

ASX Announcement

18 March 2019

Metals Australia Ltd Completes Placement to Accelerate Drilling and Exploration at Lac Rainy Graphite Project, Quebec

Graphite exploration and development company Metals Australia Ltd (ASX: **MLS**) is pleased to announce that the Company has completed a Private Placement of \$630,000 (before costs) at an issue price of \$0.0018 per share via the issue of 350,000,000 fully paid ordinary shares (**Placement**).

Subject to the approval of Shareholders, subscribers under the Placement will also be granted a free attaching option on a 1 for 1 basis with an exercise price of \$0.0035 per share expiring on 1 June 2022. This will result in the issue of 350,000,000 options, and subject to the Company meeting the conditions of the ASX, MLS will apply for quotation of the options.

The Placement was completed using the Company's existing share issue placement capacity pursuant to ASX Listing Rule 7.1.

The Placement was subscribed for by sophisticated and professional investors, none of which are related parties of the Company and was well supported by a number of new brokers and high net-worth investors. Sanlam Private Wealth Pty Ltd acted as lead manager and sole bookrunner to the Placement.

Commenting on the completion of the Placement, Director of MLS, Mr Gino D'Anna stated:

"The Placement received overwhelming support from both new and existing sophisticated and professional investors. Metals Australia Ltd is focused on advancing the exploration at the high grade and near surface Lac Rainy Graphite Project, and drilling is expected to commence within the next week. Our maiden diamond drilling program at Lac Rainy will aim to deliver a maiden JORC resource, and importantly, will provide further information on the metallurgical and mineralogical characteristics of the deposit.

Based on the high grades obtained through the channel sampling and the strike length in excess of 3.6 km, that remains open to the north-west, there is a strong potential for a high-grade graphite deposit of high-tonnage to be present at Lac Rainy. We remain excited by what has been identified, and Lac Rainy continues to deliver in both grade and potential strike extensions. Our corporate objective for the Project is to define a deposit of sufficient tonnage in the 15-20% Cg range similar to the nearby Lac Knife Deposit."

The funds raised under the Placement will be utilised to accelerate the diamond drilling program at the Lac Rainy Graphite Project.

For more information, please contact:

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