

11 January 2017

Metals Australia Mobilises Drill Crew and Geological Team ahead of Exploration Drilling at the Manindi Zinc Deposit

Highlights:

- **MLS has mobilised a drill crew and geological team ahead of exploration diamond drilling at the Manindi Zinc Deposit**
- **The diamond drilling program is expected to commence in the next 48 hours and combined with the analysis of drilling results will take approximately 1 month to complete**
- **Zinc prices have jumped to their highest in more than eight years currently sitting at approximately US\$2,600/t. The price of zinc has increased by approximately 90 per cent since a six-and-a-half-year low of US\$1,444.50 in January 2016 as a result of fears over shortages due to mine closures**

Diversified metals exploration company, Metals Australia Ltd (ASX: **MLS**) is pleased to announce that the Company has mobilised a drilling crew and geological team ahead of exploration diamond drilling at high priority resource extension targets and greenfield targets at the Company's 100% owned Manindi Zinc Deposit, located in Western Australia.

The Manindi Project is located in the Murchison District of Western Australia, 20 km southwest of the historic Youanmi gold mine. The project is located on three granted mining licences and contains a high-grade zinc deposit.

The current estimated mineral resources at the Manindi Zinc Project, in compliance with JORC (2012) are:

**1.076Mt @ 6.52% Zn for 70,102 tonnes of contained zinc metal
(at a cut-off grade of 2% Zn)**

Commenting on the mobilisation of the drilling crew and geological team, Chairman of Metals Australia, Sol Majteles stated:

"We have now mobilised our chosen drilling crew and geological team at Manindi with drilling set to commence in the next 48 hours. This drilling program will aim to delineate extensions of the existing Manindi mineralisation and will set the scene for the next stage of development. We are excited about our prospects for success in this exploration drilling campaign and look forward to keeping shareholders informed of our progress."

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Competent Person Statement

The information in this announcement relating to geology, exploration results and the mineral resource estimate is based on information compiled by Dean Goodwin, who is a consultant to Metals Australia Ltd. Mr Goodwin is a member of The Australian Institute of Geoscientists, a Recognised Professional Organisation by the Australian Joint Ore Reserves Committee, and has sufficient experience relevant to the style of mineralisation and types of deposits under consideration and to the activity which is being undertaken 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. Mr Goodwin consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Manindi Zinc Project - JORC (2012) Resource Estimate

Refer to the table below setting out the categories of the mineral resource for the Manindi Zinc Project.

Table 1 - Manindi JORC 2012 Mineral Resource Estimate.

Category	Resources		Metal Grade			Contained Metal		
	Cut off (Zn%)	Tonnage (t)	Zinc (%)	Copper (%)	Silver (g/t)	Zinc (t)	Copper (t)	Silver (oz)
Measured	0.5	48,785	8.20	0.34	7.22	3,999	166	11,320
Indicated	0.5	172,347	6.26	0.28	4.30	10,781	483	23,805
Inferred	0.5	1,447,039	4.27	0.22	2.77	61,774	3126	128,795
Total	0.5	1,668,172	4.59	0.23	3.06	76,553	3775	163,920
Measured	2.0	37,697	10.22	0.39	6.24	3,855	149	7,565
Indicated	2.0	131,472	7.84	0.32	4.60	10,309	421	19,439
Inferred	2.0	906,690	6.17	0.25	2.86	55,939	2267	83,316
Total	2.0	1,075,859	6.52	0.26	3.19	70,102	2837	110,321

Note figures may not add up precisely due to rounding.