

ASX Announcement

16 June 2022

ASX:MLS

Metals Australia to Acquire Key Battery Metals and Gold Projects

- ***tenements with multiple nickel, copper and gold targets in Tier 1 locations***

- Sale agreement executed to purchase 80% of Payne Gully Gold Pty Ltd which holds a suite of highly prospective nickel, gold and copper-gold tenements in Western Australia and the Northern Territory, including:
 - a) The Warrambie Project located between Sabre Resources' Sherlock Bay nickel sulphide deposit¹ and the Andover massive nickel sulphide discovery² in Western Australia's Pilbara region. Warrambie is highly prospective for mafic intrusive nickel-copper-cobalt-PGE sulphide mineralisation.
 - b) The Murchison Project, including five tenements along strike from major gold deposits including the >5Moz Big Bell³ and the >3Moz Mt Gibson mine⁴ in Western Australia's Murchison Province. The Murchison Project tenements are highly prospective for gold, Ni-Cu-Co-PGE and lithium mineralisation.
 - c) The Tennant Creek Project in the Northern Territory which includes three tenements along strike from Warrego high-grade copper-gold deposit⁵ and a tenement southeast of Tennant Creek along strike from Tennant Minerals (ASX:TMS) Bluebird copper-gold discovery⁹. All tenements are considered highly prospective for iron-oxide-copper-gold (IOCG) deposits.
 - The acquisition of Payne Gully will enhance the Company's portfolio of battery metals and gold projects with multiple targets in Tier 1 jurisdictions - Western Australia and Northern Territory.
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Metals Australia Chairman, Mike Scivolo, said:

"The Company has taken advantage of an outstanding opportunity to acquire a suite of highly prospective battery metals and gold projects with multiple drill targets near major deposits in Tier One jurisdictions."

"These new projects give Metals Australia the opportunity to build on its exploration success over the past few months. This includes at our Manindi Project in WA, where multiple high-grade lithium pegmatite intersections have been produced and where we have also identified high-grade zinc resource extensions and made a new vanadium with nickel, copper and cobalt discovery."

"The Payne Gully acquisition is in line with the Company's focus on projects in highly-prospective mineralised terranes such as in the Yilgarn and Pilbara regions of Western Australia and the Tennant Creek region of the Northern Territory."

Metals Australia Ltd (“Metals”, “MLS” or “the Company”) is pleased to announce the execution of a binding sale agreement (“the Agreement”) to acquire an 80% interest in Payne Gully Gold Pty Ltd (“Payne Gully” or, “PGG”), which has a suite of highly prospective battery and precious metals projects in key mineralised regions of Australia, including:

- a) The **Warrambie Project** – a granted exploration licence (EL) E47/4327 in the Pilbara region of Western Australia (Figure 1) located **along strike 15km west of the Sherlock Bay nickel sulphide project** (Sabre Resources Ltd, ASX:SBR)¹. Warrambie is considered highly prospective for mafic intrusive nickel-copper-cobalt sulphide mineralisation analogous to Sherlock Bay and the Andover massive nickel sulphide discovery 20km to the west (Azure Minerals, ASX:AZS)², (see location, Figure 2).
- b) The **Murchison Domain Project**, including granted E51/2058 and four large EL applications located **along strike from major gold deposits such as the >5Moz Big Bell deposit³ and the >3Moz Mt Gibson mine⁴** in the Murchison Province of Western Australia (see Figure 4). The Murchison Domain tenements are considered highly prospective for major gold deposits as well as Ni-Cu-Co-PGE and/or lithium mineralisation.
- c) The **Tennant Creek Project** in the Northern Territory, which includes granted E32725, directly **along strike within the corridor east of the Warrego copper-gold mine** and three EL applications both north and south of Tennant Creek near key iron oxide copper-gold (IOCG) deposits. The Tennant Creek Project is considered highly prospective for IOCG discoveries of the Tennant Creek style.

The Agreement terms provide for the issue of 40 million MLS shares from existing Listing Rule 7.1 capacity upon signing the Agreement and, subject to shareholder approval, the issue of an additional 84 million MLS shares and a cash payment to the PGG vendors of \$300,000 (see detailed Agreement terms, Appendix 1).



Figure 1: Location of Projects to be acquired through purchase of Payne Gully Gold

Warrambie Nickel-Copper-Cobalt Project:

The Warrambie Project (“Warrambie” or, “the Project”) comprises a large (126km²) granted exploration licence, E47/4327, located approximately 40 km east of Roebourne in the western Pilbara in northwest Western Australia (see location and regional geology, Figure 2).

Warrambie is considered prospective for mafic intrusion related Ni, Cu, Co sulphide mineralisation, being centrally located between the Sherlock Bay Ni (Cu-Co) sulphide deposit 15km to the northeast, and the Andover Nickel (Cu-Co) massive to disseminated nickel sulphide deposit 20km to the west (Figure 2).

Sherlock Bay is owned by Sabre Resources Ltd (ASX:SBR) and has a current nickel sulphide resource containing almost 100,000t of nickel (**24.6Mt @ 0.40% Ni, 0.09% Cu, 0.02% Co, containing 99.2Kt Ni¹**). The Andover nickel sulphide discovery of Azure Minerals Ltd (ASX: AZS) has a recently announced resource of **4.6Mt @ 1.11% Ni, 0.47% Cu, 0.05% Co for 51.7Kt contained nickel²** (Figure 2).

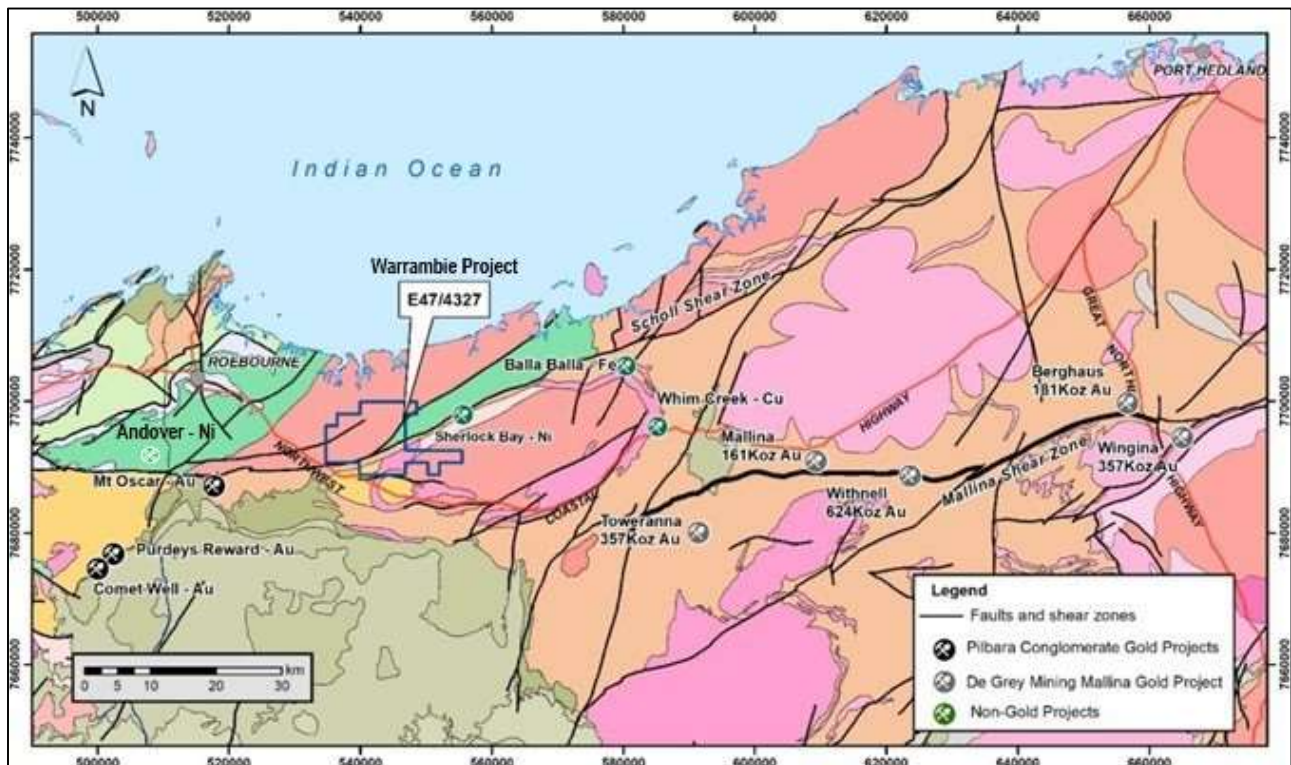


Figure 2: EL47/4327 –Regional geological setting showing main resources and prospects.

Sherlock Bay is hosted within the regional scale Scholl Shear Zone, that strikes ENE and extends southwest, continuing through the centre of the Warrambie tenement (Figures 2 and 3).

Interpretation of geological mapping and regional magnetics indicates that mafic and ultramafic rocks, including the “Sherlock Intrusion”, are offset and entrained by the Scholl Shear Zone. This structural corridor is juxtaposed against folded mafic rocks and felsic volcanics of the Whundo Group, that form a broad northeast – southwest oriented dome that continues to the Whim Creek base metals deposit⁶ 30km to the east of the Warrambie Project (see Figures 2 and 3).

Underlying the predominantly soil covered Warrambie E47/4327 is interpreted extensions of the Sherlock Intrusive, a layered mafic intrusion comprising of gabbro, granophyre and pyroxenite that is associated with the Ni-Cu-Co sulphide mineralisation at Sherlock Bay.

The western end of the previously explored (by Outokumpu in the 1990s) George Sherlock magnetic anomaly, part of the Sherlock Intrusive complex, extends onto EL47/4327 (see Figure 3). The George Sherlock magnetic anomaly is 6.5km long by up to 1km wide trending ENE and is described as a pyroxenite-gabbro complex under transported cover (Figure 3). A TEM survey was conducted over the magnetic anomaly by Outokumpu, resulting in a broad EM conductor on the northern margin of the intrusion. Drilling revealed the intrusion contains sulphides, indicative of sulphur saturation, with anomalous base metal and PGE values recorded with associated sulphides.

The Sherlock Intrusive is similar to the gabbroic intrusive that hosts the Andover nickel sulphide deposit, 20km west of Warrambie, and other intrusive related nickel deposits in WA such as Nova-Bollinger (ASX:IGO)⁷. This association highlights the prospectivity of the Warrambie Project for major Ni-Cu-Co sulphide deposits.

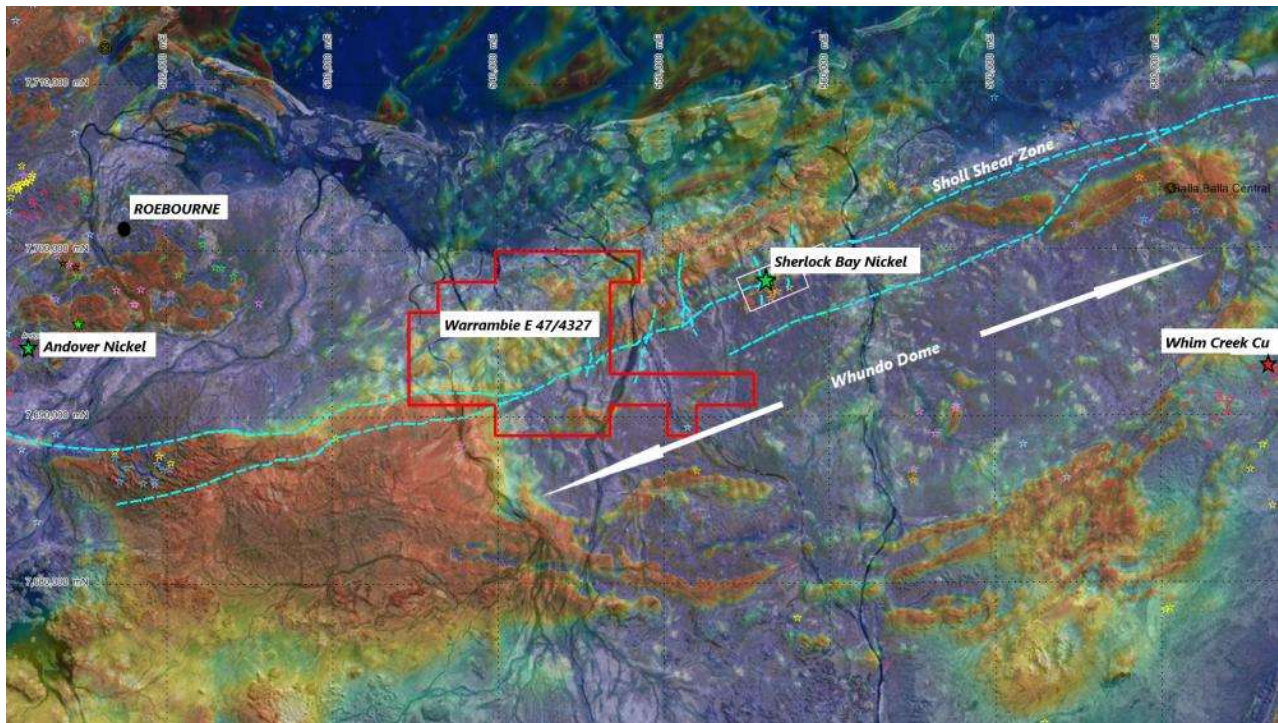


Figure 3: EL47/4327 on regional TMI magnetics imagery with draped aerial photography and project locations

There has been limited effective exploration on the Warrambie tenement due to extensive areas of cover sediments, apart from detailed magnetics modelling and geological interpretation.

An immediate priority is to fly airborne electromagnetics (EM) to locate potential nickel-copper-cobalt bearing sulphide deposits associated with the discrete magnetic features in the vicinity of the Scholl Shear Zone. In addition, detailed gravity is planned, to map the extensions of the highly prospective Sherlock Intrusion.

Targeted Reverse Circulation (RC) and/or diamond drilling would then be carried out to test key EM/mag/gravity targets associated with the Scholl Shear and/or the Sherlock Intrusion for nickel-copper-cobalt-PGE massive to disseminated sulphide deposits.

Murchison Domain Gold Project:

Payne Gully's Murchison Domain tenements include granted Exploration Licence (E51/2058) and five exploration licence applications (E51/2059, E59/2956, E70/5853 and E70/5854) located in the Murchison Domain of the prospective Yilgarn Province of Western Australia (see Figure 1 and Figure 4 below).

The Murchison Domain tenements lie within the regional structural corridor that host major gold deposits, including the Meekatharra and Mt Magnet gold mining centres (Figure 4).

The tenements were acquired by Payne Gully in areas where magnetics and gravity imagery indicates partially subsumed greenstone lithologies and structural settings associated with major gold deposits, either along strike or in adjacent belts.

The granted E51/2058 (White Well) and application E51/2059 (Star Well), are large ELs (123km² and 214km² respectively), located approximately 50km SW of Meekatharra and cover a 50km strike length of the regional scale Chunderloo Shear Zone. The >5Moz Big Bell Gold Mine³ is located 50km along strike to the SW within this corridor, highlighting the potential within these tenements for the location of major gold deposits.

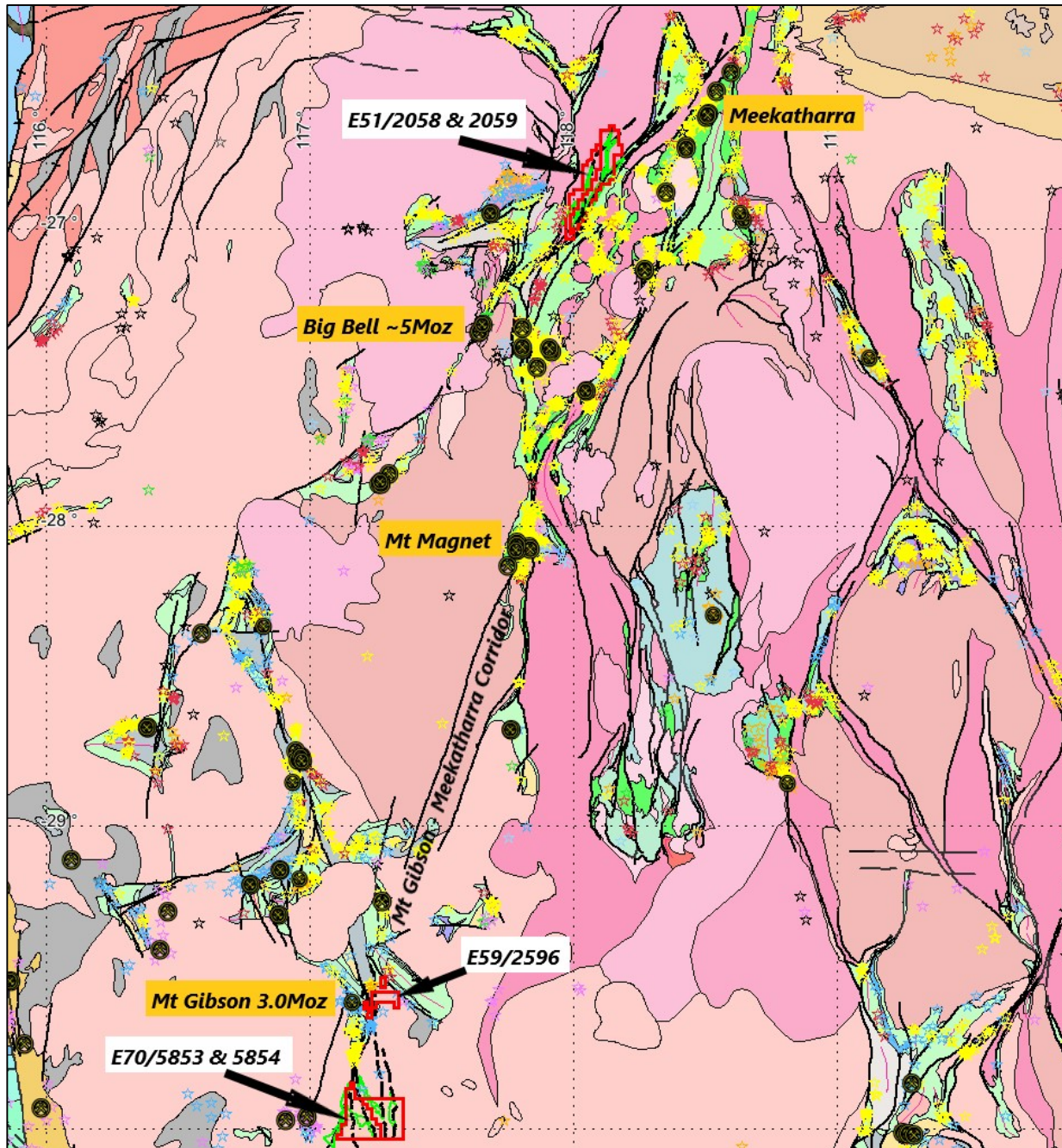


Figure 4: Payne Gully Gold tenement locations, Murchison Domain, WA, with mineral occurrences

Very little previous exploration has been carried out in the White Well and Star Well tenement areas due to extensive soil cover and the lack of recognition of greenstone lithologies and prospective splay structures that are interpreted from magnetic imagery to extend under sediment cover in untested areas.

The Mt Gibson South tenement applications, E70/5853 (Geranium Rock) and E70/5854 (Pedan Rocks), are located 20km south of the 3Moz Mt Gibson gold mine⁴ in an area of cover where interpreted greenstones and fault zones have not been tested. Mt Gibson North E59/2596 is located to the north of Mt Gibson on projected strike extensions of fault zones associated with this major gold deposit.

Partially subsumed basal greenstones (mafic rocks) have been identified within potentially mineralised structural corridors in all of the Murchison Domain tenement areas. Structural targets are clearly evident in magnetic imagery where interpreted greenstones have been intersected by potentially mineralised splay structures – within structural corridors along strike from major gold deposits (e.g., Big Bell³, Mt Gibson⁴).

Most target zones identified within the tenements are in areas of cover where previous testing has been limited. Drill targeting will utilise detailed magnetic and gravity to define basal greenstone geometries and structural targets. Initial testing will include aircore drilling traverses to penetrate to fresh bedrock to determine bedrock lithologies, alteration and multi-element geochemistry. Anomalous areas would then be followed up with RC and/or targeted diamond drilling.

Tennant Creek Copper-Gold Project:

Payne Gully's Tennant Creek Project includes granted EL, E32725 and three ELAs, E32397, E32837 and E32410 ("the Tenements"), (see Figure 5 below).

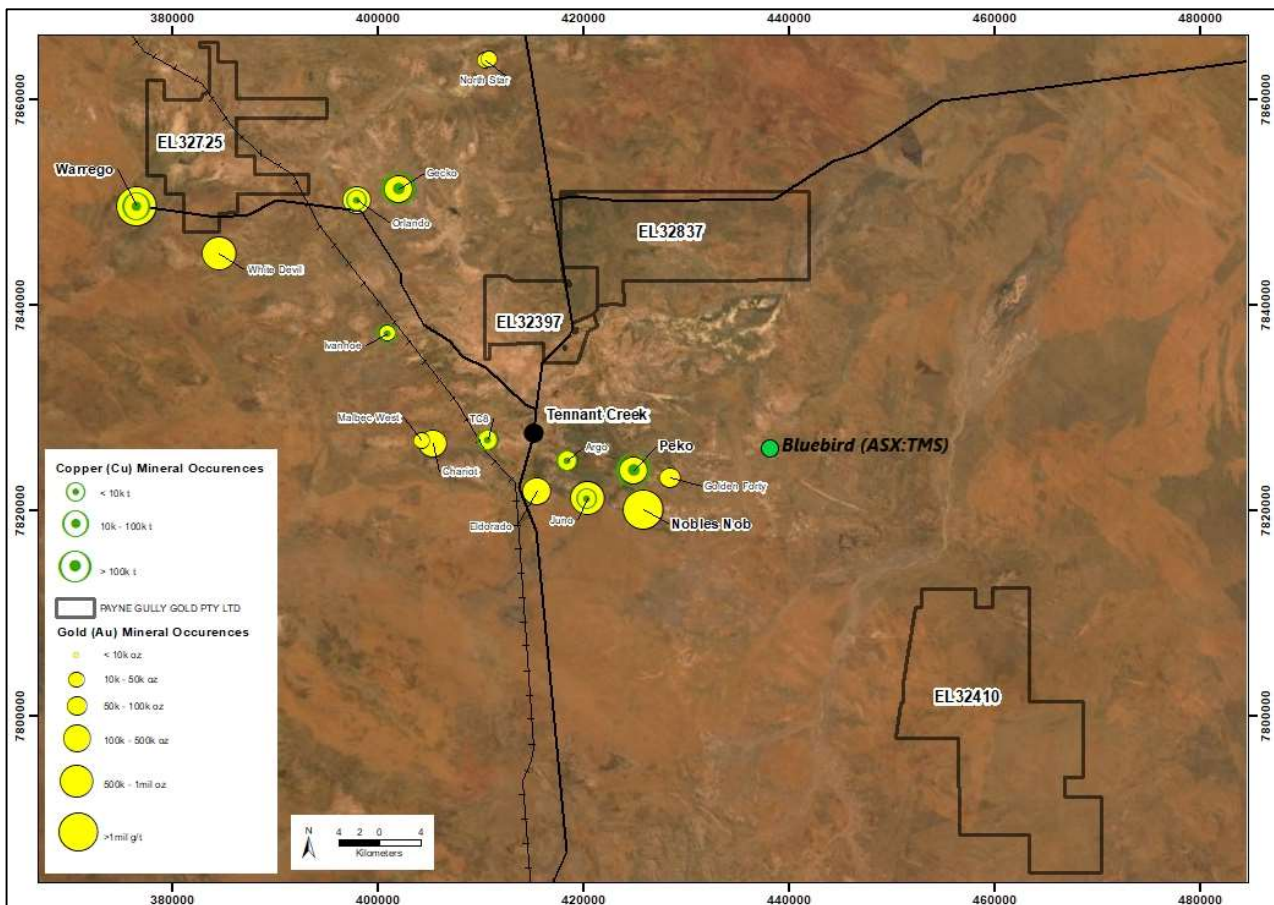


Figure 5: Location of Payne Gully Tenements and major Cu-Au deposits, Tennant Creek

The Tennant Creek tenements surround the mining township of Tennant Creek (Figure 5) which was once the third largest gold producer in Australia and remains highly prospective. Over 5Moz (~160 tonnes) of gold and >500,000t copper has been produced from Tennant Creek since the 1930s⁸. The most notable mines were the Nobles Nob and Peko mines east of Tennant Creek and the Warrego mine to the northwest (Figure 5).

The gold and copper sulphide orebodies in the Tennant Creek Mineral Field are predominantly hosted by the Proterozoic sedimentary rocks of the Warramunga Formation and closely associated with quartz-magnetite/hematite lodes and pipes. The deposit style is categorised as Iron Oxide Copper Gold (IOCG) type.

All of the Payne Gully tenements are located in the Tennant Creek Inlier and interpreted to be underlain by the highly prospective Warramunga Formation (Figure 5, green) as well as the overlying Ooradidgee Group (see Figure 5, pale brown) which is also now interpreted to host mineralisation at Tennant Creek.

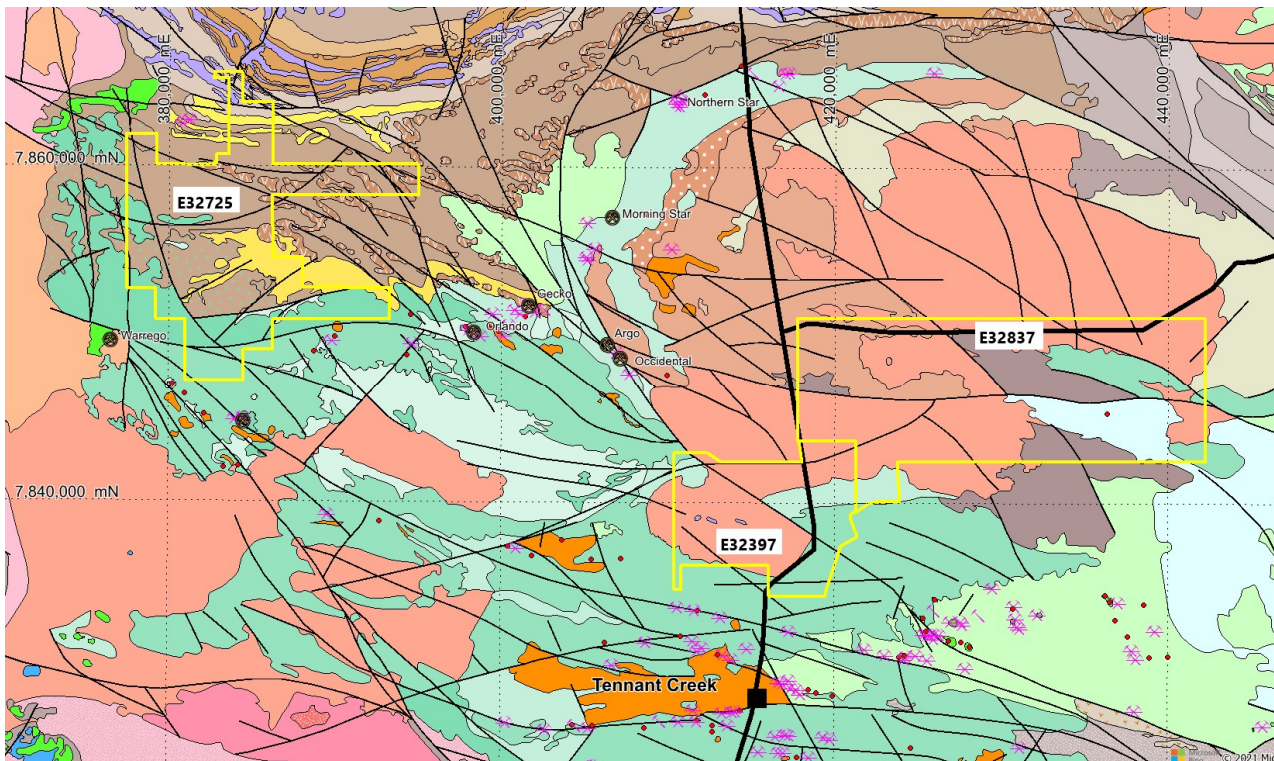


Figure 6: Tennant Creek regional geology with tenements and mineral deposits. Warramunga Formation in green.

Extensive cover sequences and the on-lapping, Cambrian Georgina Basin obscure the underlying Proterozoic rocks in most of the tenements, which has meant that only limited exploration has been carried out, apart from specific drill testing of magnetic anomalies.

The granted Warrego East E32725 covers a large area of interpreted Warramunga Formation, that hosts the majority of the IOCG copper-gold mineralisation in the Tennant Creek area. Immediately to the southwest of the tenement is the Warrego deposit, that produced >1.2 Moz gold and 80Kt of copper in the 1970s to 1980s⁵ and the Orlando, Gecko and Argo deposits occur immediately to the east (Figures 5 and 6).

Preliminary interpretation of regional magnetics indicates an east-west structural corridor linking these deposits that passes through the southern end of E32725. Previous testing of discrete magnetic features (by MIM, Giants Reef and Delta Gold) has largely been limited to shallow RAB drilling in the northern parts of the tenement. Magnetic targets within the corridor linking Warrego to Orlando/Gecko remain untested in an area of sediment cover and appear similar to the Warrego structural setting.

The Company will carry out detailed magnetics and gravity surveys over the key corridor of magnetic anomalies between the Warrego and Gecko/Orlando deposits that passes through E32725 at the southern end of the tenement in an area of cover.

Similar Warramunga Formation targets have been recognised in the other tenement applications, including E32397 and E32837 along strike to the east of the Orlando and Gecko deposits and E32410, along a structural corridor that extends SE from the recent Bluebird copper-gold discovery of Tennant Minerals (ASX:TMS)⁹. Detailed magnetics and gravity surveys will also be carried out once tenements are granted to define buried IOCG targets associated with deformed and mineralised ironstones.

Following interpretation and modelling of the geophysics, targeted RC and/or diamond drilling will test for IOCG, Tennant Creek style, mineralisation within the buried Warramunga Formation units.

About Metals Australia

Metals Australia is actively exploring a number of other highly prospective battery minerals (and base and precious metals) projects within Western Australia and Quebec, Canada.

The immediate objectives of the Company are to build the value of its key battery minerals resource projects through drilling and initial studies to determine economic value and development potential.

Manindi Project

The flagship Manindi Project includes the Manindi Zinc and Manindi Lithium Projects and comprises three granted mining leases (M57/227, M57/240 and M57/533) located in the Murchison District of Western Australia (Figure 7, inset) in close proximity to the Golden Grove Base Metals Mine and Youanmi Gold Mine.

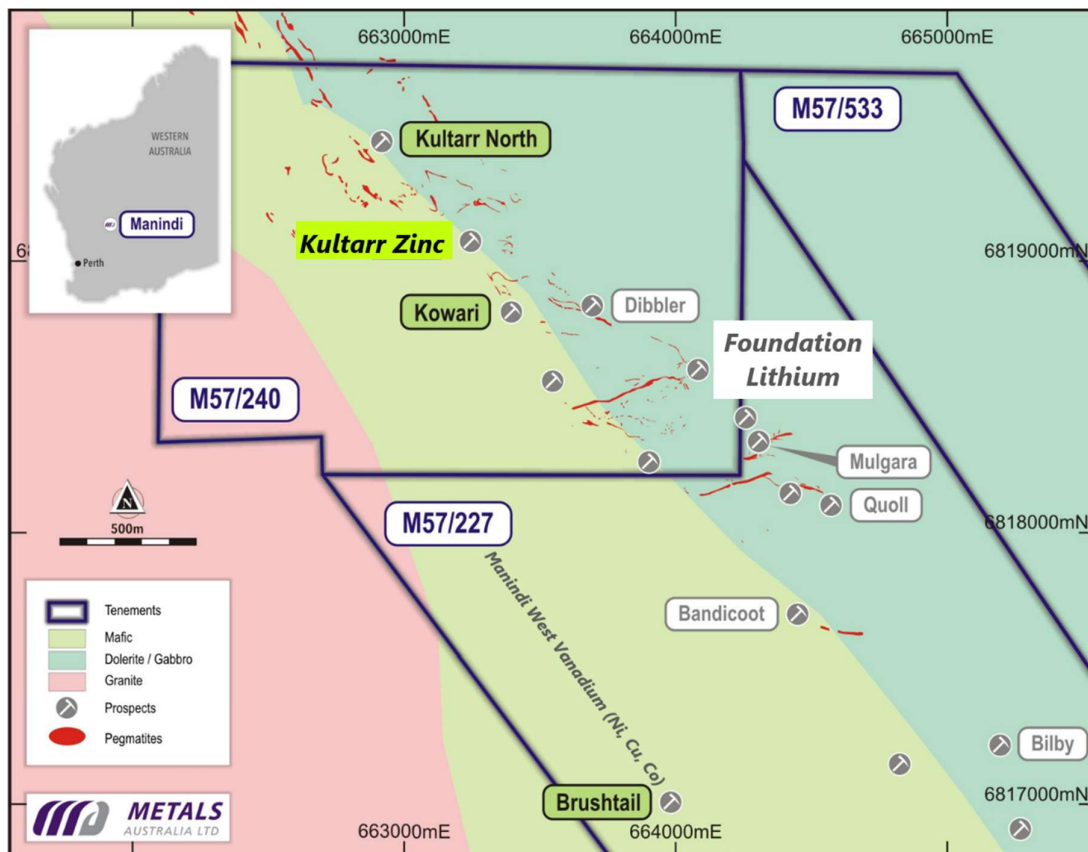


Figure 7: Manindi Project. Location of Kultarr and Kowari zinc prospects and key lithium prospects

The Manindi Zinc Project includes the high-grade **Kultarr and Kowari Zinc deposits** (Figure 7), located close to the northern end of the Project at the boundary between a sequence of mafic intrusive units and mafic volcanics and felsics to the west. These deposits host a JORC 2012, **Measured, Indicated & Inferred Mineral Resource of 1.08Mt @ 6.52% Zn, 0.26% Cu, 3.19% Ag for 70,102t Zn (2% Zn cut-off)**¹² (including a Measured: 37.7kt @ 10.22% Zn, 0.39% Cu, 6.24 g/t Ag; Indicated: 131.5kt @ 7.84% Zn, 0.32% Cu, 4.60 g/t Ag and Inferred: 906.7kt @ 6.17% Zn, 0.25% Cu, 2.86 g/t Ag).

The zinc-copper prospects are regarded as volcanic hosted massive sulphides (VHMS) type, similar to the nearby Golden Grove deposits. The recently announced spectacular zinc intersection in **MNRC070 of 68m @ 3.09% Zn, 0.20% Cu, 2.33 g/t Ag from 89m, including 24.0m @ 6.47% Zn, 0.29% Cu, 3.58 g/t Ag from 100m**¹⁰ was from the Kultarr deposit.

The Company also recently announced a substantial intersection of mafic hosted vanadium bearing titanomagnetite with zones of nickel-copper-cobalt sulphide mineralisation from the previously un-drilled Manindi West magnetic trend (Figure 1) that included an overall intersection of **82m @ 0.30% V₂O₅, 27.5% Fe and >2% Ti** from 48m downhole incl. 52m @ 0.35% V₂O₅, 31.5% Fe, >2% Ti, 0.03% Ni, 0.04% Cu, 181ppm Co from 48m¹³.

The Manindi Lithium Project is described below and includes a series of lithium bearing pegmatites, generally striking east-west, within a 3km strike-length corridor that transect the same mafic intrusive / mafic volcanic boundary as the zinc deposits (Figure 7).

Manindi Lithium Project:

Detailed surface mapping carried out at Mulgara and Warabi, situated approximately 1.3km SE of the Kultarr and Kowari zinc resources (Figure 7), previously identified at least three lithium bearing pegmatites outcropping at surface with strike lengths of over 300m and widths of up to 25-30m.

Re-sampling of previous diamond drillcore that targeted VHMS sulphide mineralisation at Mulgara, produced intersections including¹⁴:

- **15m @ 1.20% Li₂O from 34m, including 5m @ 1.53% Li₂O from 38m in MND018, and,**
- **3m @ 1.00% Li₂O from 41m in MND022.**

Following the positive identification of lithium-caesium-tantalum (LCT) pegmatites at Manindi, a shallow RC percussion drilling program was completed in 2018^{15,16} at the **Mulgara Prospect** to test the three outcropping pegmatite dykes identified.

Significant intersections produced from this RC drilling program at Mulgara included^{15,16}:

- **MNRC030: 8m @ 1.06% Li₂O from 18m incl. 3m @ 1.65% Li₂O with up to 1.96% Li₂O**
- **MNRC032: 7m @ 599ppm Ta₂O₅**
- **MNRC033: 8m @ 1.00% Li₂O from 32m & 7m @ 1.29% Li₂O from 42 m incl. 5m @ 1.53% Li₂O**

Preliminary flotation tests on previous diamond drilling samples produced concentrates with grades up to 3.05% Li₂O and lithium recovery of up to 77% from a concentrated 30% of the mass feed¹⁷. Flotation tails contained significant tantalite mineralisation (Ta₂O₅) that could also be recovered and provide additional upside to the potential economics of the project.

Potential for further improvements in the metallurgical results is high given that the previous tests carried out were scoping level in nature and that the flowsheet had not been optimised for the Manindi mineralization.

Recent mapping and systematic rockchip sampling resulted in the identification of other LCT pegmatites within a 3km corridor at the northwest end of the Manindi Mining Leases. This included the identification of the **Foundation Pegmatite**¹⁸ (Figure 1) that is the largest pegmatite identified to date at Manindi. The Foundation

Pegmatite has a 500m strike-length, trending in a southwest–northeast direction, and includes multiple pegmatite outcrops across a 200m wide zone in a northwest-southeast direction (see Figure 7).

Rockchip sample results averaging **>1% Li₂O with Cs, Ta and >0.4% Rb and up to 2.30% Li₂O and 0.70% Rb¹⁸**, confirm that Foundation is a high-grade LCT pegmatite (Figure 3). These results compare favourably with previous results from rockchip sampling of the **Mulgara pegmatites** that produced high-grade results of up to **2.84% Li₂O, 296 ppm Ta₂O₅ and up to 746ppm Cs₂O¹⁶**.

The Company recently completed a 44 hole, ~3,500m, RC drilling program¹⁹ that tested the Foundation and Mulgara Pegmatites (Figure 7) as well as other nearby zones (e.g., Dibbler, Quoll). Significant lithium-rubidium results have been produced from results received to date from the Foundation Pegmatite, including the following thick and high-grade intersection^{19,20}:

- **16m @ 1.12% Li₂O, 0.32% Rb from 19m in MNRC042, incl. 13.0m @ 1.25% Li₂O, 0.34% Rb¹⁹**
- **11m @ 1.23% Li₂O, 0.31% Rb from 16m in MNRC045, incl. 5m @ 1.47% Li₂O, 0.30% Rb²⁰**

Final results from the remaining holes in the program are expected to be received shortly.

Following diamond drilling, further metallurgical testwork will be carried out to optimise lithium and rubidium recovery and differentiate the tantalum mineralisation, prior to developing a lithium-rubidium-tantalum processing flowsheet. The Company then plans to initiate scoping studies into a Manindi mining and processing operation.

Lac Rainy Graphite Project, Quebec, Canada

The Company's other flagship, the Lac Rainy Graphite Project ("Lac Rainy" or the "Project"), is located in Quebec, Canada, in close proximity to the operating mines around Fermont and is 100% owned by Metals Australia. The Project hosts **a JORC 2012 Indicated and Inferred Resource of 13.3Mt @ 11.5% Total Graphitic Carbon (Cg)²¹** (including Indicated: 9.6Mt @ 13.1% Cg and Inferred: 3.7Mt @ 7.3% Cg).

In 2021 Metals Australia completed a Phase 1 Scoping Study that highlighted the significant economic potential of the Lac Rainy Graphite Project²².

Recently completed Phase 2 metallurgical tests have produced very encouraging results²³ based on the optimum flowsheet developed through testing of a composite sample from the high-grade Lac Rainy Graphite Project grading **16.2% Cg**. Highlights of the Phase 2 testing program are as follows:

- i) Optimised tests produced a combined, -150µm and +150µm, **concentrate grade of 96.8% Cg**, which is at the upper end of the targeted purity range of 95% to 97% Cg²³.
- ii) The proportion of larger flake recovered under these optimised grinding and flotation conditions was 13.9% in the +150µm fraction, at a **very high-purity of 97.4% Cg²³**.
- iii) Locked closed circuit (LCT) testwork produced a **very-high overall recovery into the concentrate of 95.1% Cg**. Concentrate grade was maintained in target range at 95.5% Cg²⁴.

The flow-sheet development program has significantly improved the conditions of the rougher, primary cleaning and secondary cleaning flotation circuits.

The Company is now very close to finalising the generation of the bulk, high-purity, flake-graphite concentrate sample, targeting 5 to 10kg of material at a grade of >94% Cg.

This bulk flake-graphite concentrate sample will shortly be sent to ProGraphite in Germany, to conduct specialist downstream testwork; including spheroidization and purification, to be followed by battery testwork to determine the quality of the Lac Rainy graphite products for use in lithium-ion battery applications.

This downstream testwork will provide impetus to discussions with potential off-take and/or funding partners to assist driving the Lac Rainy Project towards feasibility, development and production.

Eade-Felicie-Pontois Copper-Gold-Polymetallic Projects, Canada

The Eade-Felicie-Pontois Copper-Gold-Polymetallic Projects are located in northern Quebec, Canada, in the Lac Grande Greenstone Belt. The Company has received the results of a Time-Domain Electromagnetic (TDEM) and heliborne Magnetic (MAG) survey that confirmed areas of identified mineralisation and identified new targets to be field tested across the extensive 15km strike corridor of identified targets²⁴.

The Company recently completed a reconnaissance fieldwork program over high priority target areas and, based on re-evaluation of the geophysical interpretation and a more intensive and systematic fieldwork program, will be finalising plans for an initial drilling campaign.

Lac du Marcheur Copper-Cobalt Project, Canada

The Lac du Marcheur Copper-Cobalt Project is located in central Quebec, Canada, in close proximity to the Chilton Copper-Cobalt project. An initial field program was undertaken by the Company in 2017 which confirmed the historical high-grade copper and cobalt occurrences and prospects on surface.

The Company has recently completed an airborne TDEM and MAG survey over the entire tenement area. The preliminary processed results of these surveys have highlighted several conductors aligned and coincident with magnetic trends/lineaments trending NW-SE to NNE-SSW. These conductors/anomalies may be associated with graphitic and/or sulphidic zones and field work will be carried out to identify the source of the conductors/anomalies²⁴.

References

- ¹ Sabre Resources Ltd (ASX:SBR), 12th June 2018. Resource Estimate for the Sherlock Bay Nickel-Copper- Cobalt Deposit.
- ² Azure Minerals Limited (ASX:AZR), ASX release 30th March 2022. Azure Delivers Maiden Mineral Resource for Andover.
- ³ Portergeo.com.au/database/mineinfo.asp?mineid=mn238. Big Bell, Western Australia. 31 December 2018.
- ⁴ Capricorn Metals Ltd (ASX:CMM), 28th July 2021. Capricorn Acquires 2.1 Million Ounce Mt Gibson Gold Project.
- ⁵ Portergeo.com.au/database/mineinfo.asp?mineid=mn040. Tennant Creek - Gecko, Warrego, White Devil, Nobles Nob, Juno, Peko, Argo, Orlando, TC8. Northern Territory, NT, Australia.
- ⁶ Anax Metals Limited (ASX:ANX), ASX release 12th April 2022. Spectacular Massive Sulphides Intersection at Whim Creek.
- ⁷ Portergeo.com.au/database/mineinfo.asp?mineid=mn1574. Nova Bollinger, Western Australia, Australia.
- ⁸ Skirrow R.G. 2000, Gold-Copper-Bismuth deposits of the Tennant Creek district, Australia.
- ⁹ 08 March 2022. Tennant Minerals (ASX. TMS): Spectacular 50m @ 2.70% copper intersection at Bluebird.
- ¹⁰ Metals Australia Ltd, 24 May 2022. Exceptional 68m @ 3.09% Zinc Intersection at Manindi.
- ¹¹ Metals Australia Ltd, 26 May 2022. Multiple High-Grade Lithium Intersections from Manindi Pegmatites.
- ¹² Metals Australia Ltd, 25 July 2017. C4 Conductor Delivers High Grade Zinc Intersection at Manindi.
- ¹³ Metals Australia Ltd, 09 June 2022. Substantial Vanadium (Iron-Titanium) Intersection at Manindi.
- ¹⁴ Metals Australia Ltd, 21 March 2017. High Grade Lithium Bearing Pegmatites Discovered at Manindi.
- ¹⁵ Metals Australia Ltd, 12 June 2018. Lithium pegmatite drilling program commences at Manindi Lithium Project.
- ¹⁶ Metals Australia Ltd, 24 July 2018. Results of RC percussion drilling program at Manindi Lithium Project.
- ¹⁷ Metals Australia Ltd, 13 April 2018. Preliminary Metallurgical Test program underway at Manindi Lithium Project.
- ¹⁸ Metals Australia Ltd, 10 November 2021. High Grade Lithium-Tantalum Results from Manindi Pegmatites.
- ¹⁹ Metals Australia Ltd, 3 May 2022. Excellent Drill Hits from Manindi pegmatites.
- ²⁰ Metals Australia Ltd, 16 May 2022. Thick Lithium Bearing Pegmatite Intersections at Manindi.
- ²¹ Metals Australia Ltd, 15 June 2020. Metals delivers High Grade Maiden JORC Resource at Lac Rainy Graphite Project.
- ²² Metals Australia Ltd, 3 February 2021. Lac Rainy Graphite Study delivers strong economics with Significant Upside.
- ²³ Metals Australia Ltd, 28 February 2022. Outstanding 96.8% Flake Graphite Concentrate for Lac Rainy.
- ²⁴ Metals Australia Ltd, 28 April 2022. Quarterly Activities Report for the Quarter Ended 31 March 2022.

An Appendix 3B follows this announcement to reflect the issue of the initial consideration securities under the Agreement.

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

*****ENDS*****

For further information, please refer to the Company's website or contact:

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Cautionary Statement regarding Forward-Looking information

This document contains forward-looking statements concerning Metals Australia Limited. 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 Limited 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 Statement

The information in this report that relates to exploration results has been reviewed, compiled and fairly represented by Mr Nick Burn. Mr Burn is the Exploration Manager of Metals Australia Limited and a member of the AIG. Mr Burn has sufficient experience relevant to the style of mineralisation and type of deposits under consideration to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee ('JORC') Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Burn consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Mineral Resources and Exploration Targets has been reviewed, compiled and fairly represented by Mr Jonathon Dugdale. Mr Dugdale is a Technical Advisor to Metals Australia Ltd and a Fellow of the Australian Institute of Mining and Metallurgy ('FAusIMM'). Mr Dugdale has sufficient experience, including over 34 years' experience in exploration, resource evaluation, mine geology and finance, relevant to the style of mineralisation and type of deposits under consideration to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee ('JORC') Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Dugdale consents to the inclusion in this report of the matters based on this 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.

Appendix 1: Significant Terms of the Payne Gully Sale Agreement

1. The parties to the Payne Gully Sale Agreement are Metals Australia Ltd as Purchaser, James Del Piano and Coniston Pty Ltd as Vendors (“Vendors”) and Payne Gully Gold Pty Ltd.
2. The issue of 40 million MLS shares to the Vendors out of the Metals current ASX Rule 7.1 placement capacity on signing the Agreement at a deemed issue price of \$0.07, and,
3. Subject to shareholder approval:
 - A. the issue of an additional 84 million MLS shares (deemed issue price \$0.07), and,
 - B. A cash consideration payment to the Vendors of \$300,000.
4. In addition, at Settlement Metals Australia Ltd must advance \$200,000 to Payne Gully Gold Pty Ltd to provide funds for expenses and debt payments.