

11 November 2016

High Grade 7.86% Graphitic Carbon ('Cg') In Composite Sample From 10m x 10m Outcrop at Lac Rainy Nord Graphite Project

Highlights:

- A detailed review of a 1989 sampling program at the Lac Rainy Nord Graphite project has shown the 7.86% Cg result in sample 2306 was not a rock chip sample as previously believed but a composite sample taken from "all four corners" of a 10m x 10m outcrop of graphitic carbon
 - The 1989 outcrop sampling program was significantly larger than previously understood and highlights the potential for the Lac Rainy Nord graphite project to be the source of mass high grade graphite mineralisation
 - The 10m x 10m graphite rock outcrop from which the sample was taken is towards the northern end of the Lac Rainy Nord Graphite Project within a north-south trending geological lineament
 - The geological lineament extends approximately 5km to the southern boundary of the tenement where it continues into the northern boundary of Focus Graphite's Lac Knife Graphite property and is approximately on strike to the Lac Knife Graphite Deposit which is located approximately 2 km further south
 - Focus Graphite's Lac Knife Graphite Deposit is one of the highest grade flake graphite deposits in the world. It contains an NI 43-101 Measured and Indicated reserve of 9,576,000 million tonnes grading 14.27% Cg, and an Inferred resource of 3,102,000 tonnes grading 13.25% Cg
 - The Lac Knife Graphite Deposit appears to sit on strike on the same geological lineament as the 10m x 10m graphitic outcrop from which composite sample 2306 was taken
 - Significant potential exists to identify additional graphite mineralisation under the shallow unconsolidated overburden over the entire 5km distance between the graphite rich outcrop and Focus Graphite's Lac Knife property
 - MLS is planning an airborne geophysical survey to cover the entire north-south mineralised trend within the Lac Rainy Nord graphite project so as to provide targets for drilling
 - MLS is continuing to evaluate further exploration opportunities in the Graphite and Lithium space
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Diversified metals exploration company, Metals Australia Ltd (ASX: **MLS**) is pleased to provide an update on the recently announced acquisition of Quebec Lithium Limited (**QLL**), the 100% owner of the Lac Rainy Nord graphite project and each of the Lac La Motte, Lac La Corne and Lacourciere-Darveau lithium projects located in Quebec, Canada.

Chairman of MLS, Mr Solomon Majteles commented on the results from the review of the historical exploration at Lac Rainy Nord graphite project, stating:

"A detailed review of the historical exploration at the Lac Rainy Nord Graphite Project has been carried out and the results are well beyond what we had envisaged at the project.

MLS intends to undertake an airborne combined electromagnetic and magnetic survey to further assess the mineralisation at the project which lies along strike of the Focus Graphite Lac Knife Graphite Deposit to provide targets for a drilling campaign to take place during 2017.

Lac Rainy Nord presents MLS with a great opportunity to take advantage of the burgeoning graphite market fuelled by the growth of the electric vehicle sector and the developing mass grid electricity storage sector."

Historical Exploration at Lac Rainy Nord Graphite Project

The Company is pleased to announce that a recent in-depth review of the historical exploration information regarding the area now contained within the Company's significant Lac Rainy Nord graphite project has provided some additional pertinent information.

It was previously announced that the single rock sample (sample #2306) taken in 1989 from the Lac Rainy-Nord graphitic occurrence graded 7.86% graphitic carbon (Cg). The Quebec database summary which describes the circumstances and location from which the sample was obtained specifically stated that the dimensions of the source outcrop was at the time unknown.

The database also provided no information on the particulars of the rock sample itself. Upon initial review, the Company presumed that the rock sample was a typical grab sample, which would therefore consist of one or more rock fragments collected from a single spot measuring not more than a few centimetres or tens of centimetres.

However, information now obtained from a French-language historical report (MERN GM-49448) written in 1989 for a previous owner, Societe Exploration Miniere Mazarin, states that the size of the outcrop is approximately 10 metres by 10 metres and, more significantly, that the rock grab sample consisted of rock fragments collected from the "four corners" of the outcrop.

This indicates that the mineralised zone is significantly wider than initially understood by both the Company and QLL. The full length of the north-south trending mineralised zone within which the outcrop sits remains unknown as it is covered by shallow unconsolidated sediments and loose overburden to the north and south.

The Company is evaluating commencement of an airborne combined electromagnetic and magnetic survey over the winter in order to determine the possible extent of the buried portions of the graphitic carbon mineralised zone.

The outcrop from which graphite-rich sample 2306 was taken is near the northern end of the Lac Rainy Nord Graphite Project, with the project's southern border being located approximately 5,000 metres to the south of the outcrop. There is little or no exposed bedrock over this distance, the southern end of which is marked by the northern boundary of Focus Graphite's Lac Knife Graphite Deposit licence boundary.

The map below (*Figure 1*) illustrates the contiguous nature of the Lac Rainy Nord Graphite Project licence boundaries with the licence boundaries of the Lac Knife Graphite Deposit which is owned by Focus Graphite. The structurally important north-south geological lineament is also highlighted in the map. This is considered to be an important source of mineralisation and is expected to define the extensions of mineralisation along the north-south zone of the Lac Rainy Nord Graphite Project.

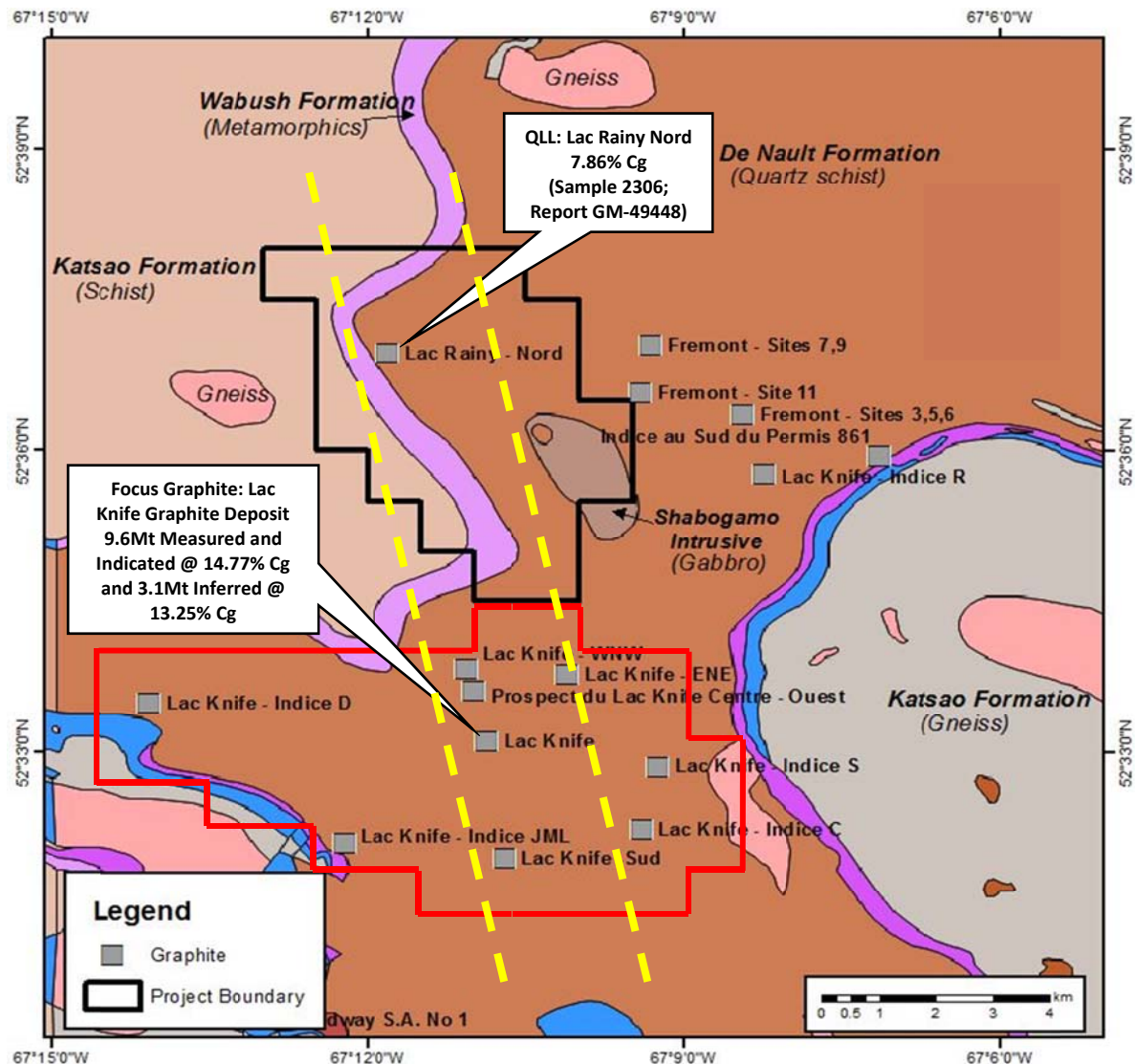


Figure 1: Geology of the Lac Rainy Nord graphite project and contiguous nature licence boundaries of Focus Graphite Lac Knife Deposit and Lac Rainy Nord graphite project. Focus Graphite licence boundaries shown in red. North-South geological lineament shown in yellow

Lac Knife is one of the highest-grade flake graphite deposits in the world, grading approximately 15% graphitic carbon. An updated NI 43-101 resource calculation released in January 2014 reported Measured and Indicated resources totalling 9,576,000 million tonnes grading 14.77% graphitic carbon, with Inferred resources of 3,102,000 tonnes grading 13.25% carbon.

Source: <http://www.focusgraphite.com/lac-knife/>

The continuity in the geology between the Focus Graphite Lac Knife Deposit and the Lac Rainy Nord graphite project supports the understanding that further graphite mineralisation can be identified at the Lac Rainy Nord graphite project within the north-south structural zone. The well understood geological environment and the identified geological similarities between the Lac

Knife Deposit and the Lac Rainy Nord Graphite Project highlight the potential extensions of the graphite mineralisation across the entire project area.

This dominant and geologically important structural lineament that runs in an approximate north-south direction highlights this continuity of geology and provides the basis for the geological view that additional graphite mineralisation can be sourced at the Lac Rainy Nord graphite project.

There is significant potential to identify additional graphite mineralisation under the shallow unconsolidated overburden over the entire 5-kilometre distance between the graphite-rich outcrop and Focus Graphite's Lac Knife project. The airborne geophysical survey will be designed to cover this ground and can be carried out over the winter, with the results available for ground-based follow-up in the spring or for drilling that can begin regardless of season.

Mazarin's 1989 technical report (MERN GM-49448) is the most recent in the Quebec government files describing the area covered by the Lac Rainy Nord Graphite Project. Mazarin's report is titled *(translated from French)* "Report on the 1989 Exploration Program, Fermont Project, Exploration Permits 861, 862, 863, 864, 865, 866, 870, 871 and 872 and the Groups of Claims of Lac Carheil and Lac du Croche". Permit 861 originally covered the area of the current Lac Rainy Nord Graphite Project.

The following phrases have been translated from Mazarin's technical report:

Page 2: "Numerous showings and mineralized boulders were discovered on the Permit, the principal ones being located north of Lac Rainy and in the southeast part of the property. Supplementary work is required to establish the shape, the dimensions and the grades of the showings, and to discover others possibly more important by using the results of a heli-borne geophysical survey."

Page 22: "The graphite showing at the north end of Lac Rainy...reveals the presence of graphitic horizons of important dimensions. Furthermore, it is stratigraphically located approximately on strike with the Lac Knife deposit."

More recently, in 2014, Focus Graphite Inc. published a 269-page report prepared by Met-Chem, titled: "NI 43-101 Technical Report on the Lac Knife Graphite Feasibility Study, Quebec, Canada".

<http://www.focusgraphite.com/wp-content/uploads/largeReport/Lac-Knife-Feasibility-Study-Technical-Report-August-2014.pdf>

A significant proportion of the Met-Chem report is directly relevant to the Lac Rainy Nord Graphite Project as the two properties are contiguous and share similar geology.

Aside from less-immediate matters such as the proposed mining, ore and waste processing methods, Met-Chem's report also provides valuable information on physiography and accessibility, local resources and infrastructure, land tenure, regional and local geology, mineralisation and deposit types, exploration history, permits and the environment, the local indigenous community and social impact, and other matters.

This current and valuable information should provide cost savings to MLS at the Lac Rainy Nord Graphite Project as exploration and development is initiated and advanced.

The Lac Rainy Nord graphite project is located in the most dominant graphite geological regions of Quebec, approximately 22km southwest of the historic mining town of Fermont and 260km north-north-east of city of Sept-Iles. The Lac Rainy Nord graphite project is located approximately 15km east of Route 389, a paved highway which extends north to Fermont.

The Lac Rainy Nord Graphite Project consists of a contiguous landholding of 32 mineral claims covering an area of approximately 16.74 km².

The Lac Rainy Nord Graphite Project, including surrounding lands, was previously owned by Soc. Expl. Min. Mazarin Inc. (**Mazarin Inc.**).

Historical exploration conducted by Mazarin Inc. at the Lac Rainy Nord graphite project and surrounding lands comprised geophysics (MAG - VLF EM), ground and helicopter prospecting, stripping, trenching, geological surveys and sampling. This exploration has identified several primary mineralised targets.

The Lac Rainy Nord graphite project is located in a well understood geological setting which is host to numerous graphite occurrences and deposits owned by major operators. The favourable location and access to the project facilitates exploration and development in a low cost environment.

The Lac Rainy Nord graphite project is located within 5 km of the following known and explored graphite projects:

- **Fermont – Site 7 and 9:** 15.06% Cg over 1.5 m (sample RX- 5324; Site 7); 11.83% Cg over 1.5 m (sample spline RX- 5328; Site 9); 9.96% Cg over 2.0 m (sample RX- 5332; Site 9); 25.37% Cg (grab samples RX- 5351; Site 9) and 24.69% Cg (grab samples RX- 5353; Site 9).
- **Fermont – Site 11:** 21.58% Cg over 1.5 m (RX- 5339); 11.39% Cg over 1.5 m (sample RX- 5341); 5.57% Cg over 1.5 m (sample RX- 5338); 13.90% Cg (sample RX- 5352). The size of graphite flakes is from 1 to 5 mm.
- **Fermont – Site 3, 5 and 6:** 16.87% Cg (sample RX- 5347); 6.78% Cg (sample RX- 5349 - Site 5); 6.25% Cg (sample RX- 5317 - Site 3); 5.49% Cg to 1.5 m (sample RX - 5323 - Site 6). The size of graphite flakes is from 2 to 8 mm.
- **Permit 861:** 22.27% Cg and 16.68% Cg (sample 2215 and 2214). In this stratigraphic horizon, the content ranges from 5% to 20% graphitic carbon and fine flake.
- **Lac Knife:** 13.19% Cg (sample RX4560); 9.55% Cg over 2.5 m (sample RX4559). Graphite is very coarse flakes.

The Lac Rainy Nord graphite project was first discovered in 1989 and has been subject to some exploration over that time. However, previous exploration was focused mainly on the iron potential of the region which has meant that the true mineralisation and potential of the Lac Rainy Nord graphite project has not been fully established.

The Lac Rainy Nord graphite project is contiguous with the tenements containing the Lac Knife Graphite Deposit which is owned by Focus Graphite. (Measured and Indicated resource totalling 9,576,000 million tonnes grading 14.77% graphitic carbon together with Inferred resources of 3,102,000 tonnes grading 13.25% graphitic carbon).

The Feasibility Study completed by Met-Chem Canada Inc. (released on 8 August 2014) on the Lac Knife Graphite Deposit indicates that the Lac Knife Graphite Deposit has the potential to become one of the lowest-cost, highest-margin producers of graphite in the world.

Refer to <http://www.focusgraphite.com/wp-content/uploads/largeReport/Lac-Knife-Feasibility-Study-Technical-Report-August-2014.pdf> for further information in relation to the Feasibility Study at the Lac Knife graphite project.

Graphite mineralisation is set in migmatized biotite-bearing quartz-feldspar gneiss belonging to the Nault Formation of the lower Proterozoic Gagnon Group.

The Québec Ministry of Natural Resources has stated that, where this gneissic unit is sheared, brecciated and silicified, coarse graphite flakes and associated sulphide minerals make up 5% to 10% of the rock, with up to 20% or more in the more brecciated zones.

Fuchsite and other iron-rich micas accompany the graphite and sulphide mineralisation in the more silicified horizons.

Figure 3 below illustrates the geological setting relevant to the Lac Rainy Nord graphite project.

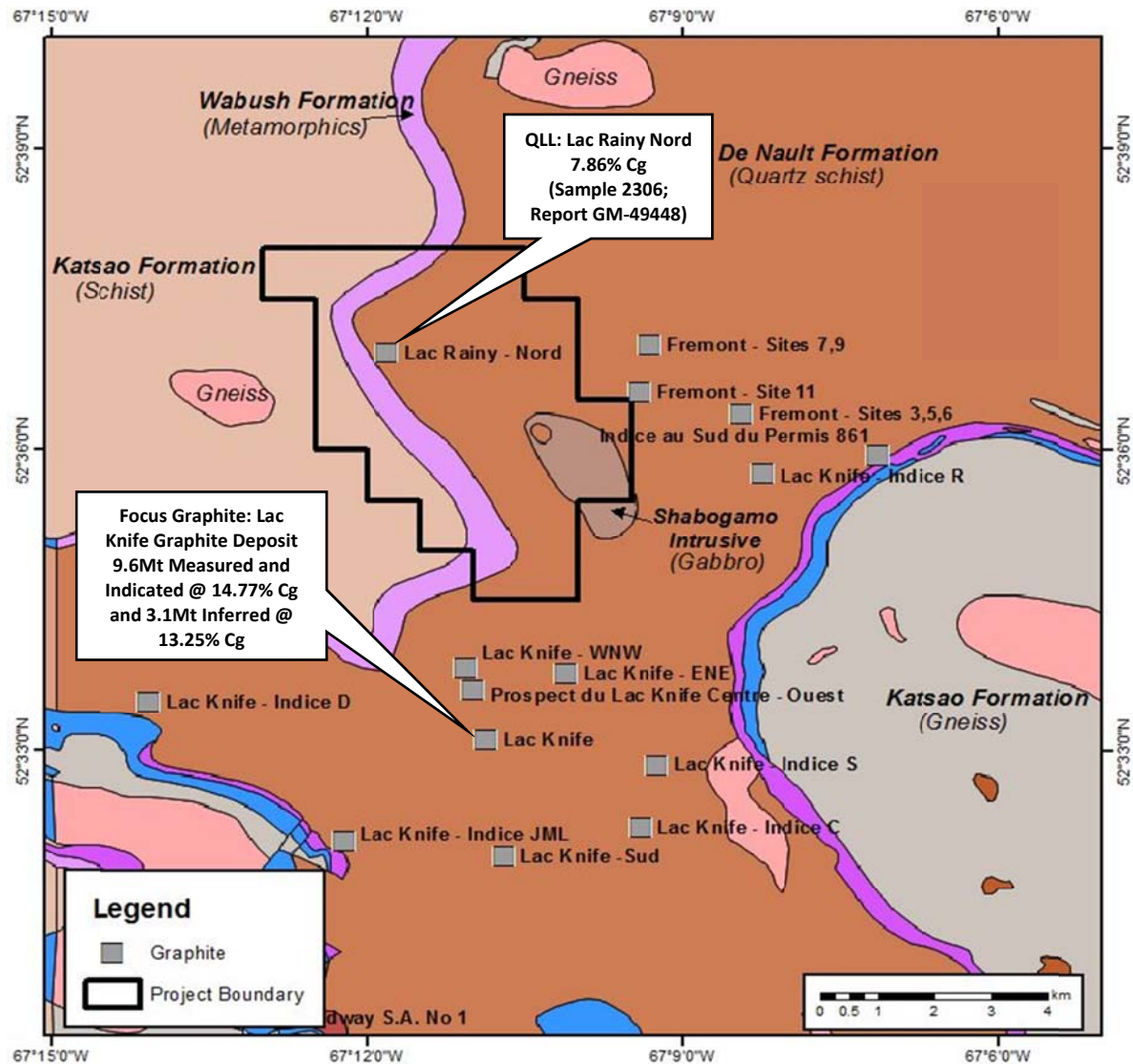


Figure 3: Geology of the Lac Rainy Nord graphite project

MLS is continuing to evaluate further exploration project opportunities in the lithium and graphite sectors.

For more information, please contact:

Mr. N Grafton
Company Secretary
Metals Australia Ltd
Phone: +61 8 9481 7833

James Moses
Media and Investor Relations
Mandate Corporate
M: +61 420 991 574
E: james@mandatecorporate.com.au

Competent Person Statement

Mr Glenn S Griesbach, PGeo, a qualified person under NI 43-101, has reviewed and verified the technical information provided in this announcement. Any information in this announcement that relates to historical resources, resource estimates or exploration results, is based on information compiled by Mr Glenn S Griesbach, PGeo, who is a Member of the Association of Professional Engineers and Geoscientists of Saskatchewan (a Recognised Overseas Professional Organisation ('ROPO') included in a list promulgated by the ASX from time to time). Mr Griesbach is a Consultant Geologist to and a shareholder of Quebec Lithium Limited. Mr Griesbach has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration 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'. Mr Griesbach consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information. 	<p>No drilling completed to date.</p> <p>Rock samples comprise multiple chips considered to be representative of the horizon or outcrop being sampled.</p> <p>Samples submitted for assay typically weigh 2-3 kg.</p> <p>Continuous channel sampling of trenching ensures the samples are representative. Entire 2-3 kg sample is submitted for sample preparation.</p>
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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). 	No drilling completed.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	Not applicable.
Logging	<ul style="list-style-type: none"> 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. 	<p>All trenches sampled are logged continuously from start to finish with key geological observations recorded.</p> <p>Logging is quantitative, based on visual field estimates.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<p>Sample preparation follows industry best practice standards and is conducted by internationally recognised laboratories, either SGS Laboratories in Lakefield, Ontario or Activation Laboratories Ltd in Val d'Or, Quebec.</p> <p>Oven drying, jaw crushing and pulverising so that 85% passes 75 microns.</p> <p>Blanks have been submitted every 50 samples to ensure there is no cross contamination from sample preparation.</p> <p>Measures taken include (a) systematic sampling across whole pegmatite zone; (b)</p>

Criteria	JORC Code explanation	Commentary
		<p>comparison of actual assays for blanks with theoretical values.</p> <p>Sample size (2-3 kg) accepted as general industry standard.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometres, 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.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<p>Assay and laboratory procedures have been selected following a review of techniques provided by internationally certified laboratories. In addition, the sample preparation laboratory in Quebec and Ontario is regularly visited to ensure high standards are being maintained.</p> <p>Samples are submitted for multi-element analysis by Activation Laboratories and SGS Laboratories. Where results exceeded upper detection limits for Li and/or Ta, samples are re-assayed.</p> <p>The final techniques used are total.</p> <p>None used.</p> <p>Barren granitic material is submitted every 50 samples as a control.</p> <p>Comparison of results indicates good levels of accuracy and precision. No external laboratory checks have been used.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<p>None undertaken.</p> <p>Not applicable.</p> <p>All field data is manually collected, entered into excel spreadsheets, validated and loaded into an Access database.</p> <p>Electronic data is stored in Quebec. Data is exported from Access for processing by a number of different software packages.</p> <p>All electronic data is routinely backed up.</p> <p>No hard copy data is retained.</p> <p>None required.</p>
Location of data points	<ul style="list-style-type: none"> <i>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.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<p>All trench start points and geochemical samples are located using a hand held GPS.</p> <p>Trenches are surveyed using hand held compass and clinometer.</p> <p>The grid system used is UTM. However, for reporting purposes and to maintain confidentiality, local coordinates are used for reporting.</p> <p>Nominal RL's based on topographic datasets are used initially, however, these will be updated if DGPS coordinates are collected.</p>

Criteria	JORC Code explanation	Commentary
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>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.</i> <i>Whether sample compositing has been applied.</i> 	<p>Only reconnaissance trenching and sampling completed – spacing variable and based on outcrop location and degree of exposure.</p> <p>Not applicable.</p> <p>None undertaken.</p>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>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.</i> 	<p>Sampling completed at right angles to interpreted trend of pegmatite units.</p> <p>None observed.</p>
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	Geological team supervises all sampling and subsequent storage in the field. The same geological team delivers the samples to Activation Laboratories or SGS Laboratories and receives an official receipt of delivery.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	None completed.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> 	<p>Metals Australia Limited, via its acquisition of Quebec Lithium Limited, is the 100% owner of the Lac Rainy Nord Graphite Project, the Lac La Motte Lithium Project, the Lac La Corne Lithium Project and the Lacourciere-Darveau Lithium Project pursuant to four separate binding acquisition agreements.</p> <p>There are no other material issues affecting the tenements.</p> <p>Quebec Lithium Limited, a wholly owned subsidiary of Metals Australia, is the 100% of the abovementioned graphite and lithium projects and ownership of the individual CDC claims is currently being transferred to Quebec Lithium Limited.</p> <p>All tenements are in good standing and have been legally validated by a Quebec lawyer specialising in the field.</p>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<p>No modern exploration has been conducted.</p> <p>Government mapping records multiple lithium bearing pegmatites within the project areas but no other data is available.</p>
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<p>Lacourciere-Darveau Lithium Project</p> <p>The Property area is primarily underlain by rocks of the Late Archean Pontiac</p>

Criteria	JORC Code explanation	Commentary
		<p>Subprovince. Underlying the majority of the Property is the Decelles Reservoir Batholith, which comprises granite, pegmatite, tonalite, and granodiorite. The northwestern edge region of the Property is underlain by monzodiorites of the Lac Fréchette pluton. Both of these units intrude into wacke, mudrock and schists of the Pontiac group, which strike approximately 255° and dip at 40°. The Pontiac group also locally exhibits basalts and ultramafic rocks, namely in the northeastern portion of the claim block. Amphibolite dikes and ultramafic intrusions have been identified throughout the Lac Fréchette pluton and the rocks of the Pontiac group. (GM 14918) The pegmatite dike at the Wells-Lacourciere occurrence outcrops in a large hill of granite on the west side of the road passing by the occurrence. It strikes 310° and dips steeply to the north. It is traceable along surface for a distance of about 600 metres, while its width varies from 8 to 15 metres.</p> <p>The distribution of the beryl and lithium deposits indicates mineralisation is the result of intrusive LCT pegmatite dykes, where spodumene crystals can reach up to 30cm in length and up to 15cm in diameter.</p> <p>Economic analysis of the lithium and beryllium potential has not yet been undertaken, despite the fact that the Ile du Refuge, Lac Simard and Wells-Lacourciere high-grade lithium deposits are located nearby.</p> <p>The lithium potential of this beryl occurrence and the associated LCT pegmatite outcrop is yet to be determined. The pegmatite has been mapped in a NNE trend and remains open along strike. Tantalum and niobium have been identified in the LCT pegmatite outcrop.</p> <p>Lac Rainy Nord Graphite Project</p> <p>The Lac Rainy Nord graphite project is located within 5 km of the following known and explored graphite projects:</p> <ul style="list-style-type: none"> • Fermont – Site 7 and 9: 15.06% Cg over 1.5 m (sample RX- 5324; Site 7); 11.83% Cg over 1.5 m (sample spline RX- 5328; Site 9); 9.96% Cg over 2.0 m (sample RX- 5332; Site 9); 25.37% Cg (grab samples RX- 5351; Site 9) and 24.69% Cg (grab samples RX- 5353; Site 9). • Fermont – Site 11: 21.58% Cg over 1.5 m (RX- 5339); 11.39% Cg over 1.5 m (sample RX- 5341); 5.57% Cg over 1.5 m (sample RX- 5338); 13.90% Cg (sample RX- 5352). The size of graphite flakes is from 1 to 5 mm. • Fermont – Site 3, 5 and 6: 16.87% Cg (sample RX- 5347); 6.78% Cg (sample RX- 5349 - Site 5); 6.25% Cg (sample RX- 5317 - Site 3); 5.49% Cg to 1.5 m (sample RX – 5323 - Site 6). The size of graphite flakes is from 2 to 8 mm. • Permit 861: 22.27% Cg and 16.68% Cg (sample 2215 and 2214). In this stratigraphic horizon, the content ranges from 5% to 20% graphitic carbon and fine flake.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> Lac Knife: 13.19% Cg (sample RX4560); 9.55% Cg over 2.5 m (sample RX4559). Graphite is very coarse flakes. <p>The Lac Rainy Nord graphite project was first discovered in 1989 and has been subject to some exploration over that time, however previous exploration was not conducted in a systematic manner and was focused more on the iron potential of the region which has meant that the true mineralisation and potential of the Lac Rainy Nord graphite project has not been fully established.</p> <p>The Lac Rainy Nord graphite project is contiguous with the Lac Knife Graphite Deposit which is owned by Focus Graphite.</p> <p>The Lac Knife Graphite Deposit hosts a reported Measured and Indicated resource totalling 9,576,000 million tonnes grading 14.77% graphitic carbon together with Inferred resources of 3,102,000 tonnes grading 13.25% graphitic carbon.</p> <p><i>(Note: Inferred Resources are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as Mineral Reserves)</i></p> <p>The Feasibility Study completed by Met-Chem Canada Inc. (released on 8 August 2014) on the Lac Knife Graphite Deposit indicates that the Lac Knife Graphite Deposit has the potential to become one of the lowest-cost, highest-margin producers of graphite in the world.</p> <p>Refer to http://www.focusgraphite.com/wp-content/uploads/largeReport/Lac-Knife-Feasibility-Study-Technical-Report-August-2014.pdf for further information in relation to the Feasibility Study at the Lac Knife graphite project.</p> <p>Graphite mineralisation is set in migmatized biotite-bearing quartz-feldspar gneiss belonging to the Nault Formation of the lower Proterozoic Gagnon Group.</p> <p>According to the Québec Ministry of Natural Resources, where this gneissic unit is sheared, brecciated and silicified, coarse graphite flakes and associated sulphide minerals make up 5% to 10% of the rock, with up to 20% or more in the more brecciated zones.</p> <p>Fuchsite and other iron-rich micas accompany the graphite and sulphide mineralisation in the more silicified horizons.</p> <p>Lac La Motte and Lac La Corne Lithium Projects</p> <p>The La Corne lithium project consists of two geographically separate but nearby properties referred to as the Lac La Motte and the Lac La Corne properties.</p> <p>The properties are located in the spodumene-rich Preissac-Lacorne plutonic complex -</p>

Criteria	JORC Code explanation	Commentary
		<p>the complex forming one of the best prospective areas for lithium mineralisation of the Abitibi Greenstone Belt - near Val d'Or, Quebec.</p> <p>The Quebec Lithium mine, and several other lithium deposits (see set of maps), are located within the Preissac-Lacorne plutonic complex. The Quebec Lithium mine, located in the northeast part of the region, contains reported measured and indicated resources of 29.3 Mt grading 1.19% Li₂O and 20.9 Mt of inferred resources grading 1.15% Li₂O, respectively, according to a technical report by Canada Lithium filed on Sedar.com on June 8, 2011.</p> <p>The Lac La Motte property lies 25 kilometres northwest of Val d'Or and consists of one block of 100 mineral claims (application and pending application status) totaling approximately 57 km². The Lac La Corne property lies 20 km north of Val d'Or and consists of one block of 90 claims (application status) covering approximately 52 km².</p> <p>The region is dominated by quartz monzodiorite and metasomatized quartz diorite (tonalite) of the La Corne plutonic complex. A swarm of spodumene-rich granitic pegmatite dykes intrude fractures and small faults within the plutonic rocks. The pegmatite dykes are as much as 6 m thick and are generally crudely zoned, some having quartz cores and border zones of aplite. The granitic pegmatites are composed of quartz, albite and/or cleavelandite, K-feldspar, muscovite, with up to 5 to 25% spodumene.</p>
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	See tables and / or appendices attached to this report.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg 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. 	<p>Intercepts are calculated on a per sample basis according to the results from the laboratory with no bottom cut-off grade and no top cut-off grades.</p> <p>Short intervals of high grade that have a material impact on overall intersection are highlighted separately.</p> <p>None reported.</p>
Relationship between mineralisation widths and	<ul style="list-style-type: none"> 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 	The relationship between true widths and the width of mineralised zones intersected in trenching has not yet been determined due to lack of structural data (i.e. dip).

Criteria	JORC Code explanation	Commentary
<i>intercept lengths</i>	<i>statement to this effect (eg 'down hole length, true width not known').</i>	
<i>Diagrams</i>	<ul style="list-style-type: none"> 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. 	None included.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> 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. 	Results for all sampling completed are listed in Appendix A attached to the body of this report.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> 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. 	All meaningful and material data is reported.
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (eg 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. 	<p>Detailed geochemistry and geology mapping to determine trends of known mineralised zones and to delineate other Li and Ta anomalies.</p> <p>Further trenching to determine structural orientation of pegmatites.</p> <p>Drilling.</p>