

ASX Announcement

19 January 2021

Airborne Geophysical Program to Commence at Eade Copper-Gold Project, Quebec

Metals Australia Ltd (**ASX: MLS**) which is developing the high-grade Lac Rainy Graphite Project and a portfolio of high-grade copper-gold projects, all located in Quebec, is pleased to announce that it has commissioned an airborne geophysical program at the Company's 100%-owned Eade Copper-Gold Project located in Quebec, Canada.

The airborne geophysical program will commence in the coming days with results expected within the next six (6) weeks.

The airborne survey will focus on better defining copper-gold mineralised targets which are characteristic of the Lac Guyer Greenstone Belt, which is host to numerous high-grade Au-Cu and base metal discoveries. In addition, the airborne geophysical program will highlight high-priority exploration targets which will be followed up by the Company in the field during this upcoming exploration season.

The Airborne Magnetic (**MAG**) and Time-Domain Electromagnetic (**TDEM**) survey is expected to refine the historic EM anomalies at the Eade Copper-Gold Project, detect new conductive anomalies, and identify resistive zones within otherwise conductive host units. Data from the survey will be used to model the size, orientation and depth of any conductive sources with detail suitable for direct drill targeting.

Highlights:

- MAG and TDEM survey at Eade Copper-Gold Project will complement ground-based prospecting designed to identify copper-gold mineralisation targets for drill testing
- A total of 748 line-km will be flown with drill target planning to occur concurrently
- The Eade Copper-Gold Project sits within the east-west trending Lac Guyer Greenstone Belt which is **host to numerous high-grade Au-Cu and base metal discoveries**
- **High-grade gold and copper has been identified across the Eade Copper-Gold Project, including:**¹
 - **29.6 g/t Au** (A0067009, angular quartz boulder)
 - **3.67 g/t Au** and 3.13 g/t Ag (A0067002, rock sample)
 - **2.56 g/t Au** (A0067005, rock sample)
- Previous exploration by the Company at the **Pontois Copper-Gold Project** and the **Felicie Gold-Copper Project** identified:¹
 - **Pontois Copper-Gold Project**
 - 0.36% Cu and 4.52 g/t Ag (A0067122, rock sample)
 - 0.41 g/t Au (A0067124, rock sample)
 - **Felicie Gold-Copper Project**
 - **4.16 g/t Au, 44.10 g/t Ag, 0.23% Cu, 0.62% Pb and 1.25% Zn** (A0067026, rock sample)
 - **1m at 1.5 g/t Au, 1.39% Pb and 0.39% Zn** (A0067065, channel sample)
 - **These mineralised zones are particularly significant as they are located in a new area with a strike length of 180m long that remains open in all directions**

¹ Refer to ASX announcement dated 1 October 2020 and titled "Field Program Highlights Gold/Silver/Copper Mineralisation" for further details.

Commenting on the commencement of the airborne geophysical survey, Director of Metals Australia, Mr Gino D'Anna stated:

“The Eade Copper-Gold Project provides the Company with exciting exposure to copper and gold mineralisation in a geological setting that is known to host numerous high-grade copper, gold and base metal discoveries and deposits. We are accelerating exploration activities this airborne MAG and TDEM survey will support our recent field exploration program as we continue to define the copper and gold mineralised zones and prepare for our maiden drilling campaign.”

Technicians have been mobilised to site at the Eade Copper-Gold Project and the airborne surveys will commence shortly

Flying will take approximately 3 days, after which the Company will receive preliminary images from the MAG and TDEM surveys. The Company hopes to receive a final report in approximately 6 weeks.

Airborne Magnetic and Time-Domain Electromagnetic Survey

Prospectair has been engaged to complete an airborne Magnetic (MAG) and Time-Domain Electromagnetic (TDEM) survey over the Eade Copper-Gold Project, located in Quebec, Canada.

The surveys will be carried out with traverse lines oriented N090 in order to properly map the dominant geological strike, and with a 50m line spacing. Control lines will be flown with a N000 azimuth and spaced every 500m. The total survey distance for the MAG and TDEM surveys is 748 line-km.

The planned survey grid is illustrated by Figure 1 and 2 below.

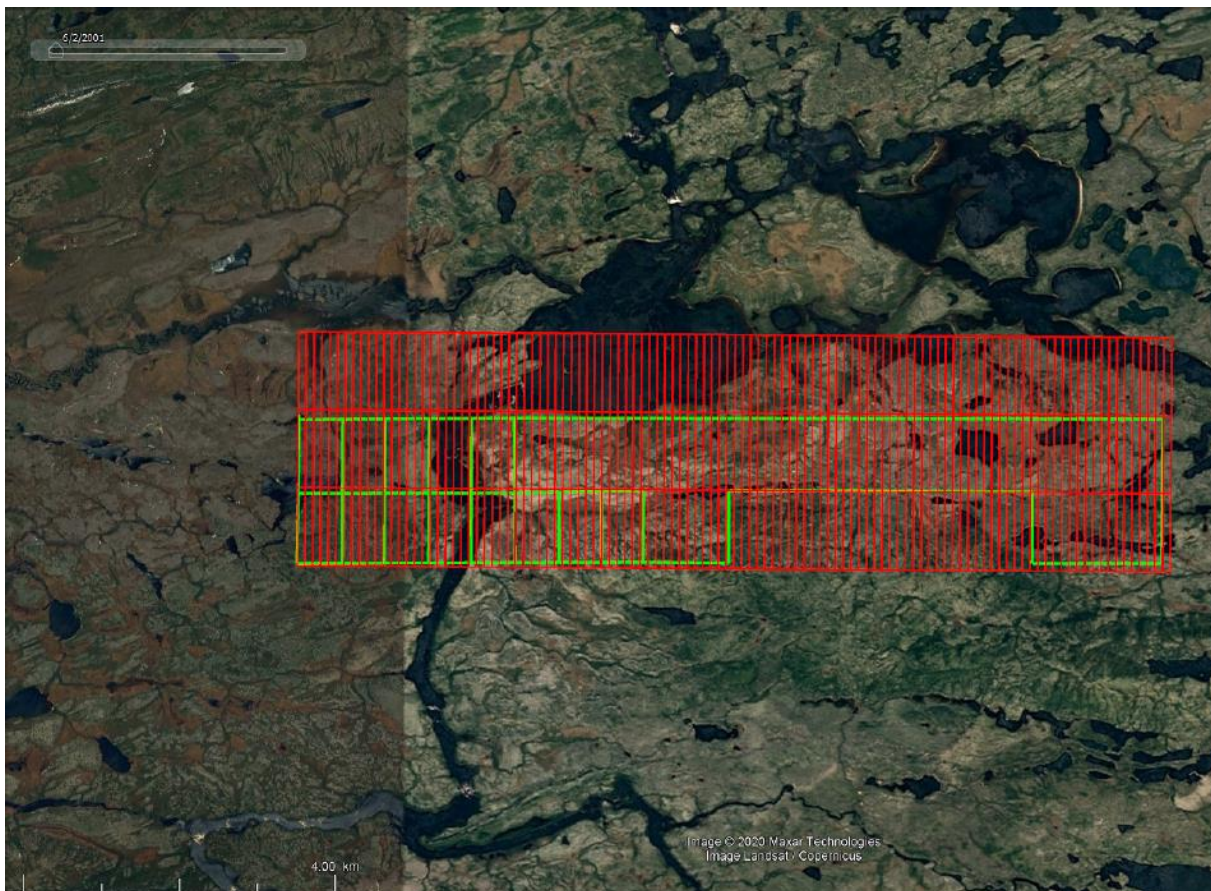


Figure 1: Survey grid lines for the MAG and TDEM surveys at the West Eade Project area, part of the Eade Copper-Gold Project

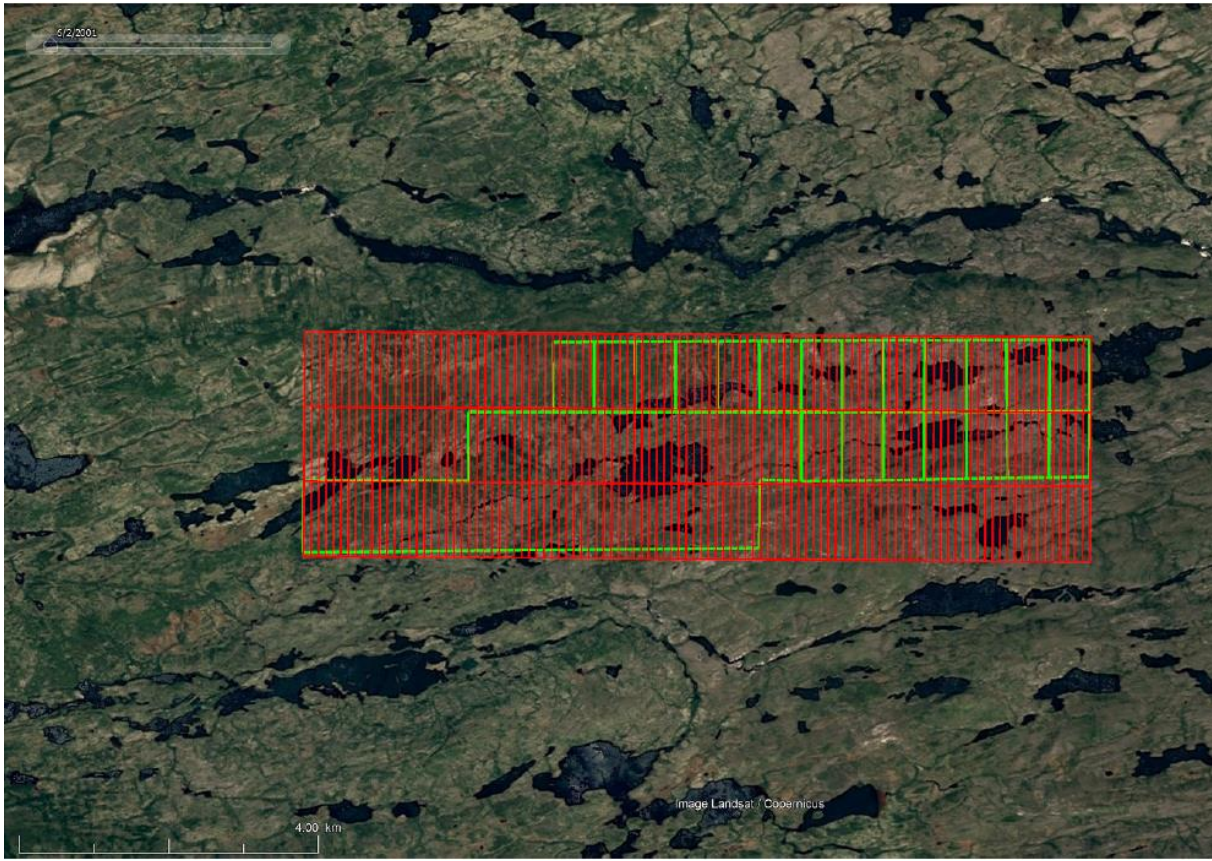


Figure 2: Survey grid lines for the MAG and TDEM surveys at the East Eade Project area, part of the Eade Copper-Gold Project

Previous Field Exploration Summary

The 2020 field exploration program completed by the Company demonstrated highly anomalous gold, copper, silver, zinc and lead mineralisation which supports the understanding that there is a potentially significant mineralised system under cover.

The results of the field program were consistent with and significantly improved upon the historical sampling that was undertaken at the Eade, Pontois and Felicie projects confirming the presence of not only gold mineralisation, but also copper, lead, silver, nickel and zinc within these BIF structures.

This is an important discovery for the Company because the polymetallic nature of the mineralisation is indicative of the broader Lac Guyer Greenstone Belt and demonstrates that the Company is exploring the right geological structures in the right geological environment.

High grade gold and polymetallic mineralisation has been identified and sampled in localised zones. Significantly, the Company has also demonstrated that gold and polymetallic mineralisation has also been identified and sampled over considerable strike lengths indicating the potential for larger mineralised bodies to be discovered.

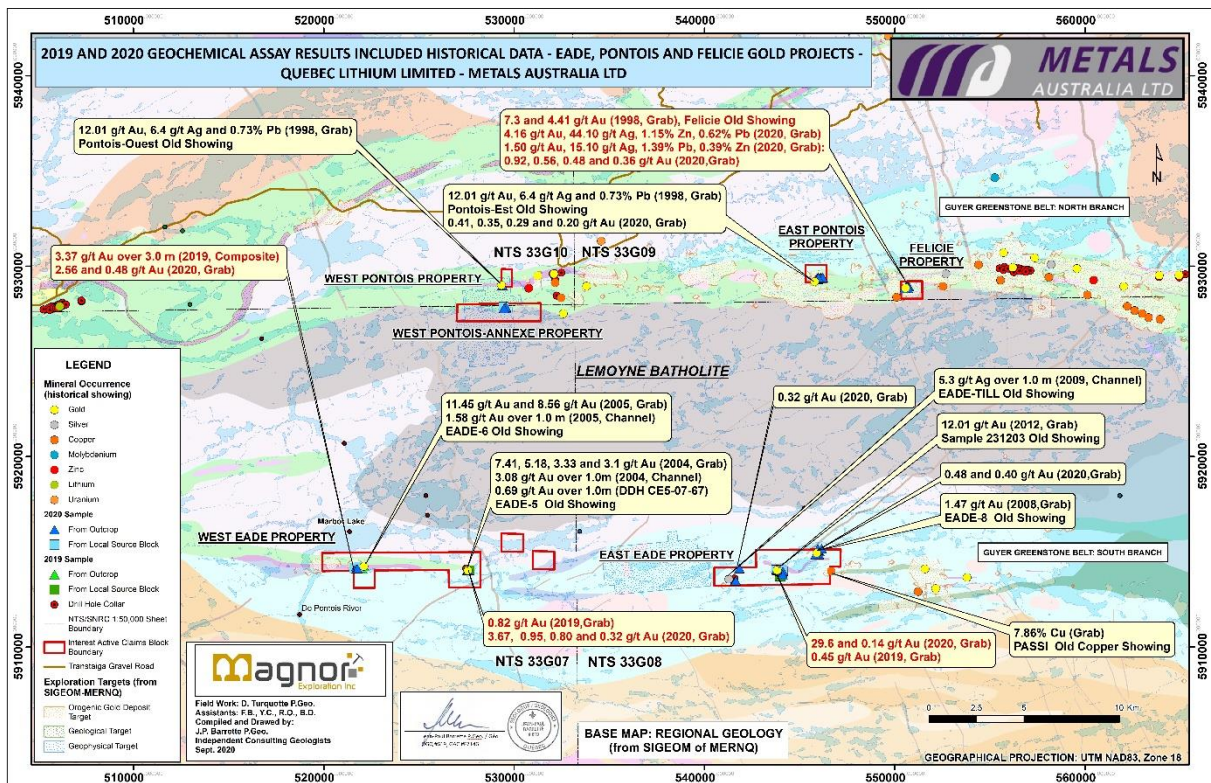


Figure 3: Geology base map overlaid by the 2020 and 2019 field exploration program sampling locations at the Eade, Pontois and Felicie project areas together with the sampling points and location of historic exploration, including historical drill holes, rock samples and channel samples

Figure 3 (above) shows the 2020 field exploration program sampling locations as well as the 2019 field exploration program sampling locations at the Eade, Pontois and Felicie project areas. Historic exploration, including historical drill holes, rock samples and channel samples are also shown on Figure 3.

As shown in Figure 3 (above), the Company has identified a high priority geophysical target at the West Pontois project area and high priority orogenic gold deposit targets at each of the Felicie, West Eade and East Pontois project areas.

The project areas have not been the subject of modern exploration and limited follow up exploration has been undertaken on the historical occurrences and prospects. The Company believes that modern exploration techniques, including geophysics, channel sampling and soil geochemical sampling will identify additional mineralization along the strike length of the known structures.

This announcement was authorised for release by the Board of Directors.

ENDS

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Caution Regarding Forward-Looking Information

This document contains forward-looking statements concerning Metals Australia. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on the company's beliefs, opinions and estimates of Metals Australia as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Competent Person Declaration

The information in this announcement that relates to Exploration Results is based on information compiled by Mr. Jean-Paul Barrette P.Geo, B.Sc. Mr Barrette is Project Geologist with Magnor Exploration Inc. and a consultant to Metals Australia Limited. Mr Barrette and is a member of the Ordre des Géologues du Québec (OGQ) with member number OGQ #619. Mr. Barrette has sufficient experience (35 years) that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Mr. Barrette consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

ASX Listing Rules Compliance

In preparing this announcement dated 19 January 2021, the Company has relied on the announcements previously made by the Company and specifically dated 1 October 2020. The Company confirms that it is not aware of any new information or data that materially affects those announcements previously made, or that would materially affect the Company from relying on those announcements for the purpose of this announcement dated 19 January 2021.

Airborne Magnetic and Time-Domain Electromagnetic Survey – Technical Parameters

Both the ground and heliborne systems use a non-oriented (strap-down) optically-pumped Cesium split-beam sensor. These magnetometers have a sensitivity of 0.005 nT and a range of 15,000 to 100,000 nT with a sensor noise of less than 0.02 nT. The heliborne sensor is mounted in a bird made of non-magnetic material located 25 m below the helicopter when flying. Total magnetic field measurements are recorded at 10 Hz in the aircraft. The ground system is recording magnetic data at 1 sample every second.

Prospectair uses an OmniStar differential GPS navigation system to provide real-time guidance for the pilot and to position data to an absolute accuracy of better than 5m. The Omnistar receiver provides real-time differential GPS for the Agis on-board navigation system. The differential data set is relayed to the helicopter via the Omnistar network of geosynchronous satellites for the survey location. The receiver optimises the corrections for the current location.

The airborne survey will be conducted on a set up as illustrated by Figure 4 below.

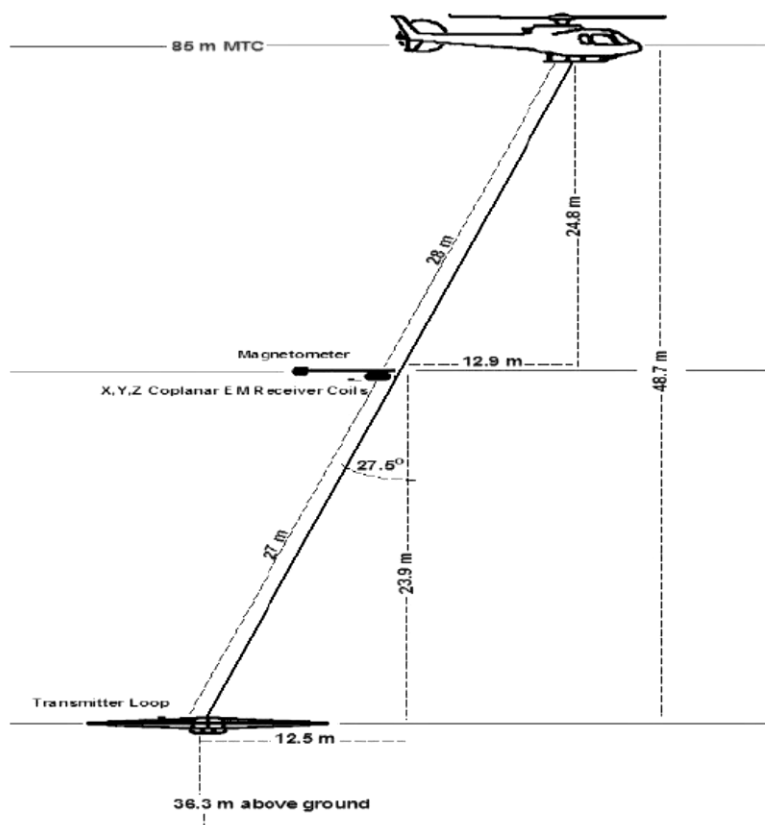


Figure 4: Helicopter supported geophysical equipment set up and operation

The Airborne Geophysical Information System (AGIS-XP) is an advanced, software driven instrument specifically designed for mobile aerial or ground geophysical survey work. The AGIS instrumentation package includes an advanced Satellite navigation (GPS), real-time flight path information that is displayed over a map image (BMP format) of the area, and reliable data acquisition software. With simple interfacing, the radar and barometric altimeters, the RSI spectrometer, the Geometrics magnetometer and the ProspectTEM time-domain electromagnetic system data are easily integrated into the data acquisition system and digitally recorded. Automatic synchronisation to the GPS position and time provides very close correlation between data and geographical position. The AGIS is equipped with a software suite allowing easy maintenance, upgrades, data QC, and project and survey area layout planning.