

E2 Metals Limited

ABN 34 116 865 546

Supplementary Prospectus

This Supplementary Prospectus is dated 29 March 2017 and is supplementary to the Replacement Prospectus lodged with ASIC dated 23 February 2017 (**Prospectus**) and should be read in conjunction with it. Terms defined in the Prospectus have the same meaning when used in this Supplementary Prospectus. A copy of this Supplementary Prospectus has been lodged with ASIC on 29 March 2017. ASIC and its officers take no responsibility as to the contents of this Supplementary Prospectus or the merits of the investment to which it relates. Other than as set out below, all details in relation to the Prospectus remain unchanged.

1. General

The Company has prepared this Supplementary Prospectus to:

- (a) provide an updated indicative timetable to the Offers;
- (b) provide an update in respect of appointments and resignations of the Company's officers; and
- (c) provide a clarification around the terms of the Performance Rights issued by the Company.

2. Changes to Board

Martin Donohue has resigned as Director and Chair of the Company, effective 28 March 2017. Melanie Leydin has been appointed as Director and Chair of the Company, and will remain as Company Secretary and Financial Controller. The Prospectus is amended as follows:

- (a) Amend the Corporate Directory section and the section "Who are the Directors" on page 8 of the Prospectus by deleting the reference to Martin Donohue and including "Melanie Leydin (Chair)";
- (b) Delete the reference to Martin Donohue in the section "What experience do the Directors have" on page 8 and insert "Melanie Leydin's experience is set out in Section 6.2 of the Prospectus";
- (c) Delete the table in section 3.18, and insert:

| Name of Director | Relationship to Company | Reason for Restriction | No. of Shares anticipated to be escrowed | Anticipated Restriction Period |
|-------------------|-------------------------|------------------------|--|--------------------------------|
| Ms Melanie Leydin | Non-Executive Chair | Related Party | 653,440 | 24 months |
| Mr Simon Peters | Managing Director | Related Party | 200,000 shares 2,250,000 performance rights | 24 months |
| Mr Martin Donohue | Former Director | Related Party | 2,865,001 | 24 months |

- (d) Delete the first paragraph of section 6.2 of the Prospectus is amended and insert the following:

Ms Melanie Leydin

Chair

B.Bus (Acc), CA

Melanie is a qualified Chartered Accountant and a Registered Company Auditor with over 25 years of experience gaining most of her early experience in small to medium sized practices. Melanie has served as Company Secretary since November 2006. Melanie has also previously served as a Director of E2 Metals Limited from October 2007 to February 2015, and from April 2015 to June 2016.

In 2000, Melanie established her own chartered accounting practice initially specialising in audit services for small and large private companies and junior listed resources entities. In 2005, Melanie went on to establish an outsourced company secretarial and CFO services provider for small ASX listed resources and biotechnology companies. As part of this service, Melanie and her team provide expertise to these companies in accounting, financial reporting, company secretarial, ASX listing, due diligence, ASX reporting and corporate compliance. Melanie's day to day exposure as a Director and Company Secretary to a large number of companies together with her experience in the auditing field provides an invaluable asset to many clients.

- (e) Delete the reference to Martin Donohue in the table in section 6.4.
- (f) Delete the paragraph headed "Donohue Letter of Appointment" in section 6.5 and insert the following:

The terms of appointment of Melanie Leydin as a Non-Executive Chair are set out in a letter of appointment dated 28 March 2017 (**Leydin Letter of Appointment**).

Ms Leydin's performance as a Director will be reviewed in accordance with the processes agreed by the Board from time to time.

Ms Leydin may cease to hold office at any time by giving written notice or otherwise in accordance with the law or the Company's constitution. The appointment will continue for further terms subject to re-election at future annual general meetings. In the event that Ms Leydin ceases to be a director, no termination benefits are payable by the Company.

The annual remuneration to be paid for the non-executive Chair, inclusive of the Director's fee, statutory superannuation and other amounts, is \$60,000. The fee will commence in the month of the Company's Listing on ASX. The remuneration level will be reviewed by the Board as required.

In the event the Chair is required to perform services for the Company that are outside the scope of the ordinary duties of a Director, the Company may pay the Director for those services in addition to the annual remuneration, as agreed in advance by the Board.

The Chair is entitled to be reimbursed for all reasonable out of pocket expenses incurred in carrying out her duties.

It is accepted that the Director may have outside interests and potential conflicts must be disclosed.

Other conditions are included in relation to time commitments, Director's power and duties, confidentiality, intellectual property, access to information and professional advice, insurance,

trading in securities and other general conditions usually found in appointment letters for directors.

The Leydin Letter of Appointment also includes terms of the agreement between Ms Leydin and the Company so that the Company can satisfy its obligations to inform ASX of details of the Director's interest in securities of the Company and any contracts or contractual interests that the Director may have that involve the Company.

3. Performance Rights

- (a) On page 33 of the Prospectus (in the first line of the first full paragraph on that page), insert after "the issue date," the words "the Board may determine that some or all of"; and
- (b) On page 164 of the Prospectus delete the words "The Performance Rights are transferrable with the prior consent of the Board" and replace them with "The Performance Rights are not transferrable".

4. Changes to Timetable

The Indicative Timetable in Section 1.1 of the Prospectus is deleted and replaced with the following:

Revised Indicative Timetable

| | |
|---|------------------|
| Prospectus lodged with ASIC | 15 February 2017 |
| Replacement Prospectus lodged with ASIC | 23 February 2017 |
| Record Date for Priority Offer | 22 February 2017 |
| Opening Date for all Offers | 2 March 2017 |
| Priority Offer Closing Date | 16 March 2017 |
| General Offer Closing Date | 22 March 2017 |
| Shares issued and allotted under the Offers | 4 April 2017 |
| Despatch of holding statements | 4 April 2017 |
| Issue of Loyalty Options | 4 April 2017 |
| Expected date for Official Quotation on ASX | 19 April 2017 |

Each director has consented to the issue of this Supplementary Prospectus in the form and context in which it is issued.



MELANIE LEYDIN
Director