ASX Announcement
27 July 2022 **ASX:MLS**

Metals Australia Completes Very Successful Phase 2 Metallurgical Testwork on Lac Rainy High-Grade Graphite Project

Bulk Graphite Concentrate Despatched for Spherical Graphite and Battery Testwork

Metals Australia Ltd (ASX:MLS) ("Metals Australia" or the "Company") is very pleased to announce that the final stage of the Phase 2 metallurgical testwork on the Company's high-grade Lac Rainy Graphite Project in Quebec, Canada has **produced a pilot scale bulk sample of graphite concentrate that has met the required specifications for downstream lithium-ion battery testwork.**

This **bulk concentrate sample has now been despatched to specialist graphite testing group, ProGraphite in Germany to carry out critical spheronisation (spherical graphite), purification and battery testwork to determine lithium-ion battery anode charging qualities and durability.**

The achievement of **pilot-scale production of this high-grade graphite bulk-concentrate** completes the Phase 2 metallurgical testwork and processing flow-sheet development program that has produced the following outstanding results:

i) Optimised **bench-scale tests produced combined flake graphite concentrate grading 96.8% Cg, which is at the upper end of the targeted range of 94 to 97% Cg**[1].

ii) Locked closed circuit (LCT) testwork (which approximates plant conditions) **produced a combined concentrate grade of 95.5% Cg at a very-high overall recovery into the concentrate of 95.1% Cg**.

iii) **Sulphide flotation of tailings removed 98% of sulphur into a high-grade sulphide concentrate. This represents a saleable product and removes the risk of acid-mine-drainage from tailings**.

iv) **Pilot-scale production of on-specification bulk concentrate of 6.5kg** (target 5 to 10kg) **at a combined grade of 94.0% Cg** (target >94% Cg). This includes 1.3kg of +150-micron **larger flake-graphite at a very high-grade of 96.0% Cg**.

This Phase 2 testwork and flow-sheet development program has **significantly improved the flotation circuit, graphite recoveries and optimised flake distribution in bench-scale, locked closed circuit (LCT) and pilot-scale concentrate production** from the Lac Rainy Graphite Project.

The **bulk concentrate that has been despatched to ProGraphite in Germany will now undergo Phase 3 spherical graphite and lithium-ion battery testwork,** to include:

- Initial mineralogy and flake-graphite characterisation,
- Spheronisation testwork to produce spherical graphite,
- Purification of the spherical graphite – targeting 99.95% Cg,
- Electrochemical (battery) testing of the purified spherical graphite.

The purpose of the spherical graphite and battery testwork is to produce very-high purity (target 99.95% Cg) spherical graphite for electrochemical testwork to determine lithium-ion battery anode charging qualities and durability.

Metals Australia Chairman, Mike Scivolo said,

"The outstanding outcomes from the graphite testwork on the Lac Rainy high-grade graphite resource material have demonstrated that we can produce high-grade concentrate at pilot scale as well as achieve excellent recoveries.

"We are now very much looking forward to the results of the spherical graphite and battery testwork in Germany, to demonstrate the high-quality of our graphite product and provide impetus to discussions with key offtake and funding partners - that have already shown interest in the Lac Rainy Graphite Project."

"These very positive metallurgical results will also allow us to re-focus on the outstanding exploration potential of the project to grow the high-grade graphite resource base."

Following the outstanding Phase 2 metallurgy results, the Company will now re-focus on the outstanding exploration potential of the Project to grow the high-grade graphite (see Photo 1 below) resource base which is currently a **JORC 2012 Indicated and Inferred Mineral Resource of 13.3Mt @ 11.5% Total Graphitic Carbon (Cg)** (including Indicated: 9.6Mt @ 13.1% Cg and Inferred: 3.7Mt @ 7.3% Cg)[3] (5% Cg cut-off)[3].

The identified Mineral Resource at Lac Rainy is within the only **1.6km strike-length zone that has been drilled-out to date at the south-eastern end of the over 6km strike-length Carheil graphite trend. The remaining 4.4km of this graphitic trend remains un-drilled** (see location Figure 1).

The parallel **West Carheil trend** (see Figure 1) that has produced very high-grade rockchip results of **over 20% Cg[2] also remains undrilled over a 4km strike length.**

In addition, electromagnetic (EM) anomalies identified on the **Lac Rainy – Nord** tenements have been verified as being associated with graphite occurrences that produced rockchip results of up to 8% Cg (Figure 1). This **represents an additional 12km of strike potential.**

Over 20km strike-length of graphitic trends have been identified on the Lac Rainy Project (see Figure 1), **of which only 1.6km strike has been drilled so far. This offers outstanding potential to greatly increase the high-grade graphite resource base at Lac Rainy.**

Drilling will now be planned to test the most immediate targets for high-grade graphite resource growth and generate further graphite concentrate for variability testing and further downstream testwork, as well as provide concentrate samples for potential offtakers to conduct battery-grade verification testing.

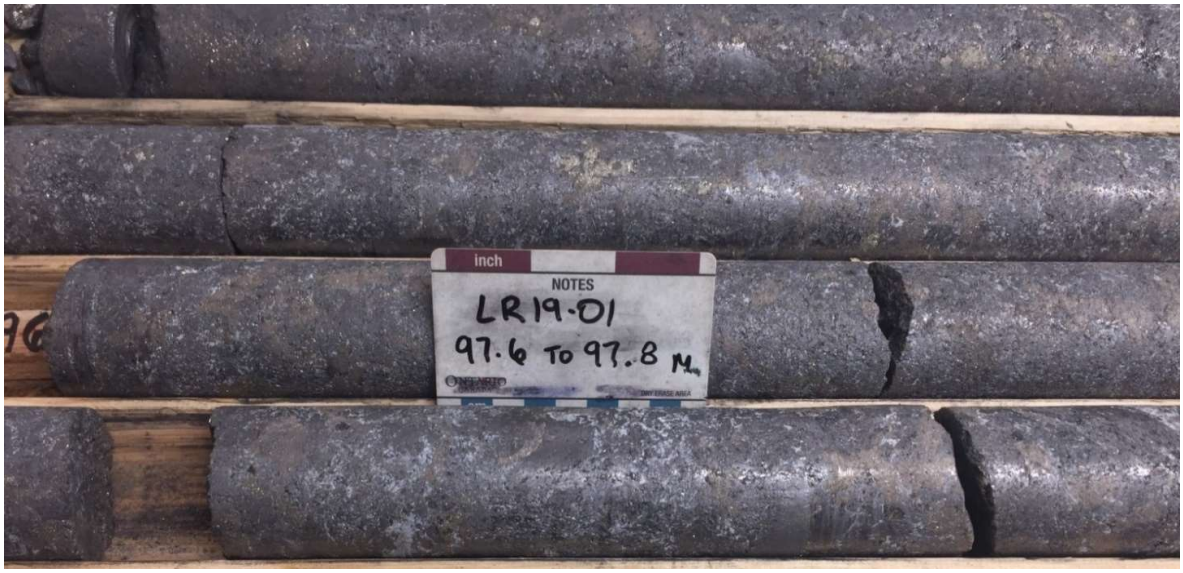

Photo 1: Lac Rainy Graphite Project high-grade (>20% Cg) flake graphite in drill-core from the main resource area

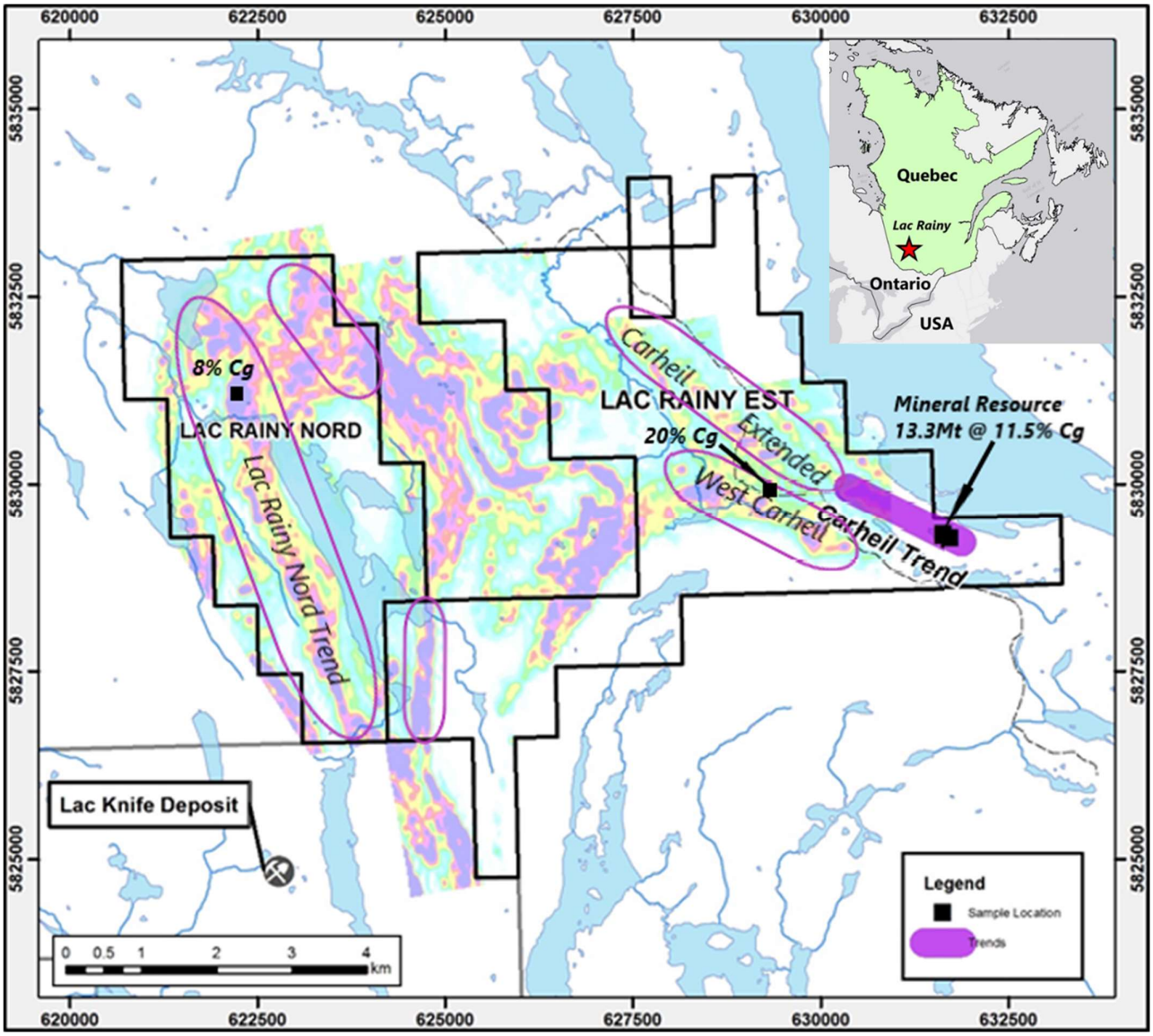

Figure 1: Location of the Lac Rainy Graphite Project with key prospect locations and airborne EM anomalies

The Lac Rainy Graphite Project is located in southern Quebec, Canada, close to other high-quality graphite projects such as the similarly high-grade Lac Knife Graphite Project of Focus Graphite Ltd (TSXV:FMS)[4]. Lac Knife is located only 10km to the west of Lac Rainy, with similar geology (see location, Figure 1), and has a feasibility study that indicates *"potential to become one of the lowest-cost, highest-margin producers of graphite in the world"* [4].

The global lithium-ion battery market is looking to diversify away from dependence on Chinese supply of battery components, which accounts for over 90% of the world's spherical graphite supply for lithium-ion batteries. This has led to an **urgent requirement for the development of spherical graphite and battery production in the North American market – that will prioritise local supply of high-purity, low cost, graphite concentrate that is suitable for battery-grade spherical graphite production**[4].

Mr Scivolo added, *"The Lac Rainy Graphite Project is ideally placed to take advantage of the opportunity to supply high-quality graphite to downstream lithium-ion battery components markets in North America, and MLS is looking to demonstrate that the Project has the optimum graphite concentrate characteristics to meet this demand."*

The Lac Rainy Graphite Project and the Outstanding Results of the Phase 2 Testwork Program:

The Lac Rainy Project (see location, Figure 1) consists of a contiguous holding of 92 mineral claims covering an area of approximately 45.5 km^2 located 22 km south-west of the historic mining town of Fermont in one of the premier graphite regions of Quebec, Canada. The Project is approximately 15 km east of Route 389, a paved highway that links the Project with major ports along the St. Lawrence River.

The Lac Rainy project hosts a high-grade **JORC 2012 Indicated and Inferred Mineral Resource of 13.3Mt @ 11.5% Total Graphitic Carbon (Cg)[12]** (including Indicated: 9.6Mt @ 13.1% Cg and Inferred: 3.7Mt @ 7.3% Cg) (5% Cg cut-off) [3].

Previous, Phase 1 metallurgical testwork was able to achieve total graphitic carbon (Cg) **grades of up to 97.1% Cg, with up to 22.8% of the Lac Rainy graphite concentrate categorised in the large and jumbo flake size fractions**[5].

In 2020, Metals Australia completed a Scoping Study that highlighted the significant economic attractiveness of the Lac Rainy project[2]. The **Scoping Study demonstrated the strong economic potential of the Lac Rainy Graphite Project to generate high-operating margins and producing nearly 100kt of concentrate per annum in full production**.

Based on the recommendations in the Scoping Study, SGS Canada (SGS) were commissioned to carry out Phase 2 systematic processing flowsheet development testing on a bulk sample composite from the high-grade Lac Rainy Graphite Project. The composite sample had a high graphitic carbon grade of **16.2% Cg**[6] and 10.7% sulphur (S), with quartz being the most abundant gangue mineral.

The testwork was designed to optimise the graphitic carbon (Cg) purity and flake-size distribution in concentrate prior to up-scaling to produce a bulk concentrate for subsequent downstream product testwork.

The flowsheet development program for the Lac Rainy Project was initially based on the proposed flow sheet for the similarly high-grade **Lac Knife Graphite Project** of Focus Graphite Ltd (TSXV:FMS)[4], which is at the feasibility stage and located only 10km to the west of the Lac Rainy Project (see location, Figure 1).

The Company has now completed the Phase 2 advanced metallurgical testwork program on the Lac Rainy Graphite Project. The timeframe to complete the pilot scale bulk concentrate generation stage was delayed due to poor SGS pilot plant availability and slow assay turnaround times. However, **the key objectives of this Phase 2 metallurgical testwork have now been achieved and include**:

i) Optimising flake-graphite concentrate purity, particularly in the fine to medium flake fraction (-150µm), to enable generation of a bulk concentrate sample for downstream testwork.

   The testwork using the optimum flowsheet conditions produced a combined concentrate grade of 96.8% Cg[1] including 13.9% in the larger flake, +150µm category at a high concentrate grade of 97.0% Cg and the remaining **86.1% of the mass in the fine to medium, -150µm category at a grade of 96.7% Cg**.

ii) Maximising recovery of flake graphite in Locked Closed Circuit (LCT) tests (which approximates plant conditions), while maintaining concentrate grade at high levels.

   The LCT produced a **combined concentrate grade of 95.5% Cg and overall recovery into the concentrate was a very high 95.1% Cg**. The concentrate included a **higher proportion of large flake (+80 mesh/+180 micron) of 20%**, indicating that the LCT flow-sheet conditions are approaching optimum for production of high-value product.

iii) Desulphurization of tailings to remove potentially acid mine drainage producing sulphides.

   Desulphurization tests proved very effective in recovering the sulphides into a high-grade sulphide concentrate, recovering around 98% of the sulphur at the flotation stage with magnetic

separation recovering about 50% of the remaining sulphides **(total ~99% sulphides removed)**. The sulphide concentrate can be a saleable product for acid production.

iv) Pilot scale testwork to produce a larger scale bulk concentrate using the optimised flow-sheet conditions to produce 5 - 10kg of concentrate at the targeted grade of >94 Cg.

The Company has achieved production of the on-specification bulk concentrate of 6.5kg (target 5 to 10kg) **at a combined grade of 94.0% Cg** (target >94% Cg). The bulk concentrate includes 1.3kg of +100 mesh/+150-micron larger flake-graphite that grades 96.0% Cg and 5.2kg of -100 mesh/-150-micron medium to fine flake graphite grading 93.6 Cg (see Table 1 below).

The optimum flowsheet developed from the Phase 2 testwork program consists of primary grinding followed by rougher flotation. The rougher concentrate was subjected to a polishing grind then various stages of cleaner flotation and then screened to produce separate +150-micron, larger flake oversize and -150-micron undersize fractions, that were then treated in separate secondary cleaning circuits. Additional cleaner flotation stages were carried out on the -150-micron finer flake material followed by de-sliming to remove lower grade fines.

The 6.5kg aggregate concentrate includes pilot plant cyclone overflow (+150 micron) and underflow (-150 micron) from desliming after all cleaner flotation stages, as well as material from previous tests (see Table 1).

Table 1: Lac Rainy Graphite Project, Concentrate Flake Size Distribution

Size Fraction			Mass/Weight (g)	Total Carbon (Cg)%	Mass/Weight (g)	Total Cg%
Flake Category	***Mesh***	***Micron***				
Jumbo	48	>300µm	142	96.6		
Large	80	>180µm	609	96.0	**1275.4**	**96.0**
Medium	100	>150µm	525	95.8		
Fine - medium	150	>106µm	835	95.2		
Fine	200	>75µm	1,262	94.8	**5228.7**	**93.6**
Very Fine	-200	<75µm	3,131	92.6		
Total			**6,504**	**94.0**		

The bulk graphite concentrate has now been despatched to ProGraphite in Germany for downstream spherical graphite and lithium-ion battery charging and durability tests.

The key steps in the spherical graphite and battery testing program comprise:

- Initial mineralogical investigation followed by graphite characterisation,
- Spherical graphite testwork (micronisation followed by spheronisation),
- Purification of the spherical graphite, targeting >99.95% Cg,
- Electrochemical testing of the spherical graphite to determine charging qualities and durability.

The initial mineralogy and characterisation work expected to be completed within a month, to be followed by spherical graphite testwork within the first 8 weeks of the program and a further 8 weeks for the electrochemical (battery) testing (total 4 to 5 months). Outputs at the spherical graphite, purification and final battery testing stage will be reported when available.

The results of the downstream testwork will allow the Company to upgrade the testing program to reach pre-feasibility study (PFS) level as well as carry out marketing of the high-quality and high-purity Lac Rainy graphite concentrate to end-users across North America and Europe.

About Spherical Graphite and the Lithium-Ion Battery Market

Spherical graphite, also known as battery-grade graphite, is used within the anode in lithium-ion batteries. To produce spherical graphite, flake graphite is "micronised" then "spheronised", creating spheres or "spheroids" of graphite ranging from 10 micron to 25 micron that are then ultra-purified to >99.95% Cg. Coatings are then applied to the spheroids before incorporation into the anode of a lithium ion-battery.

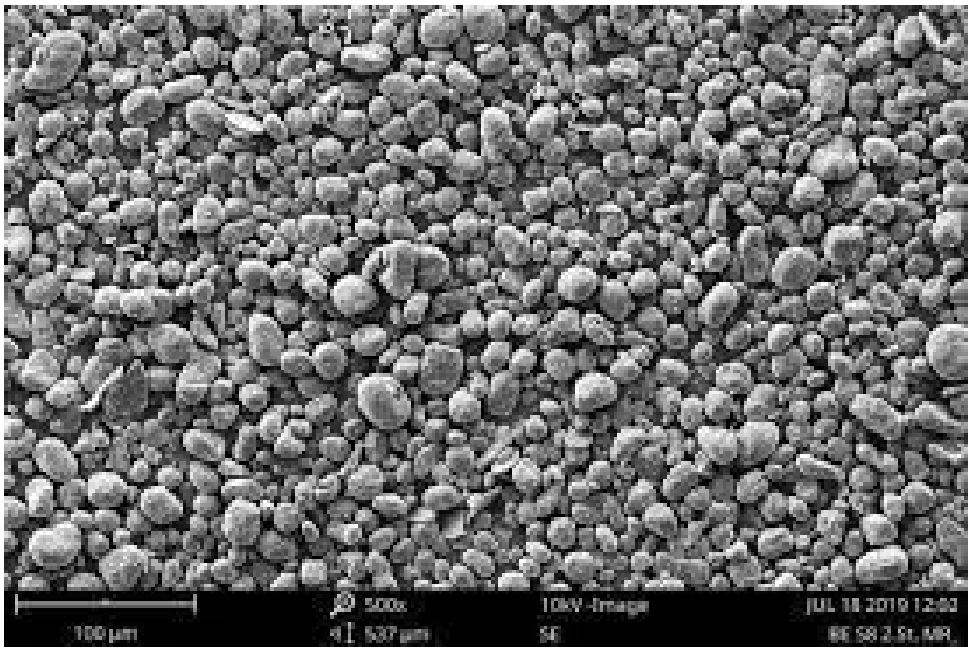

Photo 2: Spherical graphite spheroids of 10 micron to 25 micron.

More than 90% of the worlds spherical graphite supply is produced in China. However, the almost exponential demand for the product is driving requirements for production outside of China, particularly in North America. Battery anode demand is projected to grow rapidly over the coming decades and graphite market balance is projected to be in deficit from 2022 on[7] (see Figure 2 below).

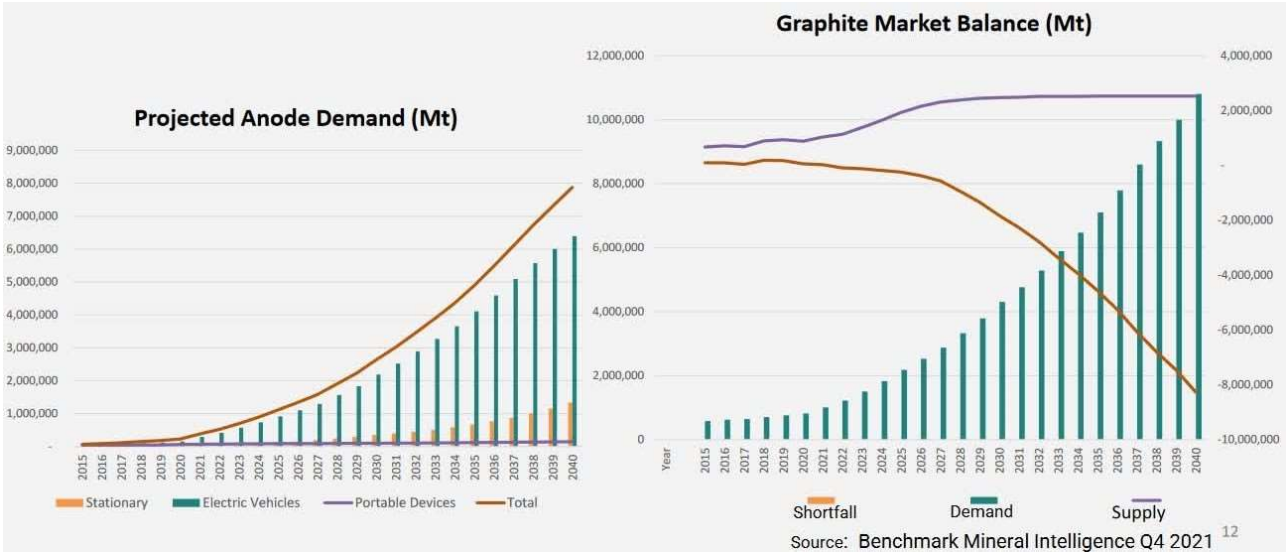

Figure 2: Projected battery anode demand and market balance showing graphite shortage from 2022

Local (North American) production of high-quality "battery-grade" concentrate – such as at Lac Rainy, is likely to attract a premium in the current and sustained market conditions that are expected to continue for many years to come based on demand for renewables[8].

About Metals Australia

Metals Australia is actively exploring a number of highly prospective battery minerals (and base and precious metals) projects within Western Australia and Quebec, Canada.

The immediate objectives of the Company are to build the value of its key battery minerals resource projects through drilling, discovery, resource growth and initial studies to determine economic value and development potential.

Manindi Project

The flagship Manindi Project includes the Manindi Base Metals and Manindi Lithium Projects and comprises three granted mining leases (M57/227, M57/240 and M57/533) located in the Murchison District of Western Australia (Figure 3 below) in close proximity to the Golden Grove Base Metals Mine and the Youanmi Gold Mine.

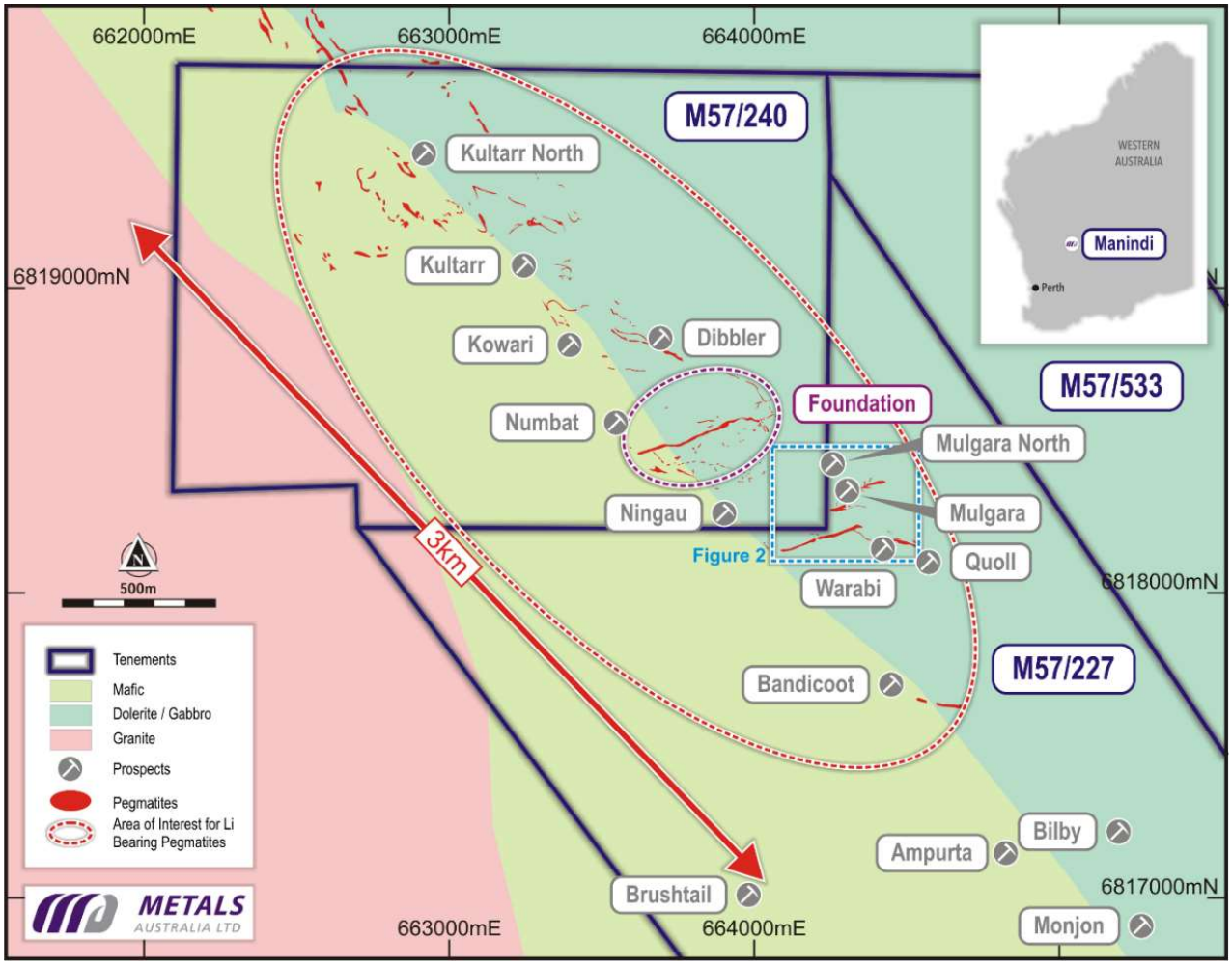

Figure 3: Manindi Base Metals and Lithium Project, key prospects and general geology

Manindi Base-Metals Project:

The Manindi Base-Metals Project includes the high-grade **Kultarr** and **Kowari Zinc deposits** (Figure 3), located close to the northern end of the Project at the boundary between a sequence of mafic intrusive units and mafic volcanics and felsics to the west.

These deposits already host a JORC 2012, **Measured, Indicated & Inferred Mineral Resource of 1.08Mt @ 6.52% Zn, 0.26% Cu, 3.2g/t Ag** for **70,102t Zn** (2% Zn cut-off) (including a Measured: 37.7kt @ 10.22% Zn, 0.39% Cu, 6.2g/t Ag; Indicated: 131.5kt @ 7.84% Zn, 0.32% Cu, 4.6g/t Ag and Inferred: 906.7kt @ 6.17% Zn, 0.25% Cu, 2.9g/t Ag)[9].

The zinc-copper prospects are regarded as volcanic hosted massive sulphides (VHMS) type, similar to the nearby Golden Grove deposits.

The recently announced spectacular zinc intersection in **MNRC070 of 68m @ 3.09% Zn, 0.20% Cu, 2.33 g/t Ag** from 89m, including **24.0m @ 6.47% Zn, 0.29% Cu, 3.58 g/t Ag** from 100m[10] has opened up **potential to significantly grow the high-grade zinc with copper resources at the Project** through extending identified zones. Diamond drilling has recently tested deeper extensions of the high-grade zinc sulphide zones and results will be reported when available.

The Company also recently announced a substantial intersection of mafic hosted vanadium bearing titano-magnetite with zones of nickel-copper-cobalt sulphide mineralisation from the previously un-drilled Manindi West magnetic trend (Figures 3) that included an overall intersection of **82m @ 0.30% V_2O_5, 27.8% Fe and 11.5% TiO_2** from 48m downhole incl. **27m @ 0.35% V_2O_5, 34.8% Fe, 14.75% TiO_2, 0.03% Ni, 0.05% Cu, 221ppm Co**[11]. Diamond drilling is also testing this zone as part of the current program.

Manindi Lithium Project:

The Manindi Lithium Project includes a series of lithium bearing pegmatites, generally striking east-west, within a 3km strike-length corridor that transect the same mafic intrusive / mafic volcanic boundary as the zinc deposits (Figure 3).

Detailed surface mapping carried out at Mulgara and Warabi, situated approximately 1.3km SE of the Kultarr and Kowari zinc resources (Figure 3), previously identified at least three lithium bearing pegmatites outcropping at surface with strike lengths of over 300m and widths of up to 25-30m.

Re-sampling of previous diamond drillcore that targeted VHMS sulphide mineralisation at Mulgara, produced intersections including[12]:

- **15m @ 1.20% Li_2O from 34m, including 5m @ 1.53% Li_2O from 38m in MND018, and,**
- **3m @ 1.00% Li_2O from 41m in MND022**.

Following the positive identification of lithium-caesium-tantalum (LCT) pegmatites at Manindi, a shallow RC percussion drilling program was completed in 2018[13] at the **Mulgara Prospect** to test the three outcropping pegmatite dykes identified. Significant intersections produced from this RC drilling program at Mulgara included[13]:

- **MNRC030: 8m @ 1.06% Li_2O from 18m incl. 3m @ 1.65% Li_2O with up to 1.96% Li_2O**
- **MNRC033: 8m @ 1.00% Li_2O from 32m, and 7m @ 1.29% Li_2O, from 42 m incl. 5m @ 1.53% Li_2O**

Preliminary flotation tests on previous diamond drilling samples produced concentrates with grades up to 3.05% Li_2O and lithium recovery of up to 77% from a concentrated 30% of the mass feed[16]. Potential for further improvements in the metallurgical results is high given that the previous tests carried out were scoping level in nature and that the flowsheet had not been optimised for the Manindi mineralization.

The Company recently identified other LCT pegmatites within a 3km corridor at the northwest end of the Manindi Mining Leases. This includes the **Foundation Pegmatite**[14,15] that is the largest pegmatite identified to date at Manindi at over 500m strike-length, trending in a southwest–northeast direction, and including multiple pegmatite outcrops across a 200m wide zone in a northwest-southeast direction (see Figure 3)

Rockchip sample results averaging >1% Li_2O with Cs, Ta and >0.4% Rb and up to 2.30% Li_2O and 0.70% Rb[14], confirm that Foundation is a high-grade LCT pegmatite. These results compare favourably with previous results from rockchip sampling of the **Mulgara pegmatites** that produced high-grade results of up to **2.84% Li_2O, 296 ppm Ta_20_5 and up to 746ppm Cs_2O**[12].

The Company recently completed a 44 hole, ~3,500m, RC drilling program[17] that tested the Foundation and Mulgara Pegmatites (Figure 3) as well as other nearby zones (e.g., Dibbler, Quoll). Significant lithium-rubidium results have been produced from results received to date from both the Foundation and Mulgara LCT pegmatites, including the following **thick and high-grade intersections**[18,19]:

- **Foundation: 16m @ 1.12% Li_2O, 0.32% Rb** from 19m incl. **13.0m @ 1.25% Li_2O, 0.34% Rb** in MNRC042[15]
- **Mulgara: 11m @ 1.23% Li2O, 0.31% Rb** from 16m **incl. 5m @ 1.47% Li2O, 0.30% Rb** in MNRC062[19]

A diamond drillhole (22MNDD001) has now tested under the highest-grade part of the Foundation Pegmatite, **intersecting a 27m zone of pegmatite from 109m as well as a further 10m footwall zone from 148m (total 37m of pegmatite) with lithium bearing minerals throughout[20]**. The diamond core has already been submitted for assay as well as mineralogical work to determine lithium mineralogy. Metallurgical (Li, Rb, Ta concentration) testwork will then be carried out before further drilling is planned to define the depth extensions, prior to maiden JORC 2012 Mineral Resource estimation for the project.

Eade-Felicie-Pontois Copper-Gold-Polymetallic Projects, Canada

The Eade-Felicie-Pontois Copper-Gold-Polymetallic Projects are located in northern Quebec, Canada, in the Lac Grande Greenstone Belt. The Company has received the results of a Time-Domain Electromagnetic (TDEM) and heliborne Magnetic (MAG) survey that confirmed areas of identified mineralisation and identified new targets to be field tested across the extensive 15km strike corridor of identified targets[21].

The Company recently completed a reconnaissance fieldwork program over high priority target areas and, based on re-evaluation of the geophysical interpretation and a more intensive and systematic fieldwork program, will be finalising plans for an initial drilling campaign.

Lac du Marcheur Copper-Cobalt Project, Canada

The Lac du Marcheur Copper-Cobalt Project is located in central Quebec, Canada. An initial field program was undertaken by the Company in 2017 which confirmed the historical high-grade copper and cobalt occurrences and prospects on surface.

The Company has recently completed an airborne TDEM and MAG survey, the preliminary processed results of which have highlighted several conductors aligned and coincident with magnetic trends/lineaments trending NW-SE to NNE-SSW. These conductors/anomalies may be associated with graphitic and/or sulphidic zones and field work will be carried out to identify the source of the conductors/anomalies[21].

New Battery and Precious Metals Projects to be Acquired through the Payne Gully Acquisition

The Company recently announced an Agreement to purchase 80% of Payne Gully Gold Pty Ltd ("Payne Gully")[22] which holds a suite of highly prospective nickel, gold and copper-gold tenements in Western Australia and the Northern Territory, including:

a) The **Warrambie Project** located between Sabre Resources' Sherlock Bay nickel sulphide deposit[23] and the Andover massive nickel sulphide discovery[24] in Western Australia's Pilbara region. Warrambie is highly prospective for mafic intrusive nickel-copper-cobalt-PGE sulphide mineralisation.

b) The **Murchison Project**, including five tenements along strike from major gold deposits including the >5Moz Big Bell[25] and the >3Moz Mt Gibson mine[26] in Western Australia's Murchison Province. The Murchison Project tenements are highly prospective for gold, Ni-Cu-Co-PGE and lithium mineralisation.

c) The **Tennant Creek Project** in the Northern Territory which includes three tenements along strike from Warrego high-grade copper-gold deposit[27] and a tenement southeast of Tennant Creek along strike from Tennant Minerals (ASX: TMS) Bluebird copper-gold discovery[28]. All tenements are considered highly prospective for iron-oxide-copper-gold (IOCG) deposits.

The acquisition of Payne Gully, subject to general meeting approval, will enhance the Company's portfolio of battery mineral/metals projects with multiple targets in the Tier 1 jurisdictions of WA and the Northern Territory. **These proposed acquisitions are part of the Company's strategy to continually present high-quality discovery opportunities as more advanced projects reach the mature pre-development stage.**

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

*****ENDS*****

For further information, please refer to the Company's website or contact:

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Cautionary Statement regarding Forward-Looking information

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Forward looking statements in this document are based on the company's beliefs, opinions and estimates of Metals Australia Ltd 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 Statements

The information in this announcement that relates to Exploration Results from Canada 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 information in this report that relates to Resource Estimation is based on information compiled by Simon Coxhell, Principal Consultant of CoxsRocks Pty Ltd. Mr Coxhell is a consultant to the Company. Mr Coxhell is a Member of the Australian Institute of Mining and Metallurgy. Mr Coxhell has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this document and to the activity which he is 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 Coxhell consents to the inclusion in this report of the Matters based on this information in the form and context in which it appears. Mr Coxhell has not been to the Lac Rainy site but is familiar with graphite deposits around the world and has completed numerous resource estimates for this commodity.

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves specific to the Manindi Lithium Project is based on information compiled by and fairly represented by Mr Nick Burn. Mr Burn is the Exploration Manager of Metals Australia Limited and a member of the AIG. Mr Burn has sufficient experience relevant to the style of mineralisation and type of deposits under consideration to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee ('JORC') Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Burn consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

The information in this document that relates to metallurgical test work is based on, and fairly represents, information and supporting documentation reviewed by Mr Peter Adamini, BSc (Mineral Science and Chemistry), who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Adamini is a full-time employee of Independent Metallurgical Operations Pty Ltd, who has been engaged by Metals Australia Ltd to provide metallurgical consulting services. Mr Adamini has approved and consented to the inclusion in this document of the matters based on his 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.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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 downhole 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.*	• Sampling method is half-core sampling of HQ diamond drill core (HQ:63.5mm). Quarter-core sampling utilised where a duplicate sample has been taken. • Sampling was carried out using Magnor Exploration Inc sampling protocols and QAQC procedures as per industry best practice, delivered by ALS. • Diamond drilling completed using WL66 coring equipment. Drillholes have been sampled on geological intervals or nominal 1.5 m intervals where appropriate (approx. 3kg/sample). All samples have been crushed, dried and pulverised (total prep) to produce a sub sample for multi-element analysis by four acid digest with ICPMS, total graphitic carbon and sulphur by Leco.
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.).*	• Diamond drilling completed by Magnor Exploration • WL66 (HQ) conventional diamond drilling with core diameter of 63.5mm. • All drillholes have been orientated. • Downhole surveying completed using a Devico Deviflex downhole survey instrument.
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.*	• Core recoveries are measured by the drillers for every drill run. The core length recovered is physically measured for each run, recorded and used to calculate the core recovery as a percentage of core recovered. Any core loss is recorded on a core block by the drillers. • Careful drilling techniques in areas of broken ground are employed with communication between the geologist and drillers to maximise core recovery. • A sampling bias has not been determined.
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.*	• All drillcore has been transported from the drill sites to the laboratory by company representatives for cleaning, reconnection of core lengths and measurement of metre marks where required, over the entire hole. • Geological logging has been completed on the entire length of all holes by Magnor exploration who has significant experience in this style of exploration and mineralisation. • The lithological, mineralogical, alteration and structural characteristic of the core has been logged in digital format and following established procedures. • All drillholes have been photographed in both wet and dry states.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
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.*	• Sample preparation follows industry best practice standards and is conducted by internationally recognised laboratories - ALS Laboratories Ltd in Val d'Or, Quebec. Code RX1-graphite was completed as preparation. Samples are crushed to 80% passing 10 mesh, riffle split (250 g), and pulverized to 95% passing 105 micron. • Analysis used ALS packages Code 4F-C,S, and 4F-C-Graphite using a graphite specific preparation (RX1-Graphite). Total carbon as well as graphitic carbon are the primary deliverables. • Sampling techniques utilized, as described above, ensure adequate representativeness and sample size. During the drilling, industry standard sampling techniques were followed with fresh material sampled. • No blanks or standards were submitted by the company with laboratory blanks, standards, and duplicates relied upon, with results reviewed by the companys consultants and found to be satisfactory with no material concerns. Maxwells Data management systems for appraisal of the QA/QC indicated no issues • The sample sizes are considered appropriate for the type of mineralisation under consideration.
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.*	• Selected samples are assayed for total graphitic carbon and sulphur via Leco furnace. Graphitic carbon is determined by digesting the sample in 50% HCl to evolve carbonate as CO2. Residue is filtered, washed, dried and then roasted at 425ºC. The roasted residue is analysed for C and S by high temperature Leco furnace with infrared detection. • The analytical methods are considered appropriate for this style of mineralisation. • No geophysical tools or handheld instruments were utilised in the preparation of this announcement. • Duplicate sampling has been completed at a rate of 1:40 where practicable; duplicate results for all holes are satisfactory. • Certified reference material standards and blanks have been inserted at a rate of approximately 1:20; standard and blank results for all holes are within accepted limits. • Laboratory QAQC methods include the insertion of certified reference material standards, blanks, and duplicates.

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.*	• Determination of the reported downhole intervals of mineralisation have been verified by alternative company personnel both in person and via electronic photographic data. • No twin-hole drilling completed to date although several neighboring holes holes have been completed and showed excellent correlation. • All geological and location data is stored in Excel spreadsheets prior to being uploaded to the Company's database. Data entry has been by manual input and validation of the data has been done by checking input on-screen prior to saving. • No adjustments or calibrations were made to any assay data used in this report.
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.*	• Drillhole locations were planned using a combination of GIS software packages. • Drillhole locations were determined originally using a Garmin handheld GPS unit with an accuracy of +/- 1m. Drill collar azimuths were determined with a hand-held Sunto compass that has a precision of +/- 0.5 degrees. • Subsequent DGPS survey methods established drill collars to a 0.25 m level of accuracy. • Downhole surveys were completed using a Devico Deviflex downhole survey instrument at regular intervals. • Original Grid system is UTM NAD 84 Z 19 • Topographic control has been established by handheld GPS and cross- correlation with digital laser topographic imagery.
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.*	• Drill hole profile spacing varies from 25-40, to 120 metres on the margins is at 50m, 25m or 12.5m. See attached location plans, cross sections and tables. • Previous work including mapping, trenching, rock chip sampling of outcropping ore and detailed electromagnetic (EM) geophysical data show and confirm excellent continuity of the stratigraphic graphite unit. The current drillhole spacing at the East and West deposit is is considered appropriate to allow for the JORC-compliant Mineral Resource Estimate (MRE) to be completed at the Indicated and Inferred resource categories. • Through the main graphite zones, nominal 2m sampling has been applied where appropriate and sampled to geological boundaries elsewhere.

CRITERIA	• JORC CODE EXPLANATION	• COMMENTARY
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.*	• The drillhole orientation is considered appropriate with the drill holes being drilled perpendicular to the interpreted strike of the geological units and graphite mineralisation. The graphite units across the Project dip steeply (80- 90°) to the west and drilling to date has been completed drilling across-dip.
Sample security	• *The measures taken to ensure sample security.*	• All drill core was transported by courier transport from the project to the ALS laboratory in Quebec
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No external audits or reviews of the sampling techniques and data have been completed to date. Results have been reviewed internally by the company's geologists, with independent assessment of the QA/QC by Mawells. With no issues have been identified.

Section 2 Reporting of Exploration Results

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.*	• Metals Australia Limited is the 100% owner of the Lac Rainy Graphite Project, pursuant to the binding acquisition agreement. • There are no other known material issues affecting the tenements. • Quebac Lithium Limited, a wholly owned subsidiary of Metals Australia , is the owner of 100% of the graphite project, and ownership of the individual CDC claims is held by Quebec Lithium Limited. • All tenements are in good standing and have been legally verified by a Quebec lawyer specializing in the field. • The licence is in good standing with no known impediments.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No modern exploration has been conducted by other parties. • Government mapping records multiple graphitic carbon bearing zones within the project area, but no data is available..
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Lac rainy graphite project is located in close proximity to Focus Graphites Lac Knife Project, which is hosted in a similar geological environment. • The projects were first discovered in 1989, and has been subject to basic geological review since then. • The project area geology (hosting the Lac Rainy graphite deposits) is situated within the Gagnon Group, which is the metamorphosed equivalent of the Ferriman Group in the Labrador Trough. The formations within the Ferriman Group consist of Wishart (arenitic quartzite with variable mica and calcite), Ruth (ferruginous mudstone chert), Sokoman (iron formation), and Menihek (mudstone/mica schist), as well as intrusive basalt. The Nault Formation of the Gagnon Group, comprised of graphite-bearing quartz biotite garnet paragneiss (metamorphized equivalent of the Menihek Formation), underlies the majority of the Lac Rainy Property and is the primary target rock unit. • The host lithology consists of a sub-vertical, lithologically continuous unit of very fine-grained dark grey to black graphite rocks containing between 1-28% graphitic carbon and appreciable quantities of sulphides ranging in grade from 0.01-18.8% sulphur. A number of parallel units have been identified from the mapping, channel sample and drilling. • The lithological units are variably folded and faulted, with true widths up to 70m and have local continuity over hundreds of metres and regionally extend over many kilometres. Pyrite, pyrrhotite and trace chalcopyrite accompany the graphite mineralisation. the sub-vertical orientations present today.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY

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.*
		• Drillhole information pertaining to the drilling at Lac Rainy is summarised in the figures and tables in the text of previous ASX releases related to the drilling results at Lac Rainy.

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.*	• A nominal cut off of 5% graphite has been used in any reporting previously conducted. • No high-grade cut-off has been used. • Length-weighted averaging has been used to calculate all intercepts in this announcement. Length-weighted averaging has been used given that sampling intervals were determined geologically and not always nominally. • No metal equivalents have been used.
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').*	• The geometry of the graphite mineralisation at the Lac Rainy Project is quite well understood and all drilling has been completed perpendicular to the strike of the mineralisation. The main hangingwall graphite unit is sub-vertical and appears to have a variable dip (~80- 90°). Several close spaced drillholes at Lac Rainy have highlighted the dip and azimuth of the mineralised zones. • Tighter spaced drilling is required to determine the exact dip of the graphite unit but the drillhole information received to date confirms any previous interpretation. as modelled.
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*	• Appropriate maps and cross-sections have been included in the text of previous announcements.
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.*	• All significant intercepts above the nominal cut-off grade of 5% Cg have been reported in the text of previous ASX releases related to the drilling results at Lac Rainy.
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.*	• A substantial amount of work has been completed at the Lac Rainy Project by Metals Australia. Work has included geophysical surveys, rock chip sampling, MMI soil sampling, trenching, diamond drilling and metallurgical testwork.

CRITERIA	• JORC CODE EXPLANATION	• COMMENTARY
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.*	• Downstream (Phase 3) metallurgical testwork including spheronisation, purification and battery testing in Germany prior to upgrade studies to PFS level. • Further exploration targeting high-grade graphite extensions to be planned. • Generation of additional composite samples for concentrate variability testing and further downstream testwork for potential offtake partners.