at Twin Hills is not yet definitively known
<ul style="list-style-type: none"> Sample security 	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples were delivered by company personnel to the laboratory Iron Clad Prospecting data was provided exclusively to Iron Clad Prospecting Pty Ltd
<ul style="list-style-type: none"> 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"> N/A



Section 2 Reporting of Exploration Results

Criteria listed in the preceding section also apply to this section

Criteria	JORC Code explanation	Commentary
<ul style="list-style-type: none"> Mineral tenement and land tenure status 	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Heritage Access agreements with native title holders exist over the tenure All tenure is held 100% EMT save for E20/885 which is 90% EMT
<ul style="list-style-type: none"> Exploration done by other parties 	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Exploration results were sourced from WAMEX exploration reports available from the Department of Mines and Resources of Western Australia online databases as detailed on 28th January 2021
<ul style="list-style-type: none"> Geology 	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Nardoo Well tungsten skarn is an epidote-scheelite exoskarn hosted in metamorphosed calcareous rocks Beryl Well is a Ta-Nb-Bi-Be-Li-Y-REE bearing pegmatite of an intermediate LCT-NYF type Skarnified gabbro containing rare earth element enrichments have been identified as a source of REE anomalism at New Well Callies Soak is a wolframite bearing greisen vein within granite Mughal Proepsct is hosted within mafic and ultramafic schists believed associated with the Gnangooragoo Complex layered intrusion
<ul style="list-style-type: none"> Drill hole Information 	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. 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. 	<ul style="list-style-type: none"> Drilling at Twin Hills is incomplete and it is not appropriate to report this drill hole information at this stage of the exploration program



• Criteria	• JORC Code explanation	• Commentary
<ul style="list-style-type: none"> • <i>Data aggregation methods</i> 	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • <i>N/A</i>
<ul style="list-style-type: none"> • <i>Relationship between mineralisation widths and intercept lengths</i> 	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • <i>N/A</i>
<ul style="list-style-type: none"> • <i>Diagrams</i> 	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • <i>A map showing tenement locations has been included</i> • <i>Maps showing the distribution of mineralised occurrences and anomalies has been provided</i>
<ul style="list-style-type: none"> • <i>Balanced reporting</i> 	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • <i>It is unfeasible and not considered relevant to present >2,600 soil samples in tabulated form</i> • <i>All significantly anomalous samples referred to in the text are presented in the Appendices where appropriate</i> • <i>The reader is referred to the appropriate historical exploration information that is readily available from Government websites. The Company does not republish WAMEX reports in order to maintain the integrity of the data as presented by the Department of Mines and Resources.</i> • <i>Significantly anomalous samples are defined by >90th percentile of sample populations OR >300% average crustal abundance for REE's</i> • <i>Photographs of mineral specimens were collected by company personnel and are provided to illustrate the nature of mineralisation</i>
<ul style="list-style-type: none"> • <i>Other substantive exploration data</i> 	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • <i>N/A</i>



EMETALS
— LIMITED —

• <i>Criteria</i>	• <i>JORC Code explanation</i>	• <i>Commentary</i>
• <i>Further work</i>	• <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	• <i>Field work planned includes confirmation sampling of pegmatite outcrops, mapping, surface geochemistry and drilling</i>

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 December 2020

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	(265)	(518)
(b) development	-	-
(c) production	-	-
(d) staff costs	(144)	(164)
(e) administration and corporate costs	(71)	(137)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	8
1.8 Other (ATO Payments / Receivables)	36	72
1.9 Net cash from / (used in) operating activities	(442)	(734)

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	(51)	(142)
(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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(51)	(142)

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)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,644	3,027
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(442)	(734)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(51)	(142)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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	-	-
4.6	Cash and cash equivalents at end of period	2,151	2,151

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	73	143
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (High Interest Account)	2,078	2,501
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,151	2,644

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	144
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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.</i>		
<i>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)	(442)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(51)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(493)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,151
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,151
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.36
<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: NA	
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: NA	

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: NA

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:29/01/2021.....

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.