

ASX Announcement

6 August 2020

Exploration and Prospecting Campaign Commences on Significant Gold Targets Identified at the Eade Gold Project, Quebec

Highlights:

- Geological field crew have mobilised to the Eade Gold Project to commence an exploration and prospecting campaign – **significant gold exploration targets have been identified at the Eade Gold Project which will now be tested for gold mineralisation**
 - **The field exploration program will follow up on and test high priority targets identified both by the remote sensing study and the Satellite Aperture Radar (SAR) survey as well as the targets identified in the historical geological data review**
 - Exploration undertaken historically by Quebec Geological Survey, Virginia Gold Mines and Goldcorp had **identified significant exploration potential at the Eade Gold Project which was never followed up by modern exploration techniques**
 - The field program will focus on the targets which have been outlined across the approximate **15.0km strike length that has been identified and mapped** on the East Eade and West Eade project areas – **broad zones of gold mineralisation on surface** have been identified and sampled along banded iron formation (BIF)
 - The Eade Gold Project sits within the southern branch of the east-west trending Lac Guyer Greenstone Belt which is **host to numerous high-grade Au-Cu and base metal discoveries**
 - The **Eade Gold Project** is split into two domains:
 - **West Eade** contains an **8.3 km strike length** with at least two gold prospects (**rock chip samples of 7.41 g/t Au and 11.45g/t Au**) which have not been followed up with modern exploration techniques ¹
 - **East Eade** contains a **6.7 km strike length** with at least two gold prospects (**rock chip samples up to 12.0g/t Au** and a **1m channel sample at Eade-Till returned a value of 5.3g/t Ag**) which have not been followed up with modern exploration techniques. ²
 - **The Company is accelerating its exploration at the Eade Gold Project because of its success in identifying significant gold targets within the Project**
1. Refer to the ASX Announcement dated 25 September 2019 and titled “Acquisition of Quebec Focused Gold Exploration Projects” for the complete details of the rock chip samples referred to above, including full particulars of the location of the samples, the type of sample collected and the source of the sample assay results.
 2. East Eade borders the Azimut Exploration Inc. (TSX.V: AZM) and SOQUEM owned Masta 2-Corvette Project (the Passi Prospect).
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Metals Australia Ltd (ASX: **MLS**) (**MLS** or the **Company**) is pleased to announce that it has mobilized a geological crew and commenced a field exploration and prospecting campaign at the 100%-owned Eade Gold Project located in Quebec, Canada. The Eade Gold Project is located within the southern branch of the Lac Guyer greenstone belt of northern-Quebec (Canada), an east-west trending greenstone belt which is host to numerous high-grade gold-copper and base metal discoveries.

Commenting on the mobilization and commencement of the exploration campaign at the Eade Gold Project, Director of Metals Australia, Mr Gino D’Anna stated:

“We are pleased to have mobilized our technical team to the field at the Eade Gold Project after what has been a busy period for the Company in evaluating and reviewing the comprehensive database that now exists for the Eade Gold Project. The recently completed remote sensing study and the review of the historical geological and geophysical data has highlighted the extensive gold mineralisation at the Eade Gold Project and a number of high priority exploration targets have been identified. This exploration campaign will focus on these high priority targets.

The Eade Gold Project represents a significant high-grade under-explored gold project, located in the Lac Guyer Greenstone Belt, a prolific greenstone belt located in Northern Quebec, the subject of significant exploration by major Canadian and international exploration companies. We see a lot of upside in the exploration of this project particularly given its strategic location the number of potential gold targets and the potentially high-grade nature of the project.

We look forward to providing further updates to shareholders as this exploration campaign continues.”

The map below illustrates the West Eade and East Eade project locations (as well as the Company’s 100% owned West and East Pontois project and the Company’s 100% owned Felicie project) in a regional setting showing the regional geology and structures. Also highlighted are the rock sample assay results for the relevant prospects:

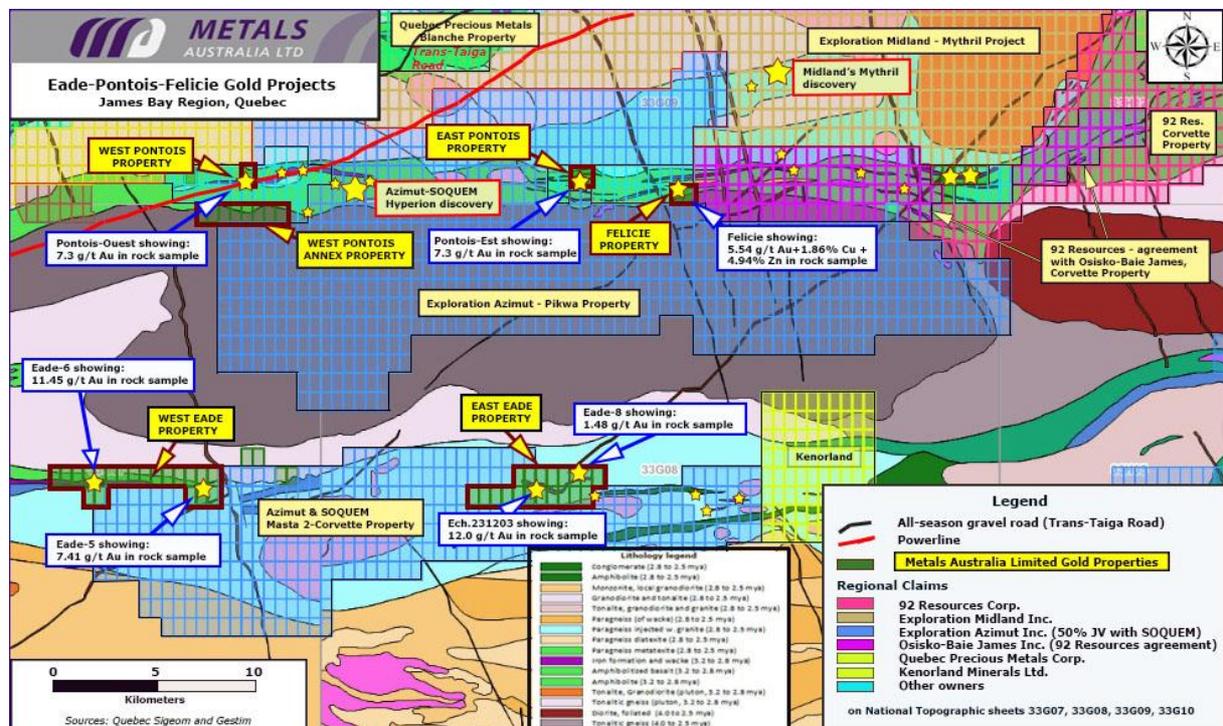


Figure 1: Regional geology map of the Eade-Pontois-Felicie Gold Projects located in Quebec, Canada. Sample site locations are contained within the map above with the use of a star highlighting the location of the sample and a text box highlighting the assay results of the particular sample. Full particulars of the assay results for the particular samples and the precise location of the sample, sample type and prospect name are contained within Annexure 1 of ASX announcement dated 25 September 2019 and titled “Acquisition of Quebec Focused Gold Exploration Projects”

Commencement of Field Exploration Campaign

The Company has mobilised a field crew from Magnor Exploration Inc. (**Magnor**) to undertake a field exploration and prospecting campaign at the Eade Gold Project. The image below shows a geologist from Magnor getting prepared for the field campaign at the Eade Gold Project:



Image 1: Mobilisation of the technical crew to the field at the Eade Gold Project, located in Quebec, Canada

The field exploration program will follow up on and test the high priority targets which have been identified both through the recently completed remote sensing study, the Satellite Aperture Radar (**SAR**) survey as well as the targets identified through the recently completed detailed evaluation of the historical geological and geophysical data. The completion of the remote sensing study, the SAR survey and the review of the historical technical data highlighted the extensive gold mineralisation at the Eade Gold Project and highlighted a number of significant gold exploration targets.

Exploration undertaken historically by Quebec Geological Survey, Virginia Gold Mines and Goldcorp also identified significant exploration potential at the Eade Gold Project but this was never followed up by modern exploration techniques. The Company will be following up on these additional exploration targets in the field to test potential gold mineralisation.

The field program will focus on the additional targets which have been outlined across the approximate 15.0km strike length that has been identified and mapped on the East Eade and West Eade project areas. Previous exploration conducted by the Company identified broad zones of gold mineralisation on surface along banded iron formation (**BIF**).

The current proposed field program will also build on the success of the mapping and prospecting exploration program previously conducted by the Company in late 2019 which successfully identified extensive mineralised targets which were sampled on surface. Previous exploration conducted by the Company combined with the remote sensing surveys and the review of the historical technical data has demonstrated that the Eade Gold Project has the potential to host broad zones of gold mineralisation.

The Eade Gold Project is located in an area with excellent potential for the discovery of economic deposits of precious and base metals. There are indications of high-grade gold and silver mineralisation within the East and West Eade project areas, as well as in other showings in the surrounding area and in the general region.

The image below shows a geologist from Magnor sampling a potentially mineralised BIF unit outcrop typical of the mineralisation at the Eade Gold Projects.



Image 2: Magnor geologist sampling a potentially mineralised BIF unit outcrop at the Eade Gold Project

The map below illustrates the location of the 2019 field exploration sampling points at the Eade-East project area as well as the historic exploration, including historical drill holes, rock samples and channel samples.

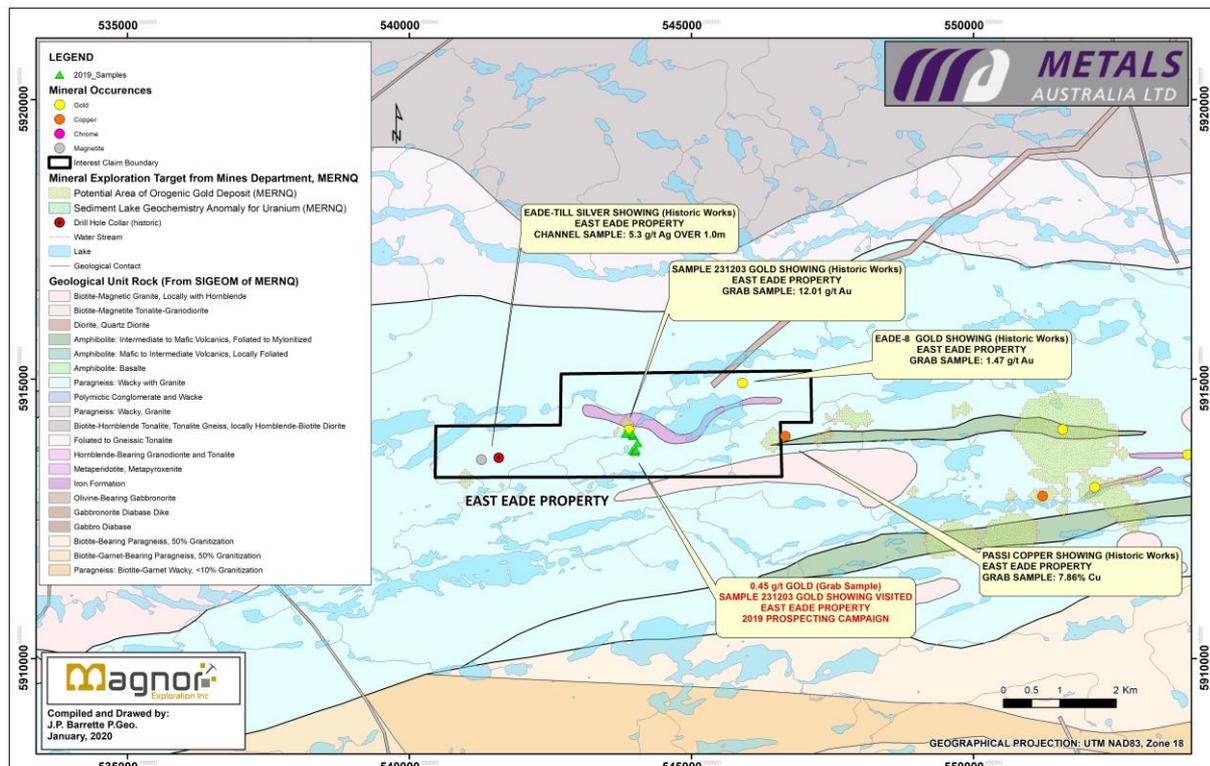


Figure 2: Geological map overlaid by the 2019 field exploration sampling points at the Eade-East project area together with the sampling points and location of historic exploration, including historical drill holes, rock samples and channel samples.

The map below illustrates the location of the 2019 field exploration sampling points at the Eade-West project area as well as the historic exploration, including historical drill holes, rock samples and channel samples.

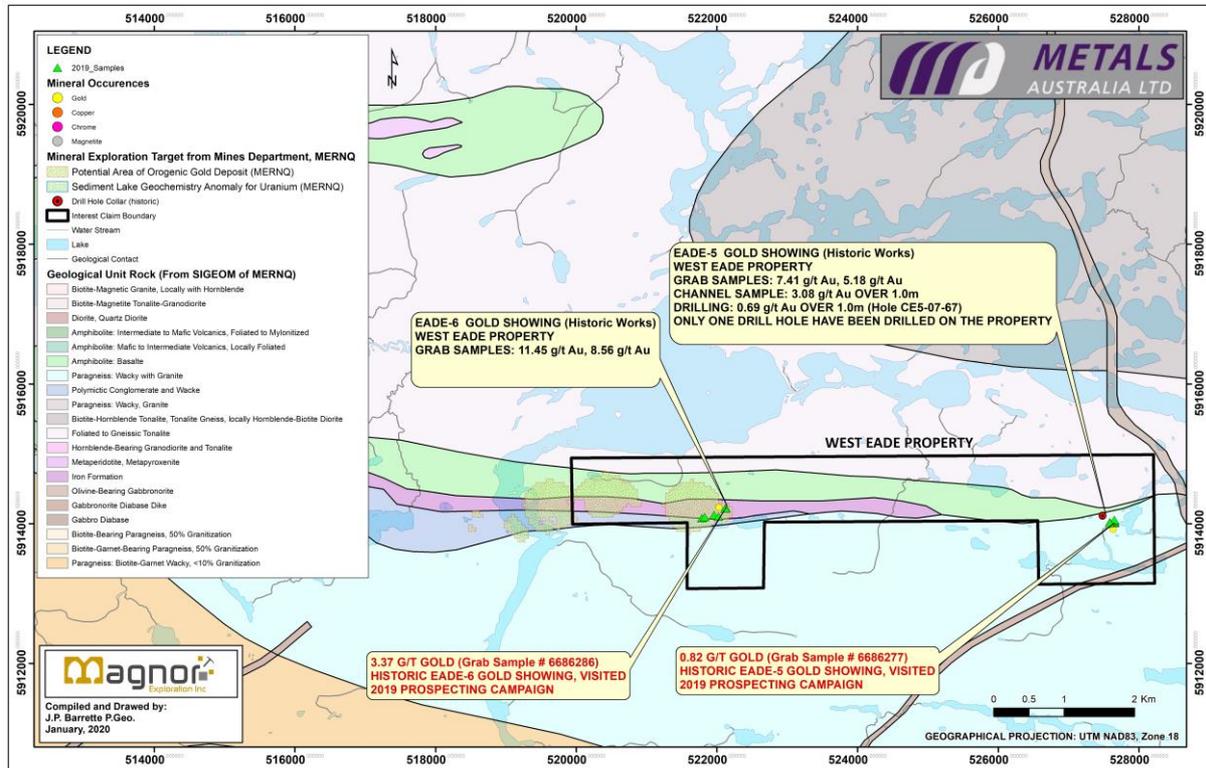


Figure 3: Geological map overlaid by the 2019 field exploration sampling points at the Eade-West project area together with the sampling points and location of historic exploration, including historical drill holes, rock samples and channel samples.

Summary

The Eade Gold Project has not been the subject of modern exploration and only limited follow up exploration has been undertaken on the historical occurrences, resulting in the Eade Gold Project remaining underexplored. This presents a significant opportunity for the Company.

The Project is located in a known gold province near to a number of discoveries, deposits and mines, but the geophysical work, historical research and on-ground prospecting that the Company has done to date has shown the significant potential of the Eade Gold Project. The Company believes that the Eade Gold Project has great potential and the application of modern exploration techniques could lead to a substantial gold discovery.

The East Eade and West Eade project areas include 20km of an east-west trending volcano-sedimentary belt. The geological setting is characterised by sheared metasediments, banded iron formation (silicate, oxide-magnetite and sulfide facies BIF), paragneisses, metabasalt and small felsic intrusions.

The West Eade project area contains an **8.3 km strike length** and covers two gold occurrences: Eade-5 and Eade 6. At Eade-5 rock chips have returned values up to **7.41g/t Au** in iron formation within a

sulphidic shear. Approximately 6km along strike to the west at Eade-6, rock chip samples of iron formation returned results up to **11.45g/t Au**.¹

The East Eade project area contains a **6.7km strike length** and covers three gold occurrences (Eade-8, Eade-Till, Ech.231203) and a copper occurrence (Passi). Rock chip samples at the Eade-8 occurrence returned values to **1.47g/t Au in a 2m wide shear zone**. To the west at Ech.231203 quartz veins in a shear zone returned a best result of **12.0g/t Au** and a **1m channel sample at Eade-Till returned a value of 5.3g/t Ag**.²

In total there is over 15km of untested mineralised strike within the East and West Eade Gold Project.

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

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ASX Listing Rules Compliance

In preparing this announcement dated 6 August 2020, the Company has relied on the announcements previously made by the Company and disclosed below. The Company confirms that it is not aware of any new information or data that materially affects those announcements previously made, or that would materially affect the Company from relying on those announcements for the purpose of this announcement dated 6 August 2020.

Eade-Pontois-Felicie Gold Project

Pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 25 September 2019.

Caution Regarding Forward-Looking Information

This document contains forward-looking statements concerning Metals Australia. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on the company's beliefs, opinions and estimates of Metals Australia as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Competent Person Declaration

The information in this announcement that relates to Exploration Results is based on information compiled by Mr. 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.

¹ Refer to ASX Announcement dated 25 September 2019 and titled "Acquisition of Quebec Focused Gold Exploration Projects".