

**ASX Announcement**

9 October 2017

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

---

**Highlights:**

- **Metals Australia has completed its Phase II exploration campaign at Lac Rainy**
  - **Phase II program consisted of surface sampling, as well as channel sampling to refine targets for maiden diamond drilling and the removal of a bulk sample for metallurgical and characterisation test work**
  - **A bulk sample of 112kg of naturally occurring vein hosted flake graphite was removed for metallurgical and characterisation test work - testing program to commence through SGS in Ontario to 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 13.6 Mt @ 14.95% Cg and an Inferred Resource of 0.8 Mt @ 13.9% Cg at a 3% Cg cut off**
  - **Focus Graphite recently presented long term cycling test results showing that the zero loss in capacity of the Lac Knife Standard Grade of coated spherical graphite lasted for 250 cycles and showed a loss of only 4.5% in capacity after 570 cycles compared with losses of 11.7% after 440 cycles and 10.5% after 510 cycles for a competitive supplier's coated spherical graphite**
- 

Diversified metals exploration company, Metals Australia Ltd (ASX: **MLS**) is pleased to announce that the Company has completed its Phase II exploration campaign at the Lac Rainy Graphite Project, located in Quebec (Canada).

The Phase II program consisted of drill site assessment and 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. Channel sampling was also completed as a precursor to maiden diamond drilling.

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 - Measured and Indicated Resource of 13.6 Mt @ 14.95% Cg and an Inferred Resource of 0.8 Mt @ 13.9% Cg at a 3% Cg cut off.

The global focus on renewable energy and the associated adoption of lithium-ion batteries as an energy storage medium has meant that the materials required for the manufacture of the lithium-ion battery, including lithium, graphite and cobalt, are gaining significant attention with both

METALS AUSTRALIA LTD ABN 38 008 982 474

**REGISTERED OFFICE**

Level 1, 8 Parliament Place  
West Perth Western Australia 6005  
PO Box 1618 West Perth WA 6872

T +61 8 9481 7833  
F +61 8 9481 7835

mls@metalsaustralia.com.au  
[metalsaustralia.com.au](http://metalsaustralia.com.au)

ASX CODE **MLS**



investors and mining exploration companies. MLS is positioning itself to be at the forefront of this transformational technological revolution.

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

*"The completion of our Phase II exploration program continues to highlight the extensive graphite mineralisation that exists at our Lac Rainy graphite project. The Lac Rainy project represents an excellent project with significant potential and upside.*

*The field crew was able to complete advanced channel sampling at Lac Rainy as a precursor to our planned diamond drilling program. The collection of 112 kg of naturally occurring vein hosted flake graphite from the bulk sample program has been sent to SGS to complete metallurgical testing and characterisation test work. These results will be an important step forward in the commercialization of this project.*

*We have continued to sample the extensive high grade graphite zones identified within the extensive mapped strike of approximately 2.0 km, which remains open along strike to the north-west. Drill site and target assessment was also completed as part of the Phase II program and the Company is now planning its maiden diamond drilling campaign to occur this winter."*

## Phase II Exporation Campaign at Lac Rainy Graphite Project

The Phase II exploration program was be carried out as a precursor to maiden diamond drilling which will take place during winter. During the program, the Company recovered a 112 kg mini-bulk sample of graphite material which was sent to SGS laboratories in Ontario for metallurgical and characterisation test work. It is anticipated that the results of the metallurgical and characterisation analysis will give the Company confidence as to the suitability of the naturally occurring graphite to supply the lithium-ion battery manufacture market and other renewable energy applications.

The Company continued its 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.

The images below illustrate the early site preparation work that was undertaken as part of the mini-bulk sample program.



**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 image below highlights the graphite rich zones from which advanced channel sampling was completed. The samples from the channel sampling program are currently being analysed and the results will be available shortly.



**Image 3:** Channel sampling of the high grade graphite veins at the Lac Rainy project



**Image 4:** Typical environment and surroundings at the Lac Rainy Est project area

The Company will provide shareholders with a further update once the results of the channel sampling program are received from the laboratory.

## Update on Drilling at Manindi Zinc Project

The Company would like to advise that drilling at the Manindi Zinc Project has been successfully completed and samples have been shipped to the laboratory in Perth for analysis. The Company will update its shareholders further when the results are received.

**ENDS**

**For more information, please contact:**

Gino D'Anna  
Director  
Metals Australia Ltd  
Phone: +61 400 408 878

### 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.