ASX Announcement

10 September 2020

Metals Australia Defines High-Grade JORC Exploration Target at Lac Rainy Graphite Project, Quebec

Highlights:

- Existing JORC (2012) Mineral Resource Estimate of **13.3Mt at 11.5% TGC** in the category of Indicated and Inferred **for 1.529Mt of contained graphite**, using a 5% TGC cut-off
- JORC (2012) Exploration Target Estimate in addition to the existing JORC (2012) Mineral Resource Estimate for the high-grade Lac Rainy Graphite Project:
    - **Additional Exploration Target of 7.3Mt to 14.6Mt @ 7.5% to 12.5% Total Graphitic Carbon (TGC) for an additional 0.55Mt to 1.825Mt of contained graphite** using a 5% TGC cut-off, made up of:
        - **South-East Carheil Exploration Target: High-grade Exploration Target of 3.1Mt to 6.2Mt @ 8.0% to 13.0% TGC for 248Kt to 806Kt of contained graphite** using a 5% TGC cut-off
        - **West Carheil Exploration Target: High-grade Exploration Target of 4.2Mt to 8.4Mt @ 7.0% to 12.0% TGC for 294Kt to 1Mt of contained graphite** using a 5% TGC cut-off
        - **Exploration Target is in addition to the JORC (2012) Mineral Resource Estimate at the Lac Rainy Graphite Project**

      The potential quantity and grade of the defined Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource
    - **resource outcrops at surface with 90% of global exploration target defined within the first 100m**
    - based on an open cut mining method modelled down to 150m
    - JORC (2012) Exploration Target defined for the recently discovered West Carheil Graphitic Trend – **this is a significant outcome for the Company and demonstrates the potential of this new high-grade zone**
- **Lac Rainy ranks as one of the highest-grade global graphite deposits**
- **Only the first 1.6km of strike of the 4 km of strike along the Main Carheil Graphitic Trend has been drill tested.** The SE and NW strike extensions and the recently discovered West Carheil Graphitic Trend are still to be drilled – **extensional drilling program has been designed**
- **Deposit is open to the north and south along strike, as well as down-dip and plunge, indicating significant exploration upside and drill ready targets**
- Scope of engagement for **Stage I Scoping Study** currently being finalised with a view to delivering the results of the Stage I Scoping Study ahead of **graphite marketing program**

Metals Australia Ltd (ASX: **MLS**) (**Metals Australia** or the **Company**) is pleased to announce a JORC (2012) Exploration Target Estimate at its 100% owned Lac Rainy Graphite Project located in Quebec, Canada. **The Exploration Target Estimate is in addition to the existing JORC (2012) Mineral Resource Estimate of 13.3Mt at 11.5% TGC in the category of Indicated and Inferred for 1.529Mt of contained graphite, using a 5% TGC cut-off.**

Refer to ASX announcement dated 15 June 2020 and titled "High-Grade Maiden JORC Resource at Lac Rainy Graphite Project".

The mineral resource at Lac Rainy offers significant flexibility for potential development into a long life, high-grade graphite mining operation. Lac Rainy has the potential to be mined using open cut mining methods with low strip ratios, with more than 90% of the current global resource defined within the first 100m.

Drilling completed to date has only tested the first 1.6km of the approximate 4km of strike along the Main Carheil Graphitic Trend with the SE and NW strike extensions and the recently discovered West Carheil Graphitic Trend still to be drilled.

The Company has finalised an extensional drilling program to further grow the resource base and drill test some of the other high-priority targets which have been identified.

The deposit at Lac Rainy remains open to the north and south along strike, as well as down-dip and plunge, indicating significant exploration upside and drill ready targets.

The JORC (2012) **Exploration Target Estimate** for the high-grade Lac Rainy Graphite Project has been defined as **7.3Mt to 14.6Mt @ 7.5% to 12.5% Total Graphitic Carbon (TGC) for an additional 0.55Mt to 1.825Mt of contained graphite** using a 5% TGC cut-off.

The potential quantity and grade of the defined Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target is in addition to the JORC (2012) Mineral Resource Estimate at the Lac Rainy Graphite Project.

The global Exploration Target is made up of the high-grade South-East Carheil Graphite Exploration Target and the recently discovered West Carheil Graphite Exploration Target, as shown in Table 1 (below).

Table 1 – JORC (2012) Exploration Target

Deposit	Classification	Tonnes		Total Graphitic Carbon (TGC)		Contained Graphite (Tonnes)	
		lower limit	upper limit	lower limit	upper limit	lower limit	upper limit
South-East Carheil Graphite	Exploration Target	3,080,000	6,160,000	8.0%	13.0%	248,000	806,000
West Carheil Graphite	Exploration Target	4,200,000	8,400,000	7.0%	12.0%	294,000	1,000,000
	Total[1]	**7,280,000**	**14,560,000**	**7.5%**	**12.5%**	**542,000**	**1,806,000**

1. Exploration Target estimated at a 5% TGC cut-off

The potential quantity and grade of the defined Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Commenting on the successful definition of the JORC (2012) Exploration Target for the Lac Rainy Graphite Project, Director of Metals Australia, Mr Gino D'Anna stated:

"The definition of the Exploration Target estimate at Lac Rainy provides further evidence of the significant upside that exists at this potentially world-class project. As economies start to rebuild and strengthen, significant funds will be invested back into alternative energy sources and electrification which will stimulate demand for those critical battery-metals, of which graphite is a key input. We see a lot of upside in the future demand for graphite and we are positioning the Company to be able to take advantage of the change in dynamics.

The Lac Rainy project offers significant flexibility, it has projected low strip ratios, can be readily accessed through open cut mining methods and has consistently delivered exceptionally high-grade results. The recently completed scoping study level metallurgical testwork program confirmed that the graphite mineralisation at Lac Rainy is able to deliver a graphite concentrate that not only exceeds the industry standard benchmarks, can produce a high-purity and high-carbon (total) graphite concentrate.

The Lac Rainy Graphite Project offers significant upside and we look forward to building on this great success."

The Lac Rainy project has the potential to deliver attractive economics due to its potentially significant size, high grades and extensive surface outcrop that offers low strip ratios. Metallurgical studies to date indicate a straightforward processing flowsheet.

The scope of engagement for the **Stage I Scoping Study** is currently being finalised. The Company plans on delivering the Stage I scoping study ahead of a detailed graphite marketing campaign. Stage I will focus on the delivery of a high-purity and high-carbon (total) graphite concentrate.

The Company's ongoing focus is to develop this Mineral Resource into a low-cost mining operation.

The Company believes that the Lac Rainy project offers considerable flexible and exploration upside, which can be unlocked not only through additional drilling and other exploration methods, but also through refining the metallurgical flowsheet to determine the most appropriate graphite products that can be produced and marketed with the Lac Rainy graphite concentrate.

The Company looks forward to providing shareholders with further updates as we continue to achieve our milestones at Lac Rainy.

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

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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.

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.

The information in this report that relates to Resource Estimation is based on information compiled by Simon Coxhell, Principal Consultant of CoxsRocks Pty Ltd. Mr Coxhell is a consultant to the Company. Mr Coxhell is a Member of the Australian Institute of Mining and Metallurgy. Mr Coxhell has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this document and to the activity which he is undertaking 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" ("JORC Code"). Mr Coxhell consents to the inclusion in this report of the Matters based on this information in the form and context in which it appears. Mr Coxhell has not been to the Lac Rainy site but is familiar with graphite deposits around the world and has completed numerous resource estimates for this commodity.

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.

ASX Listing Rules Compliance

In preparing this announcement dated 10 September 2020, the Company has relied on the announcements previously made by the Company and specifically dated 15 June 2020. 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 10 September 2020.

Appendix 1 – JORC (2012) Exploration Target Estimate Methodology

Pursuant to ASX Listing Rule 5.8 and the 2012 JORC reporting guidelines, a summary of the material information used to estimate the Mineral Resource is detailed below (for more information please refer to Table 1, Sections 1 to 3 included below in Appendix 2).

Background

The Lac Rainy Graphite Project is located in northern Quebec approximately 20 kilometres due south of Fermont and 10 kilometres north east of another graphite project (Lac Knife) owned by Focus Graphite Inc. (TSX: FMS) and comprising a mineral resource of 12.1 mt @ 14.6% Cg.

The Lac Rainy Graphite Project is located in a similar geological environment to Lac Knife comprising a complex series of principally sedimentary rocks of the Ferriman Group and described as slate and turbiditic sediments which are now metamorphosed into quartz-biotite-garnet ± graphite gneiss, and pelitic-mica-graphite rich schists of the Nault Formation which also hosts the Lac Knife deposit.

The Carheil Prospect is located in the south eastern corner of the Lac Rainy project area, within the Carheil trend extending from the southeast to northwest across portions of the Lac Rainy Project tenement package where graphite mineralisation has been mapped for approximately 4.0 kilometres. A number of high-grade graphitic carbon rock chip results at nearby occurrences highlight the strong potential for further graphite mineralisation to be identified at the Lac Rainy Graphite Project. The current resource area which has been drill tested covers approximately 1,600 metres of the known four kilometres of potential strike.

Within the Lac Rainy Graphite Project, the graphite is hosted in biotite-quartz-feldspar paragneiss and schist of the Nault Formation. High-grade metamorphism and folding has resulted in the formation of concentrations of graphite mineralization of various sizes and form.

The Carheil Graphite Prospect is located at the south eastern corner of the Lac Rainy project area. The Carheil Trend extends from south east to north west across the Lac Rainy Project tenement package. Graphite mineralisation has been mapped for approximately 4 km in a north west direction.

A number of high grade rock chips have also been identified over 900 metres of strike length located to the west of the higher grade South-East Carheil Graphite Deposit (known as the West Carheil Graphitic Trend) and additional graphite resources are likely to be defined with additional drilling.

Geology and Geological Interpretation

The project area geology (hosting the Lac Rainy graphite deposit) is situated within the Gagnon Group, which is the metamorphosed equivalent of the Ferriman Group in the Labrador Trough. The formations within the Ferriman Group consist of Wishart (arenitic quartzite with variable mica and calcite), Ruth (ferruginous mudstone chert), Sokoman (iron formation), and Menihek (mudstone/mica schist), as well as intrusive basalt. The Nault Formation of the Gagnon Group, comprised of graphite-bearing quartz biotite garnet paragneiss (metamorphized equivalent of the Menihek Formation), underlies the majority of the Lac Rainy Property and is the primary target rock unit.

The graphite zones are consistently present throughout the host rock but display variations in the amount of graphite (Bonneau & Raby, 1990) and calcsilicate bands (Birkett, Godue, & Marchildon, 1989).

The host lithology consists of a sub-vertical, lithologically continuous unit of very fine-grained dark grey to black graphite rocks containing between 1-28% graphitic carbon and appreciable quantities of sulphides ranging in grade from 0.01-18.8% sulphur. A number of parallel units have been identified from the mapping, channel sample and drilling.

The lithological units are variably folded and faulted, with true widths up to 70m and have local continuity over hundreds of metres and regionally extend over many kilometres. Pyrite, pyrrhotite and trace chalcopyrite accompany the graphite mineralisation.

The graphitic rock units may have originated as early accumulation of organic compounds occupying large, flat lying sedimentary basins extending over several hundred kilometres. Subsequent deformation, possibly related to domal and or doubly plunging folded intrusives have metamorphosed and tilted the units to the sub-vertical orientations presented today.

Geology and Mineralisation

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Pyrite, pyrrhotite and trace chalcopyrite accompany the graphite mineralisation. The graphitic rock units may have originated as early accumulation of organic compounds occupying large, flat lying sedimentary basins extending over several hundred kilometres. Subsequent deformation, possibly related to domal and or doubly plunging folded intrusives have metamorphosed and tilted the units to the sub-vertical orientations presented today.

A mapping and rock chip sampling program utilizing a Beepmat Geophysical instrument to detect either high magnetic or electromagnetic (MAG-EM) individual rock units (See ASX announcement 20 April 2020) was conducted by the company and their geological consultants Magnor.

The work mapped out anomalous trends and rock chip sampled prospective lithologies with the work identifying two new Exploration Targets of extensions and occurrences of cohesive graphite units which now require drill testing.

The two new targets named the West Carheil Graphitic Trend and the South East Extension are both located within approximately one kilometre of the high grade Lac Rainy deposit and immediately adjacent along strike from the high grade East Deposit.

The rock chip sampling typically comprised 2→3 kilograms of representative rock collected over a small area and submitted to ALS Laboratories Ltd in Val d'Or, Quebec where the samples were finely crushed with 70% passing <2mm then reduced in a splitter whereby a reject sample and a 250g sample is produced. The 250g sample is then pulverised with 85% passing <75 microns which completely homogenises the sample. A sub-sample of pulp is taken for analysis using ALS packages Code 4F-C,S, and 4F-C-Graphite using a graphite specfic preparation (RX1- Graphite). Total carbon as well as graphitic carbon are reported and Sulphur %.

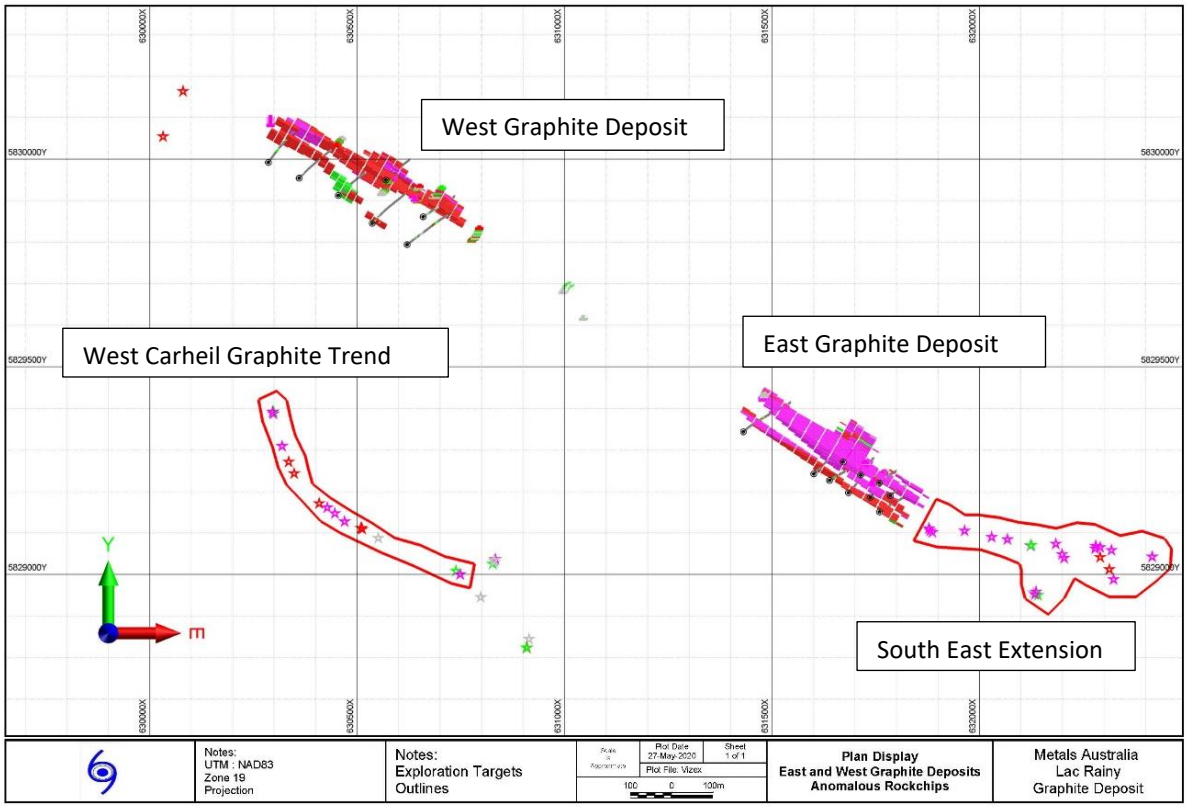

Figure 1: Plan Display Google Image: Lac Rainy Graphite Deposits and Exploration Targets

Exploration Target Estimate Methodology

All rock chip samples were imported into Micromine Mining Software and reviewed relative to the previous work and the drilling, sampling and mapping completed in the immediate vicinity.

Statistics on the rock chips and nearby deposits was conducted and the spatial distribution of the rock chips evaluated. Parameters were derived for the estimation of the potential strike length, width and depth extent and coupled to a previous determination and review of the Insitu Bulk Density (ISBD) a volume to tonnage conversion could then be made. An ISBD of 2.8 t/ bcm has been used for the work.

The grade ranges for the exploration target is based on analysis of the rock chip grades coupled to review of the geological setting and previous resource estimates for the nearby deposits, which occur in an identical geological environment.

West Carheil Trend

The anomalous rock chip samples at West Carheil totalled 16 samples which ranged in graphite grade (Cg%) from 1.2→23% Cg (5.4 % S) with a mean of 8.8 % Cg. The samples were graphite bearing rocks similar in tenor and grade to rock chip samples initially collected from the resource areas nearby and extended over 750 metres of strike length.

Eastern Extension

The anomalous rock chip samples at Eastern Extension totalled 23 which extended over 550 metres of strike with the samples ranging in graphite grade (Cg%) from 0.5→28.5% Cg (5.6 % S) with a mean of 16.2 % Cg, showing numerous similarities to the East Graphite deposit located immediately adjacent.

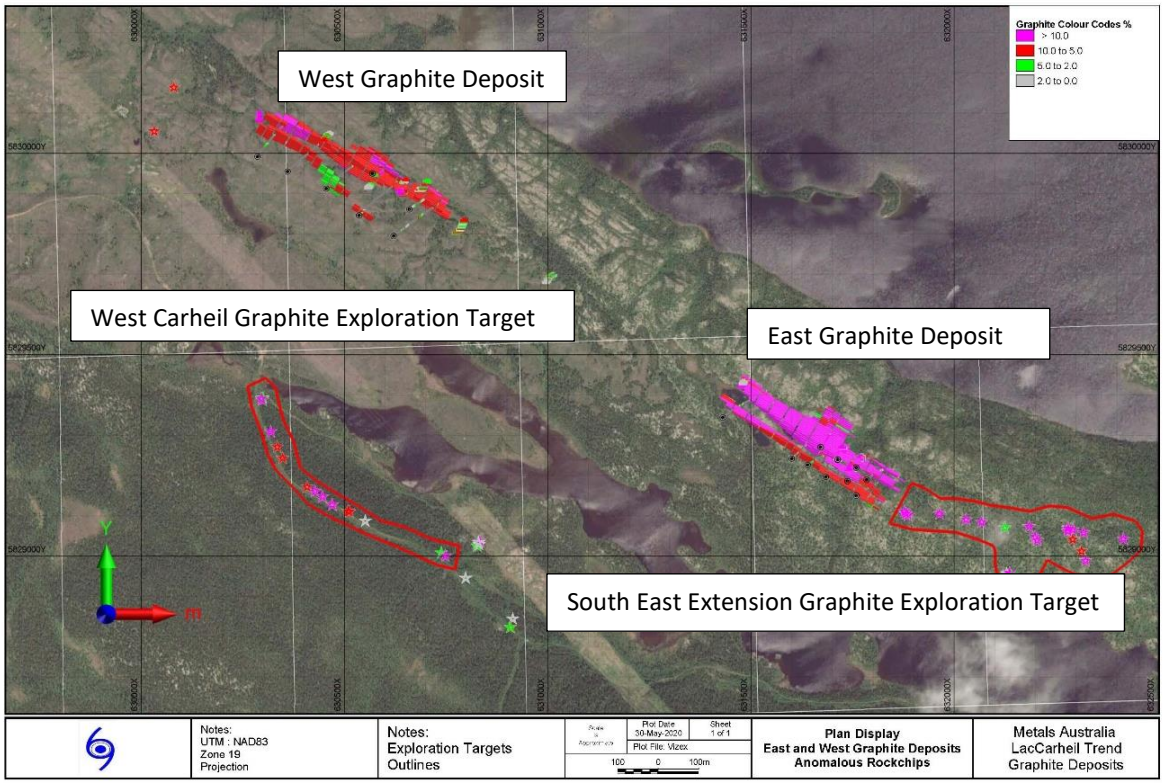

Figure 2: Plan Display Google Image: Lac Rainy Graphite Deposits and Exploration Targets

Based on the assumptions tabled below the following Exploration Targets could be estimated.

Table 3. Lac Rainy (Carheil Trend) Exploration Targets

Project	Tonnes		Grade (Cg%)	
	Minimum	Maximum	Minimum	Maximum
West Carheil Graphite Trend	4,200,000	8,400,000	7.0	12.0
South East Graphite Trend	3,080,000	6,160,000	8.0	13.0

Table 4. Key Parameters and Assumptions Lac Rainy (Carheil Trend) Exploration Targets

Project	Strike Length		Width		Vertical Extent	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
West Carheil Graphite Trend	750	750	20.0	40.0	100	100
South East Graphite Trend	550	550	20.0	40.0	100	100

Assumptions: ISBD = 2.8 t/bcm

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Rock chip sampling targeting prospective graphite bearing rocks were collected in a representative manner with typical weights comprising 2→3 kilograms of sample. • Sampling was carried out using Magnor Exploration Inc sampling protocols and QAQC procedures as per industry best practice, delivered by ALS.. • Samples samples have been crushed, dried and pulverised (total prep) to produce a sub sample for multi-element analysis by four acid digest with ICPMS, total graphitic carbon and sulphur by Leco.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).*	• Diamond drilling completed by Magnor Exploration • WL66 (HQ) conventional diamond drilling with core diameter of 63.5mm. • All drillholes have been orientated. • Downhole surveying completed using a Devico Deviflex downhole survey instrument.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Core recoveries are measured by the drillers for every drill run. The core length recovered is physically measured for each run, recorded and used to calculate the core recovery as a percentage of core recovered. Any core loss is recorded on a core block by the drillers. • Careful drilling techniques in areas of broken ground are employed with communication between the geologist and drillers to maximise core recovery. • A sampling bias has not been determined.
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drillcore has been transported from the drill sites to the laboratory by company representatives for cleaning, reconnection of core lengths and measurement of metre marks where required, over the entire hole. • Geological logging has been completed on the entire length of all holes by Magnor exploration who has significant experience in this style of exploration and mineralisation. • The lithological, mineralogical, alteration and structural characteristic of the core has been logged in digital format and following established procedures. • All drillholes have been photographed in both wet and dry states.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• 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. • Analysis used ALS packages Code 4F-C,S, and 4F-C-Graphite using a graphite specfic preparation (RX1-Graphite). Total carbon as well as graphitic carbon are the primary deliverables. • Sampling techniques utilized, as described above, ensure adequate representativeness and sample size. During the drilling, industry standard sampling techniques were followed with fresh material sampled. • 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. Maxwells Data management systems for appraisal of the QA/QC indicated no issues • The sample sizes are considered appropriate for the type of mineralisation under consideration.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Selected samples are assayed for total graphitic carbon and sulphur via Leco furnace. Graphitic carbon is determined by digesting the sample in 50% HCl to evolve carbonate as CO2. Residue is filtered, washed, dried and then roasted at 425ºC. The roasted residue is analysed for C and S by high temperature Leco furnace with infrared detection. • The analytical methods are considered appropriate for this style of mineralisation. • Geophysical tools (Beepmat) were usewd to help identify the graphitic units. • Duplicate sampling has been completed at a rate of 1:40 where practicable; duplicate results for all holes are satisfactory. • Certified reference material standards and blanks have been inserted at a rate of approximately 1:20; standard and blank results for all holes are within accepted limits. • Laboratory QAQC methods include the insertion of certified reference material standards, blanks, and duplicates.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Determination of the reported downhole intervals of mineralisation have been verified by alternative company personnel both in person and via electronic photographic data. • No twin-hole drilling completed to date although several neighboring holes holes have been completed and showed excellent correlation. • All geological and location data is stored in Excel spreadsheets prior to being uploaded to the Company's database. Data entry has been by manual input and validation of the data has been done by checking input on-screen prior to saving. • No adjustments or calibrations were made to any assay data used in this report.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drillhole locations were planned using a combination of GIS software packages. • Drillhole locations were determined originally using a Garmin handheld GPS unit with an accuracy of +/- 1m. Drill collar azimuths were determined with a hand-held Suunto compass that has a precision of +/- 0.5 degrees. • Subsequent DGPS survey methods established drill collars to a 0.25 m level of accuracy. • Downhole surveys were completed using a Devico Deviflex downhole survey instrument at regular intervals. • Original Grid system is UTM NAD 84 Z 19 • Topographic control has been established by handheld GPS and cross-correlation with digital laser topographic imagery and is considered and is adequate for the greenfields exploration completed.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Drill hole profile spacing varies from 25-40, to 120 metres on the margins is at 50m, 25m or 12.5m. See attached location plans, cross sections and tables. • Previous work including mapping, trenching, rock chip sampling of outcropping ore and detailed electromagnetic (EM) geophysical data show and confirm excellent continuity of the stratigraphic graphite unit. The current drillhole spacing at the East and West deposit is is considered appropriate to allow for the JORC-compliant Mineral Resource Estimate (MRE) to be completed at the Indicated and Inferred resource categories. • Through the main graphite zones, nominal 2m sampling has been applied where appropriate and sampled to geological boundaries elsewhere.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• The drillhole orientation is considered appropriate with the drill holes being drilled perpendicular to the interpreted strike of the geological units and graphite mineralisation. The graphite units across the Project dip steeply (80- 90°) to the west and drilling to date has been completed drilling across-dip.
Sample security	• *The measures taken to ensure sample security.*	• All drill core was transported by courier transport from the project to the ALS laboratory in Quebec
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No external audits or reviews of the sampling techniques and data have been completed to date. Results have been reviewed internally by the company's geologists, with independent assessment of the QA/QC by Mawells. With no issues have been identified.

Section 2 Reporting of Exploration Results

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Mineral tenement and land tenure status	• *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.* • *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.*	• Metals Australia Limited is the 100% owner of the Lac Rainy Graphite Project, pursuant to the binding acquisition agreement. • There are no other known material issues affecting the tenements. • Quebac Lithium Limited, a wholly owned subsidiary of Metals Australia , is the owner of 100% of the graphite project, and ownership of the individual CDC claims is held by Quebec Lithium Limited. • All tenements are in good standing and have been legally verified by a Quebec lawyer specializing in the field. • The licence is in good standing with no known impediments.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No modern exploration has been conducted by other parties. • Government mapping records multiple graphitic carbon bearing zones within the project area, but no data is available..
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Lac rainy graphite project is located in close proximity to Focus Graphites Lac Knife Project, which is hosted in a similar geological environment. • The projects were first discovered in 1989, and has been subject to basic geological review since then. • The project area geology (hosting the Lac Rainy graphite deposits) is situated within the Gagnon Group, which is the metamorphosed equivalent of the Ferriman Group in the Labrador Trough. The formations within the Ferriman Group consist of Wishart (arenitic quartzite with variable mica and calcite), Ruth (ferruginous mudstone chert), Sokoman (iron formation), and Menihek (mudstone/mica schist), as well as intrusive basalt. The Nault Formation of the Gagnon Group, comprised of graphite-bearing quartz biotite garnet paragneiss (metamorphized equivalent of the Menihek Formation), underlies the majority of the Lac Rainy Property and is the primary target rock unit. • The host lithology consists of a sub-vertical, lithologically continuous unit of very fine-grained dark grey to black graphite rocks containing between 1-28% graphitic carbon and appreciable quantities of sulphides ranging in grade from 0.01-18.8% sulphur. A number of parallel units have been identified from the mapping, channel sample and drilling. • The lithological units are variably folded and faulted, with true widths up to 70m and have local continuity over hundreds of metres and regionally extend over many kilometres. Pyrite, pyrrhotite and trace chalcopyrite accompany the graphite mineralisation.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY

Drill hole Information	• *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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *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.*
		• Drillhole information and rock chip and channel sampling results pertaining to the work at Lac Rainy is summarised in the figures and tables in the text of this announcement and comprehensively reported in previous ASX releases related to the drilling and sampling results at Lac Rainy.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• A nominal cut off of 5% graphite has been used in any reporting previously conducted. • No high-grade cut-off has been used in this announcement. • Length-weighted averaging has been used to calculate all intercepts in this announcement. Length-weighted averaging has been used given that sampling intervals were determined geologically and not always nominally. • No metal equivalents have been used in this report.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The geometry of the graphite mineralisation at the Lac Rainy Project is quite well understood and all drilling has been completed perpendicular to the strike of the mineralisation. The main hangingwall graphite unit is sub-vertical and appears to have a variable dip (~80- 90°). Several close spaced drillholes at Lac Rainy have highlighted the dip and azimuth of the mineralisedd zones • Tighter spaced drilling is required to determine the exact dip of the graphite unit but the drillhole information received to date confirms any previous interpretation. as modelled.
Diagrams	• *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.*	• Appropriate maps and cross-sections have been included in the text of this announcement. (See Figures 5→12)
Balanced reporting	• *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.*	• All significant intercepts above the nominal cut-off grade of 5% Cg have been reported. • This announcement provides the total information available to date and is considered to represent a balanced report.
Other substantive exploration data	• *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.*	• A substantial amount of work has been completed at the Lac Rainy Project by Metals Australia. Work has included geophysical surveys, rock chip sampling, MMI soil sampling, trenching, diamond drilling and metallurgical testwork.

Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Additional metallurgical and process testwork on drillcore from Lac Rainy is currently underway.

Section 3 Estimation and Reporting of Mineral Resources

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Data package was supplied and downloaded on as a Dropbox ™ company dataset. The data package included historic exploration data, geophysical surveys,QAQC data, rock chips, channel sampling, mineralogical and testwork data. • Rock chip sampling data consisted of excel files for lithology, geological description and assay data. • The data was validated for its spatial location and assay results and distribution. • Data plotted correctly on the topographical surface and on the collar location as planned and supported on the documentation supplied. • Assay were checked for anomalies between geology and total graphitic carbon grade (Cg). No anomalies were identified. Drill core with no sample assays were inserted with undefined (-999) Cg grade to relate the assay data file to the geology logging.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Simon Coxhell (Competent Person) is a Geological Consultant and has not undertaken a site visit. Mr Coxhell has been one of the chief resource estimation consultants to Talga Resources (ASX: TLG), who have a number of graphite deposits in Northern Sweden. • Sampling photographs and geological and analytical records were examined in detailed to verify and confirm the work completed.

Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*
	• *Nature of the data used and of any assumptions made.*
	• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*
	• *The use of geology in guiding and controlling Mineral Resource estimation.*
	• *The factors affecting continuity both of grade and geology.*
		• Confidence in the interpretation of the Lac rainy Exploration Targets considered to be reasonable given:
		  • The number of rock chips collected.
		  • Confirmation by geophysical techniques about the relationship between the graphite unit sand EM conductors.
		• Consideration is always given to mining and estimation practicalities to ensure estimates are fit for purpose and realistic.
		• Graphite is distinct geochemically and visually compared to the host other

		lithologies and is typically defined using a graphitic carbon grade cut-off of 5% Cg. • Geology and grade are generally highly continuous in mineralised graphite horizons. • The 5% Cg cut-off equates very well to the logging descriptions and boundary of the geology.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• As currently defined the anomalous zones defined by the rock chip sampling extend over 700 metres of strike, and up to 40 metres true thickness. A dip of 75-80º towards 300º is expected. The mineralisation pinches and swells to a maximum thickness of 80m. Average true mineralisation thickness varies between 5m and 60m. • The mineralisation is expected to extend from surface to a minimum depth of 150m, similar to the neighbouring East and West deposits, which have been defined by extensive drilling. The mineralization would be expected to continue to greater depth.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Samples are collected at varying sample intervals, (average of 1.5 metre) based on the graphite mineralisation (ore) domain or waste. Sample data was flagged by domains using wireframe solids for mineralisation (ore). • All assay data has been composited to 2m based on the domain. 2m composite samples were used in the estimation with minimum composite sample of length of 1m. • No Interpolation of grades. • Total Graphitic Carbon (Cg) and Sulphur (S) were reviewed as in-situ grades. • Only data belonging to a domain was used to estimate that domain and hard boundaries were used. • No top cuts were applied, based on visual review of all data and statistical analysis of the data lying within the hard mineralised boundaries, and is consistent with all previous resource estimates of the Vittangi graphite horizon. • Validation of the Exploration Targets resource has been carried out in a number of ways. ○ Comparison by mineralisation zone • All modes of validation have produced acceptable results. •
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• All mineralised tonnages are estimated by applying a mean bulk density of 2.80g/cc, (t/bcm). with natural moisture.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A natural mineralisation cut-off occurs at 5% Cg and was used to define the mineralised envelope. • No material change in resource occurs by using a lower cut–off, as the cut-off grade matches the logged graphite horizon.

Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution.* • *It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous.* • *Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Metals Australia is at a scoping level of study and currently envisages to use open pit mining method with a possible option for underground mining, depending on economic considerations. • Studies are underway to optimise resource extraction. The mining method and height was chosen to maximise recovery. • No geotechnical data supporting this alternative mining method exists.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Lac Rainy specific metallurgical testing is underway using drillcore from the 2019 drilling. • Given the geological similarities between the Lac Knife deposit, results of metallurgical testing of previous material have been used to examine and support reasonable prospects for economic extraction at Lac Rainy. Further metallurgical testwork to a PFS stage in now required.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Based on scoping mining studies, volumes of ore and waste have been quantified. Further studies are required for waste disposal, particularly given the high Sulphur content associated with the graphite mineralisation.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk densities used in the Mineral Resource Estimate are based on a mean bulk density of 2.80g/cc for all mineralisation. • The bulk density determination was as follows: ALS 0A-GRA08b, which completed specific gravity measurements using a pycnometer which gave a range of 2.75→3.29, with a mean of 3gm/cc.(t/bcm) • In future cross checks on the core using the OA-GRA09 which used the Archemedes method is recommended to take into account any voids or porosity in the natural rock. It is for this reason that an ISBD of 2.8t/bcm was adopted this resource estimate of Lac Rainy.

Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.*
	• *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*
	• *Whether the result appropriately reflects the Competent Person's view of the deposit.*
		• The Mineral Resources have been classified as Exploration Targets, in accordance with the 2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code).
		• A range of criteria has been considered in determining this classification including:
		  • Geological continuity
		  • Data quality
		  • Estimation properties
		The Mineral Resource Classification reflects the views of the Competent Person.

Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Various aspects of the data acquisition, assaying, geological modelling and resource estimation have been independently reviewed at various times over the life of the project. Further work is planned.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• Calculated accuracy and confidence in the Mineral Resource Estimate are not explicitly stated. • However, relative accuracy is reflected in the resource classification, based on statistical analysis, and comparing the output of the results from the interpolation techniques with the mean statistical grades lying within the individual domains and wireframes. • The Exploration Targets are considered to represent a local estimate as there is reasonable confidence in the location of mineralisation and waste domains. • Drilling and additional check assays and bulk density determinations is required for a JORC 2012 Resource Estimate to be estimated. • No production data is available for the Lac Rainy graphite deposit.