

## ASX Announcement

20 August 2020

# Metals Australia Secures \$1.8 Million Placement to Accelerate Exploration and Development at Eade Gold Project and Lac Rainy Graphite Project

### Highlights:

- Placement to sophisticated and professional investors to raise \$1,809,240 (before costs) via the issue of 967,508,021 fully paid ordinary shares at \$0.00187 per share to be completed via two-tranches (**Placement**)
- Tranche I comprises 441,000,000 fully paid ordinary shares at \$0.00187 per share for gross proceeds of \$824,670, with Tranche II comprising 526,508,021 fully paid ordinary shares at \$0.00187 per share for gross proceeds of \$984,570
- Tranche I Placement Shares will be issued under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1 (126,447,916 Shares) and ASX Listing Rule 7.1A (314,552,084 Shares)
- Participants in the Placement will also receive a free attaching option on a 1-for-1 basis with each option exercisable at \$0.0035 and expiring on 1 June 2022. The Company will apply for this class of options to be listed
- Tranche II Shares, as well as Tranche I and Tranche II Options, will be issued subject to shareholder approval. A General Meeting of shareholders is planned to occur in early October 2020
- Funds raised under the Placement will be used for:
  - further advanced gold exploration programs at the Eade-Pontois-Felicie Gold Projects;
  - downstream product specification test work on Lac Rainy graphite concentrate;
  - flowsheet optimisation test work on Lac Rainy graphite concentrate;
  - scoping study for the Lac Rainy Graphite Project; and
  - general working capital including the review of complementary project acquisition and farm-in opportunities
- Field exploration and prospecting campaign still underway at the Eade-Pontois-Felicie Gold Projects – further updates will be made to shareholders shortly

Metals Australia Ltd (ASX: **MLS**) is pleased to announce that the Company has received a letter of firm commitments from Sanlam Private Wealth Pty Ltd in relation to a capital raising of \$1,809,240 (before costs) at an issue price of \$0.00187 per share via the issue of 967,508,021 fully paid ordinary shares.

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ASX CODE **MLS**



Subject to shareholder approval, subscribers under the Placement will also be granted one (1) free attaching option for each share subscribed for under the Placement. The options will have an exercise price of \$0.0035 per option and an expiry date of 1 June 2022. This will result in the issue of 967,508,021 options, and subject to ASX approval, the options will be listed.

The Placement was subscribed for by both new investors and existing shareholders, unrelated to the Company.

Sanlam Private Wealth Pty Ltd acted as Lead Manager to the Placement.

The field exploration and prospecting campaign is continuing at the Eade-Pointois-Felicie Gold Projects and the Company will be providing further updates to shareholders when additional information is available.

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

*"We received an overwhelming response to the capital raising which was a great result for the Company. We are now well funded to execute on our current exploration plans at the Eade-Pontois-Felicie Gold Projects and to further accelerate our exploration on these potentially high-grade gold projects. These assets are strategically located in a prominent greenstone belt in northern-Quebec.*

*We are also busy planning the next stage of development at the Lac Rainy Graphite Project which involves the completion of a Scoping Study, flowsheet optimisation testwork and downstream product specification testwork."*

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

**- ENDS -**

**For more information, please contact:**

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#### **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.