

## ASX Announcement

12 August 2020

# Interim Update – Gold Exploration and Prospecting Campaign at the Eade Gold Project, Quebec

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### Highlights:

- Field exploration campaign has been underway for more than one week at the Eade Gold Project - **geological field crew comprising of five (5) senior geologists with collectively more than 100 years of geological experience** are carrying out an extensive exploration and prospecting campaign
- The exploration and prospecting campaign is focused on testing the **numerous significant gold exploration targets identified at the Eade Gold Project across the 15km strike length of the Lac Gruyer Greenstone Belt in northern Quebec within the project areas**
- Numerous gold exploration targets that have been identified following the **remote sensing study, Satellite Aperture Radar (SAR) survey and the historical geological data review are being field checked**
- Exploration campaign includes **channel sampling, a BeepMat electromagnetic survey, surface geological prospecting, rock sampling and geological mapping to better define future prospective drill targets**
- **The Lac Gruyer Greenstone Belt is host to numerous high-grade gold, copper and base metal discoveries and deposits including the large scale Eleonore Gold Mine, owned and operated by Newmont Corporation which achieved commercial gold production in April 2015 and currently produces circa 246,000 oz per annum<sup>1</sup>**
- **Significant exploration targets have been identified at the Eade Gold Project which were never followed up by modern exploration techniques**
- **Broad zones of gold mineralisation have been identified and mapped on surface along banded iron formation (BIF)**
- The **Eade Gold Project** is split into two domains:
  - **West Eade** contains an **8.3 km strike length** with at least two gold prospects (**rock chip samples of 7.41 g/t Au and 11.45g/t Au**) which have not been followed up with modern exploration techniques<sup>1</sup>
  - **East Eade** contains a **6.7 km strike length** with at least two gold prospects (**rock chip samples up to 12.0g/t Au and a 1m channel sample at Eade-Till returned a value of 5.3g/t Ag**) which have not been followed up with modern exploration techniques<sup>2</sup>

1. Refer to <https://www.newmont.com/operations-and-projects/global-presence/north-america/eleonore-canada/default.aspx> for further information in relation to the Eleonore Gold Mine located in Quebec, Canada which is owned and operated by Newmont Corporation
2. Refer to the ASX Announcement dated 25 September 2019 and titled "Acquisition of Quebec Focused Gold Exploration Projects" for the complete details of the rock chip samples referred to above, including full particulars of the location of the samples, the type of sample collected and the source of the sample assay results.
3. East Eade borders the Azimut Exploration Inc. (TSX.V: AZM) and SOQUEM owned Masta 2-Corvette Project (the Passi Prospect).

Metals Australia Ltd (ASX: **MLS**) (**MLS** or the **Company**) is pleased to provide shareholders with an interim update on the field exploration and prospecting campaign at the 100%-owned Eade Gold Project located in Quebec, Canada. The Eade Gold Project is located within the southern branch of the Lac Guyer Greenstone Belt of northern-Quebec (Canada), an east-west trending greenstone belt which is host to numerous high-grade gold-copper and base metal discoveries.

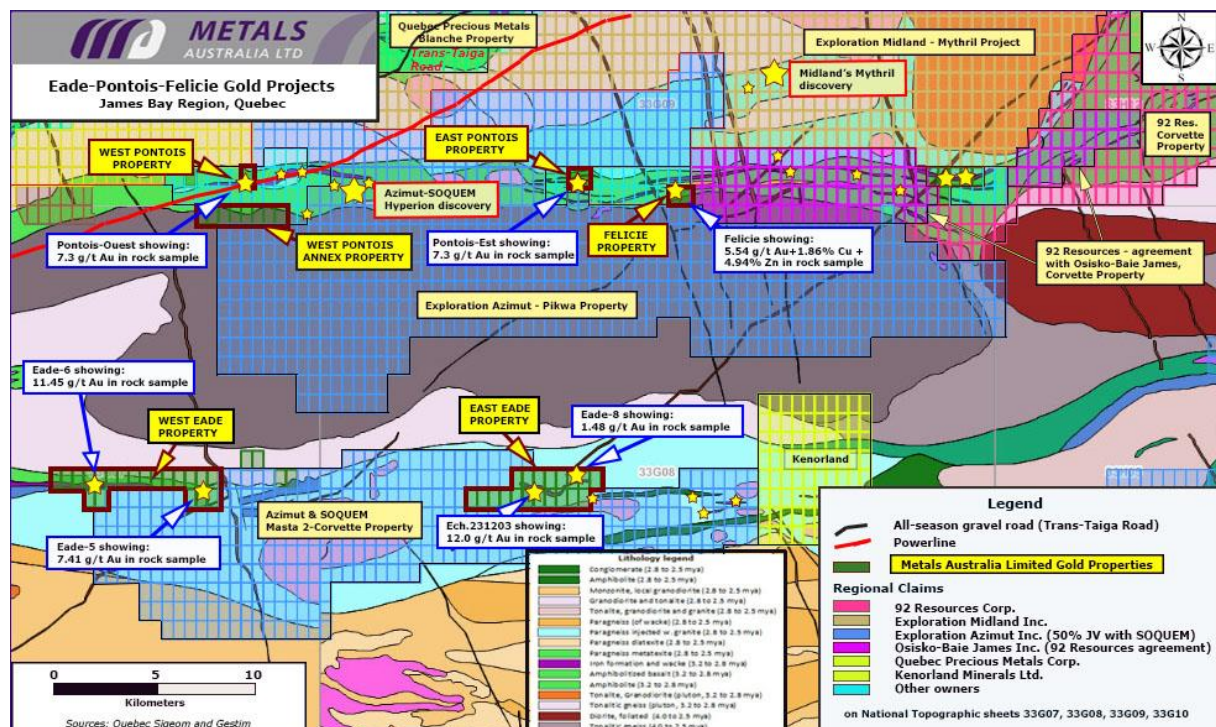
Commenting on the exploration campaign at the Eade Gold Project, Director of Metals Australia, Mr Gino D'Anna stated:

*"Our exploration program at the Eade Gold Project is progressing well and our geologists have covered a significant number of the exploration targets that have been identified across the 15km strike length. In addition to visiting the numerous historical high-grade prospects, the exploration campaign has also identified a number of new mineralised zones with numerous samples collected and sent to the laboratory for assay. We continue to map and prospect the many gold exploration targets that were identified, and whilst in the field, we have also successfully been able to identify, map and sample additional areas representing highly prospective mineralised zones."*

*The Eade Gold Project represents a significant high-grade under-explored gold project, located in the Lac Guyer Greenstone Belt, a prolific greenstone belt located in Northern Quebec. It is the location of the significant tier-1 Eleonore Gold Mine, owned and operated by Newmont Corporation. We see a lot of upside in the exploration of this project. With low-cost modern exploration techniques, we believe we will be able to add significant value to this potentially high-grade project."*

*We look forward to providing further updates to shareholders as this exploration campaign continues."*

The map below illustrates the West Eade and East Eade project locations (as well as the Company's 100% owned West and East Pontois project and the Company's 100% owned Felicie project) in a regional setting showing the regional geology and structures. Also highlighted are the rock sample assay results for the relevant prospects:



**Figure 1: Regional geology map of the Eade-Pontois-Felicie Gold Projects located in Quebec, Canada. Sample site locations are contained within the map above with the use of a star highlighting the location of the sample and a text box highlighting the assay results of the particular sample. Full particulars of the assay results for the particular samples and the precise location of the sample, sample type and prospect name are contained within Annexure 1 of ASX announcement dated 25 September 2019 and titled "Acquisition of Quebec Focused Gold Exploration Projects"**

## Interim Update – Eade Gold Project Field Exploration Campaign

The field exploration and prospecting campaign is progressing well at the Eade Gold Project, where a geological team comprising of five (5) senior geologists from Magnor Exploration Inc. (**Magnor**), with collectively more than 100 years of geological experience, are undertaking an extensive exploration and prospecting campaign. The exploration and prospecting campaign is focused on testing the numerous significant gold exploration targets identified across the 15km strike length of the East Eade and West Eade project areas located within the southern branch of the Lac Gruyer Greenstone Belt in northern Quebec.

The exploration campaign has also been extended to field test and better define the significant targets that were identified at the Felicie and Pontois Gold Projects, which are located on the northern branch of the Lac Gruyer Greenstone Belt.

Numerous gold exploration targets were identified by the remote sensing study, Satellite Aperture Radar (**SAR**) survey and the historical geological data review. The exploration campaign has been designed to field test the numerous targets and includes channel sampling, a BeepMat electromagnetic survey<sup>1</sup>, surface geological prospecting, rock sampling and geological mapping to better define future prospective drill targets.

At the **West Eade project** area an east-west trending fault zone between two amphibolite units carries historical grades of around of 11.45g/t Au and 8.56g/t Au<sup>2</sup>. Geophysical surveys identified a new area near Eade West with higher conductivity. Three conductive zones were identified and will be followed up during the current program.

At the Eade-6 prospect, located within the West Eade project area, mineralization has been identified to occur within an iron-forming horizon. The geological environment is characterized by alternating levels of basalt, sediment, hexalite and an east-west oriented iron formation horizon which covers approximately 300m in width by 2 km along strike. The mineralization is hosted in arsenopyrite and pyrite which is dispersed in an iron-forming horizon that is in contact with garnet quartz sandstone, located in an area characterized by rock sequences including iron, sandstone, amphibolite and exhalite formation over a width of 300m.

At the Eade-5 prospect, located within the West Eade project area, sulphide mineralization has been identified in a shear zone on the contact between amphibolites and fine-grained metasediments. Interestingly, the mineralization is observed in both lithologies. The mineralised is intersected by a quartziferous diorite dyke with feldspar porphyry.

On the **East Eade project area**, a number of new quartz veins were sampled as well as a swarm of Porphyritic Feldspar Quartz (**QFP**) dykes containing arsenopyrite.

At the Eade-8 prospect, located within the East Eade project area, mineralization has been identified to be associated with quartz veins in a two-metre-thick shear zone cutting a silicified paragneiss. The mineralized zone contains disseminated arsenopyrite (up 5%) associated with some pyrite, ilmenite and traces of chalcopyrite. Mineralization is associated with medium grain ribbons rich in amphibole, plagioclase and garnet with a little graphite. The mineralization appears to be associated with a metasomatized rock level. It has several similarities with that of the nearby Eade-1 prospect, located outside of and to the east of the East Eade project area. The alteration in amphibole-garnet-plagioclase may correspond to alterations related to gold mineralizations recognized in terrain metamorphosed to the facies of amphibolites.

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<sup>1</sup> The BeepMat is a simple and efficient electromagnetic instrument adapted to the search of outcrops and boulders containing conductive and/or magnetic minerals. The BeepMat directly detects and signals the presence of ores, even slightly conductive. It can also detect Native metals such as copper, silver and gold. It also provides an efficient way to examine conductors detected by airborne surveys.

<sup>2</sup> Refer to ASX announcement dated 29 July 2020 and titled “Technical Evaluation Highlights Additional Gold Targets”



The image below illustrates a channel sample that has been taken at the East Eade project area along the highly prospective BIF contact zone where historical high-grade results have been documented:



Image 1: Channel sample collected along the highly prospective BIF contact zone at the Eade Gold Project

On the **Felicie Project area**, a new showing detected using the BeepMat necessitated the excavation of a manual trench and allowed the discovery of a semi-massive pyrite mineralised horizon several metres thick with chalcopyrite in a silicified amphibolite.

The image below highlights a sample that has been collected at the Felicie Gold Project, which has also been visited as part of the expanded exploration campaign, consisting of semi massive pyrite-chalcopyrite:



Image 2: Sample collected at the Felicie Gold Project, consisting of semi massive pyrite-chalcopyrite

## Summary

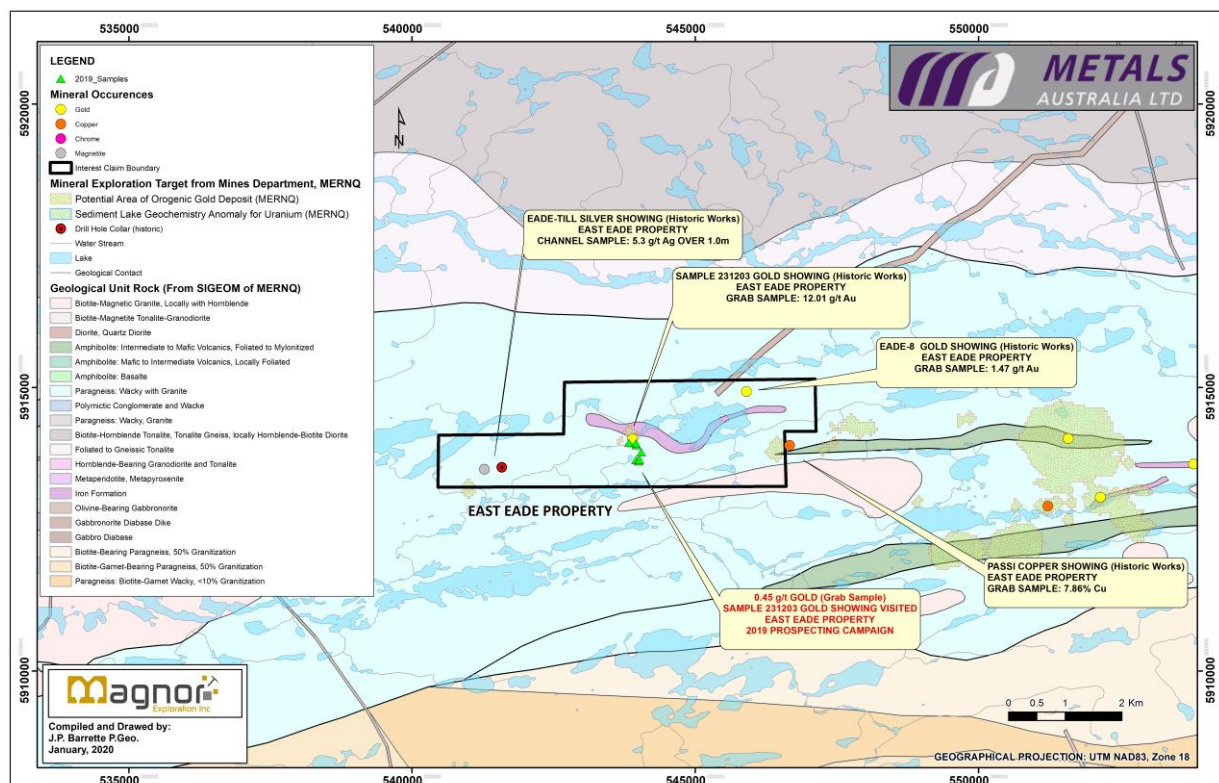
The Eade Gold Project is located in an area with excellent potential for the discovery of economic deposits of precious and base metals. There are indications of high-grade gold and silver mineralisation within the East and West Eade project areas, as well as in other showings in the surrounding area and in the general region.

The Eade Gold Project has not been the subject of modern exploration and only limited follow up exploration has been undertaken on the historical occurrences, resulting in the Eade Gold Project remaining underexplored. This presents a significant opportunity for the Company.

The Project is located in a known gold province near to a number of discoveries, deposits and mines, and importantly the geophysical work, historical research and on-ground prospecting that the Company has done to date has shown the significant potential of the Eade Gold Project.

The Company believes that the Eade Gold Project has great potential and the application of modern exploration techniques could lead to a substantial gold discovery.

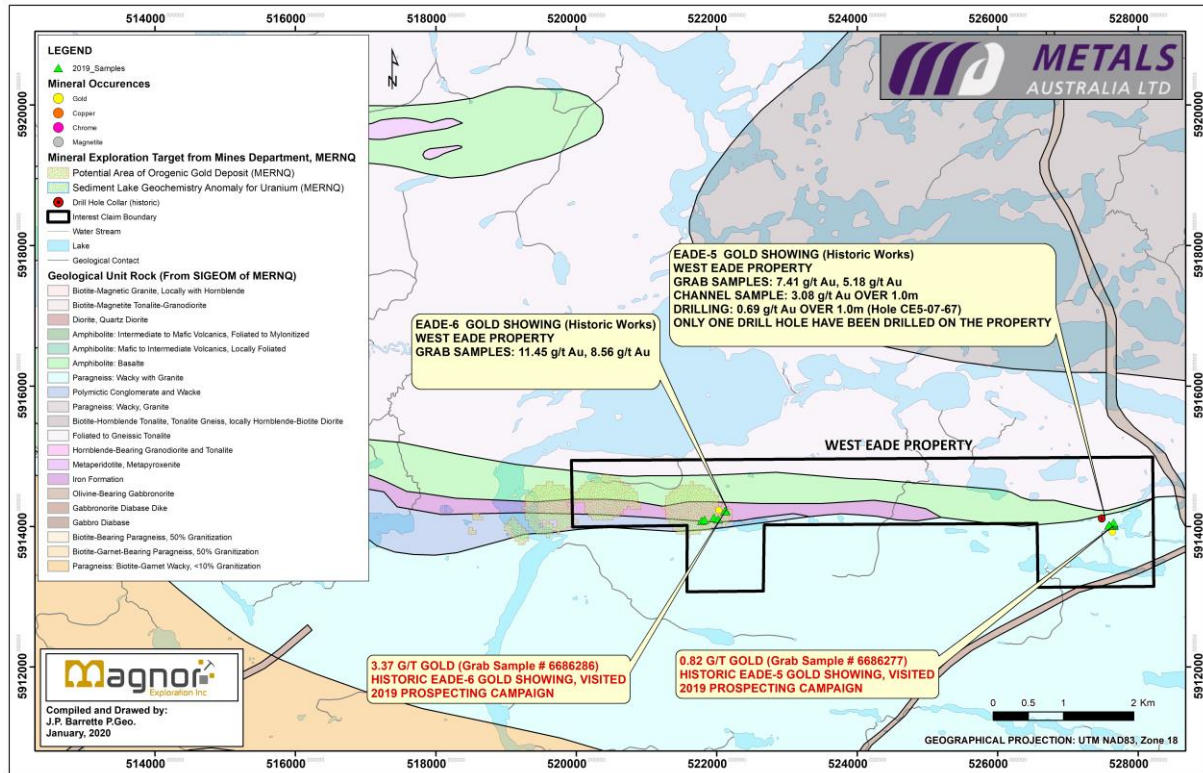
The map below illustrates the location of the 2019 field exploration sampling points at the East Eade project area as well as the historic exploration, including historical drill holes, rock samples and channel samples.



**Figure 2: Geological map overlaid by the 2019 field exploration sampling points at the East Eade project area together with the sampling points and location of historic exploration, including historical drill holes, rock samples and channel samples.**



The map below illustrates the location of the 2019 field exploration sampling points at the West Eade project area as well as the historic exploration, including historical drill holes, rock samples and channel samples.



**Figure 3: Geological map overlaid by the 2019 field exploration sampling points at the West Eade project area together with the sampling points and location of historic exploration, including historical drill holes, rock samples and channel samples.**

The East Eade and West Eade project areas include 15km of an east-west trending volcano-sedimentary belt. The geological setting is characterised by sheared metasediments, banded iron formation (silicate, oxide-magnetite and sulfide facies BIF), paragneisses, metabasalt and small felsic intrusions.

The West Eade project area contains an **8.3 km strike length** and covers two gold occurrences: Eade-5 and Eade 6. At Eade-5 rock chips have returned values up to **7.41g/t Au** in iron formation within a sulphidic shear. Approximately 6km along strike to the west at Eade-6, rock chip samples of iron formation returned results up to **11.45g/t Au**.<sup>3</sup>

The East Eade project area contains a **6.7km strike length** and covers three gold occurrences (Eade-8, Eade-Till, Ech.231203) and a copper occurrence (Passi). Rock chip samples at the Eade-8 occurrence returned values to **1.47g/t Au in a 2m wide shear zone**. To the west at Ech.231203 quartz veins in a shear zone returned a best result of **12.0g/t Au** and a **1m channel sample at Eade-Till returned a value of 5.3g/t Ag**.<sup>2</sup>

In total there is over 15km of untested mineralised strike within the East and West Eade Gold Project which will be tested during this current programme.

This announcement was authorised for release by the Board of Directors.

<sup>3</sup> Refer to ASX Announcement dated 25 September 2019 and titled "Acquisition of Quebec Focused Gold Exploration Projects".

**- ENDS -**

**For more information, please contact:**

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#### **ASX Listing Rules Compliance**

In preparing this announcement dated 12 August 2020, the Company has relied on the announcements previously made by the Company and disclosed below. The Company confirms that it is not aware of any new information or data that materially affects those announcements previously made, or that would materially affect the Company from relying on those announcements for the purpose of this announcement dated 12 August 2020.

#### Eade-Pontois-Felicie Gold Project

Pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 25 September 2019.

#### **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.