

**ASX Announcement**

11 September 2017

## **Fast Tracking of Phase II Exploration Program at Lac Rainy Graphite Project**

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**Highlights:**

- **Following the exceptionally high grade assay results from the Phase I exploration program, Metals Australia has fast-tracked the commencement of the Phase II exploration campaign at Lac Rainy**
  - **The geological team has been mobilised to site at the Lac Rainy Est Graphite project**
  - **The program will consist of additional surface sampling, as well as channel sampling to refine targets for diamond drilling and the removal of a mini-bulk sample for metallurgical and characterisation test work**
  - **Metallurgical testing will determine flake size and suitability for the battery market**
  - **The Lac Rainy Project is located adjacent to Focus Graphite's Lac Knife Property which hosts the Lac Knife Graphite Deposit – Measured and Indicated Resource of 9.6 Mt @ 14.77% Cg and an Inferred Resource of 3.1 Mt @ 13.25% Cg**
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Diversified metals exploration company, Metals Australia Ltd (ASX: **MLS**) is pleased to announce that the Company has mobilised its geological team to the Lac Rainy Graphite Project, located in Quebec (Canada), as part of its planned Phase II exploration campaign.

The Phase II program will consist of site assessment and mini-bulk sample collection for the purposes of undertaking metallurgical and characterisation analysis to determine the graphite natural flake size and its suitability for the battery market. Advanced channel sampling will also be completed as a precursor to maiden drilling. Dahrouge Geological Consulting Ltd. has been engaged to undertake the work associated with the Phase II program and the QA/QC work.

The Lac Rainy Graphite Project covers an area of 4,450 hectares representing 86 mineral claims and is contiguous with Focus Graphite's Property to the southwest, which hosts the Lac Knife Graphite Deposit.

The global focus on renewable energy and the associated adoption of lithium-ion batteries as an energy storage medium has meant that the immediate inputs required for the manufacture of the lithium-ion battery are gaining significant attention with both investors and mining exploration companies.

MLS is positioning itself to be at the forefront of this transformational technological revolution.

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Commenting on the commencement of the Phase II program, Mr Gino D'Anna, a Director of MLS stated:

*"The results from our recent surface sampling program were exceptional and we decided to fast track our Phase II program. Lac Rainy has demonstrated itself to be an excellent project with significant potential and upside.*

*Our Phase II field exploration program will consist of mini-bulk sampling for metallurgical testing and characterisation test work as well as additional channel sampling as a pre-cursor to maiden drilling. Our primary focus is on the high grade graphite zones that we have already identified within the extensive mapped strike of approximately 2.0 km, which remains open along strike to the north-west.*

*Our objective from this Phase II program is to demonstrate the suitability of our graphite to supply the lithium-ion battery manufacturing market and other renewable energy applications."*

## Phase II Exploration Campaign at Lac Rainy Graphite Project

This current Phase II exploration program will be carried out as a precursor to maiden drilling which will take place during winter. It is anticipated that the results of the metallurgical and characterisation analysis will give the Company confidence of the suitability of the naturally occurring graphite to supply the lithium-ion battery manufacture market and other renewable energy applications.

The Company will focus on the high grade zones which have been identified at the Lac Rainy Est project area, along strike of the Lac Carheil Prospect. Recent mapping and sampling has demonstrated an extensive strike length in excess of 2.0 km which remains open to the north-west.

Site preparation for the mini-bulk sample has already commenced.



**Image 1:** Cleaning of the graphite rich outcrop at high grade zone - site 1



**Image 2:** Removal of weathered layer from the graphite rich outcrop at high grade zone - site 1

The Company will provide further updates in relation to the Phase II exploration campaign as it progresses and is completed.

**ENDS**

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**Competent Person Statement**

The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves, as applicable, is based on information compiled by Mr. Darren L. Smith, P. Geol., a Competent Person who is a Professional Geologist registered with L'Ordre des géologues du Québec, in Canada. Mr. Darren L. Smith, P.Geol, is an employee of Dahrouge Geological Consulting Ltd. (Dahrouge). Dahrouge Geological Consulting Ltd. and all competent persons are independent from the issuer of this statement, MetalsTech Limited. Mr. Darren L. Smith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Darren L Smith consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.