ASX ANNOUNCEMENT 23 March 2017

# MILE 72 URANIUM TENEMENT RENEWAL, NAMIBIA

Mile 72

## EPL3308 LICENCE RENEWAL

Metals Australia is pleased to announce that it has received confirmation of the renewal of the Mile 72 uranium exploration licence (EPL 3308) from the Ministry of Mines and Energy. The licence has been renewed for two years from 18 May 2016 until 17 May 2018.

The application for renewal was lodged in March 2015 and the renewal has now been received.

The Mile 72 Uranium Project is located near Henties Bay on the west coast of Namibia and is considered prospective for calcrete and gypcrete-hosted uranium, as well as alaskite-hosted uranium. Some of the world's highest uranium grades (up to 0.54% $U_3O_8$) were recorded in outcrops and in shallow pits within the project licence area.

Prior to applying for the renewal of the licence, Metals completed two rounds of RC drilling at Mile 72 which have shown proof of the alaskite –hosted uranium mineralisation model proposed for Mile 72

The initial program was the first to test the area for primary uranium mineralisation at significant depth below surface. The program focused on a series of priority targets which tested the

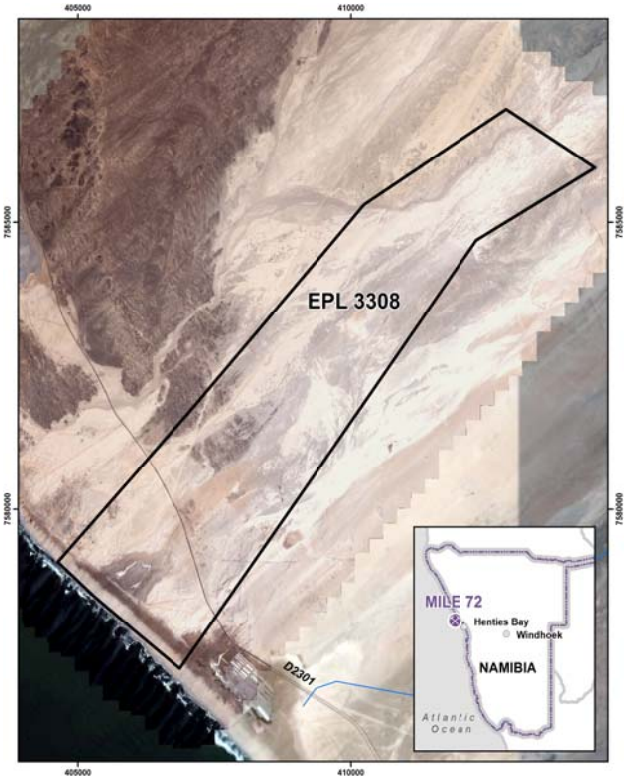


**Figure 1: The Mile 72 project area**

Damaran schist-granite-pegmatite/alaskite sequence where it correlated with surface geochemical, radiometric, and aeromagnetic anomalies. The program identified zones of uranium-enrichment within these rocks along significant strike extent in the upper 85m at Mile 72.

Significant assay intercepts included:

- **3m at 1,192ppm $U_3O_8$ in MSRC0042 from 13m, including 1m at 3,407ppm $U_3O_8$.**
- **6m at 158ppm $U_3O_8$ in MSRC0031 from 9m, including 3m at 265ppm $U_3O_8$ from 12m and including 1m at 572ppm $U_3O_8$**

The second phase of RC drilling targeted blind mineralised uranium horizons hidden under shallow blanketing sands. These horizons contained a number of radon cup anomalies in the northeast of the licence. Significant assay intercepts from the program included:

- **2m at 690ppm $U_3O_8$ in MSRC0037 from 3m including 1m at 737ppm $U_3O_8$**
- **2m at 226ppm $U_3O_8$ in MSRC0046 from 3m including 1m at 312ppm $U_3O_8$**

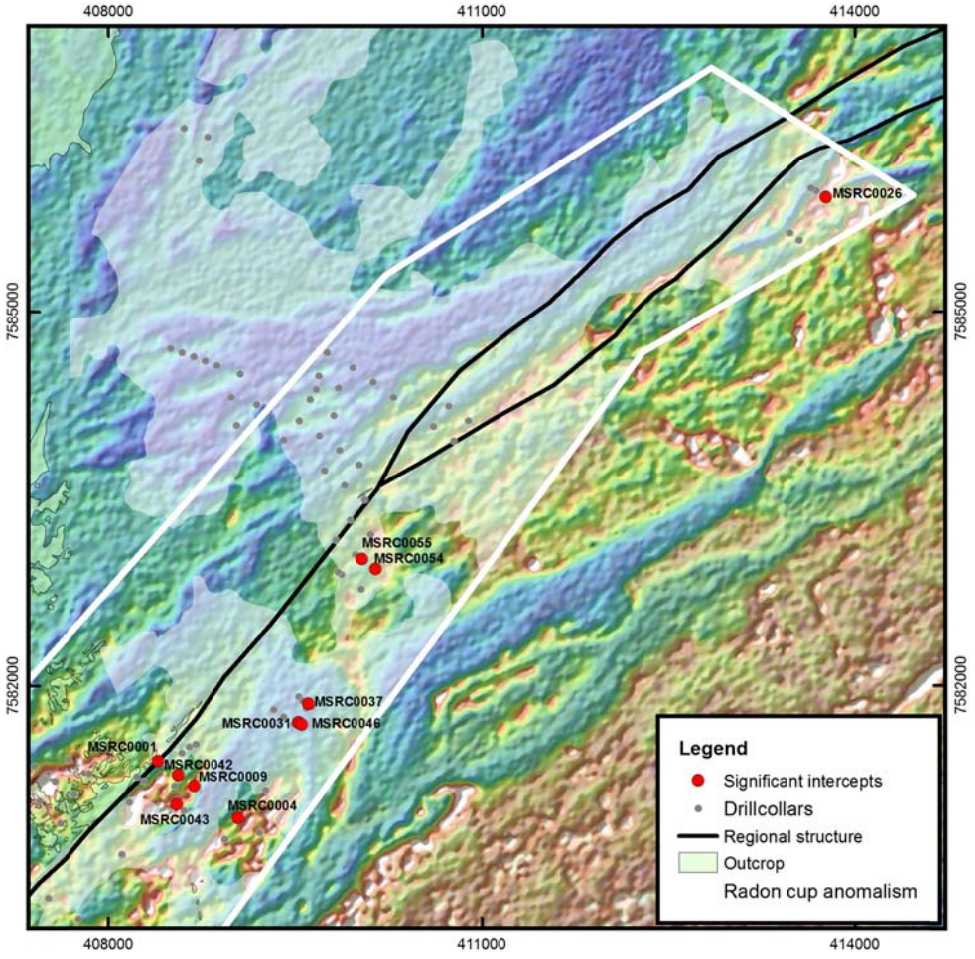


**Figure 2:** Location of drillholes with significant U3O8 shown in red and radon cup anomalism in white overlayed on Total Count radiometrics

A calcrete palaeochannel was identified and found to host an intersection of **5m at 62ppm $U_3O_8$ from surface in MSRC055 including 1m at 106 ppm $U_3O_8$**, (secondary Langer Heinrich style of

mineralisation) This occurrence is considered promising for the accumulation of surface mineralisation sourced from hard rock sources already identified at the Project.

The second phase of drilling also tested the extensions of previously identified uranium trends. The presence of multiple, narrow uranium-enriched horizons within a sequence of schist-granite-pegmatite/alaskite was confirmed by further drilling. These uranium-mineralised zones represent an opportunity for the southeast of the project to host significant primary and/or secondary uranium mineralisation.

The drill results for both programs validated the presence of continuous primary uranium mineralisation at Mile 72 in the South East of the licence area.

Metals considers that the Mile 72 tenement is a strategic holding with high potential for economic uranium mineralisation

The high grade surface enrichment and the results of the drilling encouraged Metals to seek renewal of the licence in the belief that uranium prices will recover from their present low levels.

**Competent Person Declaration**

The information in this announcement relating to geology, exploration results, geological interpretation is based on information compiled by Mr 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 report of the contained technical information in the form and context in which it appears.

**Forward-Looking Statements**

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Metals Australia Ltd's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Metals Australia Ltd believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

JORC TABLE 1
*Section 1 – Sample Techniques and Data*

| ***Criteria*** | ***Explanation*** |
|---|---|
| ***Sampling techniques*** | Exploration results are based on industry best practices, including sampling, assay methods, and appropriate quality assurance quality control (QAQC) measures. Reverse circulation (RC) drilling samples are collected as 1m composite samples through a cyclone which are riffle split for analysis. Each 1m split sample is analysed with a handheld XRF analyser and an RS125 Spectrometer. Anomalous samples are submitted to Bureau Veritas Laboratory in Swakopmund for more precise analysis.<br><br>All drill samples submitted to the laboratory are dried then crushed. A sample is then split with a riffle splitter to obtain a sub-fraction which is then pulverised with a vibrating pulveriser. Samples are then prepared by mixing with a special wax and pressing to form a solid button and analysed by X-Ray Fluorescence Spectrometry (XRF). Sample preparation and analysis are undertaken at Bureau Veritas Laboratory in Swakopmund, Namibia.<br><br>Trench Sampling includes rock chip and grab sampling. These samples were submitted to the laboratory are dried then crushed. A sample is then split with a riffle splitter to obtain a sub-fraction which is then pulverised with a vibrating pulveriser. Samples are then prepared by mixing with a special wax and pressing to form a solid button and analysed by X-Ray Fluorescence Spectrometry (XRF). Sample preparation and analysis are undertaken at Genalysis Perth Western Australia. |
| ***Drilling techniques*** | RC drilling is completed by a 5 ¼ inch diameter hole drilled with a face sampling hammer. All coordinates are quoted in WGS84 datum unless otherwise stated. |
| ***Drill sample recovery*** | The quality of RC drilling samples is optimised by the use of riffle and/or cone splitters and the logging of various criteria designed to record sample size, recovery and contamination, and use of field duplicates to measure sample precision.<br><br>The quality of analytical results is monitored by the use of internal laboratory procedures together with certified standards, duplicates and blanks and statistical analysis on a monthly basis to ensure that results are representative and within acceptable ranges of accuracy and precision |
| ***Logging*** | All logging is completed according to industry best practice. RC drill chips are wet sieved on 1m intervals and stored in plastic chip trays for future reference. Logging is completed using a standard Metals/Datashed logging template. The resulting data is uploaded to a Datashed database and validated. Once validated, the data is exported to modelling software for visual validation and interpretation.<br><br>Detailed information on lithology, sample quality, structure, geotechnical information, alteration and mineralisation are collected in a series of detailed self-validating logging templates. |
| ***Sub- sampling techniques and sample preparation*** | RC samples are riffle split on 1m intervals when dry. When wet, samples are dried out before riffle splitting takes place.<br><br>For all sample types, the nature, quality and appropriateness of the sample preparation technique is considered suitable as per industry best practice.<br><br>Field duplicates are taken every 20 samples to ensure the samples are representative. Quality control reports are undertaken routinely to monitor the performance of field standards and duplicates.<br><br>Sample sizes are appropriate to the grain size of the material being sampled. |
| ***Quality of assay data and laboratory tests*** | The samples have been sorted, dried, crushed and pulverised. Primary preparation has been by crushing the whole sample. The samples have been split with a riffle splitter, if required, to obtain a 3kg sub-fraction which has then been pulverised in a vibrating pulveriser.<br><br>Samples are then prepared by mixing with a special wax and pressing to form a solid button and analysed by X-Ray Fluorescence Spectrometry (XRF) to determine U and Th contents.<br><br>Field Standards and Blanks are inserted every 10 samples. Laboratory inserts its own standards and blanks at random intervals, but several are inserted per batch regardless of the size of the batch. |

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| ***Verification of sampling and assaying*** | All significant intercepts are reviewed and confirmed by at least three senior personnel before release to the market.<br><br>No adjustments are made to the raw assay data. Data is imported directly to Datashed in raw original format.<br><br>All data is validated using the QAQCr reporter validation tool with Datashed. Visual validations are then carried out by senior staff members. |
| ***Location of data points*** | Holes are set out using a handheld 12 channel GPS. Accurate collar locations are picked up by a licenced surveyor on completion of the hole. |
| ***Data spacing and distribution*** | Data spacing and distribution used to determine geological continuity is dependent on the deposit type and style under consideration. Where a mineral resource is to be estimated, the appropriate data spacing and density is decided and reported by the competent person |
| ***Orientation of data in relation to geological structure*** | Orientation of sampling is as unbiased as possible based on the dominating mineralised structures and interpretation of the deposit geometry.<br><br>If structure and geometry is not well understood, sampling is orientated to be perpendicular to the general strike of stratigraphy and/or regional structure.<br><br>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this would be assessed and reported if considered material.<br><br>Drilling is at an angle to surface and is drilled to maximise perpendicular intersection with the known interpretation of the strike of previously intersected mineralisation. |
| ***Sample security*** | All samples remain in the custody of company geologists, and are fully supervised from point of field collection to laboratory drop-off. |
| ***Audits and reviews*** | None yet undertaken for this dataset. |

*Section 2 – Reporting of Exploration Results*

| ***Criteria*** | ***Explanation*** |
|---|---|
| ***Mineral, tenement and land tenure status*** | The Company controls an Exclusive Prospecting Licence (EPL) at Mile 72, namely EPL3308. EPL 3308 is currently pending renewal by the Namibian Ministry of Minerals and Energy, however the licence reports and expenditure are all in good standing at the time of reporting, despite the pending status. There are no known impediments with respect to renewing the licence to operate in the area.<br><br>The Company maintains a 100% interest in EPL3308, and a 3% government royalty is in place on any metal production. There are no known native title interests, historical sites or environmental impediments. The licence is located in the Dorab Park recreational area. The Company holds a current environmental clearance certificate to operate in the Park. |
| ***Exploration done by other parties*** | Prior to the exploration completed by Metals on EPL3308, no record of modern exploration is recorded in the area. Historical exploration in the area focused on the nearby Mile 72 Uranium deposit, located on adjacent ground and not within EPL3308.<br><br>Appraisal of previous work has therefore been limited to high level reviews of historical reports because very limited data are available in either digital or hardcopy format. In most cased Metals has had to re-collect the data. |
| ***Geology*** | The geology consists of a sequence of Damaran schists, granites and alaskites. The target mineralisation is alaskite-hosted uranium (Rössing-style uranium), with potential for uranium within the schists, and supergene uranium mineralisation. |
| ***Drillhole information*** | All relevant drillhole information is supplied in Appendix 1 of the announcement. |
| ***Data aggregation methods*** | All exploration results are reported by a length weighted average. This ensures that short lengths of high grade material receive less weighting than longer lengths of low grade material.<br><br>No high grade cut-offs are applied. |

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| ***Relationship between mineralisation widths and intercept lengths*** | Mineralisation seen at Mile 72 is currently interpreted to be largely strata bound and oriented between a magnetic bearing of 020° and 045°. Dips of the various units are close to vertical and these have been exposed in numerous trenches across the project<br><br>All holes drilled to date dip at 50° and 60° and drilled at orientations that result in as high angle intersection as practicable to the above orientation. Intercept lengths, therefore, are interpreted to be close to true thickness. |
| ***Diagrams*** | A series of relevant diagrams are included in the body of the announcement. |
| ***Balanced reporting*** | Information relating to geophysical and geochemical testwork is included in the announcement. No laboratory assay results are excluded. Samples taken in the field with handheld Spectrometer and XRF are recorded and used to select samples for laboratory assay. The handheld Spectrometer and XRF data are not included in the release. |
| ***Further work*** | Plans for further work are outlined in the body of the announcement |

## Appendix 1 – Mile 72 RC Drilling

| Hole No | Easting | Northing | Final Depth (m) | Dip (°) | Azimuth (° mag) |
|---|---|---|---|---|---|
| MSRC0001 | 408396 | 7581389 | 100 | -60 | 337 |
| MSRC0004 | 409045 | 7580937 | 100 | -50 | 157 |
| MSRC0009 | 408690. | 7581190 | 100 | -50 | 337 |
| MSRC0026 | 413767 | 7585928 | 100 | -55 | 122 |
| MSRC0031 | 409533 | 7581703 | 100 | -50 | 122 |
| MSRC0037 | 409610. 0 | 7581851 | 50 | -60 | 133 |
| MSRC0042 | 408561. | 7581277 | 100. | -60 | 157 |
| MSRC0043 | 408549 | 7581046 | 75 | -50 | 337 |
| MSRC0046 | 409555 | 7581685 | 15 | -60 | 133 |
| MSRC0054 | 410153 | 7582939 | 50 | -60 | 133 |
| MSRC0055 | 410043 | 7583019 | 50 | -60 | 133 |