

ASX Announcement

1 April 2019

Diamond Drilling Underway at Lac Rainy Graphite Project

Highlights:

- Diamond drilling has commenced at the Lac Rainy Graphite Project
 - Maiden diamond drill program of up to 2,800m (program will initially consist of 2,000m diamond drilling with scope to increase) 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 offer a simple logistics pathway for Lac Rainy graphite concentrate**
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Graphite exploration and development company Metals Australia Ltd (ASX: **MLS**) is pleased to announce that the maiden diamond drilling program has commenced at the Company's 100%-owned Lac Rainy Graphite Project, located in Quebec, Canada.

Commenting on the start of the diamond drilling program at Lac Rainy, Director of Metals Australia, Mr Gino D'Anna stated:

"We are pleased that Magnor has been able to get the drilling underway despite the challenging weather conditions being experienced in Northern Quebec. We expect significant progress will be made with the drill rig and the crews working two 12-hour split shifts during the term of the campaign. 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."

Following completion of the recent Placement, the Company remains well funded for this current diamond drilling program at Lac Rainy.

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

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

METALS AUSTRALIA LTD ABN 38 008 982 474

ASX CODE **MLS**



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