# QUARTERLY ACTIVITIES REPORT

*For the quarter ended 31 March 2017*

## BASE METAL PROJECTS, WESTERN AUSTRALIA

Metals Australia holds an interest in two base metal projects in Western Australia (Figure 1).

The Manindi zinc-copper project is located around 500 km northeast of Perth, and is being explored by Metals with a view to expanding the existing resources and examining the project's potential.

The Sherlock Bay base metal joint venture project is located in the Pilbara region and is being managed and explored by Australasian Resources Ltd (ARH). The project surrounds ARH's Sherlock Bay nickel deposit.


**Figure 1:** Location of the Western Australian base metals projects.

### MANINDI ZINC PROJECT

The Manindi Project is a significant unmined zinc deposit located in the Murchison District of Western Australia, 20 km southwest of the Youanmi gold mine. The project is located on three granted mining licences.

The Manindi base metal deposit is considered to be a volcanogenic massive sulphide (VMS) zinc deposit, comprising a series of lenses of zinc-dominated mineralisation that have been folded, sheared, faulted, and possibly intruded by later dolerite and gabbro. The style of mineralisation is similar to other base metal sulphide deposits in the Yilgarn Craton, particularly Golden Grove at Yalgoo to the west of Manindi, and Teutonic Bore-Jaguar in the Eastern Goldfields.

#### *EXPLORATION*

Work in the quarter has aimed at improving the overall understanding of the geological setting of the existing zinc mineralisation at Manindi with the view of significantly expanding the current JORC resource base.

Field work undertaken at Manindi included diamond drilling, ground EM (FLEM), downhole EM, VTEM remodelling, detailed geological mapping and resampling of historical diamond holes.

## *MANINDI ZINC PROJECT*

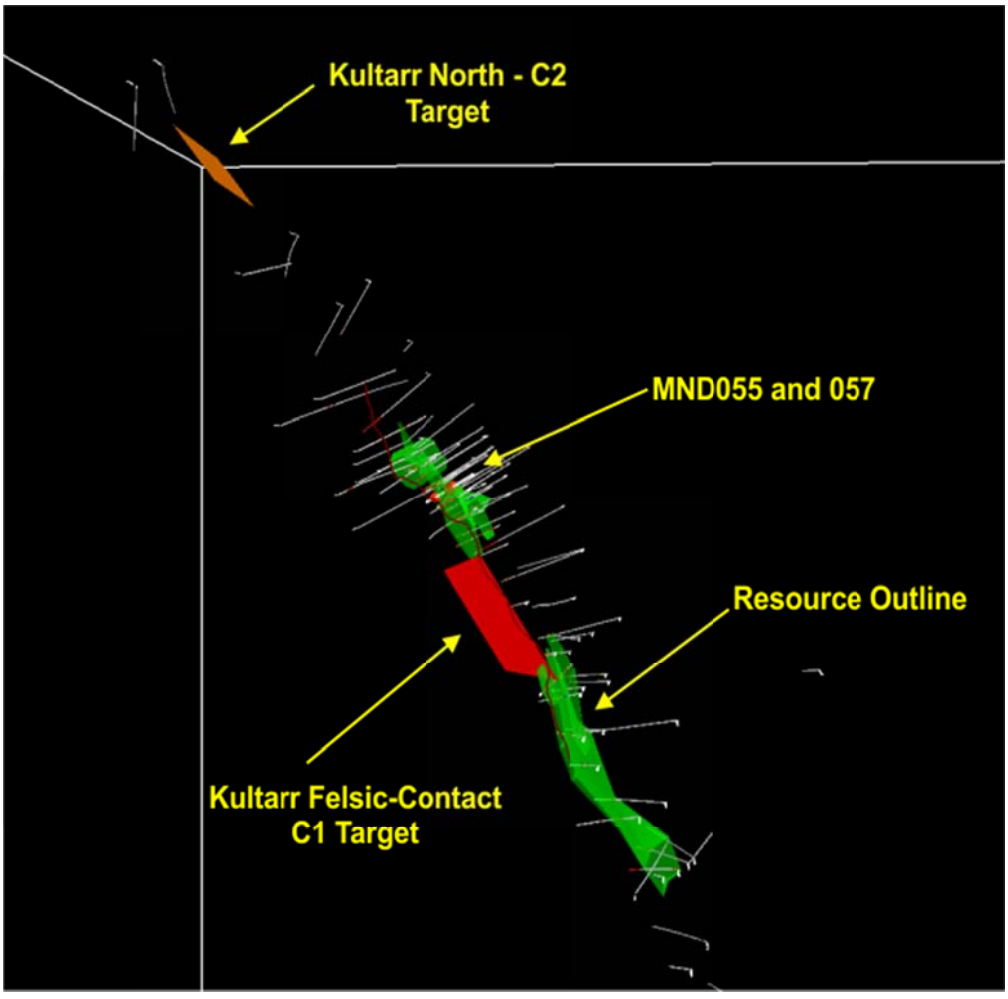
### *DIAMOND DRILLING*

The Company recently completed five diamond drill holes, MND053-057, totalling 827 metres. Two holes, MND055 and MND057, were drilled in the vicinity of the existing Kultarr resource. Three holes, MND053-054 and MND056, were completed as wildcat holes testing regional exploration targets. The program was completed on 3 February 2017.

This first phase drilling campaign has intersected broad zones of massive to semi massive sulphide mineralisation, characteristic of a volcanogenic massive sulphide (VMS) deposit, similar to other base metal sulphide deposits in the Yilgarn Craton, particularly Golden Grove near Yalgoo to the west of Manindi, and Teutonic Bore-Jaguar in the Eastern Goldfields to the east of Manindi. Additionally, the drilling has intersected a previously unknown zone of massive to semi massive zinc mineralisation closer to surface than previously discovered mineralisation.

#### Kultarr Extension Drilling

The Company drilled two holes, MND055 and MND057 in the region of the existing mineralised zone at Kultarr with the aim of gaining a better geological understanding of the setting of the zinc mineralisation and to test for potential extensions of the current resource (Figure 2).



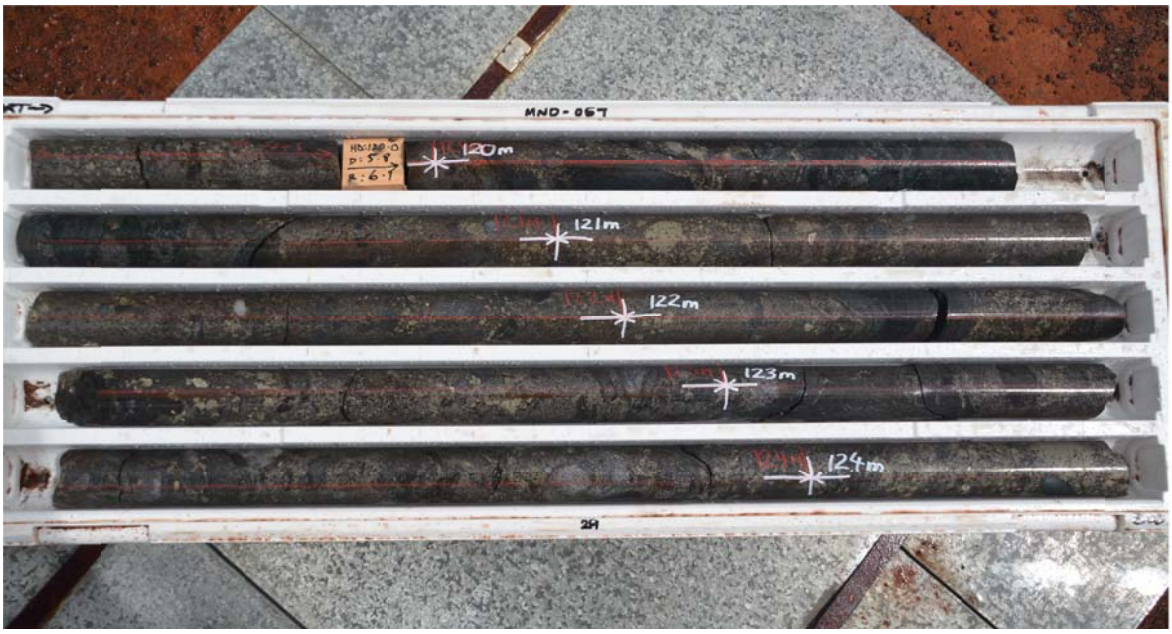

(**Figure 2:** 3D model of Kultarr and Kultarr North looking from above showing the location of holes MND055 and MND057, historical drilling, current resource outline in green and new EM conductor target C1 in red and new EM conductor C2 in orange located 500m NW of Kultarr resource on the felsic-mafic contact)

The drilling at Kultarr has historically been oriented in a NE-SW direction at an approximate 60-degree dip. This drilling was mainly focused on testing what now appear to be remobilised secondary zones of massive zinc sulphide mineralisation within the footwall mafic rocks. MND055 and MND057 have increased the understanding of the geological setting and structure at Kultarr. It is now interpreted that the main source of zinc mineralisation, from where the secondary remobilised sulphides were sourced,

sits potentially on or above the contact between the felsic and the mafic units, within the felsic rocks. This shows that had the majority of historical drilling been oriented in a SW-NE direction a greater number of historical drill holes would have passed into the felsic sequence from the mafic.

Diamond hole MND055 was designed to test for zinc mineralisation near the base of the existing resource and pass through the interpreted felsic-mafic contact. The hole intersected semi massive sulphide mineralisation near the base of the current resource adjacent to the felsic-mafic contact returning **8.31m @ 4.47% Zinc** from 143.85m downhole. This is significant as it shows that the current Manindi resource is open at depth.

Diamond hole MND057 was drilled to test for shallower up-dip extensions to the resource. It too was designed to pass through the felsic-mafic contact. The hole intersected a semi massive to massive sulphide zinc mineralised zone, up-dip from the existing resource, returning **18.85m @ 5.08% Zinc** from 59.60m, (**including 5.48m @ 8.05% Zinc** from 69.20m). Additionally, the hole intersected a previously unknown zone of semi-massive zinc mineralisation, over a width of 7.2 metres, within the felsic rock sequence (Figure 2). This newly discovered zone sits stratigraphically higher than previously recognised, suggesting zinc mineralisation may be far more extensive and closer to the surface than previously understood. Assays from this zone returned **7.20m @ 1.31% Zinc** from 119m.




(**Figure 3:** Photograph showing drill core of the newly discovered 7.2 metre semi-massive sulphide zone within the felsic rock sequence below the existing defined resources at Kultarr.)

This enhanced geological understanding and fresh approach to the geological setting of the zinc mineralisation at Kultarr has delivered early success in the discovery of the new zinc mineralised zone within the felsic rock units outside the existing resource base. This new work has greatly increased the potential to delineate additional tonnage, and suggests that there could be significant potential for further mineralised zones in the region of the current defined resource area.

Follow-up drill campaigns will be heavily focused on testing the felsic rock sequence for additional mineralised zones along strike and beneath the existing resource at Kultarr and along the newly discovered zone. Future drill holes will be oriented in a SW-NE direction at an approximate -60-degree dip, targeting what is interpreted to be the main source of zinc mineralisation within the felsic rocks.

## Regional Exploration Drilling

Three wildcat diamond holes were drilled at Kaluta, Ningbing and a new target called Fold Nose, to test ground EM conductors, all well outside the current resource areas. One hole was drilled into each target (Figure 4).

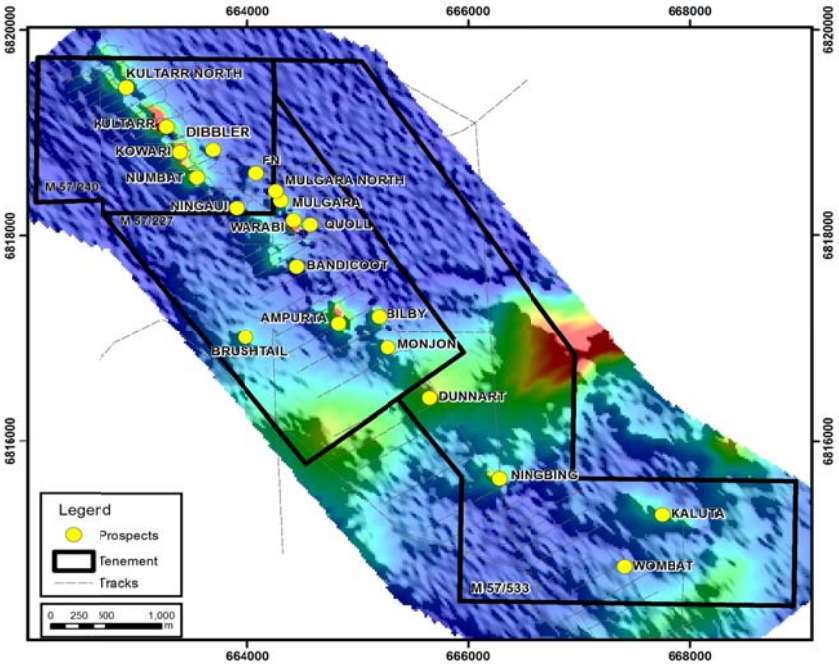



**Figure 4:** VTEM image map showing location of Kaluta, Ningbing and Fold Nose (FN) where regional wildcat drillholes MND053, MND054 and MND056 were completed.

MND053 was drilled at Kaluta to a depth of 186.4m. The hole intersected a thick sequence of gabbro containing a fractionated layer of pyroxenite from 140m to 159m downhole. This layer contained a zone of disseminated and blebby sulphides from 148.75m to 154.43m. Only anomalous results of nickel and copper were returned from this sulphide zone with grades up to 1690ppm nickel and 1190ppm copper, but no zinc. Downhole EM survey results indicate MND053 had actually missed the conductor and that a strong off hole response was located 40m to the east. This target has potential for nickel and copper mineralisation. It sits below a large surface nickel and copper geochemical anomaly. A follow up hole has been designed to test this strong off hole conductor. This target will be drilled in the near future.

MND054 was drilled at Ningbing. The hole was drilled to a depth of 126.30m. The hole intersected gabbro containing a fractionated layer of pyroxenite from 60m to 84.20m downhole. The pyroxenite contained two zones of heavy disseminated to matrix sulphides from 65.18m and 75.40m – 81.82m. Both zones contained anomalous nickel and copper, but no zinc.

Down hole EM surveying of the hole showed an EM conductor off hole approximately 50 metres away down dip. Though the drilling did not intersect this conductor it is not currently intended to drill this target although a further hole may be drilled at a future time.

MND056 was drilled at Fold Nose. The hole contained a thick sequence of gabbro and dolerite with several layers of fractionated pyroxenite and was drilled to a depth of 150.50m. No significant sulphide was observed.

## Cobalt Mineralisation

The completed holes have also intersected a number of intervals of anomalous values of Cobalt including MND054 which intersected 1310ppm Co from 72.15m to 72.30m and MND057 which intersected 1030ppm Co from 66.24m to 67m.

The existence of Cobalt mineralisation within the drill holes will be investigated further to ascertain the main source of the mineralisation. The current drill program was not designed to target Cobalt mineralisation.

The following Cobalt results are currently being reviewed by MLS with a view to furthering our understanding of the geology and setting of the Cobalt mineralisation and its source:

- MND053 intersected 765ppm Co from 119.4m to 119.6m
- MND054 intersected:
    - 865ppm Co from 67m to 67.73m
    - 650ppm Co from 68.08m to 68.6m
    - 570ppm Co from 69.39m to 70m
    - 1310ppm Co from 72.15m to 72.3m
    - 510ppm Co from 75.4m to 75.66m
- MND056 intersected 520ppm Co from 81.43m to 81.65m
- MND057 intersected:
    - 1030ppm Co from 66.24m to 67m
    - 555ppm Co from 69.20m to 70m
    - 610ppm Co from 94.2m to 94.7m

Although the intersections of the Cobalt mineralisation are thin, the existence of the Cobalt mineralisation demonstrates that Cobalt is present at Manindi. This current drill program did not target Cobalt mineralisation, as it had previously not been a focus.

Cobalt is a key input in the manufacture of Lithium-ion batteries, with the price of Cobalt increasing sharply in response to global demand for more efficient energy storage solutions, via Lithium-ion batteries.

## *GEOPHYSICAL SURVEYING*

Downhole EM surveying of diamond drill holes MND055 and MND057 in the region of the Kultarr resource area, together with remodelling of previous VTEM data, has identified a strong 350m long EM conductive body ("C1"), about 20m-30m away and parallel to the existing Manindi resource, sitting on the Felsic-Mafic contact (See Figures 2 and 5).

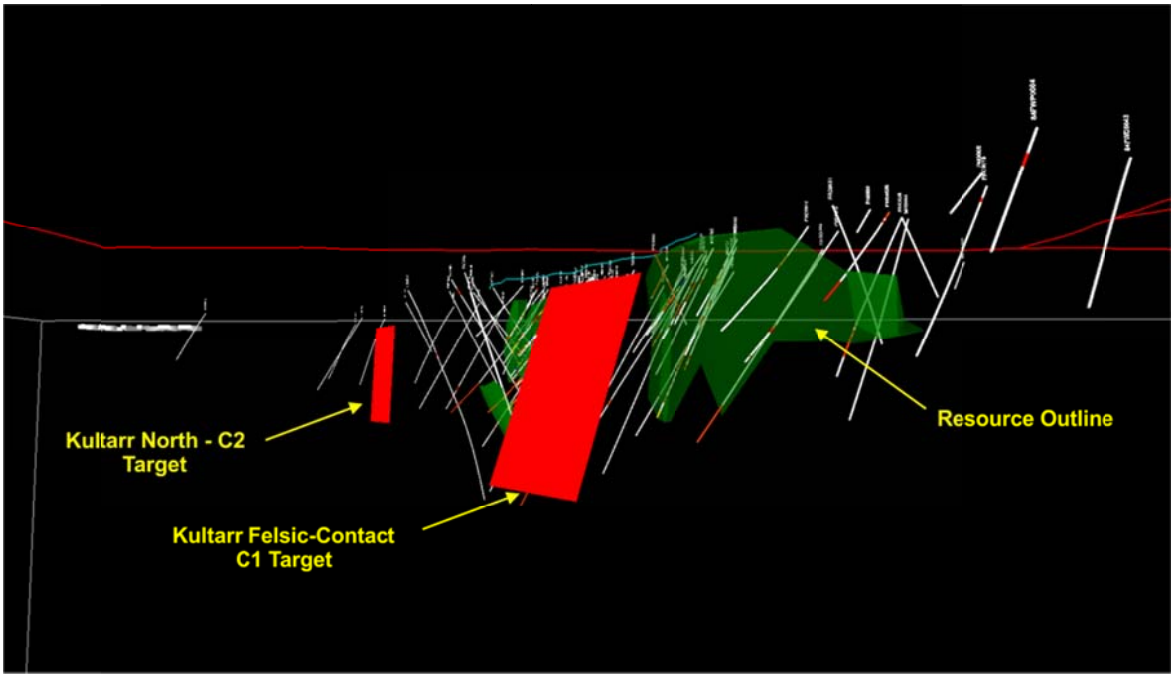



**Figure 5:** 3D model of Kultarr showing historical drilling, current resource outline in green and new EM conductor target C1 in red on the felsic-mafic contact. Also shows location of the Kultarr North conductor target C2.

C1 is approximately 350m long and is located SE along strike from the deeper zinc mineralised zone in MND057 (Figure 5). The deeper semi-massive zinc mineralised zone, in MND057 returned **7.2m @ 1.31% Zinc** from 119m. This hole did not intersect conductor C1. The zinc mineralised zone is hosted within a fragmental Felsic unit which is characteristically proximal to volcanogenic massive sulphide (VMS). The zone sits stratigraphically higher in the felsic rocks than the existing Manindi resource. This new zinc mineralisation sits in a similar stratigraphic position to other base metal sulphide deposits in the Yilgarn Craton, particularly Golden Grove near Yalgoo to the west of Manindi, and Teutonic Bore-Jaguar in the Eastern Goldfields to the east of Manindi.

Conductor C1 runs SE for approximately 350m commencing SE along strike from the deeper mineralised zone in MND057. MND057 did not pass through Conductor C1 but sits to the north of C1 (Figures 1 and 4), which is now the highest priority drill target at Manindi. Further drilling is planned in the near future.

At Kultarr North previous VTEM data was re-modelled (Figures 2 and 5). The results show a strong steep SW dipping conductor 150m long located approximately 500m NW along strike from the Kultarr resource. As can be seen in Figure 2, previous drilling has completely missed this EM conductor and it remains totally untested. Kultarr North represents a high priority drill target as it sits right on the felsic-mafic contact and has a high probability of adding further tonnage to the Manindi resource base. Further drilling is planned for this target in the near future.

## *LITHIUM BEARING PEGMATITES*

Recent re-examination of historical diamond cores has unearthed a number of lithium bearing pegmatite intrusions associated with previous diamond drilling conducted at the Mulgara and Warabi zinc resources, located approximately 1.3km SE along strike from the Kultarr resource.

Lithium bearing pegmatites were discovered during a recent review of the Mulgara and Warabi zinc resources. Core from four historic diamond holes, being MND018, MND019, MND020 and MND022, has been examined. Of the four holes examined, the core for hole MND018 contained significant widths of high grade lithium mineralisation hosted within pegmatite. The three remaining holes also contained lithium mineralisation of a lower grade.

Mulgara and Warabi were drilled over 10 years ago as part of a zinc exploration and resource definition drilling program. As a result, the diamond cores were not assayed for lithium, as it was not considered a valuable metal at that time. It is clear from examining the core that a number of drill holes were terminated while still in the lithium mineralised pegmatite.

In addition to these four holes, a further 24 diamond holes in the vicinity of Mulgara and Warabi mineralised zone require further investigation for potential lithium bearing pegmatites.

Assay results returned from recent diamond core sampling include **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. The lithium mineralisation appears to be associated mainly with the mineral lepidolite (Figure 6). Other lithium minerals observed in diamond core include eucryptite and spodumene.

**Figure 6:** Diamond core from MND018 showing zone of purple coloured lepidolite. Assaying of this zone returned the highest assay result of 2.14% $Li_2O$ from 43.36m to 44m. Photo shows diamond core from 40.01m to 45.12m.

Detailed surface mapping recently carried out at Mulgara and Warabi, situated approximately 1.3km SE of Kultarr, has identified at least three lithium bearing pegmatites outcropping at surface with strike lengths of over 300m and widths up to 30m.

Results from twelve rock chip samples collected from these pegmatites have returned high grade assays up to **2.84% $Li_2O$.** Other strategic metals such as Tantalum (up to 296ppm $Ta_2O_5$), Caesium (up to 746ppm $Cs_2O$) and Niobium (up to 169ppm $Nb_2O_5$) are also present (Table 1).

The pegmatite intrusions appear to cross cut the main geological strike in a northeast-southwest orientation. They appear to be moderately zoned with coarser grained crystals adjacent to the contacts fining inward towards the centre. Lithium mineralisation also appears to be more concentrated adjacent to the contacts and exhibit coarser grained and more abundant lepidolite and spodumene crystals. The pegmatites' overall strike length is not limited to surface outcrop, as detailed aeromagnetics strongly suggest that far more extensive development of pegmatite structures exist sub-surface.

**Rock Chip Assay Results**

| Sample ID | Northing | Easting | Lithium (% $Li_2O$) | Tantalum (ppm $Ta_2O_5$) | Caesium (ppm $Cs_2O$) | Niobium (ppm $Nb_2O_5$) |
|---|---|---|---|---|---|---|
| **MDD402** | 6818222 | 664358 | 0.77 | 69 | 113 | 97 |
| **MDD403** | 6818222 | 664322 | 1.08 | 60 | 84 | 60 |
| **MDD404** | 6818208 | 664286 | **1.44** | **296** | **158** | **169** |
| **MDD405** | 6818200 | 664250 | **1.46** | 63 | **146** | 66 |
| **MDD406** | 6818187 | 664210 | 0.85 | 118 | 124 | 92 |
| **MDD407** | 6818280 | 664235 | **2.07** | **249** | **324** | **126** |
| **MDD408** | 6818287 | 664270 | **2.37** | **193** | **393** | **107** |
| **MDD409** | 6818292 | 664295 | **2.84** | **198** | **746** | **125** |
| **MDD410** | 6818270 | 664270 | **1.55** | 72 | 145 | 79 |
| **MDD411** | 6818294 | 664325 | **2.75** | **277** | **632** | **122** |
| **MDD412** | 6818173 | 664170 | **1.47** | 100 | 142 | 78 |

**Table 1** – Rock chip assay results.

## *JORC 2012 MINERAL RESOURCE ESTIMATE*

Earlier work by Metals resulted in an upgrade of the mineral resource to JORC 2012 standard as follows:

**Table 1** - Manindi JORC 2012 Mineral Resource Estimate.

| Resources | | | Metal Grade | | | Contained Metal | | |
|---|---|---|---|---|---|---|---|---|
| *Category* | *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.

## *PLANNED WORK JUNE QUARTER 2017*

Diamond drill testing of high priority EM targets at Kultarr, Kultarr North, Warabi and Mulgara is expected to get underway in May 2017. The program will consist of between seven to ten diamond holes totalling some 1,400m. Kultarr North will be tested first, with a planned hole depth of 200m, followed by holes at Kultarr down to planned depths of between 60m and 300m. At least two holes will be drilled at Mulgara and Warabi based on results from the ground EM surveying. Both drill programs at Kultarr and Warabi/Mulgara will be designed to extend existing resources. The program is expected to take around two months to complete.

Further ground and downhole EM surveys are being carried out during the June quarter to supplement the diamond drilling program.

## LAC RAINY NORD GRAPHITE PROJECT

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 travels north to Fermont.

Access to the Lac Rainy Nord Graphite Project is facilitated by a system of small off-road tracks which connect to Route 389.

The Lac Rainy Nord Graphite Project consists of a contiguous landholding of 32 mineral claims covering an area of approximately 16.74 km$^2$.

Figure 6 illustrates the location of the Lac Rainy Nord graphite project and its location relative to other developed graphite occurrences and deposits in the region.

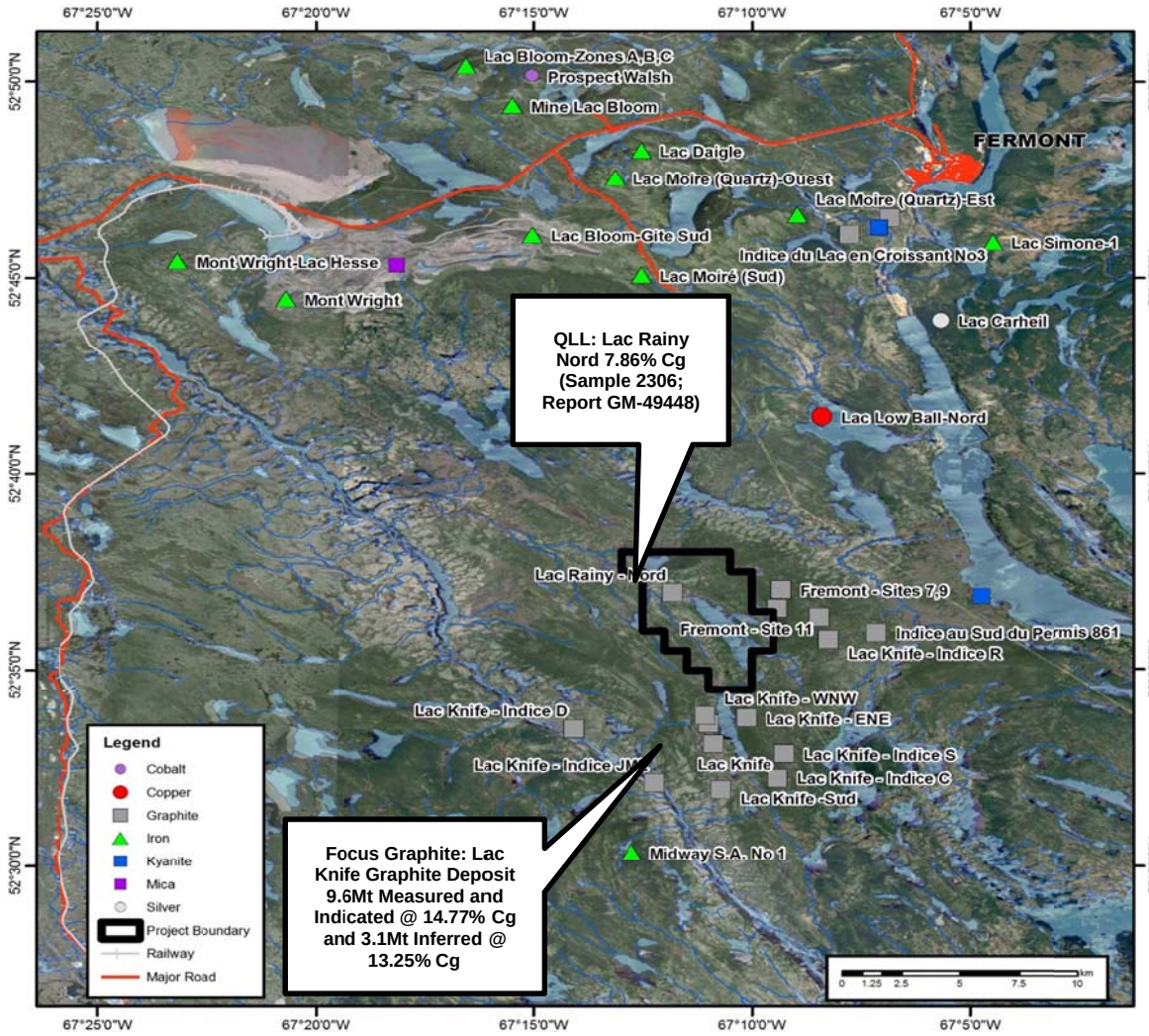



**Figure 7**: Location of the Lac Rainy Nord graphite project

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 was comprised of 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 contiguous with the Lac Knife Graphite Deposit which is owned by Focus Graphite. 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. 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.

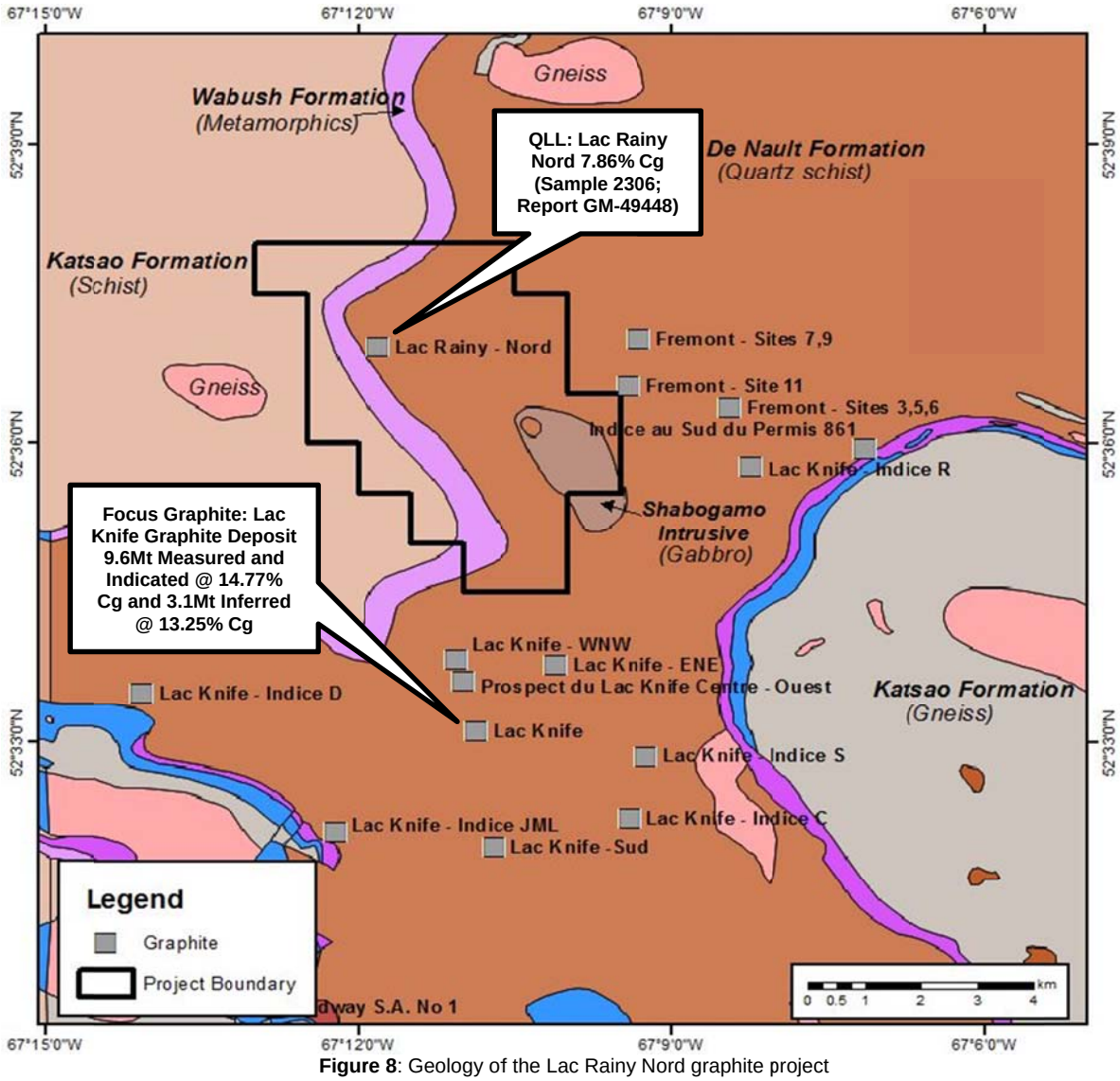



**Figure 8**: Geology of the Lac Rainy Nord graphite project

## *PLANNED WORK JUNE QUARTER 2017*

The Company plans on completing field mapping, trenching and sampling program across the entire strike length of the Lac Rainy Nord graphite project which is contiguous with the Lac Knife graphite project owned by Focus Graphite. Contained at the NE zone of the project area is a significant outcrop of high grade graphitic carbon which is along trend of the Lac Knife Project. The aim of the field work will be to better define the geological structures present prior to undertaking a drilling program later in Q3 of 2017.

# LAC RAINY EST GRAPHITE PROJECT

***Acquisition of Lac Rainy Est Graphite Project***

**Highlights:**

- Metals has entered into an agreement to acquire the Lac Rainy Est Graphite Project (the "Project"), expanding its graphite landholding in the geologically rich graphite producing region of Fermont, located in Quebec, Canada
- The Project covers an area of 2,040 hectares representing 39 mineral claims and is contiguous with Focus Graphite's Lac Knife Graphite Deposit in the south, as well as the Company's existing Lac Rainy Nord Graphite Project
- Exploration undertaken to date has already identified several mineralised targets within the Project area
- The Project is located adjacent to several high grade graphite deposits, including the Lac Knife Graphite Deposit owned by Focus Graphite which is less than 4km south-west of the Project and hosts a Measured and Indicated Resource of 12.1Mt @ 14.64% Cg and an Inferred Resource of 2.3Mt @ 16.20% Cg
- The Project is less than 100 metres west of the Permit 861 graphite showing where samples have returned 22.27% Cg and 16.68% Cg (sample 2215 and 2214)
- Prospectair has been engaged to complete an Airborne Electromagnetic and Magnetic Survey across both the Lac Rainy Nord and Lac Rainy Est Graphite Projects
- The escalation in demand for lithium-ion batteries across the globe has created a significant requirement for high grade natural flake graphite, which is capable of being upgraded to Coated Spherical Graphite ("CSPG"). CSPG is a key component of these batteries

The Lac Rainy Est Graphite Project is located in one of the premier graphite geological regions of Quebec. It sits approximately 22km southwest of the historic mining town of Fermont and 260km north-north-east of the city of Sept-Iles. The Lac Rainy Est Graphite Project is approximately 15km east of Route 389, a paved highway which travels north to Fermont.

The Project consists of a contiguous landholding of 39 mineral claims covering an area of approximately 20.4 $km^2$ and is contiguous with Focus Graphite in the south as well as the Company's existing Lac Rainy Nord Graphite Project.

Exploration undertaken to date has already identified several mineralised targets within the project area.

The Project is located adjacent to several high grade graphite deposits, including the Lac Knife Graphite Deposit owned by Focus Graphite (which is located less than 4km south-west of the Project) and hosts a Measured and Indicated Resource of 12.1Mt @ 14.64% Cg and an Inferred Resource of 2.3Mt @ 16.20% Cg.

Located less than 100 metres west of the Lac Rainy Est Graphite Project licence boundary, samples have returned 22.27% Cg and 16.68% Cg (sample 2215 and 2214) within the Permit 861 graphite occurrence.

The close proximity of these high grade graphitic carbon results at nearby deposits and occurrences highlights the strong potential for further graphite mineralisation to be identified at the Lac Rainy Est Graphite Project.

Figure 9 illustrates the location of the Lac Rainy Est Graphite Project and its location relative to other developed graphite occurrences and deposits in the region.

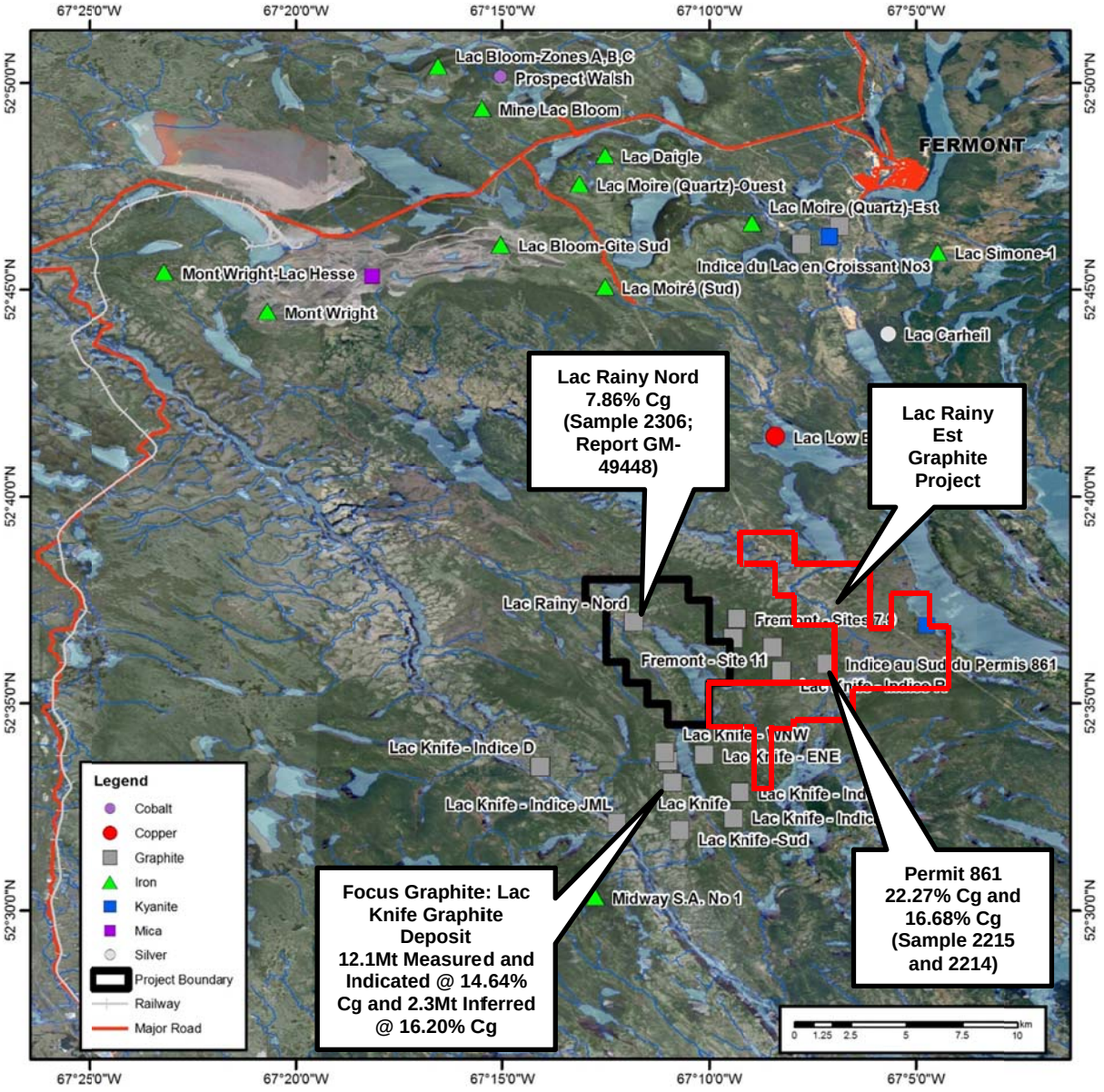



**Figure 9:** Location of the Lac Rainy Est Graphite Project

## Historical Exploration at Lac Rainy Est Graphite Project

In 1959-1960 the Quebec Ministry of Mines carried out regional geological mapping and discovered a number of graphite and kyanite occurrences. In 1973 the Geological Survey of Canada conducted an aeromagnetic survey of the region. In 1989 Mazarin Inc. carried out a number of airborne and ground-based geophysical surveys, prospecting, overburden stripping and trenching.

The property, located on the southwest side of Lac Carheil, is underlain primarily by meta-sedimentary gneisses (Knob Lake Group) cross-cut by occasional pegmatite dykes. **The gneisses contain up to 5-10% disseminated graphite as well as graphitic lenses containing up to about 30% carbon in graphite.** The graphitic zones of economic interest in the area generally correspond to stratigraphic horizons that may be up to several meters in width.

In the late 1980s the current Lac Rainy Est Graphite Property was covered by Mazarin's Permit 862 claims block and Lac Carheil claims block. In Mazarin's 1989 report, it is stated that:

> *"within the sector covered by the Lac Carheil (geophysical) grid we have seen outcrops with graphite-rich horizons up to several meters in width; overburden removal is required to determine the exact widths of these horizons."*

In 2012, Standard Graphite Corp. engaged Aeroquest Airborne to carry out a helicopter-borne geophysical survey in the region, including parts of the current Lac Rainy Est Property. The report contains tables listing the characteristics and precise location coordinates of the strongest electromagnetic anomalies. This data, along with an accompanying set of high resolution maps, are included in this archived report and will be incorporated into the planning of future exploration diamond drilling.

The Lac Rainy Est Graphite Project is located in a well understood geological setting that is host to numerous graphite occurrences and deposits owned by major operators.

The Lac Rainy Est 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. These samples were taken less than 100 metres west of the Lac Rainy Est Graphite Project licence boundaries.
- **Lac Knife**: 13.19% Cg (sample RX4560); 9.55% Cg over 2.5 m (sample RX4559). Graphite is very coarse flakes.

**The Lac Rainy Est Graphite Project is contiguous with the Lac Knife Graphite Deposit, which is owned by Focus Graphite, and is located less than 4km south-west of the Lac Rainy Est Graphite Project. Lac Knife is one of the highest-grade flake graphite deposits in the world, grading approximately 15% graphitic carbon, and hosts a Measured and Indicated Resource of 12.1Mt @ 14.64% Cg and an Inferred Resource of 2.3Mt @ 16.20% Cg.**

The continuity in the geology between the Lac Knife Deposit (Focus Graphite) and the Lac Rainy Est Graphite Project supports the understanding that further graphite mineralisation may be identified at Lac Rainy Est 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 Est Graphite Project highlight the potential extension 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 identified at the Lac Rainy Est graphite project.

There is significant potential to identify additional graphite mineralisation under the shallow unconsolidated overburden at the Lac Rainy Est Graphite Project. High grade metamorphism and folding associated with the Grenvillian orogeny has resulted in the formation of important concentrations of graphite dominated by value-enhanced large flakes.

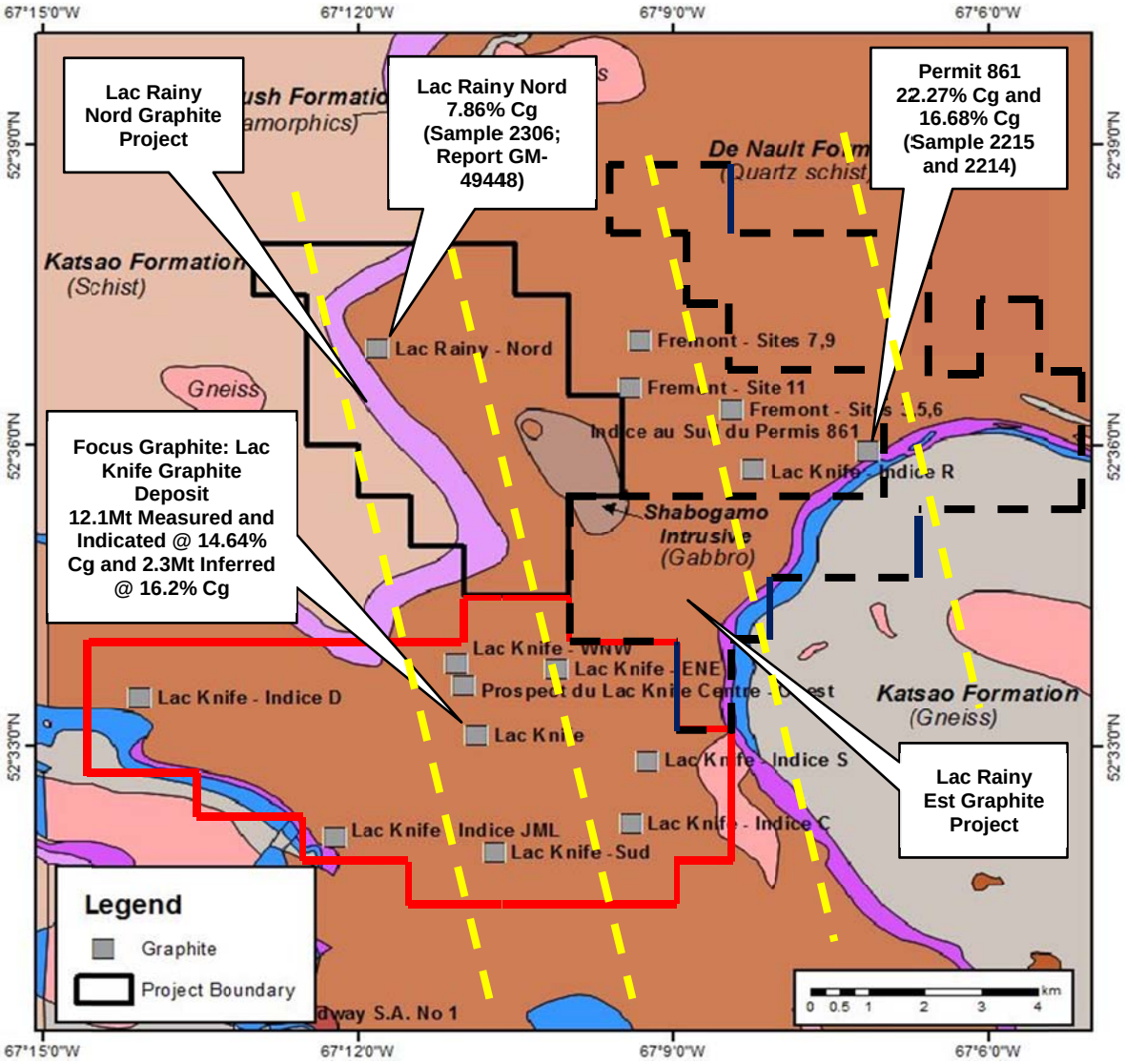



**Figure 10**: Geology of the Lac Rainy Est graphite project

## *COMPLETION OF LEGAL AND TECHNICAL DUE DILIGENCE*

During the quarter, the Company completed the legal and technical due diligence investigations of the Lac Rainy Est graphite project. MLS will now proceed with the completion of the acquisition which will be settled by way of issue of fully paid ordinary shares, subject to shareholder approval.

## *PLANNED WORK JUNE QUARTER 2017*

The Company plans on completing field mapping, trenching and sampling program across the entire strike length of the Lac Rainy Est graphite project which is contiguous with the existing Lac Rainy Nord graphite project, the Lac Knife graphite project owned by Focus Graphite and is along strike the highly prospective Lac Carheil formation. Significant outcrops of high grade graphitic carbon are located on the Lac Rainy Est tenements. The aim of the field work will be to better define the geological structures present prior to undertaking a drilling program later in Q3 of 2017.

***Commencement of Airborne EM and TDEM Surveys at Lac Rainy Nord and Lac Rainy Est Graphite Projects***

**Highlights:**

- Metals has engaged Prospectair to complete an Airborne Magnetic (MAG) and Time-Domain Electromagnetic (TDEM) survey at the Lac Rainy Nord and Lac Rainy Est Graphite Projects (the "Projects"), located in Quebec
- Prospectair technicians have been mobilised to site and the flying of the MAG and TDEM surveys will commence in the next few days
- The Projects cover an area of 3,474 hectares and are contiguous with Focus Graphite's Lac Knife Graphite Deposit which hosts a Measured and Indicated Resource of 12.1Mt @ 14.64% Cg and an Inferred Resource of 2.3Mt @ 16.20% Cg
- A total of 630 line-km will be flown over the Projects to further identify the highly conductive graphitic carbon mineralised zones
- The results of the MAG and TDEM survey 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

Prospectair has been engaged to complete an airborne Magnetic (MAG) and Time-Domain Electromagnetic (TDEM) survey over the Lac Rainy Nord and Lac Rainy Est Graphite Projects.

The surveys will be carried out with traverse lines oriented N080 in order to properly map the dominant geological strike, and with a 100 m line spacing. Control lines will be flown with a N170 azimuth, and spaced every 1,000 m. The total survey distance for the MAG and TDEM surveys is 630 line-km. The planned survey grid is illustrated by Figure 11 below.

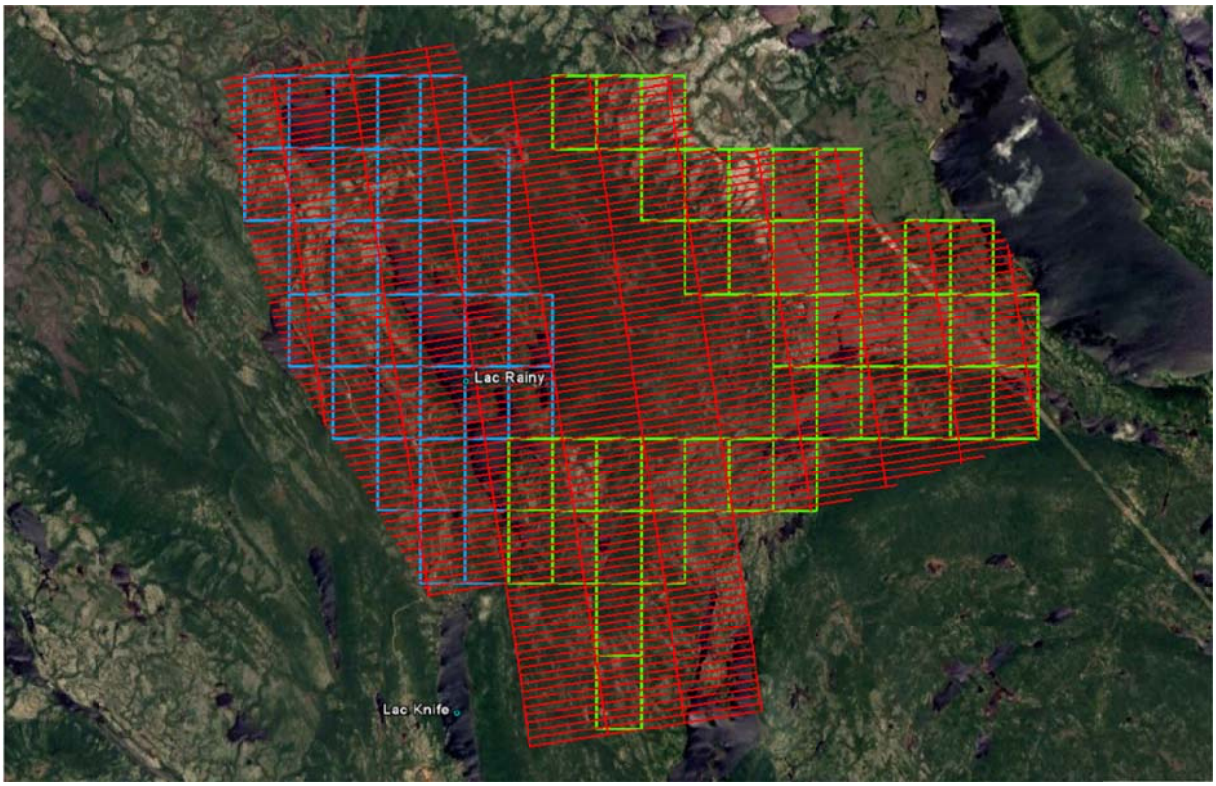



**Figure 11**: Survey Grid Lines – Lac Rainy Nord and Lac Rainy Est Graphite Projects

Both the ground and heliborne systems use a non-oriented (strap-down) optically-pumped Cesium split-beam sensor. These magnetometers have a sensitivity of 0.005 nT and a range of 15,000 to 100,000 nT with a sensor noise of less than 0.02 nT. The heliborne sensor is mounted in a bird made of non-magnetic material located 25 m below the helicopter when flying. Total magnetic field measurements are recorded at 10 Hz in the aircraft. The ground system is recording magnetic data at 1 sample every second.

Prospectair uses an OmniStar differential GPS navigation system to provide real-time guidance for the pilot and to position data to an absolute accuracy of better than 5 m. The Omnistar receiver provides real-time differential GPS for the Agis on-board navigation system. The differential data set is relayed to the helicopter via the Omnistar network of geosynchronous satellites for the survey location. The receiver optimises the corrections for the current location.

The Airborne Geophysical Information System (AGIS-XP) is an advanced, software driven instrument specifically designed for mobile aerial or ground geophysical survey work. The AGIS instrumentation package includes an advanced Satellite navigation (GPS), real-time flight path information that is displayed over a map image (BMP format) of the area, and reliable data acquisition software. With simple interfacing, the radar and barometric altimeters, the RSI spectrometer, the Geometrics magnetometer and the ProspecTEM time-domain electromagnetic system data are easily integrated into the data acquisition system and digitally recorded. Automatic synchronisation to the GPS position and time provides very close correlation between data and geographical position. The AGIS is equipped with a software suite allowing easy maintenance, upgrades, data QC, and project and survey area layout planning.

The airborne survey will be conducted on a set up as illustrated by Figure 12 below.

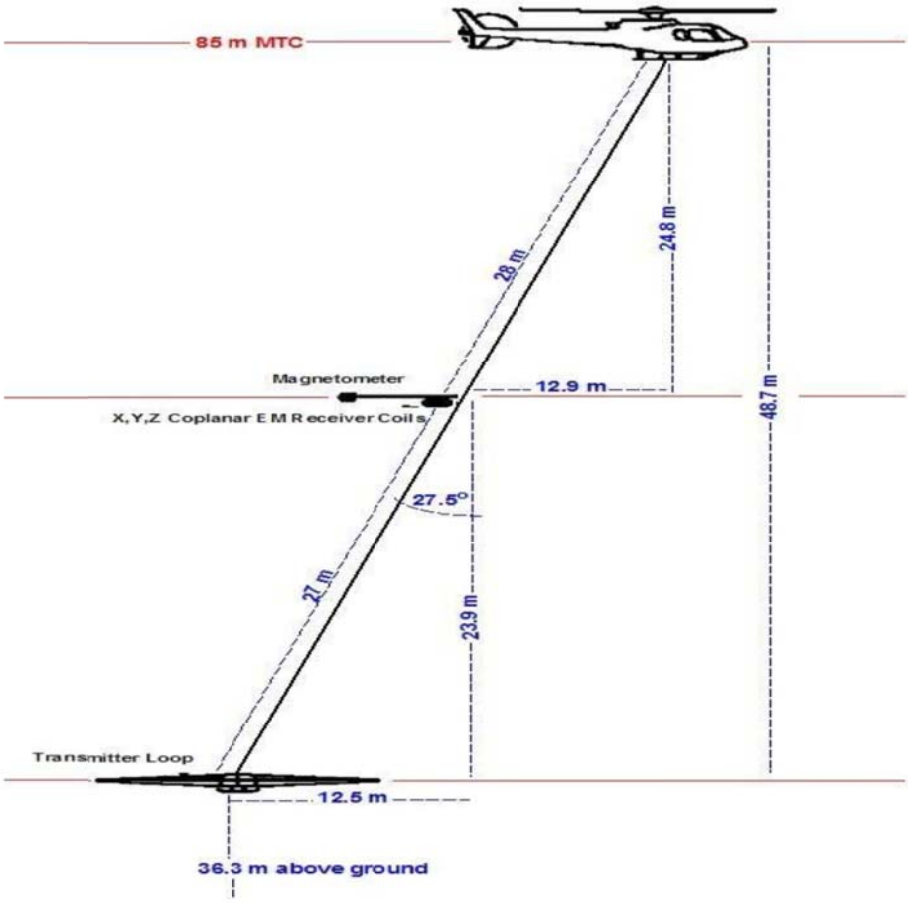



**Figure 12**: Helicopter Survey Setup – Lac Rainy Nord and Lac Rainy Est Graphite Projects

# LAC DU MARCHEUR COBALT PROJECT

### *Acquisition of Lac du Marcheur Cobalt Project*

**Highlights:**

- Metals has executed an agreement to acquire the Lac du Marcheur Cobalt Project (the "Project") in the cobalt endowed Laurentian region of southern Quebec, Canada
- The Project is an outstanding high grade cobalt project and complements Metals' existing portfolio of lithium and graphite projects in Quebec
- The Project contains the Lac Pauze and Lac Pauze-Ouest cobalt-copper-nickel prospects and is on strike with a number of other documented prospects containing high grade cobalt-copper-nickel
- Various local prospects, within and in close proximity to the Project, containing pyrrhotite, pentlandite and chalcopyrite mineralisation have returned assays of up to 0.25% cobalt, 1.11% copper, 1.23% nickel and 12.7 g/t silver in surface grab and trench samples
- Trench samples taken from the Lac Pauze area of the Project returned assays up to 0.18% cobalt, 0.23% copper and 0.34% Ni
- Hinterland Metals' (TSX-V: HMI) Chilton Cobalt property lies between, and borders the north and south blocks of the Project
- Previous work in the area includes geological mapping, geochemical sampling and an airborne EM survey carried out by the Ministère de l'Énergie et des Ressources Naturelles and the Geological Survey of Canada
- 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, with a particular focus on sourcing 'clean' production from safe operating jurisdictions, such as Quebec
- The importance of cobalt metal 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

The Lac du Marcheur Cobalt Project consists of two discrete contiguous groups of claims, being the North Block and the South Block which are approximately 1 kilometre apart, totalling 1,780 hectares or 17.8 $km^2$. They form a north-south trending corridor that extends south from the village of Notre-Dame-de-la-Merci.

The Project is made up of 35 granted mineral claims and is located approximately 70 kilometres northeast of Montreal and is easily accessible via a paved highway (Provincial Route 125) and a network of secondary roads. The favourable location of the project means that exploration and mobilisation costs will be lower in comparison to more remote projects. It is less than 90 minutes by car from Montreal.

The 11-claim (579 ha) North Block is located in Chilton Township and abuts the south side of the village of Notre-Dame-de-la-Merci. The 24-claim (1,201 ha) South Block lies 5 km south of the village and is located in parts of three townships; Chilton, Chertsy and Wexford.

Hinterland Metals' Chilton Cobalt property lies between, and borders the north and south blocks of the Lac du Marcheur Cobalt Project.

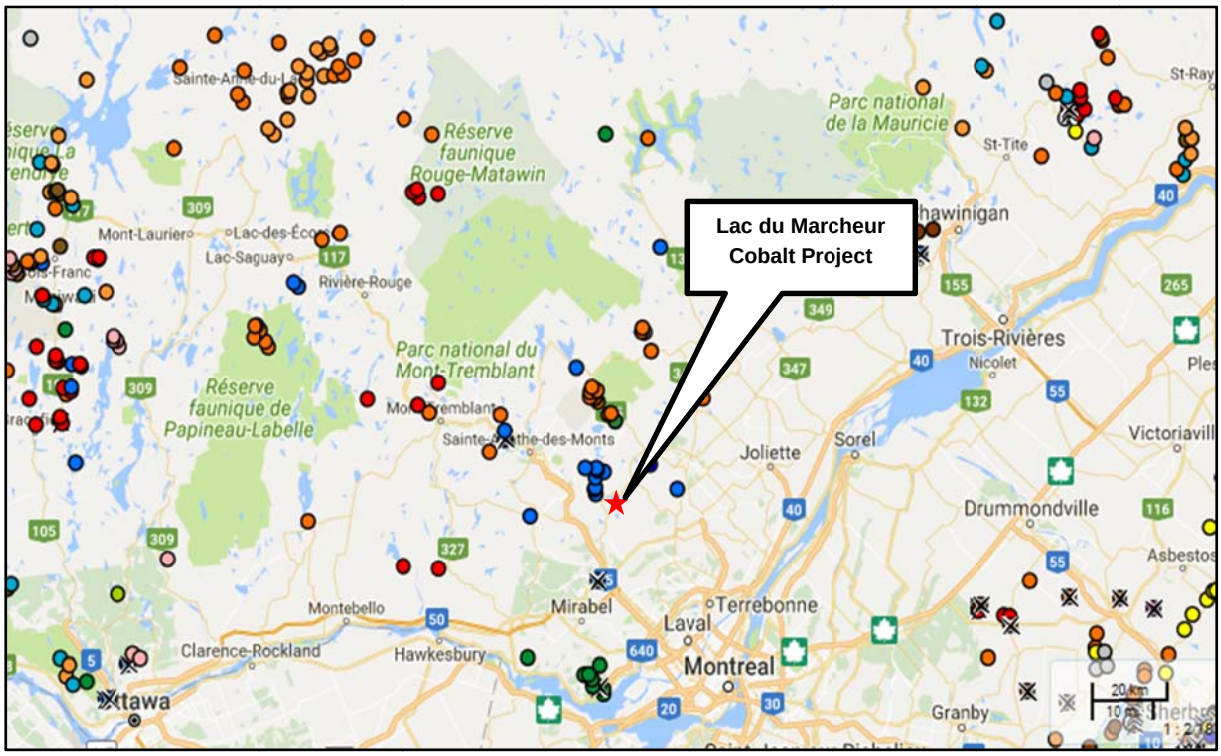



**Figure 13**: Location Map of Lac du Marcheur Cobalt Project

## Geology and Mineralisation

Geologically, the rocks of the Lac du Marcheur Cobalt Project are within the Grenville Province of the Canadian Shield. The project is underlain by the same north-south trending package of gabbroic to anorthositic rocks (Morin Intrusive Suite) that underlie the Hinterland Metals 100% owned Chilton Cobalt Project.

The Lac du Marcheur Cobalt Project contains the Lac Pauze and Lac Pauze-Ouest cobalt-copper-nickel showings and is on strike with a number of other documented cobalt-copper-nickel showings, including (from north to south) SC-95-02, Lac Baume, Chilton Nickel, Lac Sicotte, Lac du Marcheur and Lac Sicotte-Est. **The eastern extension of the Lac du Marcheur showing is located on the northern border of the South Block of the newly acquired Lac du Marcheur Cobalt Project**.

According to the Ministère de l'Énergie et des Ressources Naturelles ("MERNQ") database (http://sigeom.mines.gouv.qc.ca), these various local showings, with variable amounts of pyrrhotite, pentlandite and chalcopyrite mineralisation have returned assays of up to **2,500 ppm (0.25%) cobalt, 1.11% copper, 1.23% nickel and 12.7 g/t silver** in surface grab and trench samples associated with gabbros, gabbroic anorthosites and quartzites.

The mineralisation is in the form of disseminated sulphides and stockworks (veins and veinlets) of massive sulphides filling fractures in the anorthositic gabbros, commonly at or near contacts with quartzites. Grab samples taken from the Lac du Marcheur Cobalt Project - **Lac Pauze showing** (located in Chertsy Township) returned assays up to **1,765 ppm (0.18%) cobalt, 0.23% copper and 0.34% Ni** (MERNQ GM 54214, GM 54928, GM 55347, and GM 55906).

The mineralisation is in the form of disseminated sulphides and stockworks (veins and veinlets) of massive sulphides filling fractures in the anorthositic gabbros, commonly at or near contacts with quartzites.

Similar sulphide-bearing mafic to ultramafic zones, associated with anorthositic intrusions, have generated significant amounts of interest, such as the Lac St-Jean and the Manicouagan complexes, and the Main Plutonic Suite (Voisey's Bay).

**A field work program designed to identify extensive cobalt mineralisation on the property is proposed to commence within 4 weeks from the completion of the acquisition.** Our proposed exploration program will consist of prospecting, detailed mapping, ground geophysics (using existing airborne survey documentation as a guide) and diamond drilling.

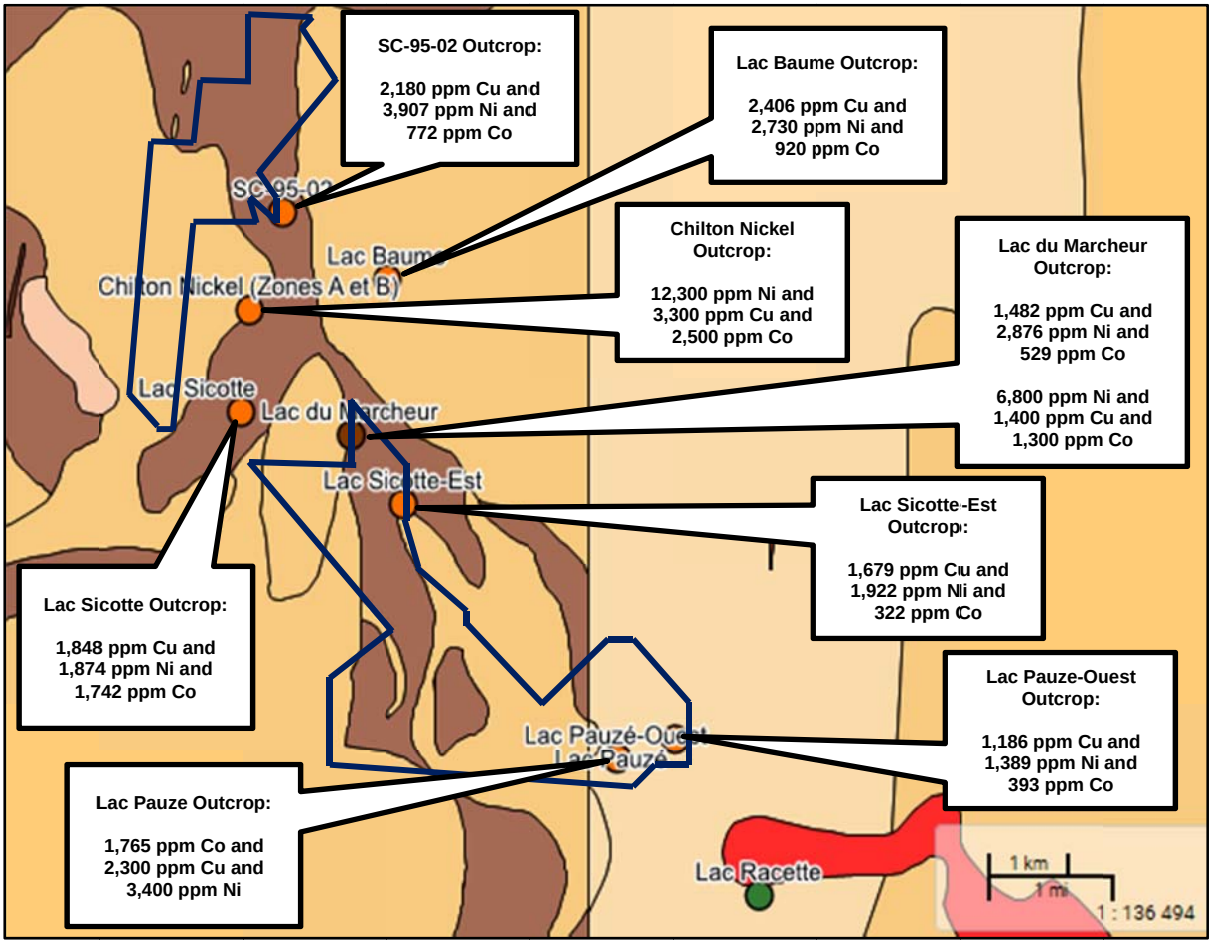



**Figure 14:** Geology Map of Lac du Marcheur Cobalt Project and Assay Results of Local Outcrops

The strike length of the favourable mineralised zone within the North Block is over 5 kilometres, north-south, whilst the strike length of the favourable mineralised zone within the South Block is just under 6 kilometres, northwest-southeast.

**Historical Exploration at Lac du Marcheur Cobalt Project**

Previous work in the area surrounding the Lac du Marcheur Cobalt Project includes geological mapping and geochemical sampling surveys by the MERNQ, geological mapping and an airborne magnetic survey by the Geological Survey of Canada and various exploration programs undertaken by a number of exploration companies.

Most of the exploration carried out in the area was directed at the magnetite-ilmenite mineralisation associated with the anorthositic intrusion, most of which are located in the area surrounding Notre-Dame-de-la-Merci.

The previous work completed on the most significant occurrences of oxides and sulphides consists mainly of surface prospecting, trenching, ground magnetic and self-potential surveys and occasional shallow drilling. The best sample result reported from the area is **0.33% copper, 1.23% nickel and 0.25% cobalt** at the Chilton Nickel Occurrence from an "undefined" sample from a trench. Significantly, no reported exploration work was specifically aimed at the cobalt-bearing New Glasgow troctolite-gabbro intrusive suite.

In the summer of 1995, Virginia Gold Mines Inc. explored a mineralised corridor of 5 to 9 kilometres wide and approximately 50 kilometres long. It extends, from north to south, from the town of Notre-Dame-de-la-Merci to the town of New Glasgow. One of the objectives of Virginia's work was to determine if there might be geological similarities with the geological environment of the Voisey Bay nickel-copper-cobalt deposit. Virginia concluded that considering the relative abundance of mineralised and rusted zones, further prospecting would most likely result in the discovery of numerous other mineralised deposits.

Similar sulphide-bearing mafic to ultramafic zones, associated with anorthositic intrusions, have generated significant amounts of interest, such as the Lac St-Jean and the Manicouagan complexes, and the Main Plutonic Suite (Voisey's Bay).

**Cobalt Projects Peer Comparison**

In terms of supply, two countries dominate the cobalt market. The Democratic Republic of Congo (DRC), a politically unstable country, is responsible for 65 percent of cobalt mine production, whilst China is responsible for over 50 percent of refined cobalt production.

Cobalt is typically mined as a low-grade by-product of copper or nickel. With nickel and copper prices under pressure and forecast to remain weak this by-product is an uncertain and reduced source of supply.

There has also been considerable pressure from major electronics companies to secure their raw materials from ethical sources, and reduce materials from artisanal mines associated with child labour and human rights abuses. 'Clean' jurisdictions such as Canada are expected to benefit from this supply-chain shift.

Increasing political and consumer focus on environmental issues will continue to propel demand for non-carbon energy solutions. The automotive industry is undergoing a transformative evolution from the internal combustion engine to automotive electrification. In addition, lithium-ion batteries are now being manufactured for use in stationary storage, enabling the use of renewable power generation from wind and solar and off-peak charging from the electrical grid. A lithium-ion battery contains graphite in its cathode, often the graphite content being substantially greater than the lithium content.

Outside of the Democratic Republic of Congo (DRC) and discrete locations such as Ontario (Canada), global cobalt projects have demonstrated grades of less than 0.6% Co as highlighted in the table below:

| Name | Ticker | Cobalt Project name | Location | Development Stage | Co grade (%) | Other metals in cobalt project |
|---|---|---|---|---|---|---|
| MetalsTech Limited | MTC | Bay Lake Cobalt Project | Ontario, Canada | Exploration | Historical down-shaft assays of 15.36% | Ag, Cu |
| Equator Resources | EQU | Cobalt camp projects | Ontario, Canada | Exploration | Assay results average 5.84% | Ni, Ag |
| Nzuri | NZC | Kalongwe | DR Congo | JORC Resource | 0.62% | Cu |
| Barra Resources | BAR | Mt Thirsty | Norseman, WA | JORC Resource | 0.13% | Ni, Mn |
| Corazon Mining | CZN | Mt Gillmore | North-East NSW | Exploration | - | Cu, Au |
| Cobalt Blue | COB | Thackaringa | Broken Hill, NSW | JORC Resource | 0.08% | Ni, Pt, Fe |
| Conico | CNJ | Mt Thirsty | Norseman, WA | JORC Resource | 0.13% | Ni, Mn |
| Riva Resources | RIR | Tabac Project | Western Australia | Exploration | - | Au |
| Alloy Resources | AYR | Ophara Project | Broken Hill, NSW | Exploration | - | Au, Cu |
| Celsius Resources | CLA | Opuwo Project | Namibia | Exploration | - | Cu |
| Berkut Minerals | BMT | Kobald Mineral Projects | Scandinavia | Exploration | Historic mining records - 0.26% | Ni, Bi, Ag, As |
| Hammer Metals | HMX | Millenium Project | North-West QLD | JORC Resource | 0.11% | Cu, Au |
| Cohiba | CHK | Cobalt X | Mt Isa, QLD | Exploration | - | Cu |

*Source: IRESS, company announcements*

Trench samples taken from the **Lac Pauze showing** within the Project returned assays up to **0.18% cobalt, 0.23% copper and 0.34% Ni** (MERNQ GM 54214, GM 54928, GM 55347, and GM 55906).

In addition, assays at other cobalt occurrences in close proximity to and surrounding the Lac du Marcheur Cobalt Project have returned results of **0.25% cobalt, 1.11% copper, 1.23% nickel and 12.7 g/t silver.**

**The limited historical exploration conducted on the surface occurrences within and surrounding the Project area demonstrates the potential for the Lac du Marcheur Cobalt Project to exhibit results which place it amongst the highest grade outside of the DRC.**

### *COMPLETION OF LEGAL AND TECHNICAL DUE DILIGENCE*

During the quarter, the Company completed the legal and technical due diligence investigations of the Lac du Marcheur cobalt project. MLS will now proceed with the completion of the acquisition which will be settled by way of issue of fully paid ordinary shares, subject to shareholder approval.

### *PLANNED WORK JUNE QUARTER 2017*

The Company plans on completing field mapping, trenching and sampling program across the entire strike length of the Lac du Marcheur Cobalt project which is contiguous with multiple known cobalt occurrences in the area including the Chilton Nickel Project owned by Hinterland Metals. Significant outcrops of high grade cobalt are located on the Lac du Marcheur tenements. The aim of the field work will be to better define the geological structures present prior to undertaking a drilling program later in Q3 of 2017.

## LAC LA MOTTE LITHIUM PROJECT

The Lac La Motte lithium project is located in the Abitibi Greenstone Belt of Quebec approximately 25 kilometres northwest of the historic mining town of Val d'Or and 400 km northwest of Montreal.

The Lac La Motte project consists of a contiguous landholding of 64 mineral claims and 25 mineral claim applications covering an area of approximately 49.4 km$^2$.

Access to the Lac La Motte project from Val d'Or is easily gained via paved Highway 111 and a number of all-weather gravel roads.

Figure 15 shows the location of the Lac La Motte project, the key infrastructure, and the known lithium occurrences surrounding the project.

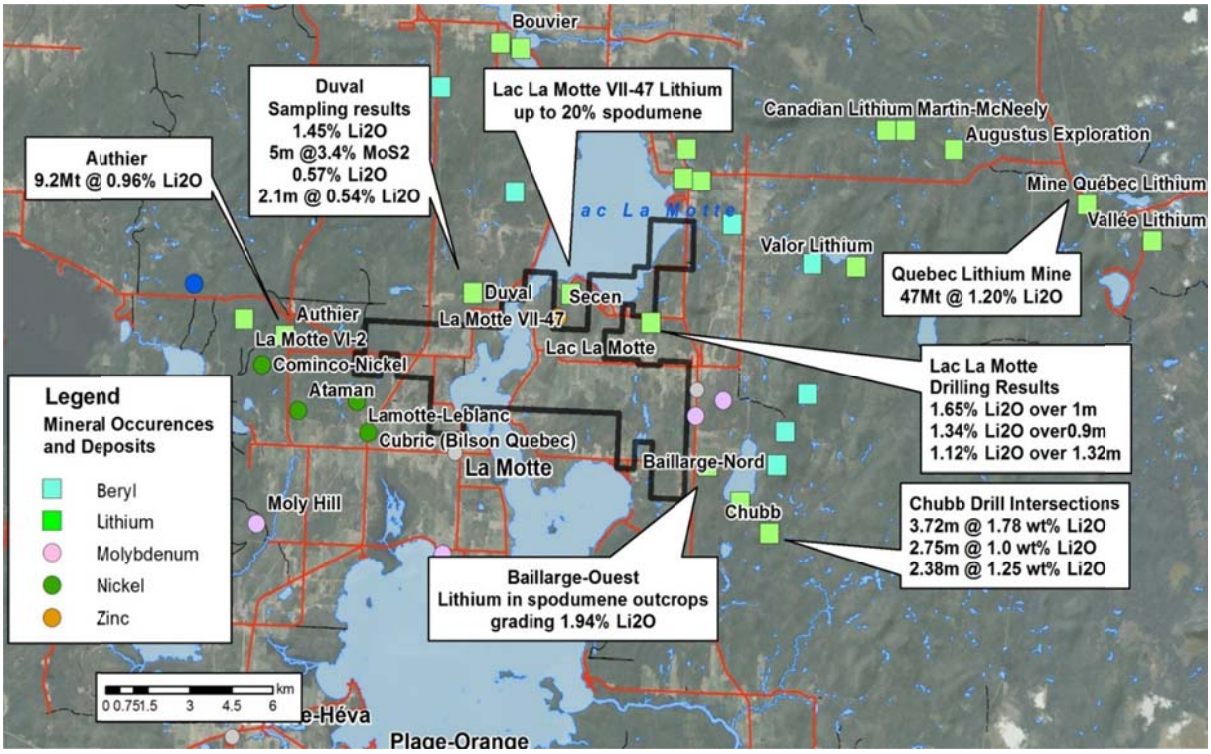



**Figure 15:** Lac La Motte Project Location. Green squares represent lithium deposits. See also figure 11 which shows pegmatite trends and magnetic imagery

**Regional Mineralisation**

The Lac La Motte lithium project represents a significant landholding surrounded by known lithium deposits and occurrences, as well as known beryl occurrences. The lithium mineralisation at the Lac La Motte project is contained in north-east and east-west trends. The Lac La Motte project is targeting spodumene-bearing rare metal LCT pegmatite dyke complexes.

Previous exploration in the region has concentrated on gold and base metal potential of the area, with little focus on lithium until recently, despite the prevalence of lithium deposits and occurrences recorded in the vicinity of the Lac La Motte project.

This presents a unique opportunity for MLS to commence an immediate exploration program focused on the detailed structural geological features that exist at the project. A comprehensive mapping and sampling program has already been designed, with a maiden drill campaign to commence as soon as the results from the phase 1 program are known.

Within the Lac La Motte project, numerous LCT pegmatites hosting spodumene varying from 1.6m to 6m in width exist which intrude diorites, monzonites and metasediments of the Caste Group that are in contact with the basalts of the Lower Malartic Group. The lithium mineralisation occurs mainly in medium to large spodumene crystals.

The La Motte lithium occurrence, which is located within metres of the Lac La Motte project licence boundaries, has exhibited strong lithium mineralisation where previous drill hole intercepts highlighted high grade lithium mineralisation of 1.65% $Li_2O$ over 1.0 m (drill hole No. 16, Quebec Government file report GM 03089), 1.34% $Li_2O$ over 0.9 m (drill hole No. 15) and 1.12% $Li_2O$ over 1.32 m (drill hole No. 14).

**Existing Lithium Deposits in Close Proximity**

The Jilin owned Quebec Lithium Mine which is located in the northeast part of the region less than 7 km northeast of the Lac La Motte project, contains a measured and indicated mineral resource of 33.24 Mt at 1.19% $Li_2O$ and an inferred mineral resource of 13.76 Mt at 1.21% $Li_2O$ (NI 43-101 compliant), according to a technical report filed by Canada Lithium Corp. on 12 October 2012.

For further information, refer to the following:

www.rb-e.com/i/pdf/Quebec_Lithium_Mineral_Resources_and_Reserves_Estimates.pdf

The Lac La Motte project is located less than 1 km east of the Authier lithium deposit which has a reported JORC Measured, Indicated and Inferred resource of 13.74Mt @ 1.07% $Li_2O$.

For further information, refer to the following:

http://www.sayonamining.com.au/PDF/ASX23Nov16_Authier%20Expanded%20JORC.pdf

The Duval Lithium deposit is located less than 1.5km north-northwest of the Lac La Motte licence boundaries. Trenching and bulk sampling at the Duval lithium deposit resulted in high grade lithium being exhibited:

- 1.45% $Li_2O$ (dyke 1 average of 15 bulk samples of 22 kg each);
- 3.4% $MoS_2$ over 0.5 m (dyke 1 poll 10);
- 0.57% $Li_2O$ (dyke 2 from 4 bulk samples of 22 kg each); and
- 0.54% $Li_2O$ over 2.1 m (sample L-19).

The Baillarge-Ouest lithium-tantalum deposit is located less than 500 metres east of the Lac La Motte licence boundaries and contains spodumene-hosted lithium in pegmatite outcrop grading 1.94% $Li_2O$.

**Lithium Deposits and Occurrences on the Lac La Motte Project**

The Lac La Motte VII-47 lithium occurrence is located within metres from the claims comprising the Lac La Motte lithium project. This LCT pegmatite dyke intersects metasediments of the Caste Group that are in contact with the basalts of the Lower Malartic Group. Spodumene and beryl are observed in fracture fillings in LCT pegmatite dykes.

This prospect has been identified as a potentially significant lithium lode, which is oriented in an east-west direction. It has been interpreted that this lithium bearing mineralized zone continues into the Lac La Motte licence boundaries and could represent an important source for mineralisation at the project.

The nearby Lac La Motte lithium occurrence is located in close proximity to licence boundaries of the Lac La Motte lithium project. The host LCT pegmatite dykes contain spodumene in high concentrations with associated beryl and occur in multiple locations across the Lac La Motte project.

There are at least 6 known parallel LCT pegmatite dykes containing spodumene. The irregular distribution of the lithium-bearing pegmatite dykes in fractures in the granites suggests that this system of dykes could also be present on the Lac La Motte project.

**Historical Exploration at Lac La Motte Project**

Exploration and historical drilling on the Lac La Motte project took place on the edges of the volcanics and ultramafics and focussed on the gold, zinc, nickel and copper potential, with little exploration directed at lithium. Extensive mapped outcrops of LCT pegmatite hosting beryl exist on the Lac La Motte project.

The Lac La Motte project contains numerous Li (spodumene) ±Ta (tantalite) ±Be (beryllium) mineralised occurrences which have been investigated only sporadically by junior mining companies with various geophysical, geochemical and geological tools from the early 1950s until the present day.

***Three Broad Lithium Mineralised Zones Confirmed at Lac La Motte***

**Highlights:**

- Historic Quebec government stream sediment sampling has confirmed three broad zones of lithium mineralisation in three separate areas
- An ongoing technical review of historic exploration data at MLS's Lac La Motte Lithium Project has uncovered a stream sediment sampling survey carried out by the Quebec Government in 1980. The survey highlighted three major zones of lithium mineralisation in three separate locations
- The stream sediment highs are associated with areas of low cover and coincide with pegmatite surface exposures which are indicative of LCT (Lithium-Caesium-Tantalum) pegmatite mineralisation
- Mineralised pegmatites at the Lac La Motte Lithium Project are oriented in a NW-SE direction and appear to be along strike of the Lac La Motte lithium occurrence and the Duval lithium deposit
- MLS will undertake more detailed mapping and geophysical surveys to unveil further mineralised zones followed by a drilling campaign on the more prospective targets
- The Lac La Motte Lithium Project is situated within the Abitibi Greenstone Belt, and is located less than 1 km from the Duval Lithium Deposit which contains an historic resource estimate of 75,000t @ 1.45 wt. % $Li_2O$ (source: RG160; MERN) and less than 1 kilometre from the Lac La Motte Lithium occurrence
- Global lithium markets remain buoyant with Morgan Stanley Research providing encouraging pricing forecasts citing that EV battery-driven supply tightness combined with elevated China spot pricing is set to boost contract pricing through 2018 to approximately US$8,500/t for battery-grade lithium carbonate

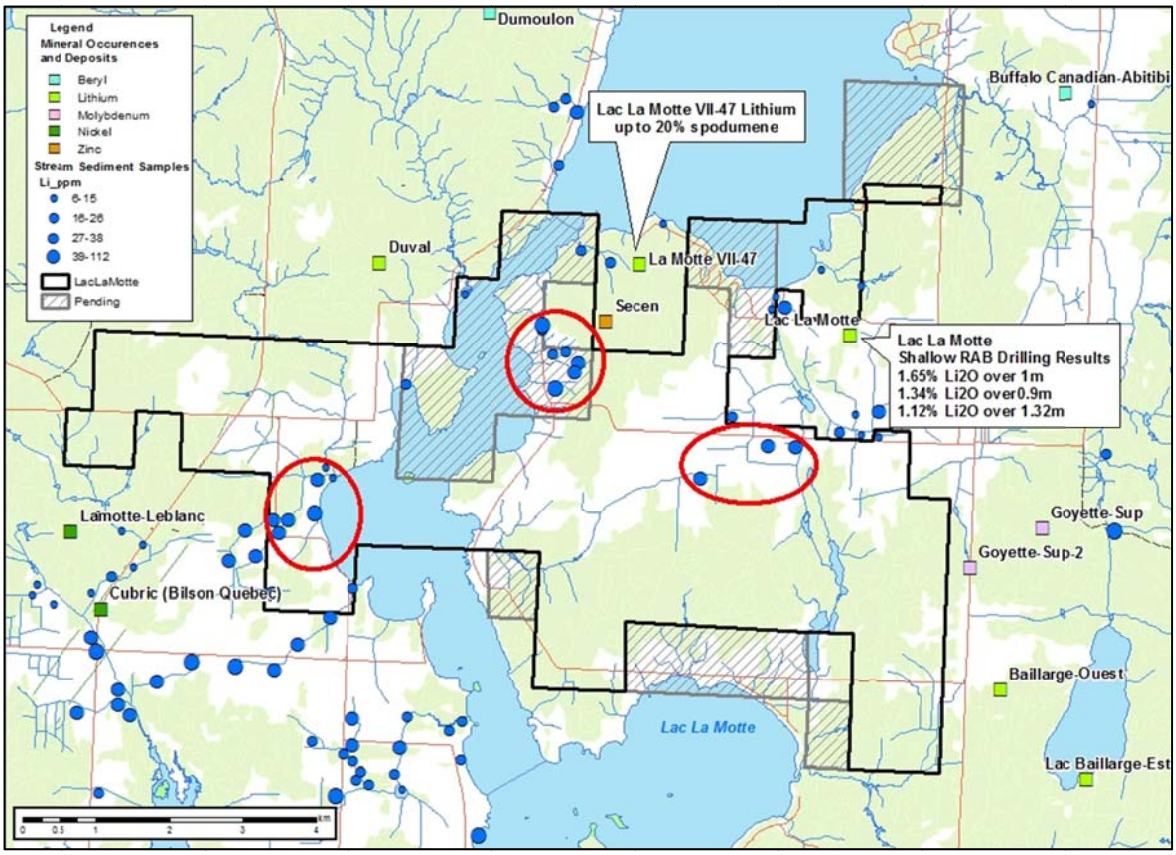



**Figure 16:** Lac La Motte lithium targets derived from 1980 Government stream sediment sampling

## *PLANNED WORK JUNE QUARTER 2017*

The Company plans on completing an airborne Electromagnetic Survey over the high priority zones identified at the Lac La Motte lithium project which is surrounded by several high-grade lithium deposits and occurrences such as the Authier Lithium Deposit, the Duval Lithium Deposit and the Lac La Motte lithium occurrence. The aim of the airborne EM survey will be to better define the geological structures present prior to undertaking a field mapping program and drilling program which will start in Q2 of 2017 and continue into Q3 of 2017.

## SHERLOCK BAY EXTENDED BASE METAL PROJECT

The Sherlock Bay Extended project is composed of two Exploration Licences (E47/1769 and E47/1770), which surround the main Sherlock Bay nickel deposit (wholly owned by Australasian Resources Ltd - 'ARH'). The project is prospective for nickel, copper, silver and gold mineralisation.

The Sherlock Extended Project is a joint venture between ARH and Metals Australia Ltd (30% interest). ARH is the manager of the project, with Metals Australia being 'free-carried' through to the completion of a bankable feasibility study and the decision to commence commercial mining.

No onsite activity took place on the Sherlock Bay Nickel or Sherlock Extended projects during the quarter.

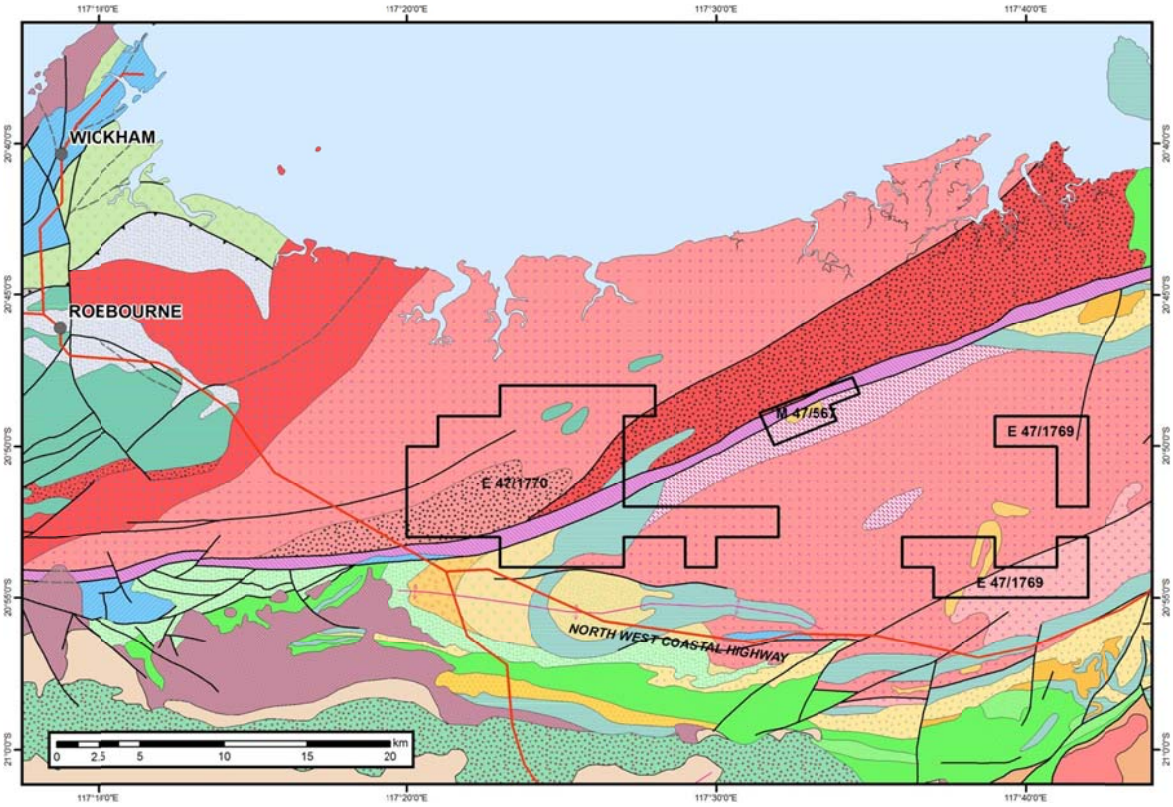



**Figure 17:** Areas of exploratory interest set against 1:250,000 geological interpretation map.

## URANIUM EXPLORATION NAMIBIA

Metals owns 100% of the Mile 72 uranium project, located near Henties Bay on the west coast of Namibia. The project 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.

### *LICENCE RENEWAL*

Metals Australia 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.

### *PREVIOUS DRILLING*

Some time 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 propounded.

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 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 $U_3O_8$**

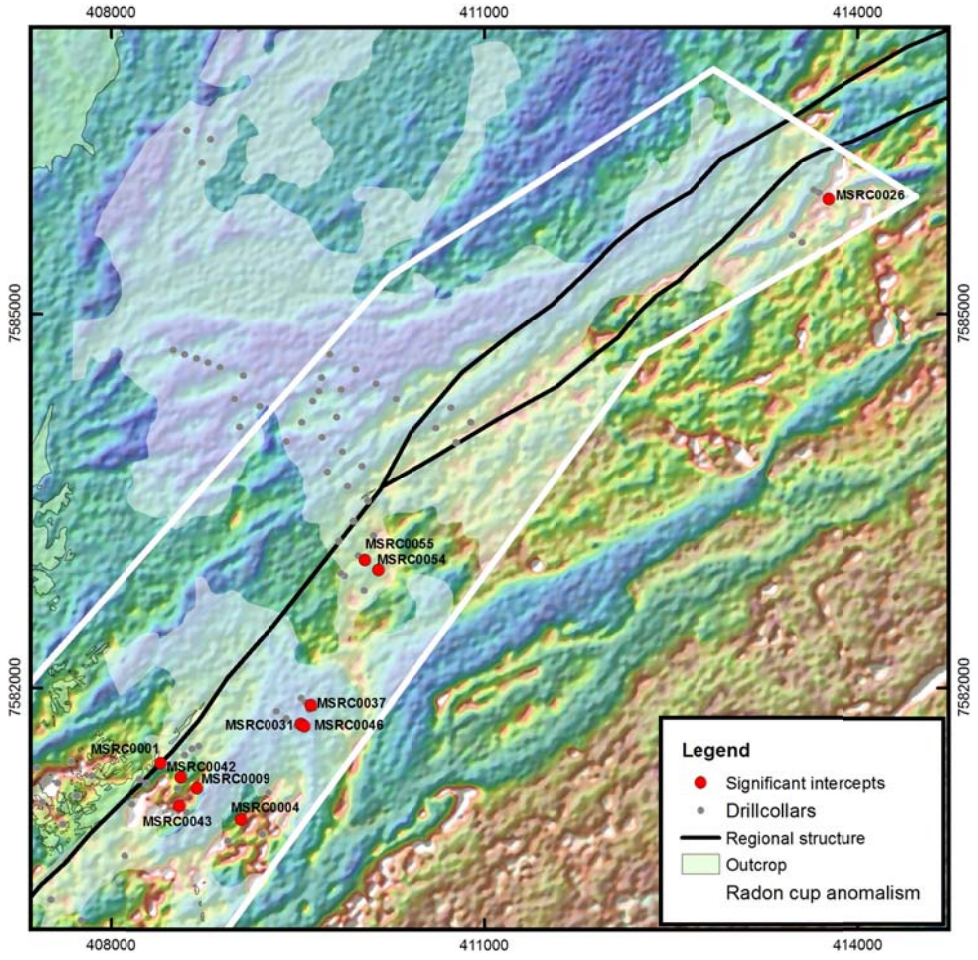



**Figure 18:** Location of drillholes with significant U3O8 shown in red and radon cup anomalism in white overlayed on Total Count radiometrics

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.

Geological and economic assessment of the project continued during the quarter. The Company also undertook a limited review of the pegmatites intersected during previous drilling programs and the most prospective samples were assayed to test for lithium mineralisation, but no significant mineralisation was noted.

## CORPORATE

During the quarter, Metals completed a Private Placement of $2,459,250 at an issue price of $0.0075 per share via the issue of 327,900,000 fully paid ordinary shares (**Placement**).

Subscribers under the Placement will also be granted a free attaching option on a 1 for 2 basis with an exercise price of $0.01 per option expiring on 31 May 2020.

The issue of options to the participants in the Placement is subject to Shareholder Approval. A notice of meeting will be dispatched to Shareholders of MLS in the next week.

Sanlam Private Wealth Pty Ltd (**Sanlam**) acted as Lead Manager to the Placement. Following completion of the Placement, Sanlam will be issued 18,000,000 options each with an exercise price of $0.01 per option expiring 31 May 2020. Sanlam also received brokerage fees of 6% (gross plus GST) of the funds raised under the Placement.

The Placement was subscribed for by sophisticated and professional investors, none of which are related parties of the Company.

The Company will continue its exploration activities at the existing high grade Manindi zinc deposit as well as advancing exploration at the Lac La Motte Lithium Project and the Lac Rainy Nord Graphite Project.

The Company has finalised its legal and technical due diligence investigations pursuant to the acquisition of the Lac du Marcheur Cobalt Project. Following completion of the due diligence program, the Company is funded to conduct an immediate exploration program.

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

**ENDS**

**For further information please contact:**

**Norman Grafton** +61 8 9481 7833

**Or consult our website:** www.metalsaustralia.com.au

**Competent Person Declaration**

**Manindi Zinc Project**

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Dean Goodwin, a consultant to Metals Australia Ltd, and a member of The Australasian Institute of Geoscientists. Mr. Goodwin has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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 Resource and Ore Reserves". Mr. Goodwin consents to the inclusion in the report 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.

**Quebec Lithium Limited**

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 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 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 and consents to the inclusion in this report 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.

**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 program 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.

# MINERAL AND EXPLORATION LICENCES

| Country | State/ Region | Project | Tenement ID | Area $km^2$ | Grant Date | Expiry Date | Interest % | Company |
|---|---|---|---|---|---|---|---|---|
| Namibia | | Mile 72 | EPL 3308 | 73 | 19/05/2005 | 17/5/2015 | 100 | Metals Namibia (Pty) Ltd |
| Australia | WA | Manindi | M57/227 | 4.64 | 3/09/1992 | 2/09/2034 | 80 | Karrilea Holdings Pty Ltd |
| | | | M57/240 | 3.15 | 10/11/1993 | 9/11/2035 | 80 | |
| | | | M57/533 | 8.01 | 17/01/2008 | 16/01/2029 | 80 | |
| Australia | WA | Sherlock Bay | E47/1769 | 76.7 | 7/09/2009 | Pending | 30 | Metals Australia Ltd |
| | | | E47/1770 | 223 | 7/09/2009 | Pending | 30 | |

## Lac Rainy Nord Graphite Project (Quebec)

| | Licenses application number | Claim number (CDC series) | Area (ha.) | Claims license expiry date |
|---|---|---|---|---|
| 1 | 1578708 | CDC 2462752 | 52.34 | 18-Sep-18 |
| 2 | 1578708 | CDC 2462753 | 52.32 | 18-Sep-18 |
| 3 | 1578708 | CDC 2462754 | 52.32 | 18-Sep-18 |
| 4 | 1578708 | CDC 2462755 | 52.32 | 18-Sep-18 |
| 5 | 1578708 | CDC 2462756 | 52.31 | 18-Sep-18 |
| 6 | 1578708 | CDC 2462757 | 52.30 | 18-Sep-18 |
| 7 | 1578708 | CDC 2462758 | 52.34 | 18-Sep-18 |
| 8 | 1578708 | CDC 2462759 | 52.34 | 18-Sep-18 |
| 9 | 1578708 | CDC 2462760 | 52.32 | 18-Sep-18 |
| 10 | 1578708 | CDC 2462761 | 52.32 | 18-Sep-18 |
| 11 | 1578708 | CDC 2462762 | 52.30 | 18-Sep-18 |
| 12 | 1578708 | CDC 2462763 | 52.33 | 18-Sep-18 |
| 13 | 1578708 | CDC 2462764 | 52.31 | 18-Sep-18 |
| 14 | 1578708 | CDC 2462765 | 52.31 | 18-Sep-18 |
| 15 | 1578708 | CDC 2462766 | 52.30 | 18-Sep-18 |
| 16 | 1578708 | CDC 2462767 | 52.36 | 18-Sep-18 |
| 17 | 1578708 | CDC 2462768 | 52.33 | 18-Sep-18 |
| 18 | 1578708 | CDC 2462769 | 52.33 | 18-Sep-18 |
| 19 | 1578708 | CDC 2462770 | 52.31 | 18-Sep-18 |
| 20 | 1578708 | CDC 2462771 | 52.31 | 18-Sep-18 |
| 21 | 1578708 | CDC 2462772 | 52.35 | 18-Sep-18 |
| 22 | 1578708 | CDC 2462773 | 52.35 | 18-Sep-18 |
| 23 | 1578708 | CDC 2462774 | 52.31 | 18-Sep-18 |
| 24 | 1578708 | CDC 2462775 | 52.30 | 18-Sep-18 |
| 25 | 1578708 | CDC 2462776 | 52.30 | 18-Sep-18 |
| 26 | 1578708 | CDC 2462777 | 52.36 | 18-Sep-18 |
| 27 | 1578708 | CDC 2462778 | 52.35 | 18-Sep-18 |
| 28 | 1578708 | CDC 2462779 | 52.34 | 18-Sep-18 |
| 29 | 1578708 | CDC 2462780 | 52.33 | 18-Sep-18 |
| 30 | 1578708 | CDC 2462781 | 52.33 | 18-Sep-18 |
| 31 | 1578708 | CDC 2462782 | 52.33 | 18-Sep-18 |
| 32 | 1578708 | CDC 2462783 | 52.34 | 18-Sep-18 |

## Lac La Motte Lithium Project (Quebec)

| | License application number | Claim number (CDC series) | Area (ha.) | Claim license expiry date |
|---|---|---|---|---|
| 1 | 1571638 | **Villegiature** | 57.29 | **pending-1** |
| 2 | 1570688 | CDC 2455462 | 57.29 | 27-Jul-18 |
| 3 | 1570688 | CDC 2455463 | 57.29 | 27-Jul-18 |
| 4 | 1571638 | CDC 2455487 | 57.28 | 27-Jul-18 |
| 5 | 1571638 | CDC 2455488 | 57.28 | 27-Jul-18 |
| 6 | 1570688 | **Villegiature** | 57.28 | **pending-2** |
| 7 | 1570688 | **Villegiature** | 57.28 | **pending-3** |
| 8 | 1570688 | **Villegiature** | 57.28 | **pending-4** |
| 9 | 1570688 | **Villegiature** | 57.28 | **pending-5** |
| 10 | 1570688 | CDC 2455464 | 57.28 | 27-Jul-18 |
| 11 | 1570688 | CDC 2455465 | 57.28 | 27-Jul-18 |
| 12 | 1570688 | CDC 2455466 | 57.27 | 27-Jul-18 |
| 13 | 1570688 | CDC 2455467 | 57.27 | 27-Jul-18 |
| 14 | 1571638 | **Villegiature** | 57.27 | **pending-6** |
| 15 | 1571638 | CDC 2455489 | 57.27 | 27-Jul-18 |
| 16 | 1571638 | CDC 2455490 | 57.27 | 27-Jul-18 |
| 17 | 1571638 | CDC 2455491 | 57.27 | 27-Jul-18 |
| 18 | 1571638 | CDC 2455492 | 57.27 | 27-Jul-18 |
| 19 | 1571638 | CDC 2455493 | 57.27 | 27-Jul-18 |
| 20 | 1570688 | CDC 2455468 | 57.27 | 27-Jul-18 |
| 21 | 1570688 | CDC 2455469 | 57.27 | 27-Jul-18 |
| 22 | 1570688 | CDC 2455470 | 57.27 | 27-Jul-18 |
| 23 | 1570688 | CDC 2455471 | 57.27 | 27-Jul-18 |
| 24 | 1570688 | CDC 2455472 | 57.26 | 27-Jul-18 |
| 25 | 1570688 | CDC 2455473 | 57.26 | 27-Jul-18 |
| 26 | 1570688 | CDC 2455474 | 57.26 | 27-Jul-18 |
| 27 | 1570688 | CDC 2455475 | 57.26 | 27-Jul-18 |
| 28 | 1570688 | CDC 2455476 | 57.26 | 27-Jul-18 |
| 29 | 1570688 | CDC 2455477 | 57.26 | 27-Jul-18 |
| 30 | 1570688 | CDC 2455478 | 57.26 | 27-Jul-18 |
| 31 | 1570688 | CDC 2455479 | 57.26 | 27-Jul-18 |
| 32 | 1570688 | CDC 2455480 | 57.26 | 27-Jul-18 |
| 33 | 1570688 | CDC 2455481 | 57.26 | 27-Jul-18 |
| 34 | 1570688 | CDC 2455482 | 57.26 | 27-Jul-18 |
| 35 | 1570688 | CDC 2455483 | 57.26 | 27-Jul-18 |
| 36 | 1570688 | CDC 2455484 | 57.26 | 27-Jul-18 |
| 37 | 1570688 | CDC 2455485 | 57.26 | 27-Jul-18 |
| 38 | 1570688 | CDC 2455486 | 57.26 | 27-Jul-18 |
| 39 | 1568029 | CDC 2455432 | 29.94 | 27-Jul-18 |
| 40 | 1568029 | CDC 2455433 | 54.02 | 27-Jul-18 |
| 41 | 1568029 | **Villegiature** | 57.25 | **pending-7** |
| 42 | 1568029 | CDC 2455434 | 57.25 | 27-Jul-18 |
| 43 | 1568029 | CDC 2455435 | 57.25 | 27-Jul-18 |
| 44 | 1568029 | CDC 2455436 | 57.25 | 27-Jul-18 |
| 45 | 1568029 | CDC 2455437 | 57.25 | 27-Jul-18 |

| | | | | |
|---|---|---|---|---|
| 46 | 1569550 | **Villegiature** | 57.25 | **pending-8** |
| 47 | 1569550 | **Villegiature** | 57.25 | **pending-9** |
| 48 | 1569550 | CDC 2455445 | 57.25 | 27-Jul-18 |
| 49 | 1569550 | CDC 2455446 | 57.25 | 27-Jul-18 |
| 50 | 1569550 | CDC 2455447 | 57.25 | 27-Jul-18 |
| 51 | 1569550 | CDC 2455448 | 57.25 | 27-Jul-18 |
| 52 | 1569550 | CDC 2455449 | 57.25 | 27-Jul-18 |
| 53 | 1569550 | CDC 2455450 | 57.25 | 27-Jul-18 |
| 54 | 1569550 | CDC 2455451 | 57.25 | 27-Jul-18 |
| 55 | 1569550 | CDC 2455452 | 47.63 | 27-Jul-18 |
| 56 | 1569550 | CDC 2455453 | 57.25 | 27-Jul-18 |
| 57 | 1569550 | **Villegiature** | 57.25 | **pending-10** |
| 58 | 1568029 | CDC 2455438 | 39.10 | 27-Jul-18 |
| 59 | 1568029 | CDC 2455439 | 57.24 | 27-Jul-18 |
| 60 | 1568029 | CDC 2455440 | 57.24 | 27-Jul-18 |
| 61 | 1568029 | CDC 2455441 | 57.24 | 27-Jul-18 |
| 62 | 1568029 | CDC 2455442 | 57.24 | 27-Jul-18 |
| 63 | 1568029 | CDC 2455443 | 57.24 | 27-Jul-18 |
| 64 | 1568029 | CDC 2455444 | 57.24 | 27-Jul-18 |
| 65 | 1569550 | **Villegiature** | 57.24 | **pending-11** |
| 66 | 1569550 | **Villegiature** | 57.24 | **pending-12** |
| 67 | 1569550 | **Villegiature** | 57.24 | **pending-13** |
| 68 | 1569550 | **Villegiature** | 57.24 | **pending-14** |
| 69 | 1569550 | CDC 2455454 | 57.24 | 27-Jul-18 |
| 70 | 1569550 | CDC 2455455 | 57.24 | 27-Jul-18 |
| 71 | 1569550 | CDC 2455456 | 57.24 | 27-Jul-18 |
| 72 | 1569550 | **Villegiature** | 57.23 | **pending-15** |
| 73 | 1569550 | **Villegiature** | 57.23 | **pending-16** |
| 74 | 1569550 | CDC 2455457 | 57.23 | 27-Jul-18 |
| 75 | 1569550 | CDC 2455458 | 57.23 | 27-Jul-18 |
| 76 | 1569550 | **Villegiature** | 57.23 | **pending-17** |
| 77 | 1569550 | **Villegiature** | 57.22 | **pending-18** |
| 78 | 1569550 | **Villegiature** | 57.22 | **pending-19** |
| 79 | 1569550 | **Villegiature** | 57.22 | **pending-20** |
| 80 | 1569550 | **Villegiature** | 57.22 | **pending-21** |
| 81 | 1569550 | CDC 2455459 | 33.56 | 27-Jul-18 |
| 82 | 1569550 | CDC 2455460 | 41.19 | 27-Jul-18 |
| 83 | 1529267 | CDC 2438019 | 42.48 | 13-Mar-18 |
| 84 | 1529267 | CDC 2438020 | 45.81 | 13-Mar-18 |
| 85 | 1569550 | **Villegiature** | 46.08 | **pending-22** |
| 86 | 1569550 | CDC 2455461 | 22.73 | 27-Jul-18 |
| 87 | 1569550 | **Villegiature** | 63.15 | **pending-23** |
| 88 | 1569550 | **Villegiature** | 83.89 | **pending-24** |
| 89 | 1569550 | **Villegiature** | 41.50 | **pending-25** |

## Lac La Corne Lithium Project (Quebec)

| | License application number | Claim number (CDC series) | Area (ha.) | Claim license expiry date |
|---|---|---|---|---|
| 1 | 1567089 | CDC 2455213 | 57.31 | 27-Jul-18 |
| 2 | 1567089 | CDC 2455214 | 57.30 | 27-Jul-18 |
| 3 | 1567089 | CDC 2455215 | 57.30 | 27-Jul-18 |
| 4 | 1567089 | CDC 2455216 | 57.29 | 27-Jul-18 |
| 5 | 1567089 | CDC 2455217 | 57.29 | 27-Jul-18 |
| 6 | 1567089 | CDC 2455218 | 57.29 | 27-Jul-18 |
| 7 | 1568007 | CDC 2455240 | 57.29 | 27-Jul-18 |
| 8 | 1568007 | CDC 2455241 | 57.29 | 27-Jul-18 |
| 9 | 1568007 | CDC 2455242 | 57.29 | 27-Jul-18 |
| 10 | 1568007 | CDC 2455243 | 57.29 | 27-Jul-18 |
| 11 | 1568007 | CDC 2455244 | 57.29 | 27-Jul-18 |
| 12 | 1568007 | CDC 2455245 | 57.29 | 27-Jul-18 |
| 13 | 1568007 | CDC 2455246 | 57.28 | 27-Jul-18 |
| 14 | 1568007 | CDC 2455247 | 57.28 | 27-Jul-18 |
| 15 | 1568007 | CDC 2455248 | 57.29 | 27-Jul-18 |
| 16 | 1563137 | CDC 2450086 | 57.29 | 19-Jun-18 |
| 17 | 1563137 | CDC 2450087 | 57.29 | 19-Jun-18 |
| 18 | 1565954 | CDC 2454427 | 57.29 | 27-Jul-18 |
| 19 | 1565954 | CDC 2454428 | 57.29 | 27-Jul-18 |
| 20 | 1567128 | CDC 2455233 | 57.29 | 27-Jul-18 |
| 21 | 1567128 | CDC 2455234 | 57.29 | 27-Jul-18 |
| 22 | 1568007 | CDC 2455249 | 57.29 | 27-Jul-18 |
| 23 | 1568007 | CDC 2455250 | 57.29 | 27-Jul-18 |
| 24 | 1568007 | CDC 2455251 | 57.28 | 27-Jul-18 |
| 25 | 1568007 | CDC 2455252 | 57.28 | 27-Jul-18 |
| 26 | 1568007 | CDC 2455253 | 57.27 | 27-Jul-18 |
| 27 | 1563137 | CDC 2450088 | 57.27 | 19-Jun-18 |
| 28 | 1552358 | CDC 2444218 | 57.27 | 4-May-18 |
| 29 | 1552358 | CDC 2444219 | 57.27 | 4-May-18 |
| 30 | 1565954 | CDC 2454429 | 57.27 | 27-Jul-18 |
| 31 | 1565954 | CDC 2455219 | 57.27 | 27-Jul-18 |
| 32 | 1567128 | CDC 2455235 | 57.27 | 27-Jul-18 |
| 33 | 1568007 | CDC 2455254 | 57.27 | 27-Jul-18 |
| 34 | 1568007 | CDC 2455255 | 57.27 | 27-Jul-18 |
| 35 | 1568007 | CDC 2455256 | 57.27 | 27-Jul-18 |
| 36 | 1568007 | CDC 2455257 | 57.27 | 27-Jul-18 |
| 37 | 1568007 | CDC 2455258 | 57.27 | 27-Jul-18 |
| 38 | 1568007 | CDC 2455259 | 57.27 | 27-Jul-18 |
| 39 | 1568007 | CDC 2455260 | 57.26 | 27-Jul-18 |
| 40 | 1568007 | CDC 2455261 | 57.26 | 27-Jul-18 |
| 41 | 1568007 | CDC 2455262 | 57.26 | 27-Jul-18 |
| 42 | 1568007 | CDC 2455263 | 57.26 | 27-Jul-18 |
| 43 | 1568007 | CDC 2455264 | 57.26 | 27-Jul-18 |
| 44 | 1568007 | CDC 2455265 | 57.26 | 27-Jul-18 |
| 45 | 1565954 | CDC 2454430 | 57.26 | 27-Jul-18 |
| 46 | 1563137 | CDC 2450089 | 57.26 | 19-Jun-18 |
| 47 | 1563137 | CDC 2450090 | 57.26 | 19-Jun-18 |
| 48 | 1565954 | CDC 2454431 | 57.26 | 27-Jul-18 |
| 49 | 1567089 | CDC 2455220 | 57.26 | 27-Jul-18 |
| 50 | 1567089 | CDC 2455221 | 57.26 | 27-Jul-18 |
| 51 | 1567089 | CDC 2455222 | 57.26 | 27-Jul-18 |
| 52 | 1568007 | CDC 2455266 | 57.26 | 27-Jul-18 |
| 53 | 1568007 | CDC 2455267 | 57.26 | 27-Jul-18 |
| 54 | 1568007 | CDC 2455268 | 57.26 | 27-Jul-18 |
| 55 | 1568007 | CDC 2455269 | 57.26 | 27-Jul-18 |
| 56 | 1568007 | CDC 2455270 | 57.26 | 27-Jul-18 |
| 57 | 1568007 | CDC 2455271 | 57.26 | 27-Jul-18 |
| 58 | 1568007 | CDC 2455272 | 57.26 | 27-Jul-18 |
| 59 | 1568007 | CDC 2455273 | 57.25 | 27-Jul-18 |
| 60 | 1568007 | CDC 2455274 | 57.25 | 27-Jul-18 |
| 61 | 1568007 | CDC 2455275 | 57.25 | 27-Jul-18 |
| 62 | 1568007 | CDC 2455276 | 57.25 | 27-Jul-18 |
| 63 | 1565954 | CDC 2454432 | 57.25 | 24-Jul-18 |
| 64 | 1565954 | CDC 2454433 | 57.25 | 24-Jul-18 |

| | | | | |
|---|---|---|---|---|
| 65 | 1565954 | CDC 2454434 | 57.25 | 24-Jul-18 |
| 66 | 1565954 | CDC 2454435 | 57.25 | 24-Jul-18 |
| 67 | 1567128 | CDC 2455236 | 57.25 | 27-Jul-18 |
| 68 | 1567089 | CDC 2455223 | 57.25 | 27-Jul-18 |
| 69 | 1567089 | CDC 2455224 | 57.25 | 27-Jul-18 |
| 70 | 1567089 | CDC 2455225 | 57.25 | 27-Jul-18 |
| 71 | 1568007 | CDC 2455277 | 57.25 | 27-Jul-18 |
| 72 | 1568007 | CDC 2455278 | 57.25 | 27-Jul-18 |
| 73 | 1568007 | CDC 2455279 | 57.25 | 27-Jul-18 |
| 74 | 1567089 | CDC 2455226 | 57.24 | 27-Jul-18 |
| 75 | 1567089 | CDC 2455227 | 57.24 | 27-Jul-18 |
| 76 | 1567089 | CDC 2455228 | 57.24 | 27-Jul-18 |
| 77 | 1567089 | CDC 2455229 | 57.24 | 27-Jul-18 |
| 78 | 1567089 | CDC 2455230 | 57.23 | 27-Jul-18 |
| 79 | 1567089 | CDC 2455231 | 57.23 | 27-Jul-18 |
| 80 | 1567089 | CDC 2455232 | 57.23 | 27-Jul-18 |
| 81 | 1569244 | CDC 2455280 | 57.23 | 27-Jul-18 |
| 82 | 1569244 | CDC 2455281 | 57.23 | 27-Jul-18 |
| 83 | 1569244 | CDC 2455282 | 57.23 | 27-Jul-18 |
| 84 | 1569244 | CDC 2455283 | 57.23 | 27-Jul-18 |
| 85 | 1567128 | CDC 2455237 | 57.21 | 27-Jul-18 |
| 86 | 1567128 | CDC 2455238 | 57.21 | 27-Jul-18 |
| 87 | 1567128 | CDC 2455239 | 57.20 | 27-Jul-18 |

## Lac du Marcheur Cobalt Project (Quebec)

| Count | Licenses application number | Claim number (CDC series) | Area (ha.) | License Expiry |
|---|---|---|---|---|
| 1 | 1606901 | CDC 2473803 | 59,55 | Jan 26, 2019 |
| 2 | 1606901 | CDC 2473804 | 59,54 | Jan 26, 2019 |
| 3 | 1606901 | CDC 2473805 | 59,53 | Jan 26, 2019 |
| 4 | 1606901 | CDC 2473806 | 59,53 | Jan 26, 2019 |
| 5 | 1606901 | CDC 2473807 | 59,53 | Jan 26, 2019 |
| 6 | 1606901 | CDC 2473808 | 59,52 | Jan 26, 2019 |
| 7 | 1606901 | CDC 2477461 | 59,55 | Feb 6, 2019 |
| 8 | 1606901 | CDC 2477462 | 56,91 | Feb 6, 2019 |
| 9 | 1606901 | CDC 2477463 | 8,83 | Feb 6, 2019 |
| 10 | 1606901 | CDC 2477464 | 46,28 | Feb 6, 2019 |
| 11 | 1606901 | CDC 2477465 | 49,94 | Feb 6, 2019 |
| 12 | 1606901 | CDC 2477466 | 10,88 | Feb 6, 2019 |
| 13 | 1606901 | CDC 2477467 | 23,53 | Feb 6, 2019 |
| 14 | 1606901 | CDC 2477468 | 56,87 | Feb 6, 2019 |
| 15 | 1606901 | CDC 2477469 | 9,58 | Feb 6, 2019 |
| 16 | 1606901 | CDC 2477470 | 54,20 | Feb 6, 2019 |
| 17 | 1606901 | CDC 2477471 | 41,03 | Feb 6, 2019 |
| 18 | 1606901 | CDC 2477472 | 55,11 | Feb 6, 2019 |
| 19 | 1606901 | CDC 2477473 | 18,90 | Feb 6, 2019 |
| 20 | 1606901 | CDC 2477474 | 35,87 | Feb 6, 2019 |
| 21 | 1607257 | CDC pending | 59,60 | Feb 6, 2019 |
| 22 | 1607257 | CDC pending | 59,61 | Feb 6, 2019 |
| 23 | 1607257 | CDC pending | 59,61 | Feb 6, 2019 |
| 24 | 1607257 | CDC pending | 59,60 | Feb 6, 2019 |
| 25 | 1607257 | CDC pending | 59,60 | Feb 6, 2019 |
| 26 | 1607257 | CDC pending | 59,61 | Feb 6, 2019 |
| 27 | 1607257 | CDC pending | 59,61 | Feb 6, 2019 |
| 28 | 1607257 | CDC pending | 59,61 | Feb 6, 2019 |
| 29 | 1607257 | CDC pending | 59,60 | Feb 6, 2019 |
| 30 | 1607257 | CDC pending | 59,60 | Feb 6, 2019 |
| 31 | 1606799 | CDC pending | 59,61 | Feb 6, 2019 |
| 32 | 1606799 | CDC pending | 59,61 | Feb 6, 2019 |
| 33 | 1606799 | CDC pending | 59,57 | Feb 6, 2019 |
| 34 | 1606799 | CDC pending | 59,56 | pending |
| 35 | 1606799 | CDC pending | 59,58 | pending |

## Lac Rainy Est Graphite Project (Quebec)

| Total count | License application number | Claim number (CDC series) | Area (ha.) | Claim license expiry date |
|---|---|---|---|---|
| 1 | 1584125 | **CDC 2465815** | 52,30 | Oct 12, 2018 |
| 2 | 1587764 | **CDC 2467343** | 52,33 | Oct 30, 2018 |
| 3 | 1587764 | **CDC 2467344** | 52,33 | Oct 30, 2018 |
| 4 | 1587764 | **CDC 2467345** | 52,32 | Oct 30, 2018 |
| 5 | 1587764 | **CDC 2467346** | 52,32 | Oct 30, 2018 |
| 6 | 1594099 | **CDC 2471082** | 52,38 | Dec 15, 2018 |
| 7 | 1594099 | **CDC 2471083** | 52,37 | Dec 15, 2018 |
| 8 | 1594099 | **CDC 2471084** | 52,36 | Dec 15, 2018 |
| 9 | 1594099 | **CDC 2471085** | 52,36 | Dec 15, 2018 |
| 10 | 1594099 | **CDC 2471086** | 52,36 | Dec 15, 2018 |
| 11 | 1594099 | **CDC 2471087** | 52,36 | Dec 15, 2018 |
| 12 | 1594099 | **CDC 2471088** | 52,35 | Dec 15, 2018 |
| 13 | 1594099 | **CDC 2471089** | 52,35 | Dec 15, 2018 |
| 14 | 1594099 | **CDC 2471090** | 52,35 | Dec 15, 2018 |
| 15 | 1594099 | **CDC 2471091** | 52,35 | Dec 15, 2018 |
| 16 | 1594099 | **CDC 2471092** | 52,34 | Dec 15, 2018 |
| 17 | 1594099 | **CDC 2471093** | 52,34 | Dec 15, 2018 |
| 18 | 1594099 | **CDC 2471094** | 52,34 | Dec 15, 2018 |
| 19 | 1594099 | **CDC 2471095** | 52,34 | Dec 15, 2018 |
| 20 | 1594099 | **CDC 2471096** | 52,33 | Dec 15, 2018 |
| 21 | 1594099 | **CDC 2471097** | 52,33 | Dec 15, 2018 |
| 22 | 1594099 | **CDC 2471098** | 52,33 | Dec 15, 2018 |
| 23 | 1594099 | **CDC 2471099** | 52,33 | Dec 15, 2018 |
| 24 | 1594099 | **CDC 2471100** | 52,32 | Dec 15, 2018 |
| 25 | 1594099 | **CDC 2471101** | 52,32 | Dec 15, 2018 |
| 26 | 1594099 | **CDC 2471102** | 52,32 | Dec 15, 2018 |
| 27 | 1594099 | **CDC 2471103** | 52,32 | Dec 15, 2018 |
| 28 | 1594099 | **CDC 2471104** | 52,31 | Dec 15, 2018 |
| 29 | 1594099 | **CDC 2471105** | 52,31 | Dec 15, 2018 |
| 30 | 1594099 | **CDC 2471106** | 52,31 | Dec 15, 2018 |
| 31 | 1594099 | **CDC 2471107** | 52,31 | Dec 15, 2018 |
| 32 | 1594099 | **CDC 2471108** | 52,31 | Dec 15, 2018 |
| 33 | 1606965 | **CDC 2477073** | 52,35 | Feb 1, 2019 |
| 34 | 1606965 | **CDC 2477074** | 52,35 | Feb 1, 2019 |
| 35 | 1606965 | **CDC 2477075** | 52,35 | Feb 1, 2019 |
| 36 | 1606965 | **CDC 2477076** | 52,34 | Feb 1, 2019 |
| 37 | 1606965 | **CDC 2477077** | 52,34 | Feb 1, 2019 |
| 38 | 1606965 | **CDC 2477078** | 52,30 | Feb 1, 2019 |
| 39 | 1606965 | **CDC 2477079** | 52,30 | Feb 1, 2019 |

**2041,03**