

ASX Announcement

13 March 2019

Update on Timing of Maiden Diamond Drilling Program at Lac Rainy Graphite Project

Highlights:

- Snow removal, pad clearance and site preparation at Lac Rainy ongoing with drill rigs and drill crew to be mobilised to site within the next five days – **drilling delayed due to adverse weather conditions in Northern Quebec – the Company will inform shareholders as soon as drilling has commenced**
- Maiden diamond drill program of up to 2,800m will test the down dip / plunge extensions of the graphite mineralisation – **advanced metallurgical testwork to be undertaken on split drill-core samples**
- Continued engagement with North American end-user / development partners for the high-grade Lac Rainy graphite concentrate – **North American groups can offer a simpler logistics pathway for Lac Rainy graphite concentrate**

Graphite exploration and development company, Metals Australia Ltd (ASX: **MLS**) is pleased to provide shareholders with an update on the planned maiden diamond drilling program at the Lac Rainy Graphite Project, located in Quebec, Canada.

The Company has recently been advised that although snow removal, pad clearance and site preparation are ongoing, Magnor will be mobilising the drill crew and the drill rigs to Lac Rainy in the next five (5) days. Unfortunately, the northern parts of Quebec have been hampered by severe cold weather and adverse conditions which has delayed the start date of the drilling campaign and has required the Company to undertake additional site preparation and snow removal.

Geological teams have continued to assess the results of the channel sampling program and further refined the drilling targets at Lac Rainy. The Company will advise shareholders as soon as drilling has commenced and provide regular updates as the program progresses.

Commenting on the receipt of the final Lac Rainy drilling permits, Director of Metals Australia, Mr Gino D'Anna stated:

"Unfortunately, drilling has been delayed due to adverse weather conditions, and although it continues to snow at Lac Rainy, the Company is rapidly progressing with the mobilisation of the drill crew and the drill rigs. Snow removal is just an everyday event when exploring in Quebec in the winter. We believe that Lac Rainy is host to a potentially world-class high-grade natural flake graphite deposit and recent metallurgical testing has demonstrated its ability to produce a high purity, large flake and high carbon graphite concentrate ideal for high-end technical applications."

We look forward to providing shareholders with further updates in what will be a busy 2019 for our Company."

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

ASX CODE **MLS**



For more information, please contact:

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

Martin Stein
Company Secretary
Metals Australia Ltd
Phone: +61 8 9481 7833

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