

ASX Announcement

15 August 2019

Diamond Drilling at the Lac Rainy Graphite Project Intersects Further Wide Zones of Graphite Mineralisation

Highlights:

- **Assay results for a further four holes received** – assay results are pending for remaining five holes
- **All drill holes intersected wide zones of graphite mineralisation** – LR19-15, LR19-16 and LR19-17 remain open at depth ending in mineralisation
- The Carheil Graphitic trend has now been **drill tested for a strike length of over 1.6km (an increase of more than 100%) and remains open along strike in both directions for over 3.2km**
- DDH LR19-13* intersected multiple zones of graphite, including:
 - **10.2m at an average grade of 5.54% Cg** at a depth from 104.8m to 115.0m
 - **12.05m at an average grade of 8.41% Cg** at a depth from 166.45m to 178.5m
- DDH LR19-15* intersected multiple zones of graphite, including:
 - **6.0m at an average grade of 5.6% Cg** at a depth from 40.0m to 46.0m
 - **10.4m at an average grade of 7.36% Cg** at a depth from 133.6m to 144.0m
 - **18.6m at an average grade of 6.1% Cg** at a depth from 164.4m to 183.0m
 - **5.5m at an average grade of 7.1% Cg** at a depth from 193.5m to 199.0m – **hole ended in graphite mineralisation and remains open at depth**
- DDH LR19-16* intersected multiple zones of graphite, including:
 - **6.0m at an average grade of 5.6% Cg** at a depth from 97.0m to 103.0m
 - **7.4m at an average grade of 7.5% Cg** at a depth from 142.1m to 149.5m – **graphite mineralisation remains open at depth**
- DDH LR19-17* intersected multiple zones of graphite, including:
 - **7.5m at an average grade of 6.1% Cg** at a depth from 97.5m to 105.0m
 - **23.0m at an average grade of 11.0% Cg** at a depth from 139.0m to 162.0m – **hole ended in graphite mineralisation and remains open at depth**
- The drill holes were located in the same area as LR19-11, LR19-12 and LR19-14 targeting the most North West part of the drill tested area along the Carheil Graphitic trend. These holes are located the furthest distance away from the high-grade Lac Carheil prospect which is located at the South East end of the mineralised trend – **the holes demonstrate that graphite mineralisation continues along strike over an extensive distance**

* see page 4 and page 5 for detailed table of drilling results.

REGISTERED OFFICE

Level 1, 8 Parliament Place
West Perth, Western Australia 6005
PO Box 1618 West Perth WA 6872

T +61 8 9481 7833
F +61 8 9481 7835

mls@metalsaustralia.com.au
metalsaustralia.com.au

METALS AUSTRALIA LTD ABN 38 008 982 474

ASX CODE **MLS**



Metals Australia Ltd (ASX: **MLS**) is pleased to announce the assay results received for a further four (4) holes of the seventeen (17) hole diamond drilling program completed at the Company's 100%-owned Lac Rainy Graphite Project, located in Quebec, Canada.

To date the Company has announced the assay results of eight (8) holes and the Company is still awaiting the assay results for a further five (5) holes (*refer to ASX announcement dated 3 July 2019 and titled "Exceptionally Wide High-Grade Graphite Zones Intersected" and ASX announcement dated 6 August 2019 and titled "Additional Wide Graphite Zones Intersected at Lac Rainy"*).

The diamond drilling at the Lac Rainy Project has intersected multiple wide zones of high-grade graphite, near surface. Graphite mineralisation has been encountered in every drill hole reported.

The maps below illustrate the drill hole locations from the program at the Lac Carheil prospect within the Lac Rainy Project (*Figure 1*) and for the North West part of the Carheil Graphitic trend (*Figure 2*).

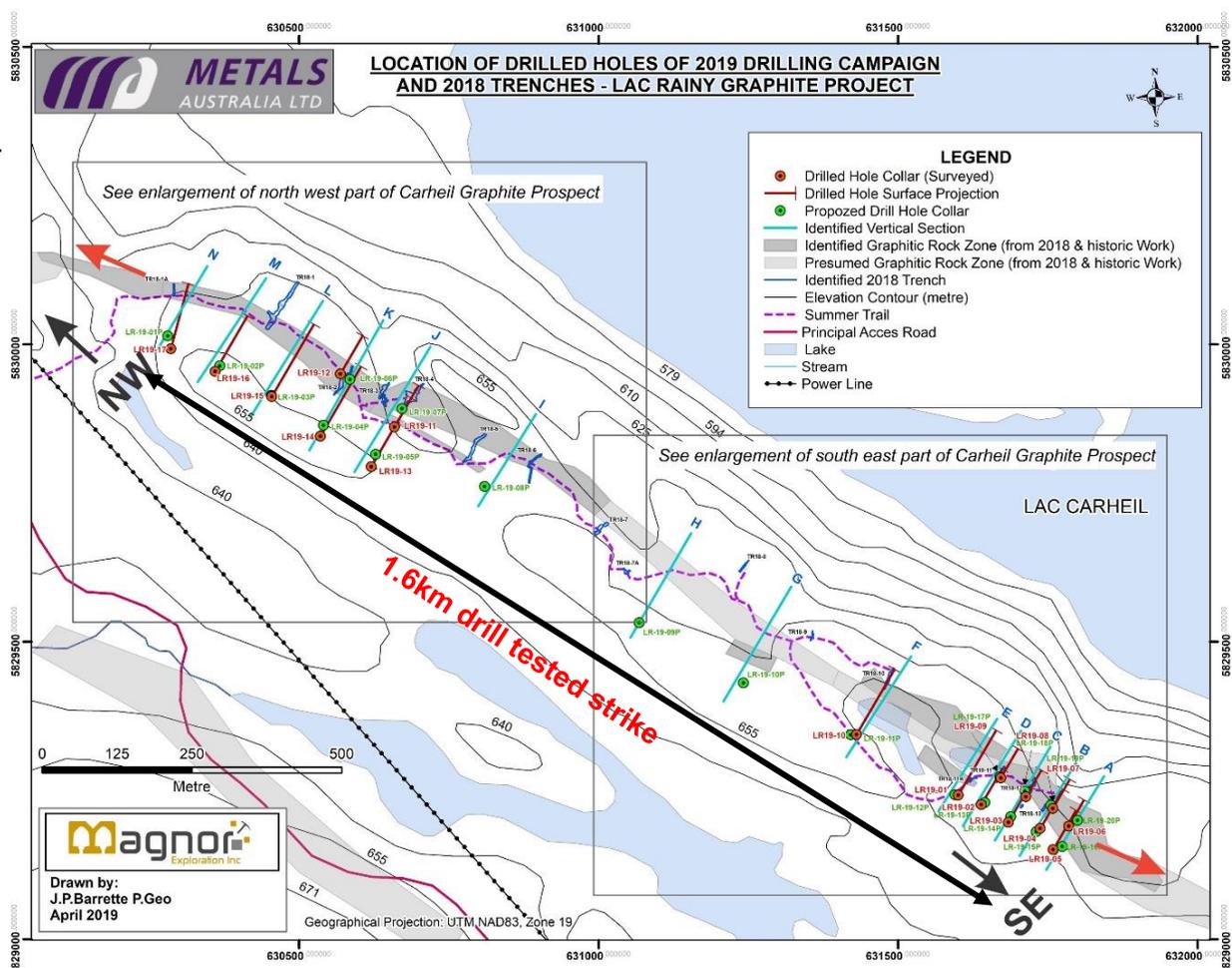


Figure 1: Diamond drill hole location map from the Phase II exploration program at the Lac Rainy Graphite Project

The drill holes (LR19-13, LR19-15, LR19-16 and LR19-17) were located in the same area as LR19-11, LR19-12 and LR19-14 (*previously reported*). The holes were targeting the most North West part of the drill tested area along the Carheil Graphitic trend. This has now been drill tested for in excess of 1.6km by this current program, **representing an increase in the drill tested strike length of more than 100%**.

The North West part of the Carheil Graphitic trend has a drill tested strike length of 415m contained within the overall drill tested zone encompassing the North West part and the South East part of the Carheil Graphitic trend which has a total drill tested strike length in excess of 1.6km.

The completion of these seven (7) drill holes in the North West part of the Carheil Graphitic trend demonstrates that the graphite mineralisation continues along strike over a distance of more than 1.6km.

All of the drill holes intersected multiple zones of graphite mineralisation, both near surface and at depth.

The drill results received so far are highly encouraging. High-grade graphite mineralisation was encountered in every hole and most holes ended in mineralisation. This shows the continuity of the graphite mineralisation both along strike and at depth. The drilling only covers approximately 1.6km of the mapped and sampled strike length of over 3.2km.

The Company is currently extending the strike length by a further mapping and sampling program. Once completed the Company intends to extend the drilling along strike. It is clear that significant upside exists both in tonnage and grade potential at Lac Rainy.

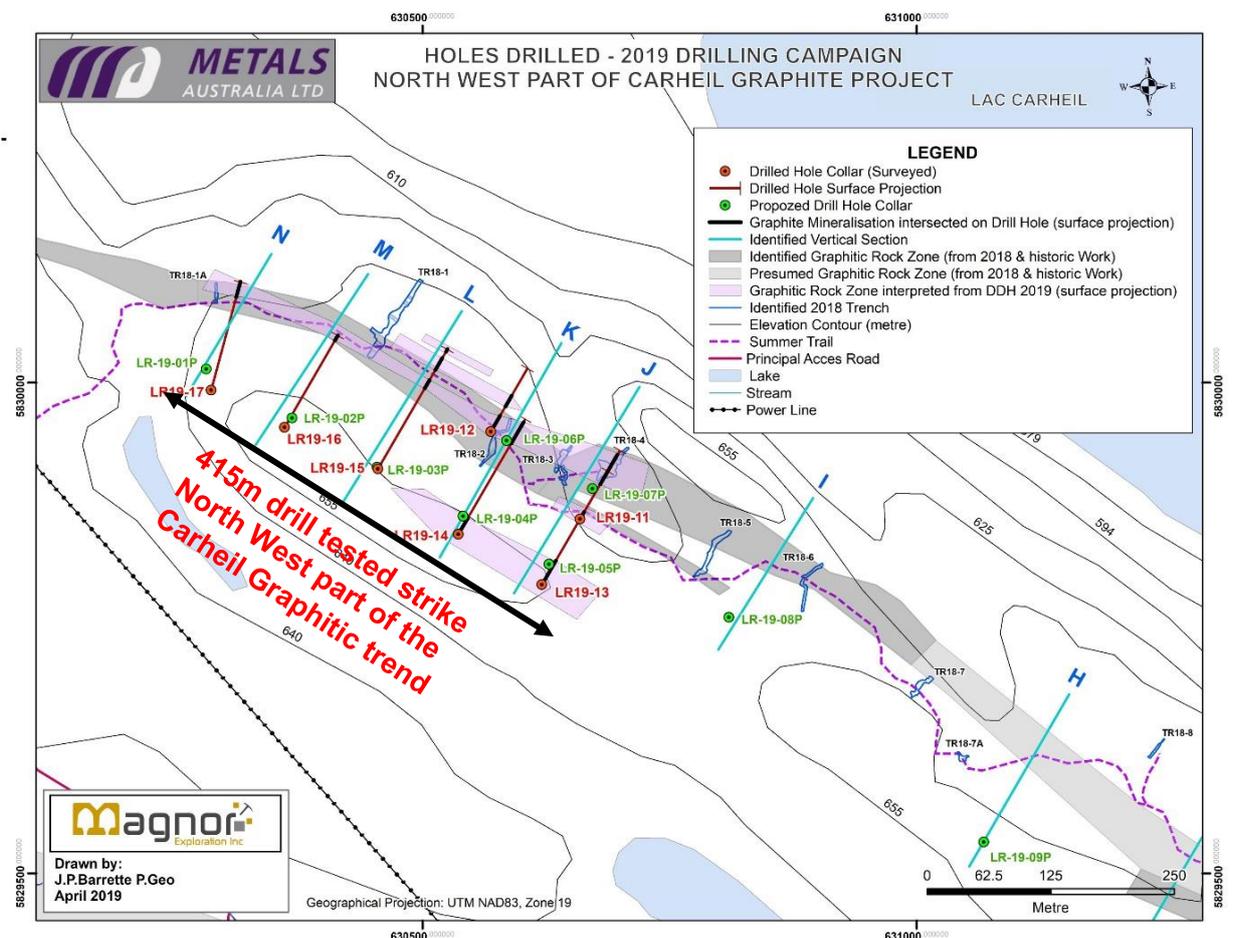


Figure 2: Diamond drill hole location map for the North West part of the Carheil Graphitic trend at the Lac Rainy Graphite Project

The assay results for LR19-13, LR19-15, LR19-16 and LR19-17 have confirmed that the graphite mineralisation not only extends over a considerable distance along surface but also continues at depth. As the graphite mineralisation remains open at depth, particularly at drill holes LR19-15, LR19-16 and LR19-17, the resource potential at Lac Rainy is significant and it is expected that considerable upside will be realised from follow-up exploration work.

Commenting on the drill assay results, Director of Metals Australia, Mr Gino D'Anna stated:

“The completion of these drill holes combined with the three drill holes previously reported in the North West part of the Carheil Graphitic trend have more than doubled our drill tested strike length which is now in excess of 1.6km. The achievement of such a significant result is an extraordinary outcome for our Company and we are very excited about the future of Lac Rainy which is shaping up to be a potentially world-class deposit in both size and grade in arguably one of the safest operating jurisdictions in the world.

To date our drilling has demonstrated that the graphite mineralisation at Lac Rainy extends over a considerable distance to the North West from the historical high-grade Lac Carheil prospect, which is located at the South East end of the Carheil Graphitic trend. With assay results now received for all seven holes drilled into the most North West part of the area drill tested along Carheil Graphitic trend, the Company now has the confidence to conclude that the graphite mineralisation identified on surface extends at depth and its grade is amongst some of the highest encountered. This underpins our belief that the Lac Rainy project is host to a significant resource.

Drilling at Lac Rainy has intersected multiple wide zones of high-grade graphite, with many intersections occurring near surface. The results continue to suggest that Lac Rainy is host to a potentially world-class high-grade natural flake graphite deposit, located in a low risk jurisdiction and in close proximity to key infrastructure and mining-related services.

Recent metallurgical testing has demonstrated its ability to produce a high purity, large flake and high carbon graphite concentrate ideal for high-end technical applications. A more detailed program of metallurgical and mineralogical test work will commence as soon as assay results are received for all drill holes. The results of the metallurgical test work will be used to support our continued discussions with potential end-user groups.”

Detailed Overview of Results

Significant intersections received in the drilling include:

- DDH LR19-13 intersected multiple zones of graphite, including:
 - **10.2m at an average grade of 5.54% Cg** at a depth from 104.8m to 115.0m
 - **12.05m at an average grade of 8.41% Cg** at a depth from 166.45m to 178.5m
- DDH LR19-15 intersected multiple zones of graphite, including:
 - **6.0m at an average grade of 5.6% Cg** at a depth from 40.0m to 46.0m
 - **10.4m at an average grade of 7.36% Cg** at a depth from 133.6m to 144.0m
 - **18.6m at an average grade of 6.1% Cg** at a depth from 164.4m to 183.0m
 - **5.5m at an average grade of 7.1% Cg** at a depth from 193.5m to 199.0m – **hole ended in graphite mineralisation and remains open at depth**
- DDH LR19-16 intersected multiple zones of graphite, including:
 - **6.0m at an average grade of 5.6% Cg** at a depth from 97.0m to 103.0m
 - **7.4m at an average grade of 7.5% Cg** at a depth from 142.1m to 149.5m – **graphite mineralisation remains open at depth**
- DDH LR19-17 intersected multiple zones of graphite, including:
 - **7.5m at an average grade of 6.1% Cg** at a depth from 97.5m to 105.0m
 - **23.0m at an average grade of 11.0% Cg** at a depth from 139.0m to 162.0m – **hole ended in graphite mineralisation and remains open at depth**

Discussion of Results

High-grade graphite mineralisation was intersected in drill hole LR19-17 over an interval of 23.0m with an average grade of 11.0% Cg with the hole ending in mineralisation, suggesting that mineralisation remains open at depth.

A drill hole plan view section of LR19-17 is illustrated below:

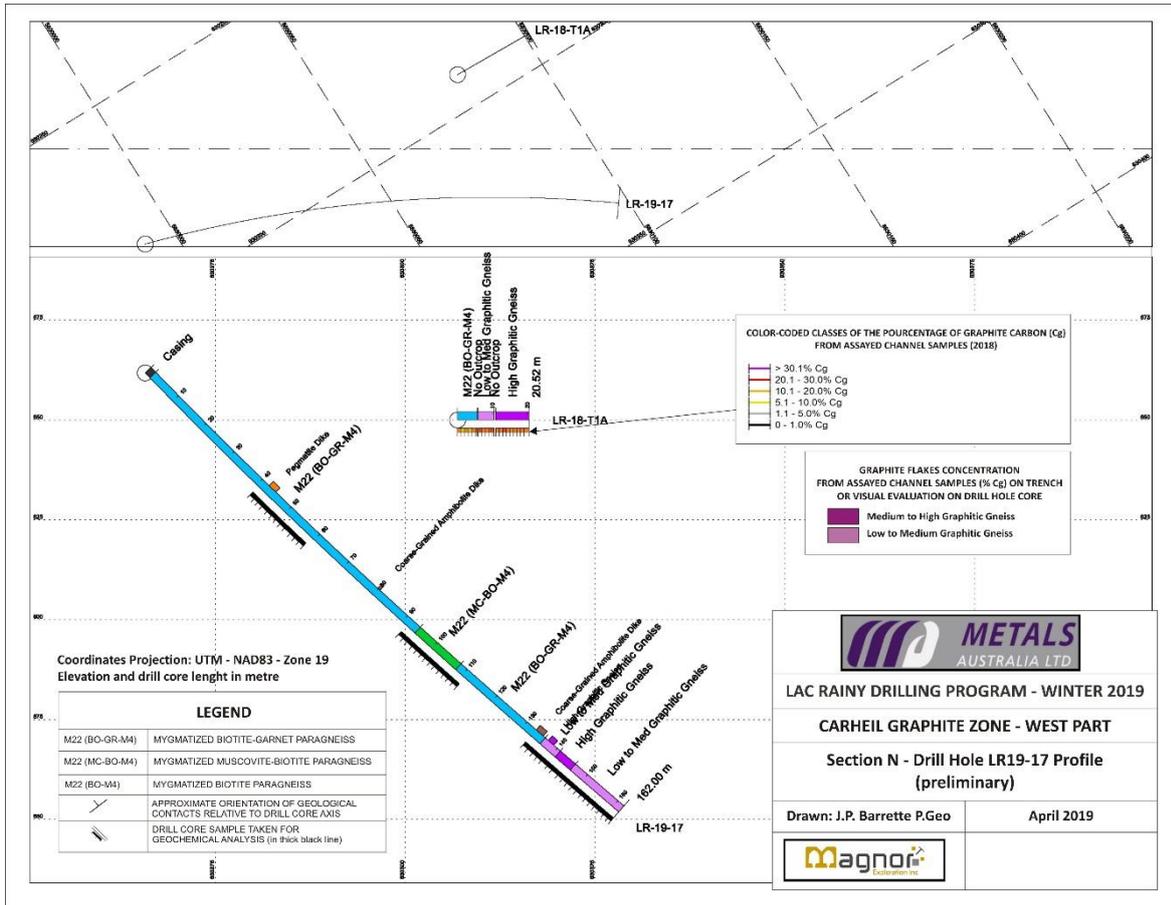


Figure 3: Drill hole plan view section of LR19-17 at the Lac Rainy Graphite Project

The down-dip extensions of the graphite mineralisation has been intersected in each of the four (4) holes drilled within the North West part of the Carheil Graphitic trend.

A drill hole plan view section of LR19-15 is illustrated below:

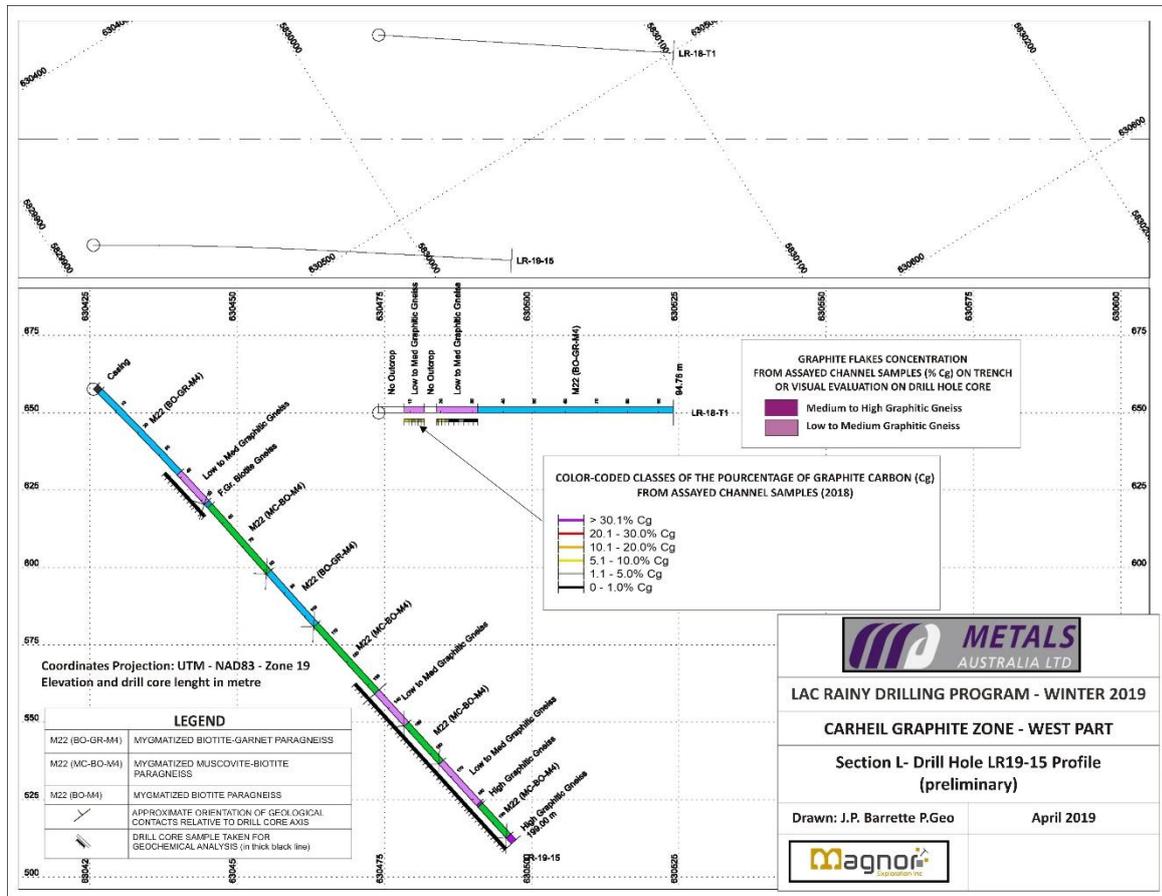


Figure 4: Drill hole plan view section of LR19-15 at the Lac Rainy Graphite Project

Detailed Metallurgical Testing Program

Once the Company has received the assay results from the completed seventeen (17) diamond drill hole program, the Company will send selected samples for metallurgical and mineralogical test work.

The Company has engaged SGS Canada Inc. (SGS) as the laboratory to undertake the program of metallurgical and mineralogical test work given their involvement in the testing program completed at the neighbouring Lac Knife Graphite Project, owned by Focus Graphite Inc.

End User / Project Development Partner Engagement

Metals Australia is focusing on the North American end user market and North American project development partners for its high-grade graphite concentrate.

The Company has been collaborating with a specialist North American downstream graphite/graphene product manufacturer and marketing agent in relation to the Lac Rainy graphite project. The group is awaiting the results of the metallurgical test work to enable it to target the most appropriate end users for the product/s the Company intends to produce.

About the Lac Rainy Graphite Project

The Lac Rainy Graphite Project is located in one of the premier graphite geological regions of Quebec. It sits approximately 22 km south-west of the historic mining town of Fermont and 260 km north-northeast of the city of Sept-Îles. The Lac Rainy Graphite Project is approximately 15 km east of Route 389, a paved highway which travels north to Fermont. These road networks link the Lac Rainy Graphite Project with the major ports along the St Lawrence River in Quebec offering the Company a route to the seaborne market as well as the North American and South American markets.

The Lac Rainy Graphite Project covers an area of more than 4,600 hectares representing 88 mineral claims and is contiguous with Focus Graphite's Property to the southwest, which hosts the Lac Knife Graphite Deposit, containing a Measured and Indicated Resource of 9.576 Mt @ 14.77% Cg and an Inferred Resource of 3.102 Mt @ 13.25% Cg at a 3.0% Cg cut-off.

The global transition to renewable energy and adoption of lithium-ion batteries as a means of energy storage places significant focus on high-value raw materials, such as graphite, lithium, cobalt, nickel, copper and manganese. In the long term, Roskill (an independent research organization) is of the opinion that the continuing closure of processing plants in China and increasing demand for high-quality graphite concentrates will place upward pressure on graphite prices.

ENDS

For more information, please contact:

Gino D'Anna
Director
Metals Australia Ltd
Phone: +61 400 408 878

Martin Stein
Company Secretary
Metals Australia Ltd
Phone: +61 8 9481 7833

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.

Appendix A: Summary Coordinates of DDH LR19-01 to DDH LR19-17 (inclusive)

Drilled Hole	Section	UTM X (NAD 83, Zn19)	UTM Y	Dip	Azimuth	Elevation (m)	Length (m)
LR19-01	E	631600.61	5829242.33	-50	30	660.29	198
LR19-02	D	631638.83	5829226.50	-45	30	662.91	99
LR19-03	C	631684.15	5829196.68	-50	30	658.45	111
LR19-04	B	631737.24	5829186.26	-55	30	660.39	120
LR19-05	A	631758.86	5829150.80	-50	30	656.86	120
LR19-06	A	631785.01	5829190.06	-50	30	661.22	81
LR19-07	B	631758.55	5829220.18	-50	30	662.76	81
LR19-08	C	631713.50	5829239.80	-50	30	667.26	82
LR19-09	D	631670.00	5829272.00	-50	30	667.87	90
LR19-10	F	630659.30	5829861.11	-50	30	659.40	198
LR19-11	J	630659.30	5829861.11	-45	30	641.22	126
LR19-12	K	630569.14	5829950.14	-50	30	648.79	117
LR19-13	J	630620.64	5829794.28	-45	30	653.86	189
LR19-14	K	630536.06	5829845.55	-45	30	659.50	192
LR19-15	L	630454.76	5829912.30	-45	30	657.61	199
LR19-16	M	630360.20	5829954.56	-45	30	660.85	153
LR19-17	N	630285.97	5829992.36	-45	15	661.81	162

Appendix B: Laboratory Assay Results (DDH LR19-13, DDH LR19-15, DDH LR19-16 and DDH LR19-17)

Drillhole ID	From	To	Length	Sample number	% Cg	% S	Sample Certificate ID
LR-19-13	32.00	33.50	1.50	A65734	1.91	1.63	VO19117798
LR-19-13	33.50	34.80	1.30	A65735	1.59	1.08	VO19117798
LR-19-13	34.80	36.50	1.70	A65736	4.64	2.14	VO19117798
LR-19-13	36.50	38.00	1.50	A65737	5.48	1.62	VO19117798
LR-19-13	38.00	39.70	1.70	A65738	4.93	2.02	VO19117798
LR-19-13	39.70	41.00	1.30	A65739	0.43	0.09	VO19117798
LR-19-13	41.00	42.50	1.50	A65741	0.09	0.03	VO19117798
LR-19-13	52.50	54.00	1.50	A65742	0.23	0.05	VO19117798
LR-19-13	54.00	55.50	1.50	A65743	0.54	0.17	VO19117798
LR-19-13	55.50	57.00	1.50	A65744	0.98	0.17	VO19117798
LR-19-13	57.00	58.20	1.20	A65746	1.33	0.53	VO19117798
LR-19-13	58.20	60.50	2.30	A65747	0.30	0.03	VO19117798
LR-19-13	60.50	62.10	1.60	A65748	1.36	0.42	VO19117798
LR-19-13	62.10	63.30	1.20	A65749	0.53	0.47	VO19117798
LR-19-13	63.30	65.00	1.70	A65750	1.93	0.83	VO19117798
LR-19-13	65.00	66.50	1.50	A65751	0.24	0.07	VO19117798
LR-19-13	66.50	68.00	1.50	A65752	0.85	0.45	VO19117798
LR-19-13	104.80	105.80	1.00	A65753	6.27	2.10	VO19117798
LR-19-13	105.80	107.50	1.70	A65754	5.09	2.26	VO19117798
LR-19-13	107.50	109.00	1.50	A65755	6.43	2.55	VO19117798
LR-19-13	109.00	110.50	1.50	A65756	4.09	2.19	VO19117798
LR-19-13	110.50	111.95	1.45	A65757	6.34	1.00	VO19117799
LR-19-13	111.95	113.50	1.55	A65758	4.63	2.07	VO19117799
LR-19-13	113.50	115.00	1.50	A65759	6.31	2.59	VO19117799
LR-19-13	115.00	116.60	1.60	A65761	3.50	1.19	VO19117799
LR-19-13	116.60	118.00	1.40	A65762	4.39	2.75	VO19117799
LR-19-13	118.00	119.50	1.50	A65763	2.59	1.69	VO19117799
LR-19-13	119.50	121.00	1.50	A65764	0.39	0.75	VO19117799
LR-19-13	121.00	122.50	1.50	A65766	2.91	1.14	VO19117799
LR-19-13	122.50	124.10	1.60	A65767	0.10	0.13	VO19117799
LR-19-13	124.10	126.00	1.90	A65768	1.46	0.94	VO19117799
LR-19-13	163.50	165.00	1.50	A65769	3.33	4.32	VO19117799
LR-19-13	165.00	166.45	1.45	A65770	1.27	4.48	VO19117799
LR-19-13	166.45	168.00	1.55	A65771	8.76	7.83	VO19117799
LR-19-13	168.00	169.50	1.50	A65772	7.80	10.05	VO19117799
LR-19-13	169.50	171.00	1.50	A65773	4.55	9.98	VO19117799
LR-19-13	171.00	172.50	1.50	A65774	3.95	14.90	VO19117799
LR-19-13	172.50	174.00	1.50	A65776	4.63	10.30	VO19117799
LR-19-13	174.00	175.50	1.50	A65777	6.99	9.98	VO19117799

LR-19-13	175.50	177.00	1.50	A65778	7.79	10.60	VO19117799
LR-19-13	177.00	178.50	1.50	A65779	22.80	10.05	VO19117799
LR-19-13	178.50	180.00	1.50	A65781	3.31	7.83	VO19117799
LR-19-13	180.00	181.40	1.40	A65782	4.64	6.10	VO19117799
LR-19-13	181.40	182.70	1.30	A65783	3.88	5.84	VO19117799
LR-19-13	182.70	184.00	1.30	A65784	1.17	4.20	VO19117799
LR-19-13	184.00	185.50	1.50	A65785	0.91	6.42	VO19117799
LR-19-15	35.50	37.00	1.50	A65837	0.74	0.62	VO19117799
LR-19-15	37.00	38.60	1.60	A65838	0.64	0.98	VO19117799
LR-19-15	38.60	40.00	1.40	A65839	2.64	1.69	VO19117799
LR-19-15	40.00	41.50	1.50	A65841	5.64	3.46	VO19117799
LR-19-15	41.50	43.00	1.50	A65842	6.45	2.06	VO19117799
LR-19-15	43.00	44.50	1.50	A65843	5.75	3.22	VO19117799
LR-19-15	44.50	46.00	1.50	A65844	4.48	3.22	VO19117799
LR-19-15	46.00	47.50	1.50	A65846	2.05	2.71	VO19117799
LR-19-15	47.50	49.00	1.50	A65847	4.29	3.10	VO19117799
LR-19-15	49.00	50.00	1.00	A65848	5.01	3.14	VO19117799
LR-19-15	50.00	51.50	1.50	A65849	4.16	2.16	VO19117799
LR-19-15	51.50	53.00	1.50	A65850	0.49	0.21	VO19117799
LR-19-15	53.00	54.50	1.50	A65851	0.88	1.16	VO19117799
LR-19-15	127.00	128.50	1.50	A65852	2.54	4.52	VO19117799
LR-19-15	128.50	130.00	1.50	A65853	1.69	1.91	VO19117799
LR-19-15	130.00	131.50	1.50	A65854	0.54	1.29	VO19117799
LR-19-15	131.50	133.60	2.10	A65855	0.97	2.68	VO19117799
LR-19-15	133.60	135.00	1.40	A65856	5.13	13.05	VO19117799
LR-19-15	135.00	136.50	1.50	A65857	8.08	1.08	VO19117799
LR-19-15	136.50	138.00	1.50	A65858	10.05	10.00	VO19117799
LR-19-15	138.00	139.50	1.50	A65859	11.10	10.60	VO19117799
LR-19-15	139.50	141.00	1.50	A65861	6.54	1.11	VO19117799
LR-19-15	141.00	142.50	1.50	A65862	5.14	1.00	VO19117799
LR-19-15	142.50	144.00	1.50	A65863	5.35	0.92	VO19117799
LR-19-15	144.00	145.50	1.50	A65864	3.09	6.76	VO19117799
LR-19-15	145.50	147.70	2.20	A65866	4.38	10.75	VO19117807
LR-19-15	147.70	149.00	1.30	A65867	0.80	7.45	VO19117807
LR-19-15	149.00	150.50	1.50	A65868	1.00	8.43	VO19117807
LR-19-15	150.50	152.00	1.50	A65869	3.93	6.08	VO19117807
LR-19-15	152.00	153.50	1.50	A65870	1.39	6.45	VO19117807
LR-19-15	153.50	155.00	1.50	A65871	2.40	5.56	VO19117807
LR-19-15	155.00	156.50	1.50	A65872	1.17	4.82	VO19117807
LR-19-15	156.50	158.00	1.50	A65873	1.60	4.97	VO19117807
LR-19-15	158.00	159.50	1.50	A65874	1.92	1.71	VO19117807
LR-19-15	159.50	161.00	1.50	A65876	3.50	1.93	VO19117807
LR-19-15	161.00	162.50	1.50	A65877	0.18	0.27	VO19117807
LR-19-15	162.50	164.40	1.90	A65878	1.08	5.29	VO19117807

LR-19-15	164.40	166.00	1.60	A65879	6.52	7.54	VO19117807
LR-19-15	166.00	167.50	1.50	A65881	6.08	10.55	VO19117807
LR-19-15	167.50	169.00	1.50	A65882	8.83	7.92	VO19117807
LR-19-15	169.00	170.50	1.50	A65883	6.52	3.38	VO19117807
LR-19-15	170.50	172.00	1.50	A65884	4.22	2.04	VO19117807
LR-19-15	172.00	173.50	1.50	A65885	3.35	2.86	VO19117807
LR-19-15	173.50	175.00	1.50	A65886	7.35	7.92	VO19117807
LR-19-15	175.00	176.50	1.50	A65887	2.17	1.28	VO19117807
LR-19-15	176.50	178.00	1.50	A65888	1.83	1.18	VO19117807
LR-19-15	178.00	179.50	1.50	A65889	7.00	6.37	VO19117807
LR-19-15	179.50	181.00	1.50	A65891	3.36	4.35	VO19117807
LR-19-15	181.00	182.00	1.00	A65892	11.55	10.30	VO19117807
LR-19-15	182.00	183.00	1.00	A65893	15.15	9.25	VO19117807
LR-19-15	183.00	184.50	1.50	A65894	1.54	1.72	VO19117807
LR-19-15	184.50	186.00	1.50	A65896	0.66	0.73	VO19117807
LR-19-15	186.00	187.50	1.50	A65897	0.48	1.12	VO19117807
LR-19-15	187.50	189.00	1.50	A65898	0.37	0.86	VO19117807
LR-19-15	189.00	190.50	1.50	A65899	2.26	1.04	VO19117807
LR-19-15	190.50	192.00	1.50	A65900	2.21	1.00	VO19117807
LR-19-15	192.00	193.50	1.50	A65901	2.72	1.18	VO19117807
LR-19-15	193.50	195.00	1.50	A65902	5.15	1.71	VO19117807
LR-19-15	195.00	196.50	1.50	A65903	4.37	1.69	VO19117807
LR-19-15	196.50	197.85	1.35	A65904	9.01	5.51	VO19117807
LR-19-15	197.85	199.00	1.15	A65905	10.90	2.34	VO19117807
LR-19-16	91.00	92.50	1.50	A65906	0.41	0.34	VO19117807
LR-19-16	92.50	94.00	1.50	A65907	0.56	0.39	VO19117807
LR-19-16	94.00	95.50	1.50	A65908	3.48	2.08	VO19117807
LR-19-16	95.50	97.00	1.50	A65909	4.00	1.92	VO19117807
LR-19-16	97.00	98.50	1.50	A65911	5.70	1.76	VO19117807
LR-19-16	98.50	100.00	1.50	A65912	5.66	2.42	VO19117807
LR-19-16	100.00	101.50	1.50	A65913	5.50	2.50	VO19117807
LR-19-16	101.50	103.00	1.50	A65914	5.65	2.20	VO19117807
LR-19-16	103.00	104.80	1.80	A65916	4.42	3.31	VO19117807
LR-19-16	139.00	140.50	1.50	A65917	1.05	7.13	VO19117807
LR-19-16	140.50	142.10	1.60	A65918	1.27	6.91	VO19117807
LR-19-16	142.10	143.50	1.40	A65919	7.64	8.46	VO19117807
LR-19-16	143.50	145.00	1.50	A65920	8.32	11.05	VO19117807
LR-19-16	145.00	146.50	1.50	A65921	7.90	6.18	VO19117807
LR-19-16	146.50	148.00	1.50	A65922	7.84	10.95	VO19117807
LR-19-16	148.00	149.50	1.50	A65923	5.81	6.83	VO19117807
LR-19-16	149.50	151.10	1.60	A65924	1.40	5.74	VO19117807
LR-19-16	151.10	153.00	1.90	A65926	3.33	6.16	VO19117807
LR-19-17	40.50	42.00	1.50	A65927	4.05	3.19	VO19117807

LR-19-17	42.00	43.20	1.20	A65928	5.01	3.86	VO19117807
LR-19-17	43.20	44.67	1.47	A65929	2.62	3.00	VO19117807
LR-19-17	44.67	46.50	1.83	A65931	4.95	3.17	VO19117807
LR-19-17	46.50	48.00	1.50	A65932	3.81	2.90	VO19117807
LR-19-17	48.00	49.50	1.50	A65933	3.28	2.83	VO19117807
LR-19-17	49.50	51.00	1.50	A65934	3.00	1.99	VO19117807
LR-19-17	51.00	52.50	1.50	A65935	4.32	2.43	VO19117807
LR-19-17	52.50	54.50	2.00	A65936	1.98	1.68	VO19117807
LR-19-17	54.50	56.00	1.50	A65937	3.12	1.50	VO19117807
LR-19-17	56.00	57.50	1.50	A65938	0.52	0.21	VO19117807
LR-19-17	57.50	59.00	1.50	A65939	0.31	0.09	VO19117807
LR-19-17	91.50	93.00	1.50	A65941	0.37	0.10	VO19117807
LR-19-17	93.00	94.30	1.30	A65942	0.78	0.40	VO19117807
LR-19-17	94.30	96.00	1.70	A65943	3.60	2.31	VO19117807
LR-19-17	96.00	97.50	1.50	A65944	4.14	1.74	VO19117807
LR-19-17	97.50	99.00	1.50	A65946	5.90	2.29	VO19117807
LR-19-17	99.00	100.40	1.40	A65947	6.16	2.34	VO19117807
LR-19-17	100.40	102.00	1.60	A65948	5.73	1.77	VO19117807
LR-19-17	102.00	103.40	1.40	A65949	5.46	2.63	VO19117807
LR-19-17	103.40	105.00	1.60	A65950	7.05	1.53	VO19117807
LR-19-17	105.00	106.60	1.60	A65951	3.73	1.62	VO19117807
LR-19-17	106.60	108.00	1.40	A65952	2.72	1.90	VO19117807
LR-19-17	108.00	109.50	1.50	A65953	0.60	0.31	VO19117807
LR-19-17	109.50	111.00	1.50	A65954	0.27	0.21	VO19117807
LR-19-17	133.00	134.50	1.50	A65955	0.17	2.49	VO19117807
LR-19-17	134.50	136.10	1.60	A65956	0.15	1.61	VO19117807
LR-19-17	136.10	137.60	1.50	A65957	5.02	4.32	VO19117807
LR-19-17	137.60	139.00	1.40	A65958	1.12	2.42	VO19117807
LR-19-17	139.00	141.00	2.00	A65959	9.98	11.40	VO19117807
LR-19-17	141.00	142.50	1.50	A65961	17.00	9.38	VO19117807
LR-19-17	142.50	144.50	2.00	A65962	19.70	11.05	VO19117807
LR-19-17	144.50	146.00	1.50	A65963	13.40	9.44	VO19117807
LR-19-17	146.00	147.50	1.50	A65964	11.75	9.62	VO19117807
LR-19-17	147.50	149.00	1.50	A65966	11.75	10.35	VO19117807
LR-19-17	149.00	150.50	1.50	A65967	9.45	10.60	VO19117807
LR-19-17	150.50	152.00	1.50	A65968	8.43	12.60	VO19117807
LR-19-17	152.00	153.50	1.50	A65969	8.27	12.40	VO19117807
LR-19-17	153.50	155.00	1.50	A65970	10.50	9.98	VO19117807
LR-19-17	155.00	156.50	1.50	A65971	9.48	10.90	VO19117807
LR-19-17	156.50	158.00	1.50	A65972	7.38	11.05	VO19117807
LR-19-17	158.00	159.50	1.50	A65973	10.75	4.28	VO19117807
LR-19-17	159.50	161.00	1.50	A65974	7.25	8.43	VO19117807
LR-19-17	161.00	162.00	1.00	A65976	6.66	9.07	VO19117807

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information. 	<p>Only limited drilling has been completed to date by the Company. Assays are still pending and samples are currently being prepared for assay by the laboratory. Sufficient QA/QC procedures are being followed with industry standard blanks and duplicate samples being created.</p> <p>Diamond Core Sampling: The sections of the core that are selected for assaying are marked up and then recorded on a sample sheet for cutting and sampling at the certified assay laboratory. Samples of HQ core are cut just to the right of the orientation line where available using a diamond core saw, with half core sampled lengthways for assay.</p> <p>Diamond Core Sampling: For diamond core samples, certified sample standards were added as every 25th sample. Core recovery calculations are made through a reconciliation of the actual core and the driller's records. Downhole surveys of dip and azimuth were conducted using a single shot camera every 30m to detect deviations of the hole from the planned dip and azimuth. The drill-hole collar locations are recorded using a hand-held GPS, which has an accuracy of +/- 5m. All drill-hole collars will be surveyed to a greater degree of accuracy using a certified surveyor at a later date.</p> <p>Rock samples are comprised of grabs and thus represent point locations defined by a small area typically less than 0.5m². A best effort was made to collect as much fresh material as practical and avoid or minimize the inclusion of weathered material in the sample. Hand tools were used to clear the sampling site and remove weathered material as practical before sampling.</p> <p>Channels were cut of the freshest material practical and are considered more representative than the grab samples for that particular location.</p> <p>Samples are considered representative of the site targeted, followed best industry practises as described above, with sufficient material collected per sample.</p> <p>Samples submitted for assay typically weigh 2-3 kg or more. Channel samples may be considered more representative than grab samples as more fresh material may be collected, they report an interval and not a point, and are larger samples. Channel samples are typically several times larger in size that grab samples, adding to their more representative nature.</p>
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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). 	<p>Only limited drilling has been completed to date. The drilling program being completed by the Company is Diamond.</p>

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> 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. 	Diamond core recoveries are during drilling and reconciled during the core processing and geological logging. The core length recovered is measured for each run and recorded which is used to calculate core recovery as a percentage.
Logging	<ul style="list-style-type: none"> 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. 	<p>All rock and channel samples were described to industry standard levels with rock type, modal mineralogy, grain size, and other pertinent observations noted. Descriptions are qualitative in nature.</p> <p>Geological logging is carried out on all drill holes with lithology, alteration, mineralisation, structure and veining recorded.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<p>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.</p> <p>Analysis used ALS packages Code 4F-C,S, and 4F-C-Graphite using a graphite specific preparation (RX1- Graphite). Total carbon as well as graphitic carbon are the primary deliverables.</p> <p>Sampling techniques utilized, as described above, ensure adequate representativeness and sample size. As is early exploration, industry standard sampling techniques were followed with fresh material targeted for collection as practical</p> <p>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.</p> <p>Sample size (2-3 kg) accepted as general industry standard for grab samples and is sufficient to provide a representative sample size for the location being sampled.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<p>Internal laboratory QAQC relied upon with laboratory blanks, standards, and duplicates relied upon, with results reviewed by the companies consultants and found to be satisfactory with no material concern.</p> <p>No company blanks, standards, or duplicates submitted for analysis</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	Assay data is reported as received with no data adjustment. Data is verified by the Company's consultants prior to disclosure.

Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> • 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. 	Handheld GPS used for location of sample points using local UTM grid, Zone 19. Such methods have a typically accuracy of 1-3 m.
Data spacing and distribution	<ul style="list-style-type: none"> • 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. 	<p>Only individual sample data reported as received by laboratory for grab samples, with channel samples reported individually via Appendix A, as well as composites in the highlight section of the NR.</p> <p>Insufficient data to establish resources</p>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • 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. 	<p>Grab samples reflective of point locations with sufficient samples collected along strike to assist with interpretation of area and potential. Channel samples attempt to give an indication of grade over width.</p> <p>Only limited drilling has been completed to date.</p>
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	Industry standard chain of custody followed, with samples dropped off at shipping company by field manager, shipping with tracking number, and received direct by the lab, with notification of receipt the day samples received.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	None completed by third parties. The Company's consultants vetted the database internally.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<p>Metals Australia Limited is the 100% owner of the Lac Rainy Graphite Project, pursuant to the binding acquisition agreement.</p> <p>There are no other material issues affecting the tenements.</p> <p>Quebec Lithium Limited, a wholly owned subsidiary of Metals Australia, is the owner of 100% of the abovementioned graphite project and ownership of the individual CDC claims is with Quebec Lithium Limited.</p> <p>All tenements are in good standing and have been legally validated by a Quebec lawyer specialising in the field.</p>
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<p>No modern exploration has been conducted by other parties.</p> <p>Government mapping records multiple graphitic carbon bearing zones within the project areas but no other data is available.</p>
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<p>Lac Rainy Graphite Project</p> <p>The Lac Rainy graphite project is located within close proximity to Focus Graphite's Lac Knife Project, which is considered a good analogue for mineralization style at Lac Rainy with the same general rock types present.</p> <p>The Lac Rainy and Lac Carheil graphite prospects were first discovered in 1989 and has been subject to some exploration over that time, however previous exploration was not conducted in a systematic manner and was focused more on the iron potential of the region which has meant that the true mineralisation and potential of the Lac Rainy Est graphite project has not been fully established.</p> <p>The Lac Rainy graphite project is contiguous with the Lac Knife Graphite Project which is owned by Focus Graphite. The Lac Knife Project hosts the Lac Knife Deposit.</p> <p>The Lac Knife Graphite Deposit owned by Focus Graphite (which is located less than 4 km south-west of the Project border) and hosts a Measured and Indicated Resource of 9.576 Mt @ 14.77% Cg and an Inferred Resource of 3.102 Mt @ 13.25% Cg at a 3.0% Cg cut-off. (Note: Inferred Resources are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as Mineral Reserves)</p> <p>The Feasibility Study completed by Met-Chem Canada Inc. (released on 8 August 2014) on the Lac Knife Graphite Deposit indicates that the Lac Knife Graphite Deposit has the potential to become one of the lowest-cost, highest-margin producers of graphite in the world.</p> <p>Refer to http://www.focusgraphite.com/wp-content/uploads/largeReport/Lac-Knife-</p>

Criteria	JORC Code explanation	Commentary
		<p>Feasibility-Study-Technical-Report-August-2014.pdf for further information in relation to the Feasibility Study at the Lac Knife graphite project.</p> <p>Graphite mineralisation is set in migmatized biotite-bearing quartz-feldspar gneiss belonging to the Nault Formation of the lower Proterozoic Gagnon Group.</p> <p>According to the Quebec Ministry of Natural Resources, where this gneissic unit is sheared, brecciated and silicified, coarse graphite flakes and associated sulphide minerals make up 5% to 10% of the rock, with up to 20% or more in the more brecciated zones.</p> <p>Fuchsite and other iron-rich micas accompany the graphite and sulphide mineralization in the more silicified horizons.</p>
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	Not Applicable
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg 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. 	<p>No data aggregation with grab samples reported as point location data. Weighted compositing methods applied to channels</p> <p>No metal equivalents reported</p> <p>No intercepts reported</p>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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 (eg 'down hole length, true width not known'). 	Not Applicable with grab samples representing surface point locations. Channels samples by nature report grade over width with best efforts to cross strike of unit. True widths not known.
Diagrams	<ul style="list-style-type: none"> 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. 	Several maps included in body of news release
Balanced reporting	<ul style="list-style-type: none"> 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. 	Results for all sampling submitted for assay are listed in Appendix A attached to the body of this report.
Other substantive exploration data	<ul style="list-style-type: none"> 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 	All meaningful and material data is reported.

Criteria	JORC Code explanation	Commentary
	<p><i>density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></p>	
<p><i>Further work</i></p>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<p>Detailed geochemistry and geology mapping to determine trends of known mineralised zones and to delineate other Cg anomalies.</p> <p>Drilling.</p>