

## ASX Announcement

8 February 2021

# Metals Australia Limited Exploration Activities Update

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Metals Australia Ltd (**ASX: MLS**) which is developing the high-grade Lac Rainy Graphite Project and a portfolio of high-grade copper-gold projects, all located in Quebec, is pleased to provide shareholders with an update on its exploration activities.

### **Airborne Geophysical Program – Eade Copper-Gold Project, Quebec, Canada**

As previously announced by the Company on 19 January 2021, an airborne geophysical program was proposed to commence at the Eade Copper-Gold Project, located in Quebec, Canada. The Company is pleased to advise that the airborne geophysical program has now been completed and data interpretation with the Company's consultant geophysicist is currently underway.

The airborne survey was designed to better define copper-gold mineralised targets which are characteristic of the Lac Guyer Greenstone Belt, which is host to numerous high-grade Au-Cu and base metal discoveries. Interpretation of the data from the airborne geophysical program is anticipated to highlight high-priority exploration targets which will be followed up by the Company in the field during the next exploration season.

The Airborne Magnetic (**MAG**) and Time-Domain Electromagnetic (**TDEM**) survey is expected to refine the historic EM anomalies at the Eade Copper-Gold Project, detect new conductive anomalies, and identify resistive zones within otherwise conductive host units. Data from the survey will be used to model the size, orientation and depth of any conductive sources with detail suitable for direct drill targeting.

The surveys were carried out with traverse lines oriented N000 (in a north-south direction) in order to properly map the dominant geological strike, and with a 50m line spacing. Control lines were flown with a N090 (in an east-west direction) azimuth and spaced every 500m. The total survey distance for the MAG and TDEM surveys was 748 line-km.

The Company will update shareholders once the data interpretation has been completed. Following this, the Company plans on designing follow-up exploration programs designed to field test the results of the airborne MAG and TDEM surveys.

### **Manindi Lithium Project – Exploration and Evaluation**

The Manindi Lithium Project is located in the Murchison District of Western Australia, approximately 20 km southwest of the Youanmi gold mine. The Project is situated in a fertile geological complex and is host to a significant undeveloped zinc deposit. The Manindi Project is comprised of three granted mining leases.

Lithium-bearing pegmatite dykes have previously been identified on the Manindi mining leases in the vicinity of the Mulgara-Warabi Prospect areas (*refer to Metals Australia ASX announcement dated 21 March 2017*).

Surface mapping carried out at Mulgara and Warabi Prospects identified at least three lithium bearing pegmatites outcropping at surface with strike lengths of over 300 m and widths up to 25-30m.

Results from twelve rock chip samples collected from these pegmatites have returned high grade assays up to 2.84% Li<sub>2</sub>O. The pegmatites were sampled where exposed and mapping indicated that they extend under cover (*refer to Metals Australia ASX announcement dated 21 March 2017*).

Previous exploration drilling undertaken by the Company at the Manindi Lithium Project has also identified extensions of lithium mineralisation beyond the surface mineralised samples which were collected. Interestingly, the lithium mineralised pegmatites are located away from the zinc and base metal mineralisation, allowing the Company to retain flexibility over the future exploration of the project. A total of 17 RC holes were previously completed by the Company for a total of 837 metres of drilling (*refer to ASX announcement dated 21 June 2018*).

Significant intersections included:

- MNRC030 – 8 m @ 1.06% Li<sub>2</sub>O from 18 m including 3 m @ 1.65% Li<sub>2</sub>O; peak assay of 1.96% Li<sub>2</sub>O
- MNRC033 – 8 m @ 1.00% Li<sub>2</sub>O from 32 m and 7m @ 1.29% Li<sub>2</sub>O from 42 m; including 5 m @ 1.53% Li<sub>2</sub>O; peak assay of 1.90% Li<sub>2</sub>O

The previous drilling campaign completed by the Company also defined a continuous, mineralised pegmatite dyke with a strike length of in excess of 200m.

*Refer to Metals Australia ASX announcement dated 24 July 2018.*

In addition to exploration drilling undertaken at the Manindi Lithium Project, the Company engaged metallurgical experts NAGROM to undertake a testwork program on two composite diamond drill core samples collected from the Manindi Lithium Project (*refer to Metals Australia ASX announcement dated 13 April 2018*).

Mineral characterisation results indicated that the lithium mineralisation principally occurs as the mineral lepidolite. The metallurgical test work indicated that flotation was the preferred option for treatment of the lithium mineralisation identified at Manindi. An un-optimised sighter flotation testing program achieved a concentrate grade of up to 3.05% Li<sub>2</sub>O and recovery of up to 77% with a mass yield of approximately 30%.

These concentrate grades and recovery profiles compare favourably against other lepidolite-hosted lithium projects and are encouraging given that the flowsheet was not tailored to the mineralisation identified at Manindi.

As a comparison, indicative test work completed by Lithium Australia NL (ASX: LIT) on its Lepidolite Hill project located in Western Australia, produced a lepidolite-hosted lithium concentrate with a grade of 3.34% Li<sub>2</sub>O.

*Refer to Metals Australia ASX announcement dated 21 May 2018.*

Given the recent renewed interest in the lithium and battery metals sector, the Company is currently evaluating previous RC and diamond drilling results to define further extensions of the lithium bearing pegmatites under cover as well as potential for in-fill drilling of the lithium mineralised pegmatites, which are still open down-dip and along strike.

Previous drilling for lead-zinc sulphide intersected intervals of pegmatite in other areas at the Manindi Project that were not tested during the June 2018 RC drilling program described above. Geological logging of diamond core identified lepidolite in pegmatites, but these intervals were not sampled at the time. The Company now plans to cut and sample the pegmatite intervals in the previous diamond holes that are stored on site and conduct petrological work to determine if there is spodumene present in addition to lepidolite. The mineralogy of pegmatites can vary between intrusions and internally within

intrusions because of fractionation and zonation. Additional mapping will assist in determining the extent of the pegmatites.

### **Manindi Nickel and Gold Exploration**

In January 2021, the Company completed an auger soil sampling program over the southern portion of the Manindi project (M57/533) targeting nickel and gold mineralisation. Sampling was conducted on a 200m x 50m grid generating 261 samples that were submitted to the laboratory for gold and multi-element analysis.

The Company will report the results when they are available.

The sampling program covered potential gold and nickel targets. The nickel potential of the Manindi project was highlighted by a previous drilling campaign which was completed by Sirius Resources at the Inky nickel prospect, which is located just south of M57/533. Previous drill testing completed by the Company at the Kaluta EM conductor located within M57/533 intersected encouraging nickel values, which were never followed up, until recently with the recently completed auger soil sampling program.

The Manindi project is also located close to Ramelius Resources “Penny West project” where high-grade gold mineralisation was recently discovered. Given the strategic location of the Manindi project, the Company is pleased to update shareholders that the gold mineralisation potential of the Manindi project is also being evaluated.

### **Lac Rainy Graphite Project**

Following the successful completion of the Stage I Scoping Study at Lac Rainy, which was designed on the basis of Metals Australia mining and producing a high-quality graphite concentrate at Lac Rainy, the Company is pleased to advise that planning is now underway for the completion of the Stage II Scoping Study at Lac Rainy.

The design parameter for Stage II is based on Metals Australia beneficiating its high-quality graphite concentrate that is produced at Lac Rainy into a down-stream graphite product, such as coated spheronized graphite which is used as an anode material in the lithium-ion battery.

The opportunity for Metals Australia to deliver into growing high-margin down-stream markets such as the Lithium-ion battery supply chain, spheronized graphite and expandable graphite remain open to the Company as future upside. This is going to be investigated as part of the Stage II Scoping Study at Lac Rainy.

In addition, the Company is preparing to undertake further comminution testing on the Lac Rainy graphite ore and process flowsheet optimisation testwork designed to enhance the strong economics already demonstrated through the Stage I Scoping Study.

The Company will update shareholders as additional information becomes available.

### **ENDS**

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

### **For more information, please contact:**

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### **Caution Regarding Forward-Looking Information**

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

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

### **Competent Person Declaration**

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Martin Bennett, a consultant to Metals Australia Ltd, and a member of The Australasian Institute of Mining and Metallurgy. Mr. Bennett has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr. Bennett consents to the inclusion in the report of the matters based on his 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.

### **ASX Listing Rules Compliance**

In preparing this announcement dated 8 February 2021, the Company has relied on the announcements previously made by the Company and specifically dated 21 March 2017, 13 April 2018, 21 June 2018, 24 July 2018 and 21 May 2018. 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 8 February 2021.