

ASX Announcement

27 August 2018

Mobilisation and Field Program Progress Update Lac Rainy Graphite Project Phase I Exploration Program

Highlights:

- Mobilisation of field crew and equipment to the Lac Carheil prospect currently underway – delayed to allow the Company additional time to meet with local community and First Nation stakeholders - resulting in the favourable endorsement of the project and a strengthening of relationships for the Company
 - Bridge is currently being transported to site and is on track to be installed and functional by mid-next week
 - Stripping and trenching to be conducted simultaneously with the installation of the bridge and the construction of the access roads to improve efficiency and timing of the channel sampling
 - Positive engagement with local First Nation stakeholders around the Lac Rainy project completed – local community and First Nation representatives will be employed, where possible, by the Company's geological team overseen by Magnor Exploration
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Diversified metals exploration company, Metals Australia Ltd (ASX: **MLS**) is pleased to provide shareholders with an update on the progress of the mobilisation and field program for the planned Phase I exploration campaign at the Lac Rainy Graphite Project, located in Quebec, Canada.

The Company has received confirmation that Magnor has commenced the mobilisation of its geological and field personnel and construction equipment to the Lac Rainy project in preparation for the commencement of the Phase I exploration program.

The mobilisation of the field crew and equipment was delayed to allow the Company additional time to meet with local community and First Nation stakeholders, and ensure the formation of a strong relationship between the Company and its local stakeholders. The directive of these meetings was to improve the knowledge of the local communities in relation to the planned activities of the Company at Lac Rainy and align the interests of the key stakeholders in relation to the long-term strategy of the Company.

Representatives from Magnor held further meetings with the local First Nation stakeholders around the Lac Rainy project and received positive feedback from these meetings. These meetings have been successful in ensuring a favourable endorsement of the project and have strengthened key relationships.

As part of the Phase I exploration campaign, Magnor will be employing labourers direct from within these local communities, which will provide the Company with further local support for the project as we start to explore and develop this exciting opportunity.

Commenting on the recent activities at the Lac Rainy project, Director of Metals Australia, Mr Gino D'Anna stated:

"Since receiving the final permits for our planned campaigns at Lac Rainy, our geological and field personnel have been busy preparing themselves for mobilisation to site. We have already commenced mobilising the necessary equipment for the construction of the access roads, site stripping and trenching. Our plan is to mobilise a field team to complete the installation of the bridge whilst another field team simultaneously completes mapping and prospecting across the project area and stripping of surface vegetation in preparation for the channel sampling. This will enable us to improve efficiency and timing of the channel sampling program.

We are pleased with the progress that has been made in such a short period of time."

The photographs below illustrate the Magnor field crew arriving at the Lac Rainy project in preparation for the Phase I exploration program, as well as the marking of the entry and exit points for the bridge over the water crossing.



Photograph 1: Magnor field crew arriving at the Lac Rainy Graphite Project, Quebec



Photograph 2: Magnor field crew arriving at the water crossing to prepare for marking out the entry and exit points for the bridge installation

The photograph below illustrates the general topography around the Lac Rainy project. The outcropping mineralisation at the Lac Carheil prospect is also shown, which is the location for where the stripping, trenching and channel sampling will be undertaken.



Photograph 3: General topography around the Lac Rainy Graphite Project. Outcropping mineralisation at the Lac Carheil prospect is also shown

We look forward to providing shareholders with further updates on the progress of the Phase I exploration campaign at the Lac Rainy project.

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For more information, please contact:

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

Graham Baldisseri
Company Secretary
Metals Australia Ltd
Phone: +61 8 9481 7833

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