

ASX Announcement
 13 April 2018

Preliminary Metallurgical Testing Program Underway at Manindi Lithium Project, Western Australia

Highlights:

- NAGROM engaged to complete preliminary metallurgical testing program on the lepidolite mineralisation at the Manindi Lithium Project
- Testing program will include heavy liquid separation (HLS), mineralogy profiling, gravity response, XRD analysis and magnetic separation / flotation testing
- Metallurgical testing results expected within 2 weeks with the XRD analysis results expected within 3-4 weeks
- Sampling of historical diamond drill core has shown significant widths of high-grade lithium-bearing pegmatites up to 25 metres wide assaying up to 2.14% Li₂O
- Detailed geological mapping at the Mulgari and Warabi prospects has confirmed several lithium-bearing pegmatite dykes exposed at surface with strike lengths of over 300 metres and widths of up to 25-30 metres
- Previous rock chip sampling of exposed pegmatite dykes has returned high-grade lithium results of up to 2.84% Li₂O

Diversified metals exploration company, Metals Australia Ltd (ASX: **MLS**) is pleased to announce that it has engaged NAGROM to complete a preliminary metallurgical testing program on the lepidolite mineralisation at the Manindi Lithium Project. The Company has also engaged lithium processing and metallurgy expert, Noel O'Brien of Trinol to oversee the program and provide technical recommendations to the Company.

The testing program will include an initial sequence of heavy liquid separation (HLS) testing, mineralogy profiling, gravity response testing, XRD analysis and magnetic separation / flotation testing.

Lepidolite-bearing pegmatite intersected in diamond drill holes MND018 and MND022¹ were selected for the purposes of the preliminary metallurgical program. A total sample size across the two holes weighing approximately 51kg was delivered to NAGROM.

Details of the samples were as follows:

Hole ID	From (m)	To (m)	Interval (m)	Weighted Grade (ppm Li ₂ O)
MND018	33.0	45.0	12.0	13,883
	47.77	49.0	1.23	10,378
MND022	41.0	44.0	3.0	9,921
	85.24	87.62	2.38	11,556

¹ See Metals Australia Ltd ASX announcement dated 21 March 2017

The images below illustrate the samples that were delivered to NAGROM (left) as well as an example of the lepidolite rich mineralisation located in the pegmatites at Manindi (right – purple colouration):



Commenting on the metallurgical program at the Manindi Lithium Project, Director Mr Gino D'Anna stated:

"This program will help us to better understand the processing options that are available for liberating the lithium from the lepidolite rich mineralisation in the pegmatites at Manindi. We see this as an excellent opportunity to unlock further value and these initial results will assist us in defining how we develop this project, including engaging with potential partners and end users in China who are still seeking to secure stable supplies of this critical metal."

We are also currently progressing with permitting applications that will enable us to complete a lithium-focussed RC percussion drilling program at Manindi designed to evaluate the potential of this project. This year will be a pivotal period for the Company as we seek to develop our portfolio of near-term and value-accretive assets and define our future in the battery-minerals sector."

The Company is well funded for its exploration programs at both the Lac Rainy Graphite Project and the Manindi Project. The Board believes that 2018 will be a transformative and Company building year. We look forward to providing shareholders with further updates on these exciting developments and near term opportunities.

For more information, please contact:

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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. Lachlan Reynolds. Mr Reynolds is a consultant to Metals Australia Limited and is a member of the Australasian Institute of Mining and Metallurgy. Mr. Reynolds 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. Reynolds consents to the inclusion in the report of the matters based on their 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.

Caution Regarding Forward-Looking Information

This document contains forward-looking statements concerning Metals Australia. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on the company's beliefs, opinions and estimates of Metals Australia as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Appendix 1 - Historic Drill Hole Details

Drill hole	Northing	Easting	AHD RL (m)	Inclination (o)	Azimuth (o)	Total Depth (m)	Location
MND018	6818300	664310	483	-60	270	49.2	Mulgara
MND022	6818340	664330	483	-60	270	90.7	Mulgara

ASX Listing Rules Compliance

Manindi Lithium Project

Pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 21 March 2017.