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EMETALS LIMITED

4 August 2020

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AUGER PROGRAM AT TWIN HILLS GOLD PROJECT CONFIRMS MULTIPLE DRILL TARGETS

HIGHLIGHTS

- eMetals has completed a 250-hole auger drilling program at its wholly owned **Twin Hills Gold Project** in the **Goldfields of Western Australia.**
- Drilling has tested almost 2 kilometres of strike of prospective shear zone south of the historical **Twin Hills Gold Mine** (excised) which has recorded historical **production of 1,100 tonnes** of ore at an **average grade of 23.6 g/t** and **an historical resource of 17,541 tonnes at a grade of 20.86 g/t.**
- Results are interpreted to show multiple gold mineralised structures, which form an intersection target south of the historical Twin Hills mine, validating eMetals' structural model.
- The auger geochemical drilling program is now to be expanded in the north of the tenure to test additional intersection targets where multiple structural targets have been identified along a 5 kilometre prospective shear zone.
- A Program of Works (POW) is being prepared in support of a RC drilling program to test all identified targets with the program expected to commence within the current quarter.

The Directors of eMetals Limited (ACN 142 411 390) (**ASX:EMT**)(**eMetals** or the **Company**) are pleased to announce the commencement of exploration activities at its wholly owned Twin Hills Project (**Project**) in the Eastern Goldfields region of Western Australia.

eMetals Director Mathew Walker commented:

"The Company has decided to accelerate exploration activities at Twin Hills in response to favorable market conditions within the gold sector. Twin Hills is an exciting exploration Project with over 5 kilometers of prospective strike length adjacent to two excised historical high grade gold mines. We are delighted that the recent auger geochemical program has validated our structural modelling and provide us with multiple ready to drill targets."

BACKGROUND

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 km^2 and extends over about 10 km of strike of the greenstone sequence that hosts the excised historical

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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. They are initially north-north westerly trending with later events north-north easterly trending. This trend of sheared greenstones is considered to represent the northerly continuation of the Boulder - Lefroy Fault / Shear Zone. The fault bifurcates in the Menzies area, a north-north easterly trending element passing through the Leonora area and a north-north westerly trending element that passes through the excised Twin Hills mines.

PROSPECTIVITY

eMetals Limited commissioned a review of historical exploration data targeting geological traversing, structural assessment and regolith mapping to understand the exploration opportunities within the Twin Hills Project. The report, provided by Gneiss Results, identified that:

- Gold mineralisation within the excised Twin Hills gold mine is hosted by the intersection of a north-south striking shear set and a south-west dipping lithological and structural set, forming south-plunging intersection lineations;
- Shoots are formed of contorted quartz veins hosted by the south-plunging intersection;
- The north-south shear correlates with a subtle magnetic anomaly, and subtle offset structures may represent additional structural intersections prospective for gold mineralised shoots (please refer to Figure 1);
- The majority of the tenement is covered by thin aeolian sand, which is not responsive to soil geochemistry;
- Large areas have been inadequately tested by historical exploration with limited RAB drilling and only 2 diamond drill holes completed on the EMT tenure (please refer to Figure 2); and
- Auger is considered an effective test of the bedrock and regolith interface in shallow sand-covered areas such as Twin Hills.

The highest priority area is in the south of the Project between the Twin Hills Mine excision and the Twin Dams excision which has had no soil sampling and limited historical drilling. The area covers almost 2 km strike of shear zone.

AUGER DRILLING RESULTS

eMetals has undertaken a first pass auger drilling program of the priority target area between the excised Twin Hills mine and Twin Dams tenements. Please refer to Figure 1. A total of 229 auger drill holes were drilled on 200 metre spaced lines with holes spaced at 50 metres along the lines. The holes were drilled with a utility mounted auger rig and qualitatively logged on site by the contractor. Samples were submitted to a commercial laboratory for aqua regia digest for Au + 33 trace elements, a conventional assay method for low level exploration for gold. Full details on sampling methodology is available in the JORC Table 1 and 2.

Results show a coherent +10 ppb Au anomaly that is parallel to an interpreted northwest striking, southwest dipping thrust. The structure is similar in orientation to the thrust that controls the plunging auriferous shoot at the Twin Hills mine. eMetals structural model holds that the

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intersection of these thrusts with the north-south shear structure is a prime target for repetitions of plunging shoots. Auger results are therefore supportive of this model.

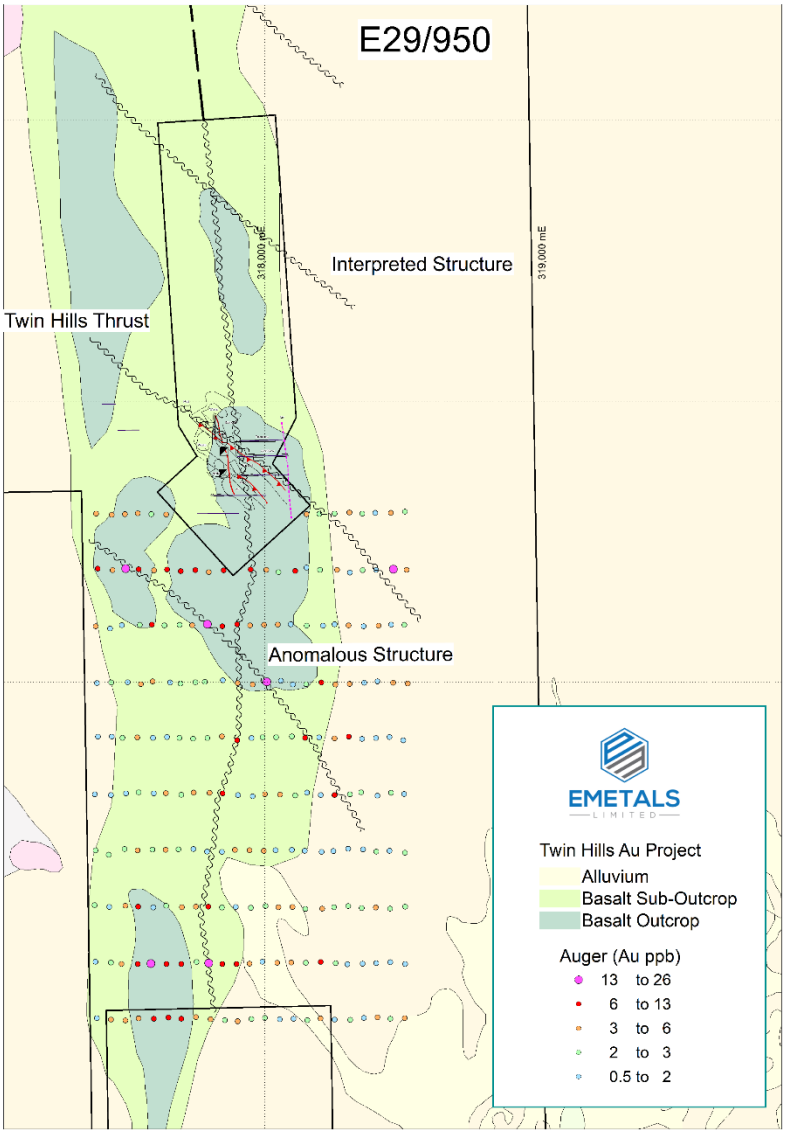

Figure 1 EMT's initial auger drilling on E29/950

Twin Hills Mine background (Excised)

The historical Twin Hills mine has recorded production of ~1,100 tonnes of ore at an average grade of 23.6 g/t Au and an historic non-JORC 2012 resource of approximately 17,000 tonnes @ 20.86 g/t Au defined down to a depth of 100 m below surface[1]. This resource exists within tenements excised from the eMetals Project (E29/950).

[1] *Please refer Golden Deeps Limited's September 2011 Quarterly Report for further information.*

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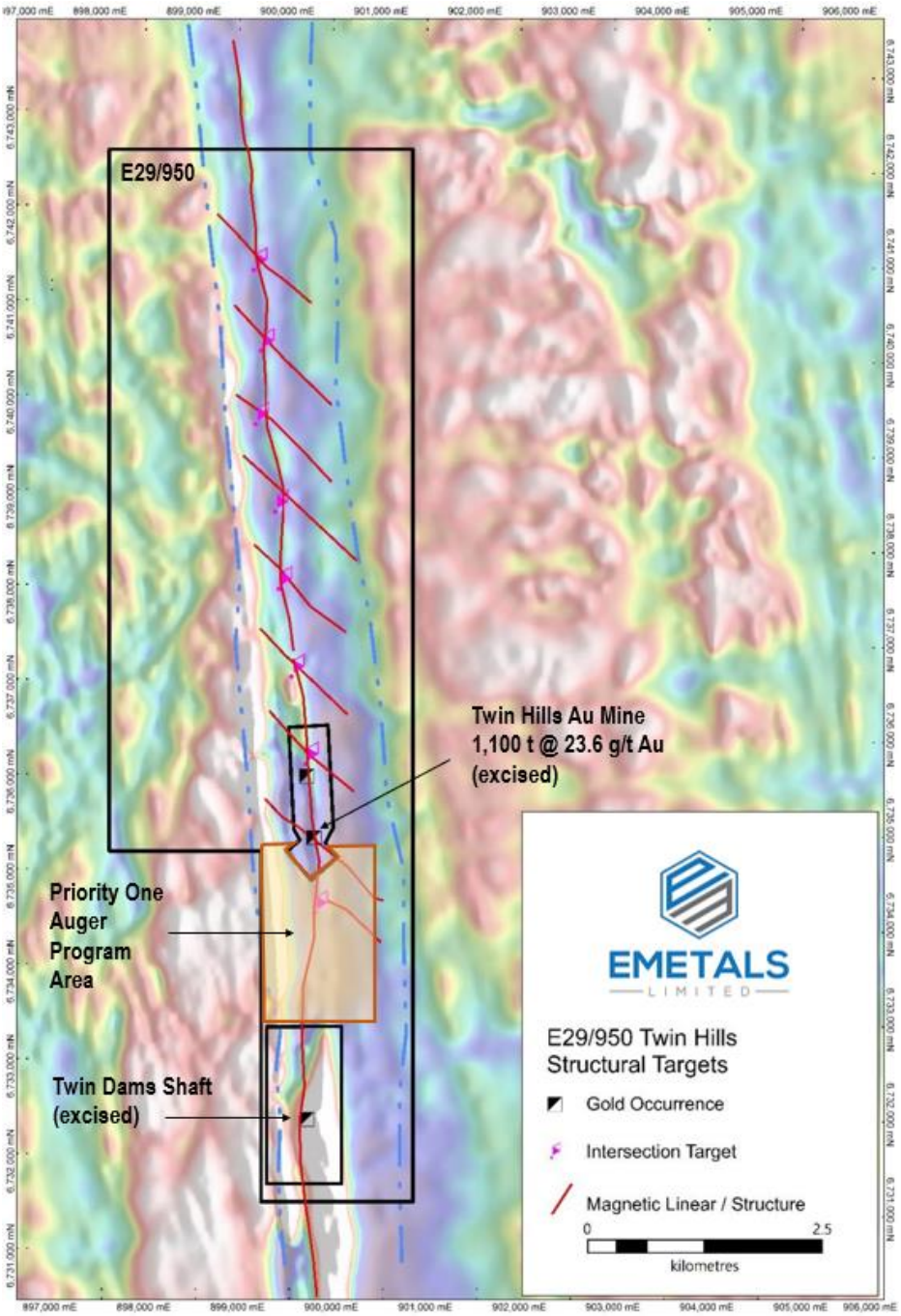

Figure 2 Structural targets identified on E29/950

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Figure 3. Gneiss Results geologist Roland Gotthard, examining the Historical Twin Hills Mine

FURTHER EXPLORATION

eMetals has begun planning reverse circulation drilling to test the shear intersection target and is expanding the auger drilling coverage to the north of the excised mining leases, where its structural targeting model has inferred additional shear intersections to occur.

Additional auger drilling is approved under the existing POW approval, and eMetals will progress new POW approvals for RC drilling once results of the expanded auger program are received and any further targets are defined. The RC drilling program is expected to commence within the current 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.

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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.

No New Information

To the extent that this announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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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
• *Sampling techniques*	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *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.*	• *Auger drilling to bedrock interface* • *Holes have been sampled at end of hole via scoop sample of approximately 1-2kg*
Drilling techniques	• *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).*	• *Auger drilling using a Landcruiser mounted auger rig*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *Sample recovery is not assessed for auger drilling* • *Auger drilling is a first-pass exploration technique for geochemical mapping* • *No relationship between recovery and grade is expected from low-level (ppb) geochemistry*
Logging	• *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*	• *Sample colour, carbonate reactivity, and depth to bedrock is logged onsite by the drill crew* • *Logging is qualitative only and used for geochemical purposes*

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Criteria	JORC Code explanation	Commentary
	relevant intersections logged.	
• *Sub-sampling techniques and sample preparation*	• *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.*	• *Samples are collected from bottom of hole material via scoop sample* • *The sampling method is considered appropriate for low-level geochemical reconnaissance sampling* • *Sample size is considered appropriate to the material being sampled* • *Samples are dried, pulverised and split to 25g in the laboratory prior to assay*
• *Quality of assay data and laboratory tests*	• *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.*	• *Appropriate matrix-matched, low-level commercially available geochemical standards were inserted at a rate of 2 per 100 samples* • *Duplicate samples were collected in the field at the rate of 2 per 100* • *Analytical blanks were inserted at the rate of 2 per 100 samples* • *Samples assayed via Aqua Regia 33 Element + Au 10g which is a partial digest method with pathfinder elements, considered appropriate for Au exploration*
• *Verification of sampling and assaying*	• *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.*	• *Data entry is via tough pad or similar digital tablet in the field*
• *Location of data points*	• *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*	• *Holes were located in the field using a hand-held tough pad with GPS capability and locations recorded in the field*

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Criteria	JORC Code explanation	Commentary
	control.	
• *Data spacing and distribution*	• *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.*	• *Data spacing is considered appropriate for exploration of this nature*
• *Orientation of data in relation to geological structure*	• *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.*	• *Sampling of the soil/rock interface is considered appropriate* • *No sampling bias is to be expected from the orientation of drilling to structures, considering the low level of anomalism sought*
• *Sample security*	• *The measures taken to ensure sample security.*	• *Samples were delivered via commercial courier company*
• *Audits or reviews*	• *The results of any audits or reviews of sampling techniques and data.*	• *Not applicable*

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Section 2 Reporting of Exploration Results
Criteria listed in the preceding section also apply to this section.

Criteria	JORC Code explanation	Commentary
• *Mineral tenement and land tenure status*	• *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.*	• *E29/950 is owned 100% by RWG Minerals Pty Ltd, a subsidiary of eMetals Limited* • *Heritage clearances and agreements are in place and drilling is under an approved Programme of Works*
• *Exploration done by other parties*	• *Acknowledgment and appraisal of exploration by other parties.*	• *The tenement has been explored by Golden Deeps NL and other parties since ~1980* • *Resources at Twin Hills are not owned by eMetals Limited or its subsidiaries and no agreement is in place* • *Permission was sought from the owners of the excised tenements to access them for mapping and structural investigations and their assistance is gratefully acknowledged*
• *Geology*	• *Deposit type, geological setting and style of mineralisation.*	• *Plunging shoots of quartz lode gold are hosted in shear zones within mafic and ultramafic greenstones* • *Greenstone belts within Archaean granite terranes, adjacent to major fault zones*
• *Drill hole Information*	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *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.*	• *Significant historical results from the excised Twin Hills mine area, which are pertinent to understanding the potential of gold mineralisation within the shear zone, are reported in Appendix 1* • *A map of RC and DDH holes is provided illustrating the drilling on the tenement outside of the excised tenements* • *Other drill holes (RAB, AC, shallow holes, auger) are excluded as this is not material to the understanding of the project*

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Criteria	JORC Code explanation	Commentary
• *Data aggregation methods*	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *Selected intercepts are reported as all material >1m @ >1g/t* • *No top cut is applied* • *No metal equivalents are reported*
• *Relationship between mineralisation widths and intercept lengths*	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• *Insufficient work has been undertaken to understand the true width of any mineralization*
• *Diagrams*	• *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.*	• *A map showing the excised tenements is provided* • *A map showing the extent of RC and DDH drill holes on E29/950 is provided*
• *Balanced reporting*	• *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.*	• *It is impractical to report all historical drill holes and all intercepts* • *The reader is referred to WAMEX reports* • *Statements on the excised tenements and the ownership of the non-JORC compliant Resources on those tenements are made proximal to any discussion of those non-owned assets*
• *Other substantive exploration data*	• *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.*	• *Not applicable*
• *Further work*	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Further auger drilling, and potentially RC drilling, is likely to occur*

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