

## ASX Announcement

6 August 2019

# Additional Wide Graphite Zones Intersected in Diamond Drilling at the Lac Rainy Graphite Project

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### Highlights:

- Assay results for a further three (3) holes received – **assay results are pending for the remaining nine (9) holes**
- All drill holes intersected graphite mineralisation both near surface and at depth – **DDH LR19-14 remains open at depth**
- DDH LR19-11\* intersected multiple zones of graphite, including:
  - **44.9m at an average grade of 8.05% Cg** at a depth from 63.6m to 108.5m
- DDH LR19-12\* intersected multiple zones of graphite, including:
  - **29.8m at an average grade of 6.77% Cg** at a depth from 3.0m to 32.8m
    - **including 16.5m at an average grade of 8.3% Cg from 3.0m to 19.5m**
  - **20.5m at an average grade of 6.78% Cg** at a depth from 45.6m to 65.65m
    - **including 4.9m at an average grade of 12.67% Cg from 45.6m to 50.5m**
    - **and 7.15m at an average grade of 7.57% Cg from 58.5m to 65.65m**
- DDH LR19-14\* intersected multiple zones of graphite, including:
  - **9.0m at an average grade of 5.11% Cg** at a depth from 16.0m to 25.0m
  - **9.0m at an average grade of 6.81% Cg** at a depth from 152.0m to 161.0m
  - **11.1m at an average grade of 5.73% Cg** at a depth from 176.0m to 187.1m – **graphite mineralisation remains open at depth**
- These drill holes were targeting the most North West part of the drill tested area along the Carheil Graphitic trend which was drill tested for 750m in this current program. These holes are located the furthest away from the high-grade Lac Carheil prospect which is located at the South East end of the mineralised trend – **the holes demonstrate that graphite mineralisation continues along strike over an extensive distance**
- The Carheil Graphitic trend has been drill tested for a strike length of more than 750m and remains open along strike in both directions, North West and South East for over 3.2km
- The geological team has returned to the Lac Rainy project for further mapping and sampling designed to identify follow-up drill targets

*\* see page 4 and page 5 for detailed table of drilling results.*

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#### 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](http://metalsaustralia.com.au)

METALS AUSTRALIA LTD ABN 38 008 982 474

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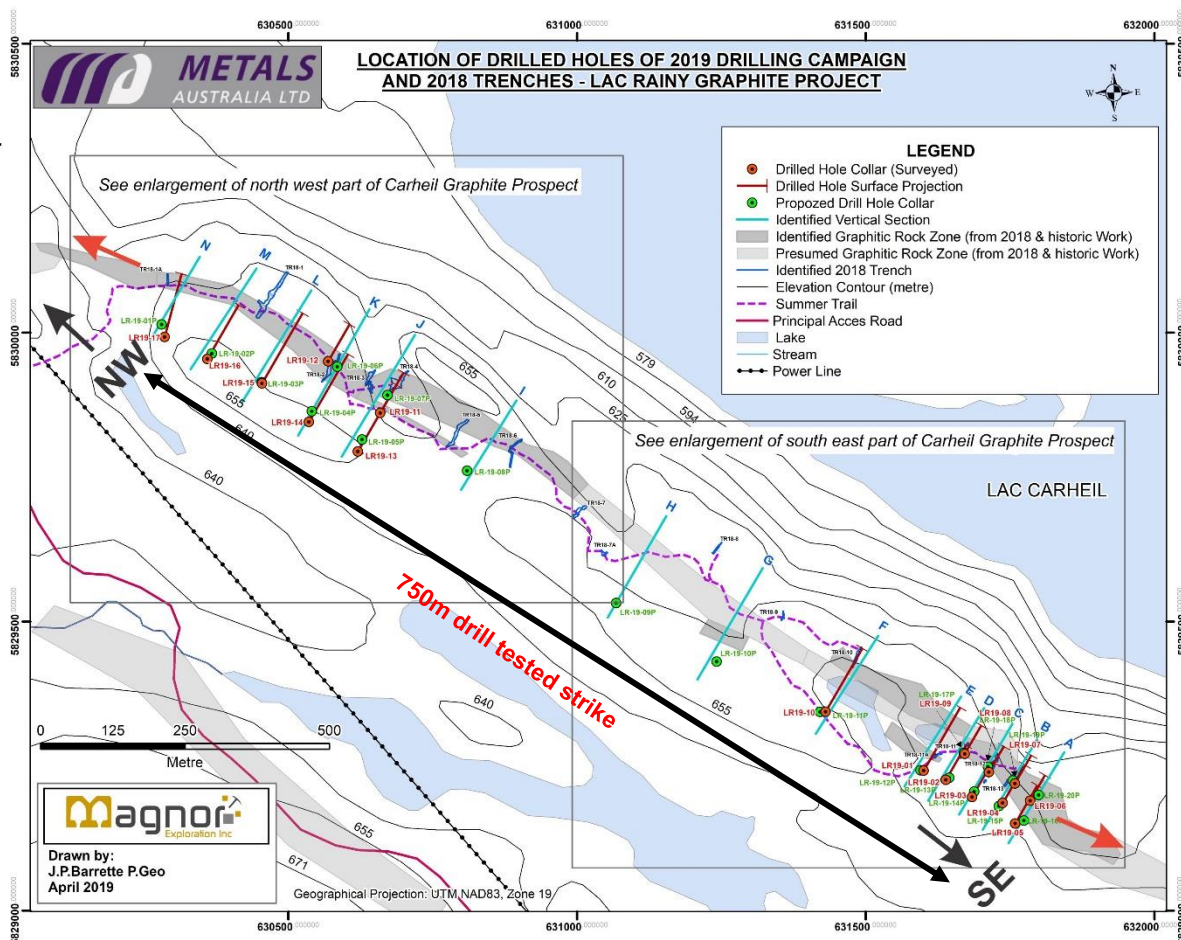


ASX  
AUSTRALIAN STOCK EXCHANGE

Metals Australia Ltd (ASX: **MLS**) is pleased to announce the assay results received for a further three (3) holes of the seventeen (17) hole diamond drilling program completed at the Company's 100%-owned Lac Rainy Graphite Project, located in Quebec, Canada. Five (5) holes were previously reported and the Company is still awaiting the assay results for a further nine (9) holes (*refer to ASX announcement dated 3 July 2019 and titled "Exceptionally Wide High-Grade Graphite Zones Intersected"*).

The diamond drilling at the Lac Rainy Project has intersected multiple wide zones of high-grade graphite, near surface, with the Company encountering graphite in every drill hole reported.

The maps below illustrate the drill hole locations from the program at the Lac Carheil prospect within the Lac Rainy Project (*Figure 1*) and for the North West part of the Carheil Graphitic trend (*Figure 2*).



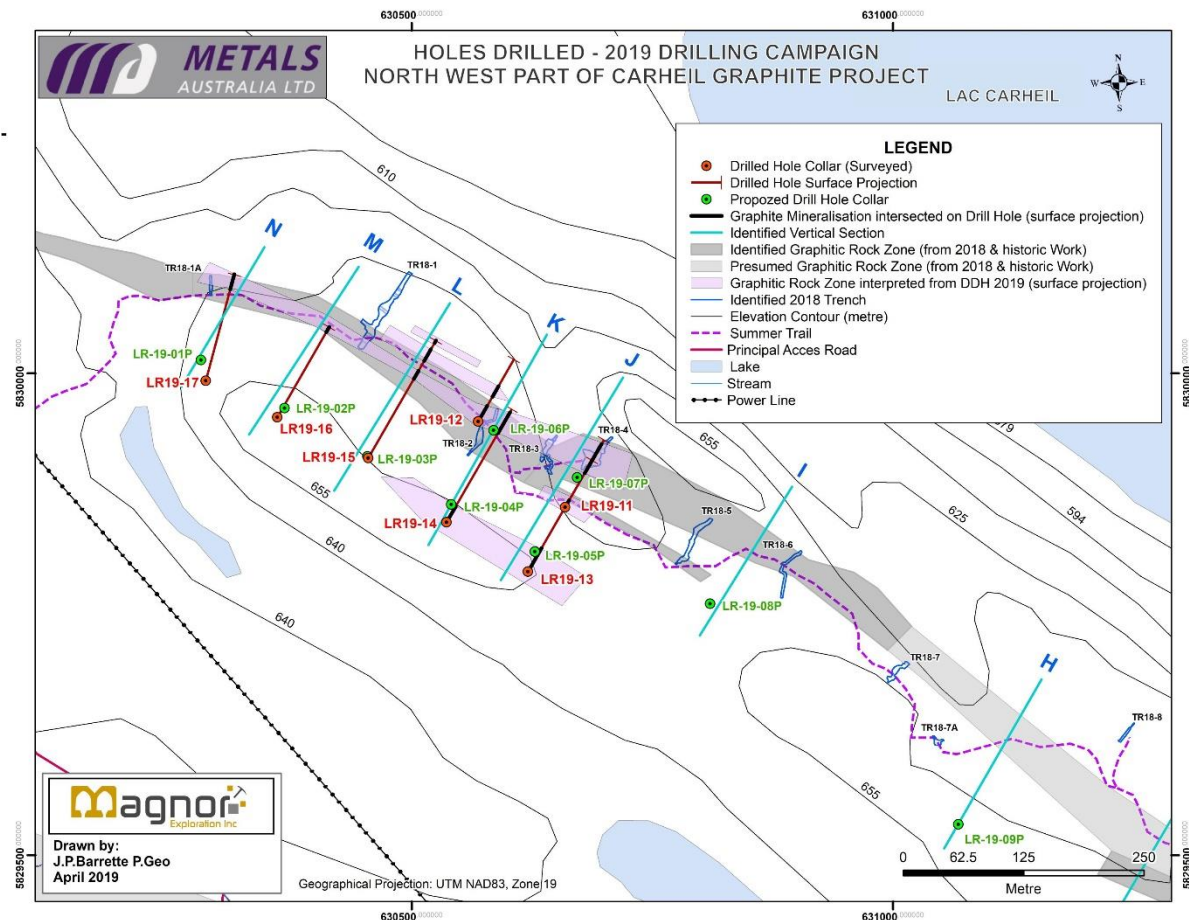
**Figure 1:** Diamond drill hole location map from the Phase II exploration program at the Lac Rainy Graphite Project.

The drill holes (DDH LR19-11, DDH LR19-12 and DDH LR19-14) were targeting the most North West part of the drill tested area along the Carheil Graphitic trend which was drill tested for 750m in this current program. These holes are located the furthest away from the high-grade South East portion of the Carheil Graphitic trend, encompassing the Lac Carheil prospect, which is located at the South Eastern end of the mineralised trend. This North Western area was previously subject only to limited surface exploration.

The completion of these drill holes demonstrates that the graphite mineralisation continues along strike over an extensive distance of more than 750m as evidenced through the drilling, with each of the drill holes intersecting multiple zones of graphite mineralisation, both near surface and at depth. Drilling in

this area provides the Company with the confidence required to continue to drill further along strike both to the North West and to the South East as the mineralised trend remains open in all directions for over 3.2km, suggesting that significant upside remains in both the tonnage and grade of the potential resource at the Lac Rainy project.

The Company is still awaiting results on twelve (12) additional holes.



**Figure 2:** Diamond drill hole location map for the North West part of the Carheil Graphitic trend at the Lac Rainy Graphite Project.

Diamond drilling has now tested in excess of 750m of strike at Lac Carheil within the Lac Rainy project area. Graphite was intersected in every hole, demonstrating the continuity of the graphite mineralisation both along strike and at depth. The total mapped mineralised strike at Lac Rainy, including the drill tested area extends approximately 3.2km along strike NW-SE, of which to date only 750m at the SE end has been drill tested.

The assay results for LR19-11, LR19-12 and LR19-14 have confirmed that the graphite mineralisation not only extends over a considerable distance along surface but also continues at depth. As the graphite mineralisation remains open at depth, the resource potential at Lac Rainy is significant and it is expected that considerable upside will be realised from follow-up exploration work.

The Company's objective for the Project is to define a deposit of sufficient tonnage and graphite grade, similar to the nearby Lac Knife Deposit, to enable commercial production. The diamond core assay results received to date have advanced the Company towards achieving this goal.

Commenting on the drill assay results, Director of Metals Australia, Mr Gino D'Anna stated:

*“These drill holes have achieved an important objective for the Company demonstrating that the graphite mineralisation at Lac Rainy extends over a considerable distance of over 750m to the North West from the historical high-grade Lac Carheil prospect, which is located at the South East end of the Carheil Graphitic trend. Mapping, trenching and channel sampling completed by the Company highlighted the surface exposure of graphite mineralisation but left the question unanswered as to whether the mineralisation continued below surface. With assay results now received for three of the seven holes drilled into the most North West part of the area drill tested along Carheil Graphitic trend, the Company now has the confidence to conclude that the graphite mineralisation encountered on surface extends at depth. This underpins our belief that the Lac Rainy project is host to a significant resource.*

*Drilling at Lac Rainy has intersected multiple wide zones of high-grade graphite, with many intersections occurring near surface. The results continue to suggest that Lac Rainy is host to a potentially world-class high-grade natural flake graphite deposit, located in a low risk jurisdiction and in close proximity to key infrastructure and mining-related services.*

*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. A further program of detailed metallurgical and mineralogical test work will be completed on selected samples and this advanced metallurgical work will underpin our continued discussions with potential end-user groups. Given the strategic location of the Lac Rainy project, our focus is on defining potential end-user groups across North America.*

*We look forward to providing shareholders with further updates as additional assay results are received.”*

## Detailed Overview of Results

Significant intersections received in the drilling include:

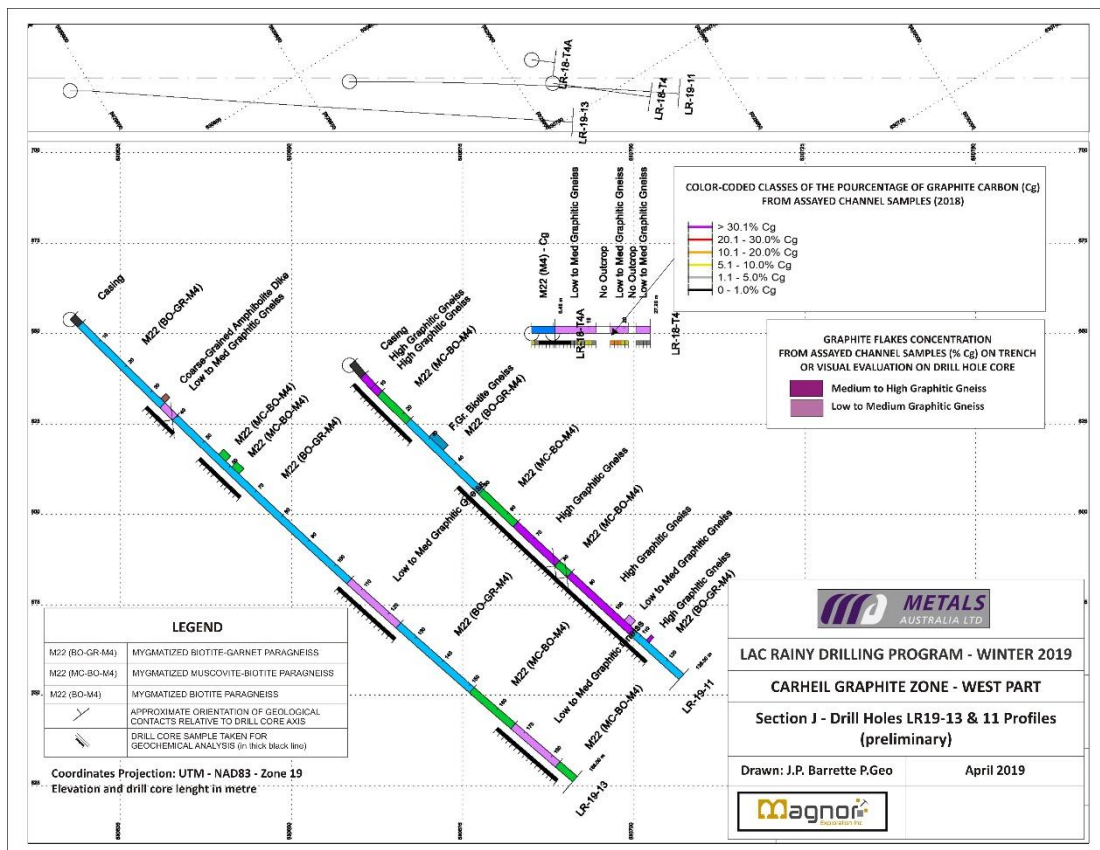
- DDH LR19-11 intersected multiple zones of graphite, including:
  - **44.9m at an average grade of 8.05% Cg** at a depth from 63.6m to 108.5m
    - **including 15.8m at an average grade of 8.04% Cg from 63.6m to 79.4m**
    - **and 24.5m at an average grade of 9.4% Cg from 84.0m to 108.5m**
- DDH LR19-12 intersected multiple zones of graphite, including:
  - **29.8m at an average grade of 6.77% Cg** at a depth from 3.0m to 32.8m
    - **including 16.5m at an average grade of 8.3% Cg from 3.0m to 19.5m**
    - **and 7.2m at an average grade of 5.92% Cg from 25.6m to 32.8m**
  - **20.5m at an average grade of 6.78% Cg** at a depth from 45.6m to 65.65m
    - **including 4.9m at an average grade of 12.67% Cg from 45.6m to 50.5m**
    - **and 7.15m at an average grade of 7.57% Cg from 58.5m to 65.65m**
- DDH LR19-14 intersected multiple zones of graphite, including:
  - **9.0m at an average grade of 5.11% Cg** at a depth from 16.0m to 25.0m
  - **9.0m at an average grade of 6.81% Cg** at a depth from 152.0m to 161.0m
  - **11.1m at an average grade of 5.73% Cg** at a depth from 176.0m to 187.1m – **graphite mineralisation remains open at depth**

## Discussion of Results

Drill hole DDH LR19-11 intersected a wide zone of graphite mineralisation within the Upper and Lower Branch of the Carheil Graphitic trend over a width of **44.9m** and an **average grade of 8.05% Cg** at a **depth from 63.6m to 108.5m**.

The mineralisation within DDH LR19-11 includes a higher-grade zone over a width of **24.5m** with an **average grade 9.4% Cg** at a **depth from 84.0m to 108.5m**.

The image below illustrates the intersections of the Upper and Lower Branch of the Carheil Graphitic trend intersected in DDH LR19-11:



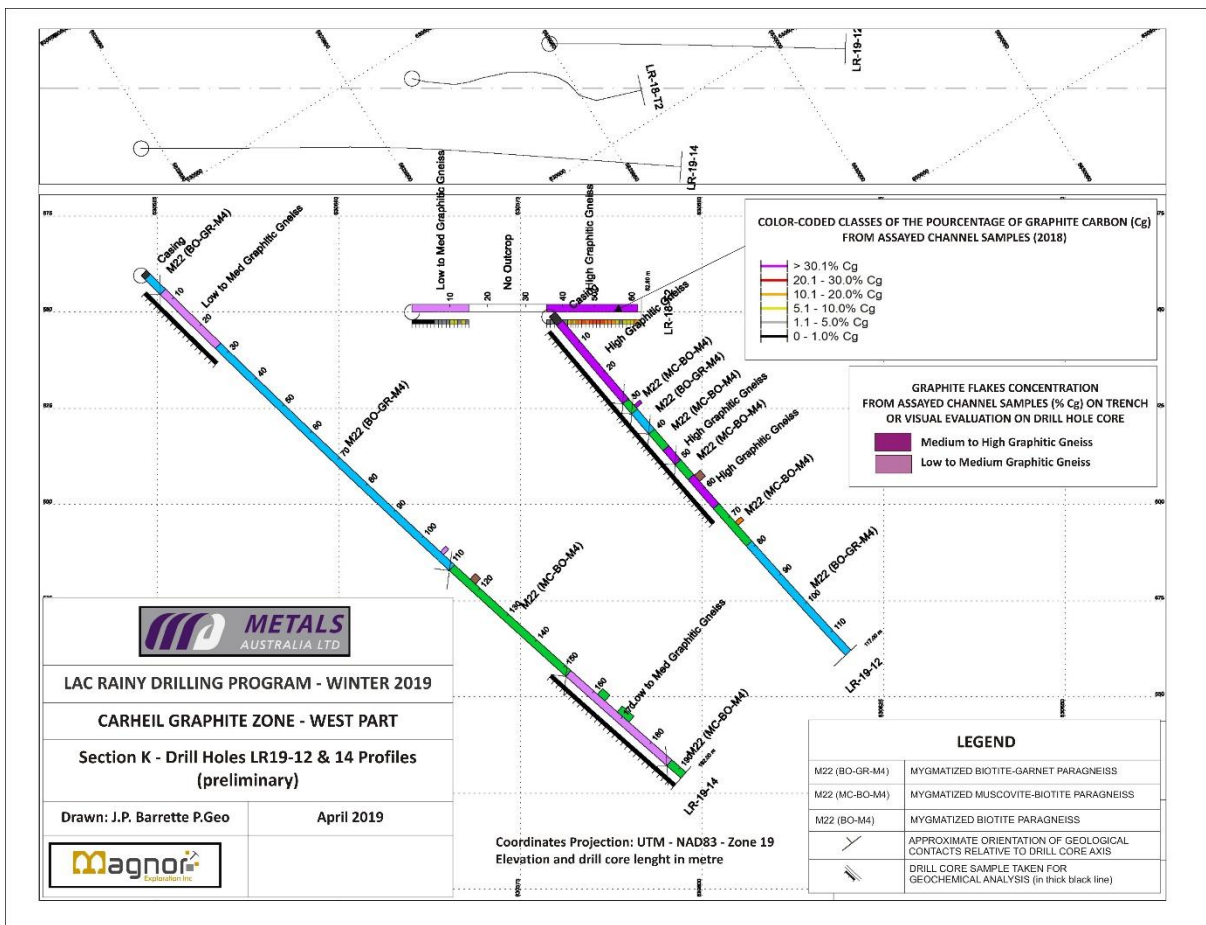
**Figure 3:** Drill hole plan view of DDH LR19-11 which intersected the graphite mineralisation associated with the Upper and Lower Branch of the Carheil Graphitic trend.

The image below illustrates the semi-massive graphite flakes mineralisation intersected in DDH LR19-12 which intersected a zone of graphite mineralisation over a width of **29.8m graphite mineralisation at an average grade of 6.77% Cg at a depth from 3.0m to 32.8m**. The image below depicts the zone over a shorter interval from 3.0m to 19.2m, contained within this wider zone of semi-massive graphite flakes mineralisation.



**Figure 4:** Semi-massive graphite flakes mineralisation intersected in DDH LR19-12 over a mineralised interval from 3.0m to 19.2m, contained within a wider zone of mineralisation.

A drill hole plan view section of DDH LR19-12 and DDH LR19-14 is illustrated below:



**Figure 5:** Drill hole plan view of DDH LR19-12 and DDH LR19-14 at the Lac Rainy Graphite Project

## Mapping and Sampling Campaign

The Company has recently commenced a further mapping and sampling campaign at the Lac Rainy Graphite Project, designed to identify additional follow-up drill targets.

Magnor has transported all of the drill core from site to be stored at the Magnor-owned workshop facilities, located in Saguenay, Quebec. The drill core will be maintained there in preparation for the next stage of metallurgical testing.

Following receipt of the remaining assay results, the Company will send select mineralised zones on a representative basis to the metallurgical processing laboratory for further advanced metallurgical test work.

The results of the initial metallurgical testing program completed by the Company were announced to the ASX on 17 January 2018 and titled “*Metallurgical Test Results for Lac Rainy Graphite Project*”.

## End User / Project Development Partner Engagement

Metals Australia continues to focus on engaging with North American end-user / project development partners for its high-grade graphite concentrate. The Company plans to appoint an external marketing / business development specialist with specific networks into the graphite and graphene industry of North America to assist the Company with building the necessary relationships. North American groups offer a simple logistics pathway for Lac Rainy graphite concentrate.

The Company also plans to undertake an initial round of graphene and spherization test work designed to produce graphene and Coated Spherical Graphite (CSG) from the Lac Rainy graphite concentrate.

Graphite has been classified by the U.S. as a strategic and critical mineral resource with growing markets in the lithium-ion battery and other sectors. The U.S. imports all of its natural graphite with average annual imports of more than 50,000 tons for the past 6 years. There has been no flake graphite production in the U.S. since 1980. This represents an interesting marketing opportunity for Metals Australia in positioning the Lac Rainy graphite concentrate as a high-value / high-specification product.

## About the Lac Rainy Graphite Project

The Lac Rainy Graphite Project is located in one of the premier graphite geological regions of Quebec. It sits approximately 22 km south-west of the historic mining town of Fermont and 260 km north-northeast of the city of Sept-Îles. The Lac Rainy Graphite Project is approximately 15 km east of Route 389, a paved highway which travels north to Fermont. These road networks link the Lac Rainy Graphite Project with the major ports along the St Lawrence River in Quebec offering the Company a route to the seaborne market as well as the North American and South American markets.

The Lac Rainy Graphite Project covers an area of more than 4,600 hectares representing 88 mineral claims and is contiguous with Focus Graphite’s Property to the southwest, which hosts the Lac Knife Graphite Deposit, containing a Measured and Indicated Resource of 9.576 Mt @ 14.77% Cg and an Inferred Resource of 3.102 Mt @ 13.25% Cg at a 3.0% Cg cut-off.

The global transition to renewable energy and adoption of lithium-ion batteries as a means of energy storage places significant focus on high-value raw materials, such as graphite, lithium, cobalt, nickel, copper and manganese. In the long term, Roskill (an independent research organization) is of the opinion that the continuing closure of processing plants in China and increasing demand for high-quality graphite concentrates will place upward pressure on graphite prices.

## ENDS

### 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

### 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.

### Competent Person Declaration

The information in this announcement that relates to Exploration Results is based on information compiled by Mr. Jean-Paul Barrette P.Geo, B.Sc. Mr Barrette is Project Geologist with Magnor Exploration Inc. and a consultant to Metals Australia Limited. Mr Barrette and is a member of the Ordre des Géologues du Québec (OGQ) with member number OGQ #619. Mr. Barrette has sufficient experience (35 years) 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. Barrette consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.



## Appendix A: Summary Coordinates of DDH LR19-01 to DDH LR19-17 (inclusive)

Drilled Hole	Section	UTM X (NAD 83, Zn19)	UTM Y	Dip	Azimuth	Elevation (m)	Length (m)
LR19-01	E	631600.61	5829242.33	-50	30	660.29	198
LR19-02	D	631638.83	5829226.50	-45	30	662.91	99
LR19-03	C	631684.15	5829196.68	-50	30	658.45	111
LR19-04	B	631737.24	5829186.26	-55	30	660.39	120
LR19-05	A	631758.86	5829150.80	-50	30	656.86	120
LR19-06	A	631785.01	5829190.06	-50	30	661.22	81
LR19-07	B	631758.55	5829220.18	-50	30	662.76	81
LR19-08	C	631713.50	5829239.80	-50	30	667.26	82
LR19-09	D	631670.00	5829272.00	-50	30	667.87	90
LR19-10	F	630659.30	5829861.11	-50	30	659.40	198
LR19-11	J	630659.30	5829861.11	-45	30	641.22	126
LR19-12	K	630569.14	5829950.14	-50	30	648.79	117
LR19-13	J	630620.64	5829794.28	-45	30	653.86	189
LR19-14	K	630536.06	5829845.55	-45	30	659.50	192
LR19-15	L	630454.76	5829912.30	-45	30	657.61	199
LR19-16	M	630360.20	5829954.56	-45	30	660.85	153
LR19-17	N	630285.97	5829992.36	-45	15	661.81	162

## Appendix B: Laboratory Assay Results (DDH LR19-11, DDH LR19-12 and DDH LR19-14)

Drillhole ID	From	To	Length	Sample number	% Cg	% S	Sample Certificate ID
LR-19-11	4.70	6.25	1.55	A65614	1.14	3.68	VO19117793
LR-19-11	6.25	8.77	2.52	A65616	1.54	6.98	VO19117793
LR-19-11	8.77	10.05	1.28	A65617	9.87	5.96	VO19117793
LR-19-11	10.05	11.50	1.45	A65618	3.45	9.85	VO19117793
LR-19-11	11.50	13.00	1.50	A65619	0.93	8.98	VO19117793
LR-19-11	13.00	14.50	1.50	A65620	0.88	8.63	VO19117793
LR-19-11	14.50	16.00	1.50	A65621	0.89	6.54	VO19117793
LR-19-11	16.00	17.50	1.50	A65622	0.66	6.63	VO19117793
LR-19-11	17.50	19.00	1.50	A65623	0.81	6.21	VO19117793
LR-19-11	19.00	20.50	1.50	A65624	0.98	8.53	VO19117793
LR-19-11	20.50	22.00	1.50	A65626	0.81	7.50	VO19117793
LR-19-11	22.00	23.50	1.50	A65627	0.99	3.68	VO19117793
LR-19-11	23.50	25.00	1.50	A65628	2.99	1.44	VO19117793
LR-19-11	25.00	27.00	2.00	A65629	4.65	1.58	VO19117793
LR-19-11	45.00	46.50	1.50	A65631	4.35	2.35	VO19117793
LR-19-11	46.50	47.90	1.40	A65632	2.85	2.40	VO19117793
LR-19-11	47.90	49.00	1.10	A65633	4.38	3.98	VO19117793
LR-19-11	49.00	50.50	1.50	A65634	1.92	2.76	VO19117793
LR-19-11	50.50	52.00	1.50	A65635	1.01	4.61	VO19117793
LR-19-11	52.00	53.50	1.50	A65636	1.35	5.43	VO19117793
LR-19-11	53.50	55.00	1.50	A65637	1.41	3.89	VO19117793
LR-19-11	55.00	56.50	1.50	A65638	0.65	1.47	VO19117793
LR-19-11	56.50	58.00	1.50	A65639	0.42	1.38	VO19117793
LR-19-11	58.00	59.00	1.00	A65641	0.64	1.65	VO19117793
LR-19-11	59.00	60.50	1.50	A65642	0.76	3.53	VO19117793
LR-19-11	60.50	62.00	1.50	A65643	1.11	6.05	VO19117793
LR-19-11	62.00	63.60	1.60	A65644	1.21	7.50	VO19117793
LR-19-11	63.60	65.00	1.40	A65646	5.70	13.25	VO19117793
LR-19-11	65.00	66.50	1.50	A65647	10.35	9.97	VO19117793
LR-19-11	66.50	68.00	1.50	A65648	11.35	12.55	VO19117793
LR-19-11	68.00	69.50	1.50	A65649	11.10	12.40	VO19117798
LR-19-11	69.50	71.00	1.50	A65650	10.75	11.45	VO19117798
LR-19-11	71.00	72.50	1.50	A65651	9.23	11.70	VO19117798
LR-19-11	72.50	74.00	1.50	A65652	4.31	15.20	VO19117798
LR-19-11	74.00	75.50	1.50	A65653	5.13	9.09	VO19117798
LR-19-11	75.50	77.00	1.50	A65654	5.94	9.54	VO19117798
LR-19-11	77.00	78.40	1.40	A65655	6.70	9.49	VO19117798

LR-19-11	78.40	79.40	1.00	A65656	7.39	8.62	VO19117798
LR-19-11	79.40	81.00	1.60	A65657	0.87	6.56	VO19117798
LR-19-11	81.00	82.60	1.60	A65658	0.82	6.05	VO19117798
LR-19-11	82.60	84.00	1.40	A65659	1.09	4.57	VO19117798
LR-19-11	84.00	85.50	1.50	A65661	10.90	11.90	VO19117798
LR-19-11	85.50	87.00	1.50	A65662	11.30	10.60	VO19117798
LR-19-11	87.00	88.50	1.50	A65663	13.70	11.30	VO19117798
LR-19-11	88.50	90.00	1.50	A65664	10.90	11.95	VO19117798
LR-19-11	90.00	91.50	1.50	A65666	10.80	10.60	VO19117798
LR-19-11	91.50	93.00	1.50	A65667	5.04	10.95	VO19117798
LR-19-11	93.00	94.50	1.50	A65668	7.37	9.76	VO19117798
LR-19-11	94.50	96.00	1.50	A65669	9.35	10.55	VO19117798
LR-19-11	96.00	97.50	1.50	A65670	11.95	10.60	VO19117798
LR-19-11	97.50	99.00	1.50	A65671	12.95	11.95	VO19117798
LR-19-11	99.00	100.50	1.50	A65672	7.67	5.15	VO19117798
LR-19-11	100.50	102.00	1.50	A65673	9.68	3.89	VO19117798
LR-19-11	102.00	103.50	1.50	A65674	10.65	5.38	VO19117798
LR-19-11	103.50	105.00	1.50	A65676	5.46	3.59	VO19117798
LR-19-11	105.00	107.10	2.10	A65677	7.71	3.49	VO19117798
LR-19-11	107.10	108.50	1.40	A65678	5.45	1.35	VO19117798
LR-19-11	108.50	110.00	1.50	A65679	1.06	0.48	VO19117798
LR-19-11	110.00	112.00	2.00	A65681	1.86	0.44	VO19117798
LR-19-11	112.00	113.00	1.00	A65682	6.58	1.04	VO19117798
LR-19-11	113.00	114.50	1.50	A65683	0.53	0.77	VO19117798
LR-19-11	114.50	116.00	1.50	A65684	0.31	0.59	VO19117798
LR-19-12	3.00	4.50	1.50	A65685	9.94	11.10	VO19117798
LR-19-12	4.50	6.00	1.50	A65686	10.10	13.10	VO19117798
LR-19-12	6.00	7.00	1.00	A65687	11.00	11.10	VO19117798
LR-19-12	7.00	9.00	2.00	A65688	8.52	9.88	VO19117798
LR-19-12	9.00	11.00	2.00	A65689	8.31	10.25	VO19117798
LR-19-12	11.00	12.50	1.50	A65691	7.52	11.45	VO19117798
LR-19-12	12.50	14.00	1.50	A65692	4.43	12.80	VO19117798
LR-19-12	14.00	15.50	1.50	A65693	3.26	9.18	VO19117798
LR-19-12	15.50	17.00	1.50	A65694	6.22	11.70	VO19117798
LR-19-12	17.00	18.00	1.00	A65696	14.80	10.60	VO19117798
LR-19-12	18.00	19.50	1.50	A65697	10.35	11.45	VO19117798
LR-19-12	19.50	21.00	1.50	A65698	4.20	6.96	VO19117798
LR-19-12	21.00	22.40	1.40	A65699	4.55	8.76	VO19117798
LR-19-12	22.40	24.00	1.60	A65700	4.05	7.92	VO19117798
LR-19-12	24.00	25.60	1.60	A65701	1.74	5.37	VO19117798
LR-19-12	25.60	27.00	1.40	A65702	7.16	8.92	VO19117798
LR-19-12	27.00	28.50	1.50	A65703	11.00	10.20	VO19117798

LR-19-12	28.50	29.60	1.10	A65704	3.08	8.80	VO19117798
LR-19-12	29.60	31.80	2.20	A65705	2.49	2.80	VO19117798
LR-19-12	31.80	32.80	1.00	A65706	7.29	7.30	VO19117798
LR-19-12	32.80	34.00	1.20	A65707	1.46	0.84	VO19117798
LR-19-12	34.00	36.00	2.00	A65708	1.31	0.70	VO19117798
LR-19-12	36.00	38.00	2.00	A65709	0.35	0.50	VO19117798
LR-19-12	38.00	40.00	2.00	A65711	0.33	0.80	VO19117798
LR-19-12	40.00	41.50	1.50	A65712	0.38	0.72	VO19117798
LR-19-12	41.50	42.50	1.00	A65713	0.89	1.01	VO19117798
LR-19-12	42.50	44.00	1.50	A65714	2.39	1.11	VO19117798
LR-19-12	44.00	45.60	1.60	A65716	3.32	1.74	VO19117798
LR-19-12	45.60	47.00	1.40	A65717	9.76	7.90	VO19117798
LR-19-12	47.00	48.50	1.50	A65718	14.20	9.20	VO19117798
LR-19-12	48.50	50.50	2.00	A65719	13.60	10.25	VO19117798
LR-19-12	50.50	52.00	1.50	A65720	1.53	1.55	VO19117798
LR-19-12	52.00	54.00	2.00	A65721	2.26	1.29	VO19117798
LR-19-12	54.00	55.65	1.65	A65722	3.16	1.32	VO19117798
LR-19-12	55.65	57.00	1.35	A65723	0.60	1.08	VO19117798
LR-19-12	57.00	58.50	1.50	A65724	4.48	2.32	VO19117798
LR-19-12	58.50	60.00	1.50	A65726	6.65	2.07	VO19117798
LR-19-12	60.00	61.50	1.50	A65727	5.41	1.25	VO19117798
LR-19-12	61.50	63.00	1.50	A65728	8.15	4.11	VO19117798
LR-19-12	63.00	64.50	1.50	A65729	8.73	1.82	VO19117798
LR-19-12	64.50	65.65	1.15	A65731	9.33	3.38	VO19117798
LR-19-12	65.65	67.00	1.35	A65732	2.74	1.22	VO19117798
LR-19-12	67.00	68.50	1.50	A65733	4.56	2.00	VO19117798
LR-19-14	4.00	5.50	1.50	A65786	0.30	0.05	VO19117799
LR-19-14	5.50	7.00	1.50	A65787	0.32	0.05	VO19117799
LR-19-14	7.00	8.50	1.50	A65788	2.70	0.81	VO19117799
LR-19-14	8.50	10.00	1.50	A65789	0.68	0.33	VO19117799
LR-19-14	10.00	11.50	1.50	A65791	0.57	0.08	VO19117799
LR-19-14	11.50	13.00	1.50	A65792	0.18	0.05	VO19117799
LR-19-14	13.00	14.50	1.50	A65793	0.65	0.16	VO19117799
LR-19-14	14.50	16.00	1.50	A65794	3.60	1.53	VO19117799
LR-19-14	16.00	17.50	1.50	A65796	4.61	2.67	VO19117799
LR-19-14	17.50	19.00	1.50	A65797	4.67	1.62	VO19117799
LR-19-14	19.00	20.50	1.50	A65798	4.89	2.61	VO19117799
LR-19-14	20.50	22.00	1.50	A65799	6.45	1.94	VO19117799
LR-19-14	22.00	23.50	1.50	A65800	5.47	1.40	VO19117799
LR-19-14	23.50	25.00	1.50	A65801	4.55	1.39	VO19117799
LR-19-14	25.00	27.00	2.00	A65802	1.56	0.52	VO19117799
LR-19-14	27.00	28.50	1.50	A65803	0.24	0.08	VO19117799

LR-19-14	28.50	<u>30.00</u>	1.50	A65804	0.21	0.02	VO19117799
LR-19-14	<u>149.00</u>	150.50	1.50	A65805	2.53	3.28	VO19117799
LR-19-14	150.50	152.00	1.50	A65806	0.76	3.01	VO19117799
LR-19-14	152.00	153.50	1.50	A65807	6.44	8.66	VO19117799
LR-19-14	153.50	155.00	1.50	A65808	8.56	7.43	VO19117799
LR-19-14	155.00	156.50	1.50	A65809	4.65	11.00	VO19117799
LR-19-14	156.50	158.00	1.50	A65811	5.80	9.98	VO19117799
LR-19-14	158.00	159.50	1.50	A65812	6.69	9.68	VO19117799
LR-19-14	159.50	161.00	1.50	A65813	8.73	7.61	VO19117799
LR-19-14	161.00	162.50	1.50	A65814	2.91	7.16	VO19117799
LR-19-14	162.50	164.00	1.50	A65816	1.07	4.99	VO19117799
LR-19-14	164.00	165.50	1.50	A65817	0.85	6.05	VO19117799
LR-19-14	165.50	167.00	1.50	A65818	2.85	8.74	VO19117799
LR-19-14	167.00	168.50	1.50	A65819	1.06	5.47	VO19117799
LR-19-14	168.50	170.00	1.50	A65820	0.75	5.70	VO19117799
LR-19-14	170.00	171.50	1.50	A65821	0.90	4.48	VO19117799
LR-19-14	171.50	173.00	1.50	A65822	1.13	5.29	VO19117799
LR-19-14	173.00	174.50	1.50	A65823	2.48	5.78	VO19117799
LR-19-14	174.50	176.00	1.50	A65824	4.76	8.12	VO19117799
LR-19-14	176.00	177.50	1.50	A65826	7.81	9.26	VO19117799
LR-19-14	177.50	179.00	1.50	A65827	4.71	13.00	VO19117799
LR-19-14	179.00	180.50	1.50	A65828	8.17	11.65	VO19117799
LR-19-14	180.50	182.00	1.50	A65829	2.83	6.68	VO19117799
LR-19-14	182.00	183.50	1.50	A65831	5.38	1.83	VO19117799
LR-19-14	183.50	185.50	2.00	A65832	5.85	4.94	VO19117799
LR-19-14	185.50	187.10	1.60	A65833	5.32	7.87	VO19117799
LR-19-14	187.10	188.50	1.40	A65834	3.39	3.29	VO19117799
LR-19-14	188.50	190.00	1.50	A65835	4.07	1.93	VO19117799
LR-19-14	190.00	192.00	2.00	A65836	4.75	4.25	VO19117799

## JORC Code, 2012 Edition – Table 1

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<p>Only limited drilling has been completed to date by the Company. Assays are still pending and samples are currently being prepared for assay by the laboratory. Sufficient QA/QC procedures are being followed with industry standard blanks and duplicate samples being created.</p> <p><b>Diamond Core Sampling:</b> The sections of the core that are selected for assaying are marked up and then recorded on a sample sheet for cutting and sampling at the certified assay laboratory. Samples of HQ core are cut just to the right of the orientation line where available using a diamond core saw, with half core sampled lengthways for assay.</p> <p><b>Diamond Core Sampling:</b> For diamond core samples, certified sample standards were added as every 25th sample. Core recovery calculations are made through a reconciliation of the actual core and the driller's records. Downhole surveys of dip and azimuth were conducted using a single shot camera every 30m to detect deviations of the hole from the planned dip and azimuth. The drill-hole collar locations are recorded using a hand-held GPS, which has an accuracy of +/- 5m. All drill-hole collars will be surveyed to a greater degree of accuracy using a certified surveyor at a later date.</p> <p>Rock samples are comprised of grabs and thus represent point locations defined by a small area typically less than 0.5m<sup>2</sup>. A best effort was made to collect as much fresh material as practical and avoid or minimize the inclusion of weathered material in the sample. Hand tools were used to clear the sampling site and remove weathered material as practical before sampling.</p> <p>Channels were cut of the freshest material practical and are considered more representative than the grab samples for that particular location.</p> <p>Samples are considered representative of the site targeted, followed best industry practises as described above, with sufficient material collected per sample.</p> <p>Samples submitted for assay typically weigh 2-3 kg or more. Channel samples may be considered more representative than grab samples as more fresh material may be collected, they report an interval and not a point, and are larger samples. Channel samples are typically several times larger in size that grab samples, adding to their more representative nature.</p>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<p>Only limited drilling has been completed to date. The drilling program being completed by the Company is Diamond.</p>

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	Diamond core recoveries are during drilling and reconciled during the core processing and geological logging. The core length recovered is measured for each run and recorded which is used to calculate core recovery as a percentage.
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<p>All rock and channel samples were described to industry standard levels with rock type, modal mineralogy, grain size, and other pertinent observations noted. Descriptions are qualitative in nature.</p> <p>Geological logging is carried out on all drill holes with lithology, alteration, mineralisation, structure and veining recorded.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<p>Sample preparation follows industry best practice standards and is conducted by internationally recognised laboratories - ALS Laboratories Ltd in Val d'Or, Quebec. Code RX1-graphite was completed as preparation. Samples are crushed to 80% passing 10 mesh, riffle split (250 g), and pulverized to 95% passing 105 micron.</p> <p>Analysis used ALS packages Code 4F-C,S, and 4F-C-Graphite using a graphite specific preparation (RX1- Graphite). Total carbon as well as graphitic carbon are the primary deliverables.</p> <p>Sampling techniques utilized, as described above, ensure adequate representativeness and sample size. As is early exploration, industry standard sampling techniques were followed with fresh material targeted for collection as practical</p> <p>No blanks or standards were submitted by the company with laboratory blanks, standards, and duplicates relied upon, with results reviewed by the companys consultants and found to be satisfactory with no material concerns.</p> <p>Sample size (2-3 kg) accepted as general industry standard for grab samples and is sufficient to provide a representative sample size for the location being sampled.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<p>Internal laboratory QAQC relied upon with laboratory blanks, standards, and duplicates relied upon, with results reviewed by the companies consultants and found to be satisfactory with no material concern.</p> <p>No company blanks, standards, or duplicates submitted for analysis</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage</li> </ul>	Assay data is reported as received with no data adjustment. Data is verified by the Company's consultants prior to disclosure.

Criteria	JORC Code explanation	Commentary
	<p><i>(physical and electronic) protocols.</i></p> <ul style="list-style-type: none"> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	
Location of data points	<ul style="list-style-type: none"> <li>• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	Handheld GPS used for location of sample points using local UTM grid, Zone 19. Such methods have a typically accuracy of 1-3 m.
Data spacing and distribution	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<p>Only individual sample data reported as received by laboratory for grab samples, with channel samples reported individually via Appendix A, as well as composites in the highlight section of the NR.</p> <p>Insufficient data to establish resources</p>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<p>Grab samples reflective of point locations with sufficient samples collected along strike to assist with interpretation of area and potential. Channel samples attempt to give an indication of grade over width.</p> <p>Only limited drilling has been completed to date.</p>
Sample security	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	Industry standard chain of custody followed, with samples dropped off at shipping company by field manager, shipping with tracking number, and received direct by the lab, with notification of receipt the day samples received.
Audits or reviews	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	None completed by third parties. The Company's consultants vetted the database internally.



## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<p>Metals Australia Limited is the 100% owner of the Lac Rainy Graphite Project, pursuant to the binding acquisition agreement.</p> <p>There are no other material issues affecting the tenements.</p> <p>Quebec Lithium Limited, a wholly owned subsidiary of Metals Australia, is the owner of 100% of the abovementioned graphite project and ownership of the individual CDC claims is with Quebec Lithium Limited.</p> <p>All tenements are in good standing and have been legally validated by a Quebec lawyer specialising in the field.</p>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<p>No modern exploration has been conducted by other parties.</p> <p>Government mapping records multiple graphitic carbon bearing zones within the project areas but no other data is available.</p>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<p><b>Lac Rainy Graphite Project</b></p> <p>The Lac Rainy graphite project is located within close proximity to Focus Graphite's Lac Knife Project, which is considered a good analogue for mineralization style at Lac Rainy with the same general rock types present.</p> <p>The Lac Rainy and Lac Carheil graphite prospects were first discovered in 1989 and has been subject to some exploration over that time, however previous exploration was not conducted in a systematic manner and was focused more on the iron potential of the region which has meant that the true mineralisation and potential of the Lac Rainy Est graphite project has not been fully established.</p> <p>The Lac Rainy graphite project is contiguous with the Lac Knife Graphite Project which is owned by Focus Graphite. The Lac Knife Project hosts the Lac Knife Deposit.</p> <p>The Lac Knife Graphite Deposit owned by Focus Graphite (which is located less than 4 km south-west of the Project border) and hosts a Measured and Indicated Resource of 9.576 Mt @ 14.77% Cg and an Inferred Resource of 3.102 Mt @ 13.25% Cg at a 3.0% Cg cut-off. (Note: Inferred Resources are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as Mineral Reserves)</p> <p>The Feasibility Study completed by Met-Chem Canada Inc. (released on 8 August 2014) on the Lac Knife Graphite Deposit indicates that the Lac Knife Graphite Deposit has the potential to become one of the lowest-cost, highest-margin producers of graphite in the</p>

Criteria	JORC Code explanation	Commentary
		<p>world.</p> <p>Refer to <a href="http://www.focusgraphite.com/wp-content/uploads/largeReport/Lac-Knife-Feasibility-Study-Technical-Report-August-2014.pdf">http://www.focusgraphite.com/wp-content/uploads/largeReport/Lac-Knife-Feasibility-Study-Technical-Report-August-2014.pdf</a> for further information in relation to the Feasibility Study at the Lac Knife graphite project.</p> <p>Graphite mineralisation is set in migmatized biotite-bearing quartz-feldspar gneiss belonging to the Nault Formation of the lower Proterozoic Gagnon Group.</p> <p>According to the Quebec Ministry of Natural Resources, where this gneissic unit is sheared, brecciated and silicified, coarse graphite flakes and associated sulphide minerals make up 5% to 10% of the rock, with up to 20% or more in the more brecciated zones.</p> <p>Fuchsite and other iron-rich micas accompany the graphite and sulphide mineralization in the more silicified horizons.</p>
Drill hole Information	<ul style="list-style-type: none"> <li>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:               <ul style="list-style-type: none"> <li>○ easting and northing of the drill hole collar</li> <li>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> </ul> </li> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	Not Applicable
Data aggregation methods	<ul style="list-style-type: none"> <li>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<p>No data aggregation with grab samples reported as point location data. Weighted compositing methods applied to channels</p> <p>No metal equivalents reported</p> <p>No intercepts reported</p>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	Not Applicable with grab samples representing surface point locations. Channels samples by nature report grade over width with best efforts to cross strike of unit. True widths not known.
Diagrams	<ul style="list-style-type: none"> <li>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	Several maps included in body of news release

Criteria	JORC Code explanation	Commentary
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	Results for all sampling submitted for assay are listed in Appendix A attached to the body of this report.
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	All meaningful and material data is reported.
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<p>Detailed geochemistry and geology mapping to determine trends of known mineralised zones and to delineate other Cg anomalies.</p> <p>Drilling.</p>