29 May 2020

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

EXPLORATION PROGRESS REPORT

The Directors of eMetals Limited (**ASX: EMT**) **(eMetals**)(**Company**), are pleased to announce the completion of the surface geochemistry and reconnaissance stream sediment sampling program on the Nardoo Rare Metals Project, Gascoyne Region, Western Australia.

HIGHLIGHTS

- 670 stream sediment samples, 280 soil samples and 141 rock chip samples were collected in an extensive 16-day field work program.
- Samples have been submitted for assay and results are expected in approximately 4 weeks' time.
- Significant extensions to known prospective pegmatites have been defined by mapping.
- eMetals has been successful in applying for Exploration Incentive Scheme (EIS) co-funding for $67,500 to support the drilling of Nardoo Hill E09/2114 and Beryl Well E09/2156 exploration targets.
- eMetals applies for new tenement Camel Hill E09/2407 covering prospective rare metal geochemical anomalies.

BACKGROUND

The Nardoo Rare Metals Project, comprising Nardoo Hill E09/2114 and Beryl Well E09/2156, is located within the Gascoyne Mineral Province in Western Australia, approximately 840 km to the north of Perth. Nardoo Hill E09/2114 contains approximately 15 strike kilometers of tungsten mineralised skarns within the Mount James Subgroup, and several Li-Ta-Nb-REE mineralized pegmatite occurrences.

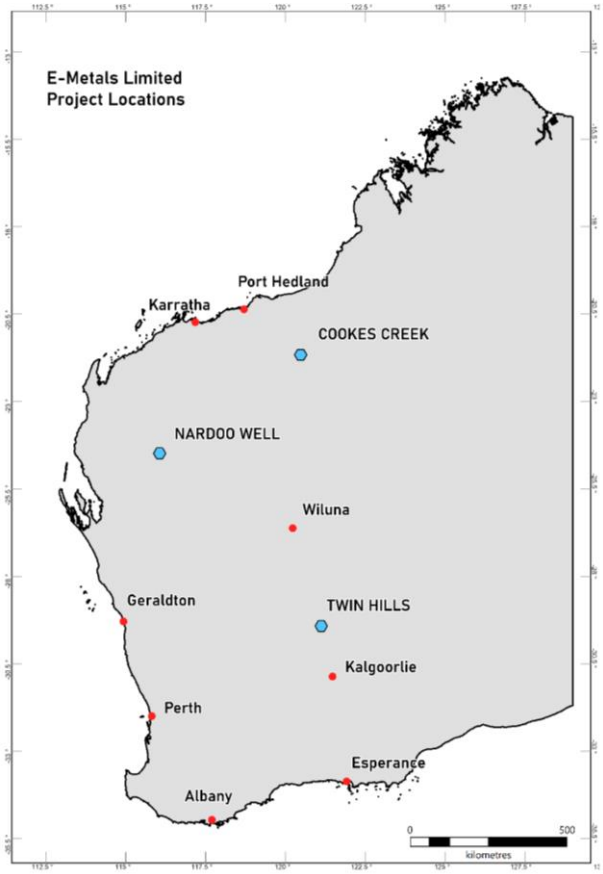


Figure 1: eMetals Projects

Beryl Well 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. The acquisition of Beryl Well E09/2156 has expanded the tenement position to include areas which were identified as prospective for niobium, tantalum and rare earth element (REE) pegmatites (Nb-Ta-REE).

SURFACE GEOCHEMISTRY

eMetals Limited is pleased to announce the completion of the further surface geochemistry program on the Nardoo Rare Metals Project. The further surface geochemistry program was an extension to the stream sediment sampling that was undertaken by Gneiss Results during the 2019 field season in conjunction with mapping and due diligence activities. Please refer to the Company ASX Announcement on 09 March 2020.

The further sampling program was designed to thoroughly test the Nardoo Hill E09/2114 and Beryl Well E09/2156 tenements for tungsten skarn and rare metal pegmatite mineralization. This was achieved via sampling of third order streams, rock chip sampling of pegmatite occurrences, and sampling of an infill soil sampling grid over the highly anomalous stream sediment results at the Nardoo Hill prospect. Please refer to the Company ASX Announcement on 14 May 2020.

A total of 670, -115 mesh stream sediment samples were taken from third order streams across the tenement (Figure 2) at Nardoo Hill E09/2114 and Beryl Well E09/2156Sampling prioritised an 8 kilometer horizon of heavily veined and pegmatite intruded schist of the Leake Springs Metamorphics, and areas identified as potentially enriched in yttrium and rare earth elements. Samples have been submitted to a commercial laboratory for multi-element and REE analysis.

A total of 141 rock chip samples were also collected across the tenements, sampling a mix of veins, granites and pegmatites. Samples have been submitted to a commercial laboratory for multi-element and REE analysis.

At Nardoo Hill E09/2114 , where previous stream sediment sampling has returned highly enriched niobium (to 335ppm), tantalum (to 75 ppm), cerium (to 300ppm), tin (to 500ppm) and tungsten (to 129ppm), was investigated with a 100m x 50m soil sampling grid for 280 samples. In addition, significant earlier REE stream sediment sample results show an enrichment of up to 0.11% total rare earth oxide + yttrium (TREO), with the most anomalous results clustered around pegmatites at the recently acquired Beryl Well E09/2156 prospect, which is considered highly anomalous. The soil sampling will define the presence and position of any Nb-Ta-Li-W

and REE anomaly. A total of 141 rock chip samples were taken from pegmatites and veins within this area.

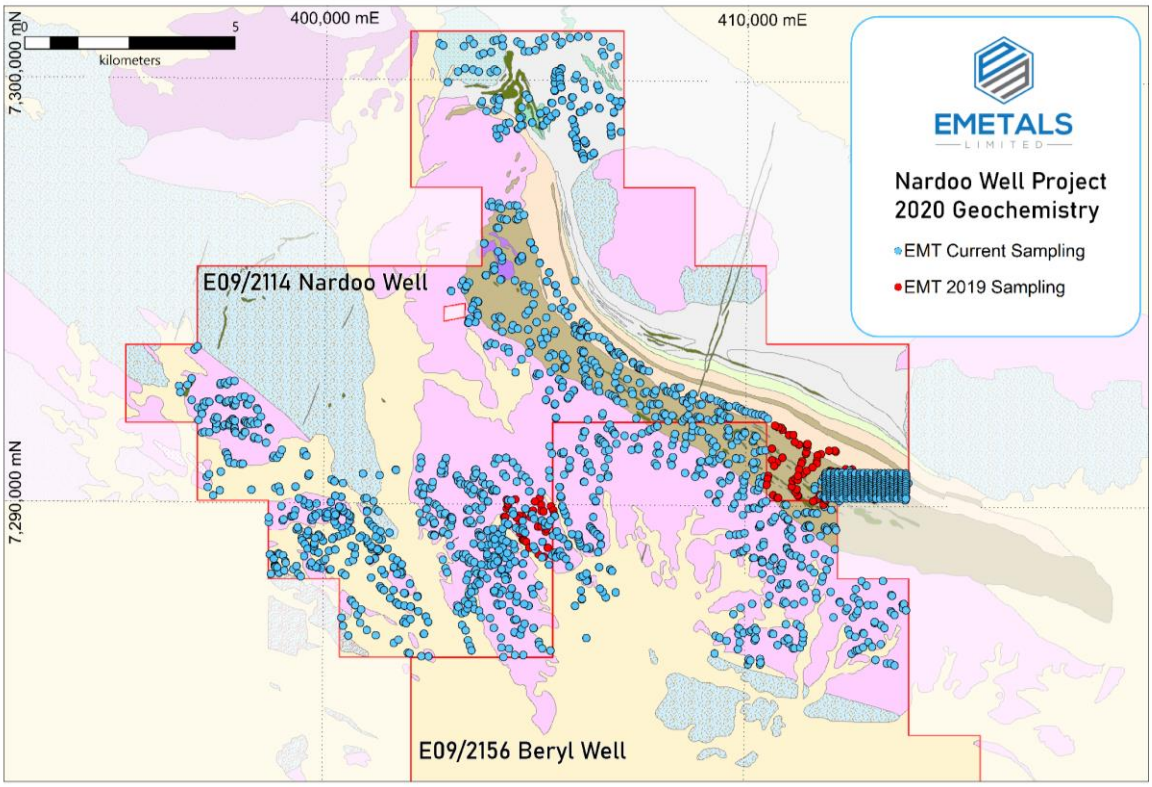


Figure 2. eMetals Limited 2020 stream and rock chip sampling on Nardoo Hill E09/2114 and Beryl Well E09/2156.

EIS Co-FUNDED DRILLING GRANT

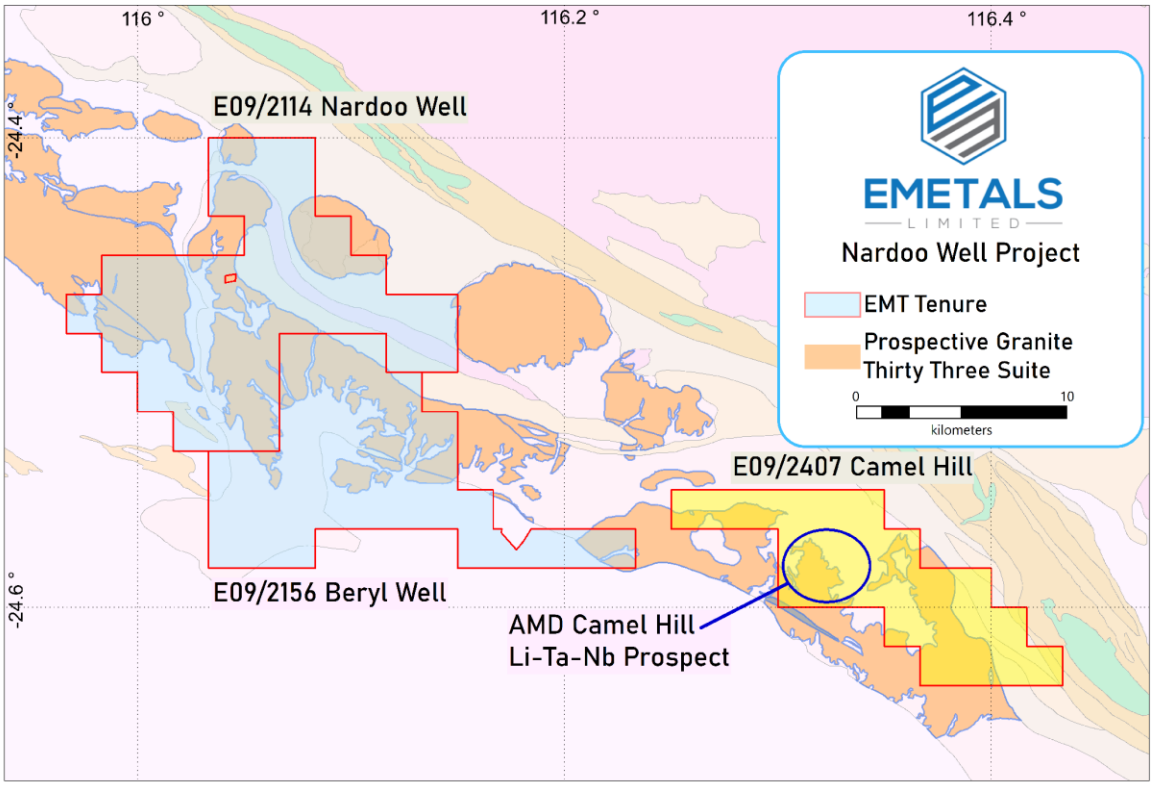
eMetals is pleased to announce that it has been successful in its application for co-funding of its drilling activities under the Western Australian Government's Exploration Incentive Scheme (EIS) exploration drilling program.

eMetals prepared an application for up to $67,500 in funding, to cover 50% of direct drilling costs, to drill up to 500m of diamond core on Nardoo Hill E09/2114 and Beryl Well E09/2156.

E09/2407 CAMEL HILL TENEMENT APPLICATION

eMetals has submitted an application for Camel Hill E09/2407 comprising an area of 24 sub-blocks (55.6km^2) surrounding the Camel Hill Li-Ta-Nb prospect. The tenement has been pegged based on historical exploration work and proximity to the existing company tenure, and substantially increases eMetals footprint in this highly prospective belt.

The Company will progress the tenement application and has begun compiling historical data from the WAMEX database. The Company plans to use similar exploration methodologies as the work on the Nardoo Rare Metals Project to explore for economic pegmatite and skarn mineralization.



This announcement is 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 Govey consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

EMETALS LIMITED

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.*	• *Rock chip samples were collected from outcrops with a geological hammer for lithogeochemical purposes* • *Stream sediment samples were taken as 115 mesh (-0.4mm) dry sieved samples of outwash stream bed material* • *Soil samples were taken from 25cm below the surface with 200g of -155 mesh (0.4mm) material collected* • *100g of samples were taken in paper bags* • *Every 20th sample was taken as a duplicate* • *Standards were inserted at a rate of 2 per 100*
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).*	• N/A
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.*	• N/A

Criteria	JORC Code explanation	Commentary
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 relevant intersections logged.*	• Rock chip samples were qualitatively 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.*	• *Stream sediment sampling is considered an appropriate regional exploration technique* • *20th samples were field duplicated to control for sampling biases in the field* • *Lithium standards were inserted in the sample stream at a rate of 2 per 100*
• *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.*	• *4-Acid OES assays are considered appropriate for the elements assayed in this procedure* • *Zircon crucible peroxide fusion was undertaken to ensure appropriate low-level, high precision results were generated for refractory minerals such as tantalite, scheelite, cassiterite. Results exceeded expectations.* • *Standards, duplicates and blanks are considered appropriate for semi-quantitative stream sediment assaying*

Criteria	JORC Code explanation	Commentary
• *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.*	• *N/A*
• *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 control.*	• *Samples 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 considered adequate*
• *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.*	• *N/A*
• *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.*	• *N/A*
• *Sample security*	• *The measures taken to ensure sample security.*	• *Samples were delivered by company personnel to the laboratory*
• *Audits or reviews*	• *The results of any audits or reviews of sampling techniques and data.*	• *N/A*

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.*	• *E09/2114 Nardoo Well* • *E09/2156 Beryl Well* • *Heritage Access agreements with native title holders exist over the tenure* • *E09/2407 Camel Hill was pegged during the Quarter and is subject to approvals and heritage and native title access*
• *Exploration done by other parties*	• *Acknowledgment and appraisal of exploration by other parties.*	• *Exploration results were sourced from WAMEX exploration reports available from the Department of Mines and Resources of Western Australia online databases as detailed on 9th March 2020 ASX announcement*
• *Geology*	• *Deposit type, geological setting and style of mineralisation.*	• *Beryl Well is a Ta-Nb-Bi-Be-Li-Y-REE bearing pegmatite of an intermediate LCT-NYF type* • *Swarms of similar pegmatites exist within the Yinnetharra Pegmatite Field, Gascoyne Province, Western Australia*
• *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.*	• *N/A*

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.	N/A
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').	N/A
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 tenement locations has been included Maps showing the distribution of mineralised occurrences and anomalies has been 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.	Sample data is presented in Appendix 1 & 2 for all elements of economic interest and scientific interest
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.	N/A
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.	Field work planned includes confirmation sampling of pegmatite outcrops, mapping, surface geochemistry and planning of drilling