

## ASX Announcement

20 April 2017

# Metals Completes Legal and Technical Due Diligence at Graphite and Cobalt Projects

Diversified metals exploration company, Metals Australia Ltd (ASX: **MLS**) is pleased to announce that the Company has completed the legal and technical due diligence investigations pursuant to the agreement to acquire the Lac Rainy Est Graphite Project and the Lac du Marcheur Cobalt Project (the **Projects**), located in Quebec, Canada, thereby continuing its technological metals focus.

A notice of meeting will be despatched to shareholders in the coming weeks to convene a meeting of shareholders to approve the issue of the consideration shares to be issued to the Vendors for the acquisition of both Projects, amongst other matters.

Commenting on completion of the legal and technical due diligence, Director of MLS, Mr Gino D'Anna stated:

*"With the legal and technical due diligence now completed for both the Lac Rainy Est Graphite Project and the Lac du Marcheur Cobalt Project, we are accelerating Phase I exploration. Cobalt, graphite and lithium play a crucial role in the rapidly growing lithium-ion battery sector and our Company has secured a strategic portfolio of high grade projects in Canada."*

Phase I exploration at Lac du Marcheur will include regional scale mapping and sampling along the highly prospective magmatic copper-nickel-cobalt mineralised trend as well as within the project's historical occurrences and previously sampled locations. Phase I will also include an airborne Electromagnetic survey as a precursor to drill target identification and subsequent maiden drilling.

As announced on 13 April 2017, the Company has commenced an Airborne Magnetic (**MAG**) and Time-Domain Electromagnetic (**TDEM**) survey at the Lac Rainy Nord and Lac Rainy Est Graphite projects. The results of the MAG and TDEM surveys will identify primary mineralised targets for mechanical trenching, sampling and drilling to occur during Q3 of 2017.

The Lac Rainy Nord and Lac Rainy Est Graphite Projects are located in highly prospective graphite mineralised geologies where previous exploration has identified high grade naturally-occurring flake graphite.

We are excited to have acquired the high-grade Lac du Marcheur Cobalt Project and the Lac Rainy Est Graphite Project. They represent an outstanding opportunity for MLS as we continue to embark on enhancing our asset portfolio, which is aligned to technologically advanced metals, being cobalt, lithium and graphite. The acquisition was a natural decision for MLS given our other tenements held in Quebec and our desire to be at the forefront of the technological revolution that is the lithium-ion battery.

The price of cobalt metal has recently increased to over US\$54,000/t as global shortages of this vital input in the production of lithium-ion batteries has forced offtake customers and end-users to source new production opportunities.

The escalation in demand for lithium-ion batteries across the globe has created a significant requirement for high grade cobalt, graphite and lithium, with a particular focus on sourcing consistent production for safe operating jurisdictions, such as Quebec.

The importance of cobalt metal and lithium is growing due to the mass global adoption of lithium-ion batteries as an energy storage solution and the transformational shift to renewable energy sources.

Metals is continuing to evaluate further exploration project opportunities in the complementary zinc, lithium, cobalt and graphite sectors.

**For more information, please contact:**

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