

## ASX Announcement

27 August 2020

# New Discovery Identified Along Strike of Historic Prospect At Metals Australia's Felicie Gold Project

### Highlights:

- An historical surface rock grab sample collected from the "Felicie Prospect" located within the Company's Felicie Gold Project returned an assay result of **5.54 g/t Au + 1.86% Cu + 4.94% Zn**. A second rock sample was collected in another area of the Felicie Gold Project along strike of this historical showing which returned **over 10g/t Au** <sup>1</sup>
  - **These areas have not previously been followed up with modern exploration techniques**
  - The field exploration campaign carried out at the Eade Gold Project was expanded to cover the Felicie Gold Project which lies approximately 20km north-east of the Eade project and is located on the main branch of the Lac Gruyer Greenstone Belt in Northern Quebec
  - The exploration campaign has identified a new discovery along strike of the historic "Felicie Prospect" consisting of semi massive pyrite-chalcopyrite – **the Company has planned a follow up field exploration program to consist of mechanical excavation and trenching to better define the size of the new discovery**
  - Geologists in the field at the Felicie Gold Project have identified **significant historic sampling sites by a previous explorer Virginia Gold Mines** which were **never followed up and the true extent of the mineralised horizons was never explored**
  - The exploration and prospecting campaign at the Felicie Gold Project is focused on testing the **numerous significant gold exploration targets identified** following the **remote sensing study, Satellite Aperture Radar (SAR) survey and the historical geological data review**
  - Exploration at the Felicie Gold Project included **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. These include 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>2</sup>
  - **Significant exploration targets have been identified at the Felicie Gold Project which were never followed up by modern exploration techniques**
1. 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.
  2. 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

Metals Australia Ltd (ASX: **MLS**) (**MLS** or the **Company**) is pleased to provide shareholders with an further update on the field exploration and prospecting campaign at the 100%-owned Felicie Gold

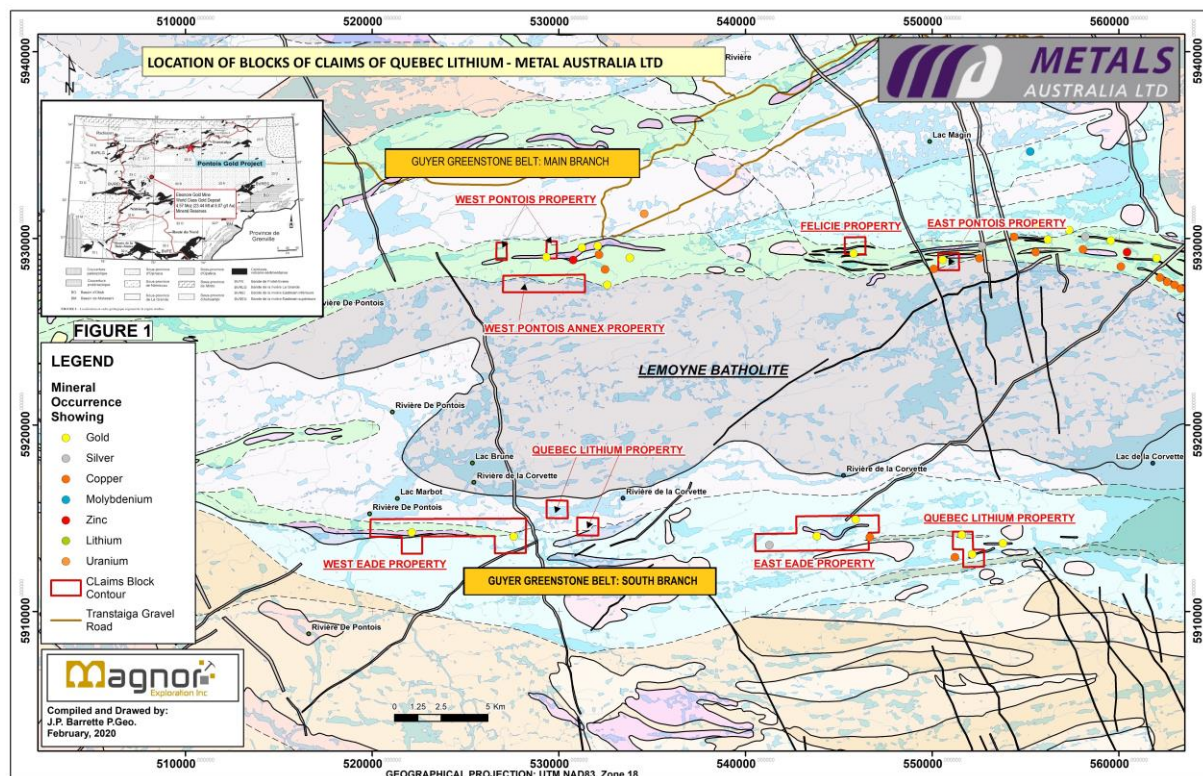
Project located in Quebec, Canada. The Felicie Gold Project is located within the main branch of the Lac Guyer Greenstone Belt of northern-Quebec (Canada), an east-west trending greenstone belt which is host to numerous high-grade gold-copper and base metal discoveries.

Commenting on the new discovery at the Felicie Gold Project, Director of Metals Australia, Mr Gino D'Anna stated:

*"The Felicie Gold Project has always been a high priority project for the Company owing to its strategic location along strike of the Corvette Project which is currently being explored under a joint venture between 92 Resources and Osisko-Baie James and the Hyperion Discovery which is owned by Azimut-SOQUEM. The Felicie project was historically explored by Virginia Gold Mines with a number of high-grade rock samples collected at the project. This current exploration program has not only allowed us to follow up those historic prospects with modern exploration techniques, we have also been able to define additional zones of mineralisation along strike where historical sampling was not conducted. We continue to map and prospect the many gold exploration targets that were identified. The identification of a newly discovered zone of mineralisation provides the Company with encouragement that the gold mineralisation is not localized to specific sites. This is an important discovery as it proves the gold potential of the ground that we are currently exploring.*

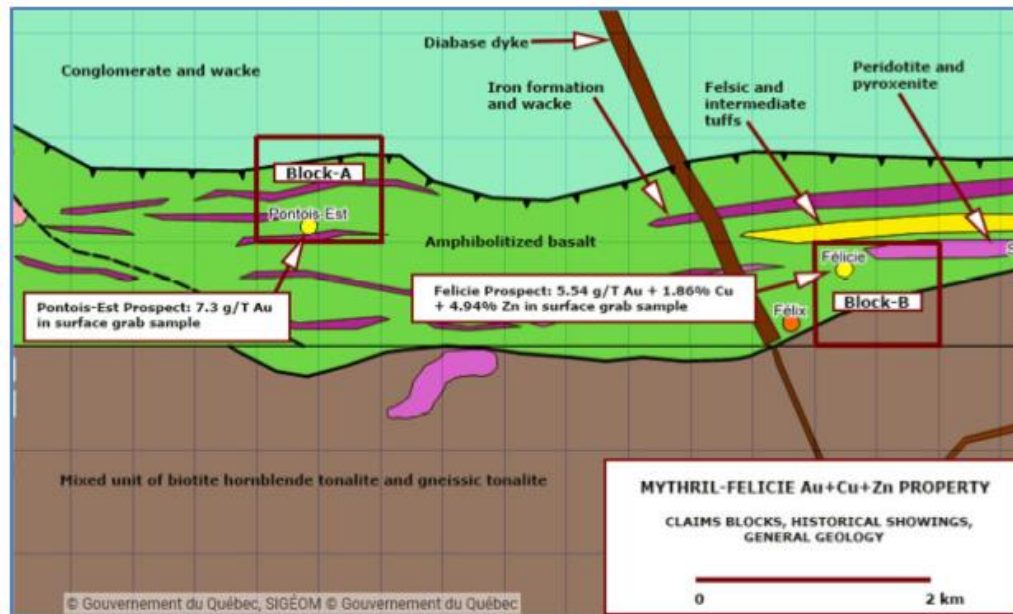
*The Felicie Gold Project represents a significant potentially high-grade under-explored gold project, located in the main branch of the Lac Guyer Greenstone Belt, a prolific greenstone belt located in Northern Quebec. Significant exploration is currently underway on neighbouring project areas and the Lac Gruyer Greenstone Belt has become a prominent gold, copper and base metal exploration region."*

The map below illustrates the location of the 100%-owned Felicie Gold Project as well as the 100%-owned Eade Gold Project and the Company's 100%-owned West and East Pontois Gold Project in a regional setting showing the location of the current discoveries, regional geology and structures:



**Figure 1: Geology map of the Eade-East and Eade-West gold projects as well as the Pontois and Felicie Gold Projects, located in Quebec, Canada. Historical samples, drill holes and channel samples are also noted on the map together with regional geological features such as regional fault structures and shear zones**

The map below illustrates the interpreted geology of the Felicie Gold Project within the main branch of the Lac Gruyer Greenstone Belt:



**Figure 2: Interpreted geology map of the Felicie Gold Project, located in Quebec, Canada. Historical samples are also noted on the map together with regional geological features such as regional fault structures and shear zones**

## Interim Update – Felicie Gold Project Field Exploration Campaign

As previously announced, the Company expanded the field exploration at the Eade Gold Project to follow up and better define the significant gold exploration targets that were identified at the Felicie Gold Project located on the northern branch of the Lac Gruyer Greenstone Belt. The exploration and prospecting campaign focused on testing the numerous significant gold exploration targets that were identified following completion of the remote sensing study, Satellite Aperture Radar (**SAR**) survey and the historical geological data review.

The exploration campaign was designed to field test the numerous gold exploration targets at Felice. It included channel sampling, a BeepMat electromagnetic survey<sup>1</sup>, surface geological prospecting, rock sampling and geological mapping to better define future prospective drill targets.

During the exploration campaign at the **Felicie Gold Project**, a new showing was discovered during the BeepMat electromagnetic survey. Limited excavation with the use of hand tools was undertaken which enabled the discovery of a semi-massive pyrite mineralised horizon several metres thick with chalcopyrite in a silicified amphibolite.

Excavation removed a layer of sediment and top soil revealing a subcropping mineralised horizon with a high composition of semi massive sulphides. The geologists believe that based on the structures which have been mapped on surface, this zone of mineralisation could be extensive.

The Company is planning to re-visit this location with mechanized excavation equipment to better define the extent of the mineralised zone and to collect additional samples.

<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.



The image below highlights a sample that has been collected at the new discovery at the Felicie Gold Project consisting of semi massive pyrite-chalcopyrite:



**Image 1: Sample collected at the Felicie Gold Project, consisting of semi massive pyrite-chalcopyrite**

During the exploration campaign, the geologists noted that extensive sampling had been historically undertaken by Virginia Gold Mines, however, this new discovery was located away from the sampling “hot spots”. This important discovery provides the Company with the necessary encouragement to believe that the mineralisation is not localized to certain zones, but is rather wide spread across the entire strike length. In addition, those zones that were prospected by Virginia Gold Mines historically, were never followed up with modern exploration techniques despite the encouraging results that were obtained.

The images below show the semi massive sulphides composed in the sample collected at the new discovery located within the Felicie Gold Project:



**Image 2: Sample collected at the newly discovered target within the Felicie Gold Project, consisting of semi massive pyrite-chalcopyrite**





**Image 3: Hand excavation and sampling at the newly discovered showing within the Felicie Gold Project, consisting of semi massive pyrite-chalcopyrite**



**Image 4: Closer examination of the sample collected at the newly discovered showing within the Felicie Gold Project, consisting of semi massive pyrite-chalcopyrite**



## Summary

The Felicie Gold Project is located in northern Quebec, approximately 280km east of the town of Radisson, 480km northeast of Matagami and 170km northeast of Goldcorp's Eleonore Gold Mine. The project is located approximately 15km south of the (east-west) Trans-Taiga highway. The project can be accessed either on foot or by ATV from the Trans-Taiga highway.

An historical surface rock grab sample taken from the "Felicie prospect" returned an assay result of **5.54 g/t Au + 1.86% Cu + 4.94% Zn**. A second rock sample was collected in another area which returned **over 10g/t Au**. These areas have not been followed up with modern exploration techniques.

Reconnaissance exploration commenced in the 1950s with exploration primarily comprised of geological mapping and prospecting. In the 1970s, Noranda conducted aeromagnetic and electromagnetic surveys. The most recent exploration was undertaken in 2005 when wide spaced traverses located widespread sulphide mineralisation.

The project covers an east-west trending belt of basaltic rocks with relatively minor units of ultramafic and felsic rocks. Mapping to the west located narrow exhalative units within the volcanic sequence. The sequence is intruded by gabbro dykes and pegmatites.

The gold occurrences also contain copper, zinc and molybdenum. Associated sulphides include pyrite, chalcopyrite, pyrrhotite and rare arsenopyrite. The gold commonly comprises veins and shears of quartz-carbonate in iron formations.

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

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

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

**- ENDS -**

**For more information, please contact:**

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### **ASX Listing Rules Compliance**

In preparing this announcement dated 27 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 27 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. Daniel Turcotte, P. Geo. Mr Turcotte is Geologist with Magnor Exploration Inc. and a consultant to Metals Australia Limited. Mr Turcotte and is a member of the Ordre des géologues du Québec (OGQ) with member number OGQ#357. Mr. Turcotte has sufficient experience 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. Turcotte consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.