

ASX Announcement

28 February 2025

ASX:MLS

Lac Carheil Graphite – Major Drilling Program Underway

A substantial drilling program is now advancing at the high-grade Lac Carheil Graphite Project in Quebec, aimed at expanding the strategically significant resource.

Metals Australia Ltd (ASX: MLS) is pleased to provide an update on its Lac Carheil high-grade flake-graphite project on its pathway to development in Quebec, Canada. Significant progress includes:

- **A planned program of 7,000m of diamond drilling is now underway at the Lac Carheil project¹.** The program aims to substantially increase the quantity and quality of the existing mineral resource and add additional resources on graphite trend extensions that have been mapped and sampled on strike from the current resource. The existing Mineral resource consists of two zones totalling **13.3 Mt @ 11.5% Cg for 1.53 Mt of contained Graphite²** (including indicated of 9.6 Mt @ 13.1% Cg for 1.26 Mt of Graphite and Inferred of 3.7 Mt @ 7.3% Cg for 0.27 Mt of Graphite). The existing mineral resource supported a scoping level study for a project life of 15 years³. **(Refer Figure 1)**
- **Two drilling rigs have been deployed and are working around the clock to complete the program.** Drilling within the existing resource areas will extend the depth of the existing graphite resource – where many of the holes in the previous drilling program ended in significant graphite mineralisation. Drilling between the existing mineral resources (NW and SE resources) and on the southern extensions are aimed at adding shallow tonnes and grade to the mineral resource.
- **The program is being completed by Magnor Exploration Inc., a Quebec based exploration company specialising in geological and drilling services⁴.** Core from the drill holes is being transferred to Fermont for quick logging to provide near real time feedback to Magnor and Metals Australia's geological teams to ensure the program is optimised in the field. Drill core is then transferred to La Baie for detailed geological logging, cutting and sample preparation before transfer to laboratory for assaying. Given the 1000's of samples that will be generated from the program, it is likely to be several months before all drilling is completed and all samples assayed. Metals Australia will provide updates on significant results as and when they are available.
- **ERM Mineral resource team will assist Metals Australia's Geologists with interpretation, modelling and independent review and sign-off of a revised Mineral Resource Estimate (MRE)⁵.** The new Mineral Resource will be reported in accordance with both JORC and NI 43-101 requirements. The company will work diligently and expeditiously to deliver an update, however, given the work streams involved it is anticipated the update will be available early H2 of 2025. In parallel, work to log, test and model geotechnical parameters will also occur. A hydrogeological survey is also underway in parallel with the drilling program.
- Upon report of the revised Mineral Resource for the Lac Carheil Graphite project, the mine modelling, design, planning and scheduling phases of the prefeasibility assessment will commence. This scope of work will also involve selection of mine equipment and definition and design of infrastructure requirements – including service and mining equipment workshops, warehousing, offices and the mine change rooms. The mining scopes

will then compliment the Flake graphite concentrate process plant and related infrastructure designs that have been advancing with Lycopodium Minerals Canada Limited⁴.

Mineral Resource – Substantial drilling program aimed at expanding project potential

The drilling now advancing at Lac Carheil is planned to build substantially upon the 2019 drilling program that consisted of 17 diamond drill holes (NQ) for a total of 2,317m³. That program included 7 holes in the NW resource area to a depth extent of 150m and 10 holes in the SE resource area – also to a depth extent of 150m. Notably, 9 of the 17 holes were completed whilst still within significant graphite mineralisation. As a result, the true depth and width extents of the graphite mineralisation remain open, even within the existing pit shells modelled.

The current program will consist of around 7,000m of planned diamond drilling. Around 1/3rd of the drilling will focus on depth, width and infill extensions within the existing resource areas (NW & SW Resource areas). Most of the program will target the Carheil graphite trend extensions – to the south and in between the current resource areas (Figure 2 & 3).

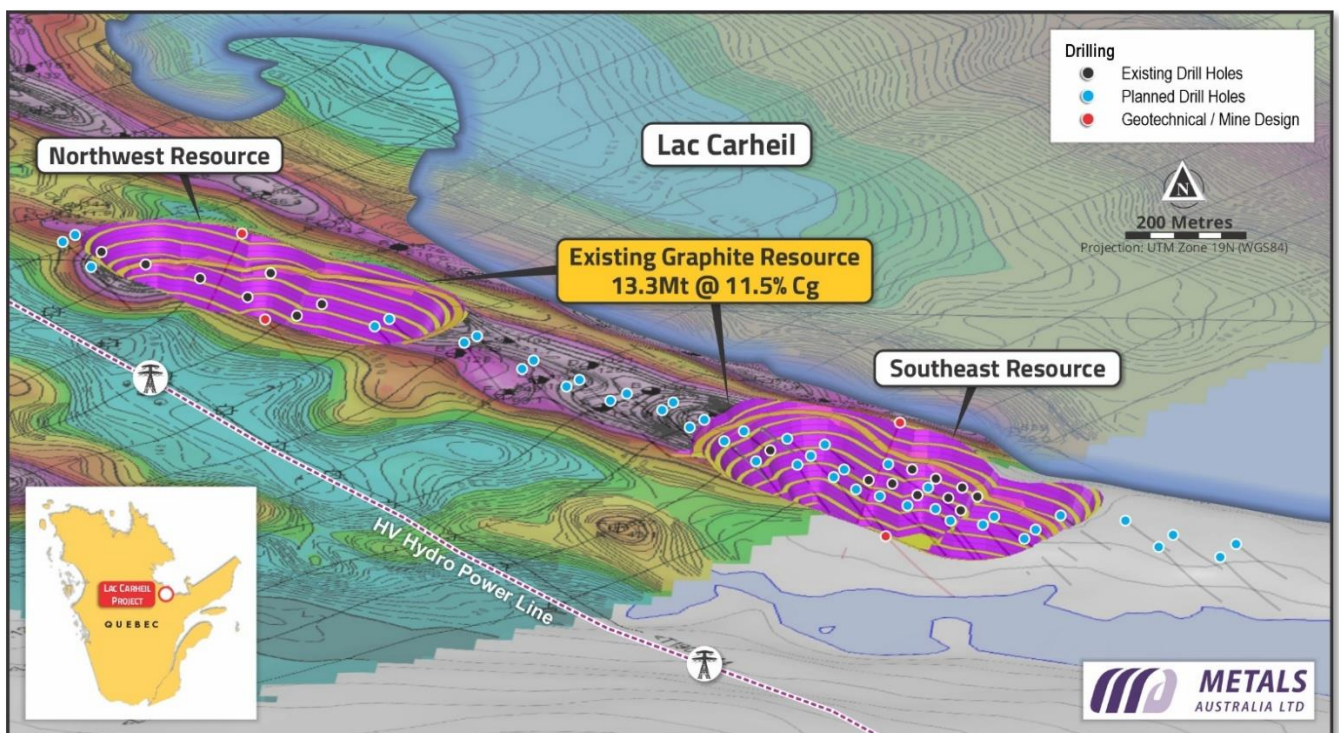


Figure 1 - Lac Carheil Graphite Project – Existing Mineral Resource Drilling Locations² (black hole collars shown in open pit shells) & planned resource extension and infill drilling (blue hole collars), local detailed air-borne electromagnetics showing likely graphite trends, Location of Quebec Hydro High Voltage Powerline Corridor, general topography and Lac Carheil.

While approximately 36 km of graphite trends – including 10 unique trend zones – have been mapped and sampled so far⁶ (Figure 2), the focus of this drilling program is to rapidly build upon the current mineral resource to significantly extend the project life being assessed at PFS level. It is important to recognise that the **existing Mineral Resource was defined from less than 3% of the currently mapped graphite trends**. Even with the addition of new drilling, less than 6% of the currently mapped graphite trends will have come under review for the revised Mineral Resource. As shown in Figure 2, the 36 km of mapped graphite trends were identified before the project tenement

area was extended 3-fold during 2024¹. The projects ultimate potential as a strategic critical mineral resource remains enormous.

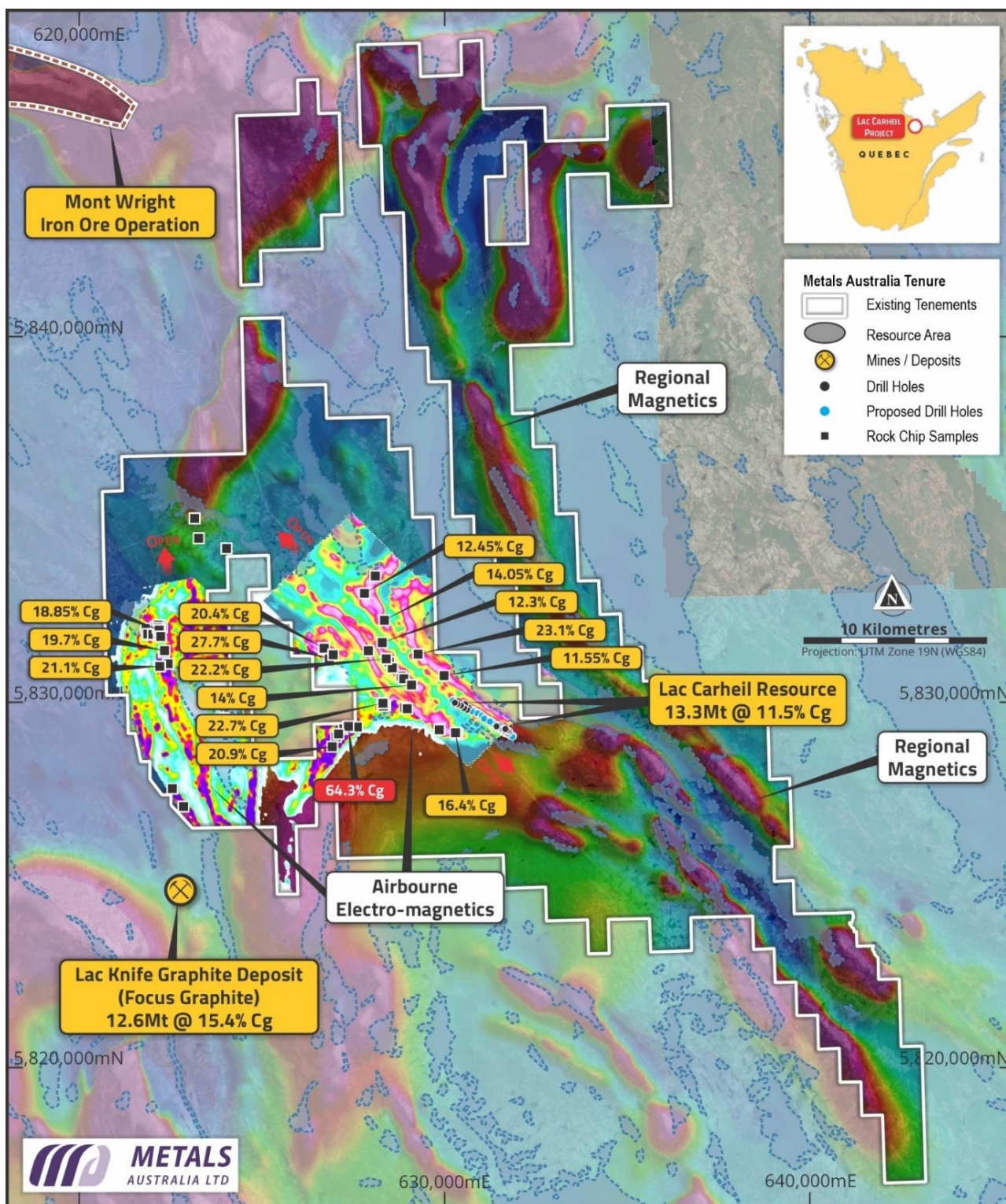


Figure 2 - Lac Carheil Graphite Project – Current claims that grew 3-fold in 2024, the existing Mineral Resource, Regional Mapping revealing magnetic anomalies in the claims area & existing mapped and sampled graphite trends.

Metals Australia CEO Paul Ferguson commented:

“It truly is fantastic to see drilling underway at our strategically significant Lac Carheil graphite project in Quebec.

We are delighted to be working once again with the team at Magnor Exploration. We acknowledge the challenges they have faced in getting the project together so expeditiously – especially recognising the cold weather in Fermont, which has frequently been below – 30 deg C during February – a fact we have also experienced firsthand during our field visit.

From all the work that has been done so far, it’s clear to me that we are just scratching the surface with what we have at this project. Less than 3% of the graphite trends mapped and sampled were used in the maiden resource – and less than 6% are under consideration as we focus on growing the resource for a longer life project that we are progressing through prefeasibility assessment.

We grew the project claims holding 3-fold in 2024 – so we now have a land holding covering more than 60km north to south and over 30km in width. The potential to add graphite trends within that footprint is fast making the Lac Carheil project one of strategic significance for Quebec, Canada and North America.

It’s not just our view that all this is happening in the right place at the right time. The Quebec government has been very supportive in helping us to advance the project through to drilling. We are grateful to the government for their support.”

About Metals Australia Ltd

Metals Australia Ltd (ASX: MLS) has a proven track record of Critical Minerals and metals discovery and a quality portfolio of advanced exploration and pre-development projects in the highly endowed and well-established mining jurisdictions of Quebec – Canada, Western Australia and the Northern Territory.

The Company is advancing exploration and development of its flagship **Lac Carheil high-grade flake-graphite project** in Quebec (formerly Lac Rainy graphite project), a high-quality project which is well placed for the future delivery of premium, battery-grade graphite to the North American lithium-ion/EV battery market, and other flake-graphite products.

The Company has reported widespread and exceptionally high-grade graphite sampling results from Lac Carheil, including **10 results of over 20% Cg and averaging 11% Cg across a 36km strike-length of graphitic trends identified within the project**⁶ The existing Mineral Resource of **13.3Mt @ 11.5% Cg** (including Indicated: **9.6Mt @ 13.1% Cg** and Inferred: **3.7Mt @ 7.3% Cg**)² has been defined from just 1km strike-length of drill-testing of the Carheil Trend. An extensive new drilling program is now underway – significantly expanding and upgrading the existing mineral resource, while also investigating mapped high-grade trends near the Lac Carheil Mineral Resource^{1,6}.

The Company is finalising a metallurgical test-work program on Lake Carheil, building on previous work which generated high-grade **flotation concentrate results of up to 97% graphitic carbon (Cg)**⁷ including 24% in the medium and large flake category. Subsequent **spherical graphite (SpG) battery test-work produced high-quality battery grade (99.96% Cg) SpG**⁸, and electrochemical (battery charging and durability) tests showed **excellent charging capacity and outstanding discharge performance and durability**⁹. Lycopodium is in the process of advancing a pre-feasibility Study (PFS) on flake-graphite concentrate production and Anzaplan has been commissioned to carry out a Scoping Study on downstream battery-grade SpG production⁴.

The Company is also advancing its gold, silver and base metals exploration projects in the world-class James Bay region of Quebec, where it provided an update on results from its 2024 summer exploration program at the

Corvette River Project¹⁰. The company has mapped multiple gold, silver and base metals corridors – with Gold at West and East Eade and Gold, Silver and base Metals at the Felicie prospect.

The Company's other key projects include its advanced **Manindi Critical Minerals Project** in the Murchison district of Western Australia, where the company is advancing metallurgical test work on its high-grade titanium vanadium and iron discovery¹¹. The company is also conducting further studies on its high-grade zinc Mineral Resource of **1.08Mt @ 6.52% Zn, 0.26% Cu, 3.19 g/t Ag** (incl. 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 & Inferred: 906.7kt @ 6.17% Zn, 0.25% Cu, 2.86 g/t Ag)¹¹.

This Company is also progressing plans for field exploration at its **Warrego East** prospect in the Tennant Creek copper-gold province in the Northern Territory. The project includes a large, granted exploration licence immediately to the east of the Warrego high-grade copper-gold deposit (production **6.75Mt @ 2% Cu, 8g/t Au**¹²).

References

¹Metals Australia Ltd, 23 Dec 2024 – Lac Carheil expanded footprint, drilling fully permitted.

²Metals Australia Ltd, 15 Jun 2020 - Metals Australia Delivers High-Grade Maiden JORC Resource at Lac Rainy.

³Metals Australia Ltd, 3 February 2021 - Scoping Study Results for Lac Rainy Graphite Project, Quebec.

⁴Metals Australia Ltd, 8 May 2024 - Major Contracts Awarded to Advance Lac Rainy.

⁵Metals Australia Ltd, 29 January 2025 – Quarterly Activities & Appendix 5B Cash Flow Report

⁶Metals Australia Ltd, 16 Oct 2023 – Extensive high-grade graphite more than 50% at Lac (Rainy) Carheil.

⁷Metals Australia Ltd, 30 June 2020. Metallurgical Testing Confirms Lac Rainy Graphite High Purity and Grade.

⁸Metals Australia Ltd, 28 February 2023. Battery grade 99.96% Spherical Graphite for Lac Rainy.

⁹Metals Australia Ltd, 23 May 2023. Outstanding Battery Test Results for Lac Rainy Graphite.

¹⁰Metals Australia Ltd, 11 Oct 2024 – New Gold-Metal Results highlight Corvette Potential.

¹¹Metals Australia Ltd, 12 Dec 2024 – Australian Projects – Warrego East, Manindi, Drill Updates.

¹²Northern Territory Geological Survey, Gold Deposits of the Northern Territory, Report II: December 2009. Page 60,65.

Graphite Mineral Resource Estimate³:

| Deposit | Classification | Tonnes | Total Graphitic Carbon (TGC) | Contained TGC (Tonnes) | Sulphur (%) |
|-------------------------------------|----------------|------------|------------------------------|------------------------|-------------|
| South-East Carheil Graphite Deposit | Indicated | 9,600,000 | 13.1 | 1,257,600 | 9.8 |
| North-West Carheil Graphite Deposit | Inferred | 3,700,000 | 7.3 | 270,000 | 7.3 |
| - | Total* | 13,300,000 | 11.5 | 1,529,500 | 9.1 |

• Mineral Resource estimated above a 5% TGC lower cut-off.

• Metals Australia Ltd, 15 June 2020 - Metals Australia Delivers High-Grade Maiden JORC Resource at Lac Rainy.²

Further Information:

Additional information is available at metalsaustralia.com.au/ or contact:

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ASX LISTING RULES COMPLIANCE

In preparing this announcement the Company has relied on the announcements previously made by the Company listed under "References". The Company confirms that it is not aware of any new information or data that materially affects those announcements previously made and, in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed, or that would materially affect the Company from relying on those announcements for the purpose of this announcement.

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 is based on information compiled and/or reviewed by Mr Chris Ramsay. Mr Ramsay is the General Manager of Geology at Metals Australia Ltd, is a Fellow of the Australian Institute of Mining and Metallurgy ('FAusIMM') and holds shares in the company. Mr Ramsay has sufficient experience, including over 25 years' experience in exploration, resource evaluation, mine geology, and development studies, 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 Ramsay consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.