

QUEBEC FLAKE-GRAPHITE DEVELOPMENT PROJECT UPDATE

Metals Australia Ltd (“Metals Australia”, or “the Company”) continues to advance its flagship high-grade flake-graphite development project in the Tier 1 mining district of Quebec, Canada.

- **Project Name change to Lac Carheil Graphite project:** Metals Australia is changing the name of its graphite project to **Lac Carheil Graphite Project** to better align the projects proximity with its closest and most significant geographical feature (Figure 1). The existing project Mineral Resource¹ is located on the Carheil Trend, east of Hydro Quebec’s high voltage powerline corridor (315 kV) which bisects the claims owned by the Company. The current resource is a considerable distance from Lac Rainy and much closer to Lac Carheil. The primary objective of the name change is to avoid confusion among all stakeholders (see Figure 2).
- **Metals Australia has submitted a new Impact Exploration Assessment (IEA) to the Quebec Ministry of Natural Resources and Forestry (MRNF),** following consultation with all stakeholders. The application recognises changes that came into effect from May 6th this year. An application must satisfy the conditions set out in the new regulations and contain questions, requests and comments from local authorities and indigenous communities concerned as well as exploration attributes and delineation of the areas proposed. Metals Australia believes that all Impact concerns raised for a short duration drilling program have been addressed.
- **Further contract awards signed. Metals Australia has signed a contract with Lonestar Technical Minerals (LSTM)** for the completion of its marketing and pricing strategy as part the overall pre-feasibility (PFS) assessment. This study will investigate the optimum flake-graphite product mix and market opportunities, based on its unique chemical characteristics and flake-size distribution. Graphite is designated as a Critical Mineral in countries such as the USA, Canada, and Australia – given its wide-ranging applications, including as the key anode material in battery energy storage.
- **Advancing further detailed proposal reviews for key elements of the project.** Significant additional work program scopes are under evaluation, with detailed proposals received and more anticipated. These include Mineral Resource Estimation and Mining Design scopes, which will follow the resource expansion and definition drilling program. Environmental and Social Impact Assessment (ESIA) studies will also be carried out – including baseline environmental studies and ongoing monitoring of the project area. Professional service agreements to support strategic advisory and community engagement programs will also be implemented.
- **Progressing previously announced study contracts** – Laboratory test work with SGS laboratories is underway, investigating key elements of the design for the Flake Graphite Concentrate Plant, including planned design elements focused on lowering environmental risks associated with long term deposition of tailings. PFS design work with Lycopodium Minerals, Canada is also advancing. Commitments with ANZAPLAN in Germany for downstream design work and location studies are scheduled and will commence when the required sample material has been generated by the SGS test program.

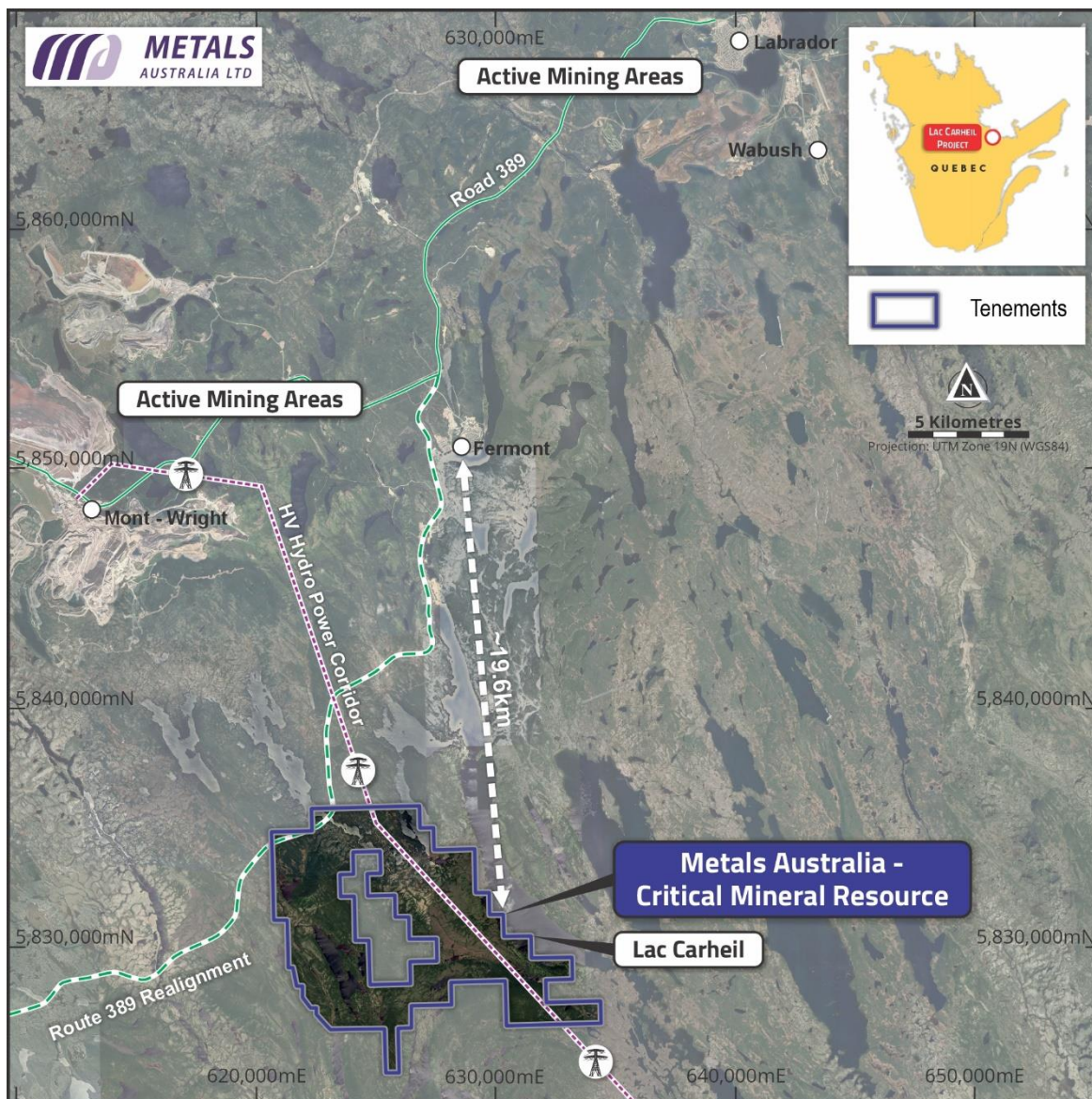


Figure 1: Lac Carheil Graphite Project location, Lac Carheil, Mining Communities, Mining operations, Position of Hydro Quebec 315 KV powerline and proposed new route of main highway (389) to Fermont.

Project Name change to Lac Carheil Graphite project.

Metals Australia has changed the name of the Graphite project to **Lac Carheil Graphite Project**, as the project's existing Mineral Resource (**13.3 Mt @ 11.5% Graphitic Carbon (Cg)** including Indicated of **9.6Mt @ 13.1% Cg & Inferred 3.7Mt @ 7.3% Cg**)¹ is relatively close to Lac Carheil and a considerable distance from Lac Rainy. Communications have frequently referenced the **Carheil trend** as the graphite trend on which the current resource exists. The use of Lac Rainy as a project reference has created confusion with stakeholders, given its position to temporarily suspended exploration areas (Figure 2). Figure 2 shows the position of the project resource and lake locations. Also shown are exclusion areas that form part of an Aquatic reserve associated with the Moisie River and its key tributaries, which is approximately 35km south of our current resource. Areas shown in orange have been designated as mining incompatible, while purple areas are under temporary suspension.

Importantly, the Lac Carheil Graphite project is not in an area classified as excluded and the name change better represents the location of primary and planned activities. Further, searching the worldwide web for Carheil Lake provides a Wikipedia summary which includes an outline of the Metals Australia graphite project, linked directly to the lake, as well as the history of the Lake and its current uses. Links to further development plans, including a proposed highway re-route⁵ to Fermont that would improve access to the project are also available. Metals Australia is aware that development has commenced. Benefits of a completed highway re-route would include a shorter plant access road requirement for the project area and improved transportation conditions for any future concentrate haulage. We will assess benefits during the PFS.

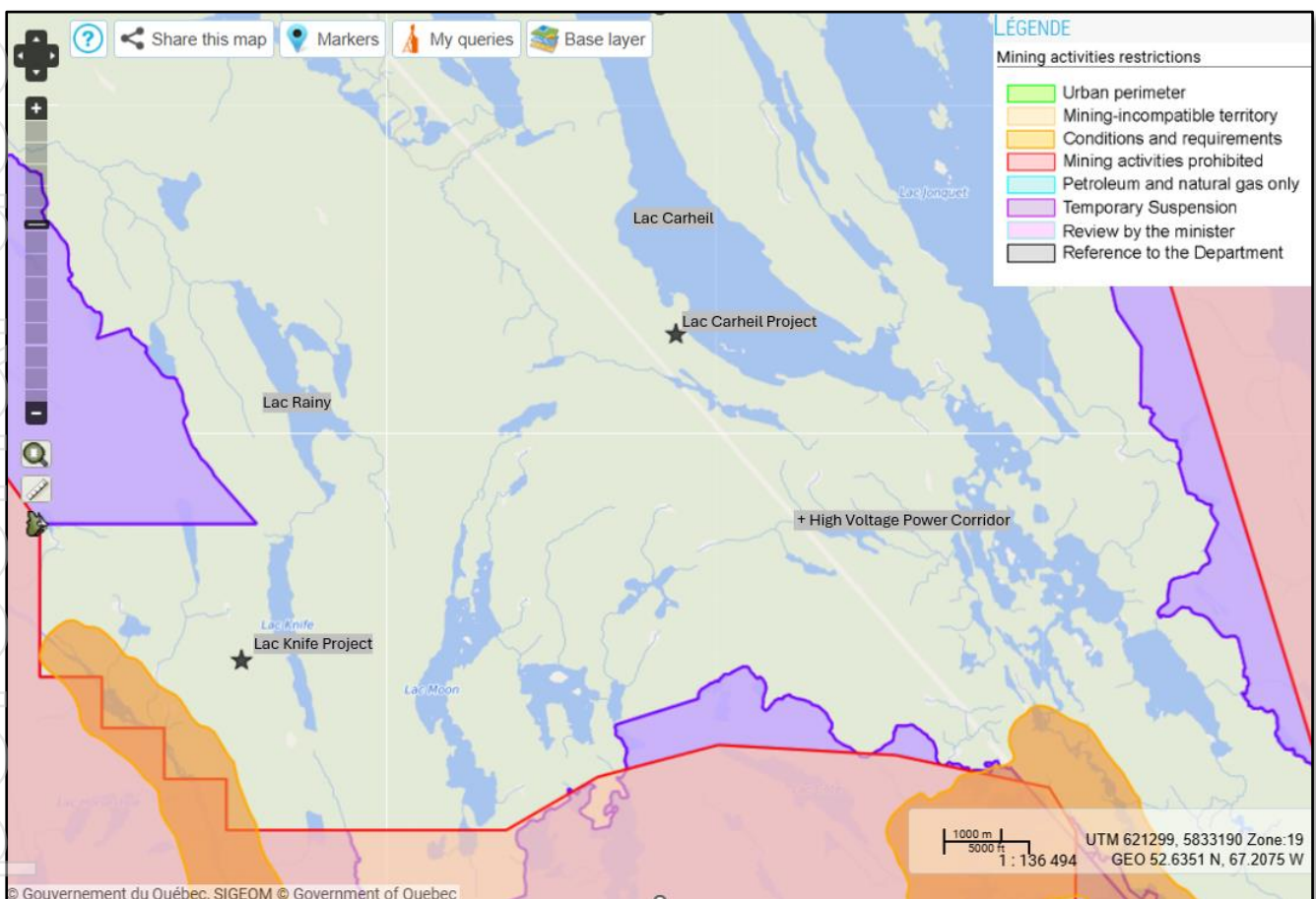


Figure 2: Lac Carheil Graphite Project position, the High Voltage Powerline Corridor & Mining Activity Restriction Areas that form part of the Moisie River Aquatic Reserve (Source – SIGEOM, Govt of Quebec).

New Impact Exploration Assessment submitted to Quebec Ministry Natural Resources & Forestry

As previously reported, Metals Australia, via Magnor Exploration, applied for a drilling permit in late 2023. Based on timeframes for its original drilling program, successfully completed in 2019, the Company anticipated a drilling program would occur during the 2023/24 winter.

New regulations were introduced by MRNF and came into effect on May 6th, 2024. These require broader consultation with all stakeholders in project areas. The new requirements are applicable for any application after May 6th. Though our application was submitted in 2023, we consider it appropriate to comply with the new requirements. While the claim holder has exclusive rights to explore for mineral substances on the land

covered by the claim, the new requirement necessitates that an Impact Exploration Assessment must be completed. The application must satisfy conditions set out in the regulations and contain:

- A. Questions, requests and comments from the local municipalities and Indigenous communities concerned, as well as responses to issues raised during the discussions.
- B. Information relating to the geometric location and attributes of the geographical features used to delimit the area of interest where the work will be carried out and,
- C. Completion of the form provided by the Ministry for this purpose, including all documents and information requested.

The Company and its full-service exploration partner, Magnor Exploration, have consulted widely for advancement of its application for drilling. Consultation included meetings, presentations, discussions, letters, emails, and conversations. All identified impacts have been addressed, culminating in completion and submission of the Impact Exploration Assessment to the Ministry of Natural Resources and Forestry.

Key questions presented to Metals Australia and Magnor, included proximity to the Moisie River Aquatic Reserve, road access to the site, proposed timber removal and any noise and dust that may result from the short duration drilling program. Traditional land use including hunting, fishing and recreation were also highlighted.

Metals and Magnor have already demonstrated that they are responsible explorers – the 2019 drilling program stands as testament to that. In the lead up to the program, during and after there were no adverse findings raised to either Metals Australia or Magnor regarding the way the drilling program was conducted. The Company completed the activities in winter, utilising snow cover for protection on trails and drill pads, used existing trails into the site (See Figure 3) that follow the High Voltage corridor, removed minimal timber, generated no dust (diamond drilling is wet cutting) and made minimal noise. The team used skid mounted drills and completed activities in less than a month.

The new program plans to follow these same, established processes for minimal impact. It will occur during Fall or Winter, use existing trails, skid mounted drills and will be of short duration. There will be limited timber removed during the program as many of the areas proposed for drilling on the resource extension are barren of timber (See Figure's 4 & 5). All waste products from drilling will be removed in the same manner as the 2019 program. The drilling crew will largely be the same team.

Where possible, Metals and Magnor are committed to hiring local personnel, using local businesses, and providing benefits to stakeholder communities in which we operate. We look forward to further demonstrating our credentials in this regard.



Figure 3 (Top) & 4 (below) Lac Carheil Graphite Project via trails along Hydro Quebec High Voltage Corridor & Across Lac Carheil to Fermont, (Pylons visible in both photos). Images courtesy of Magnor, 2019.



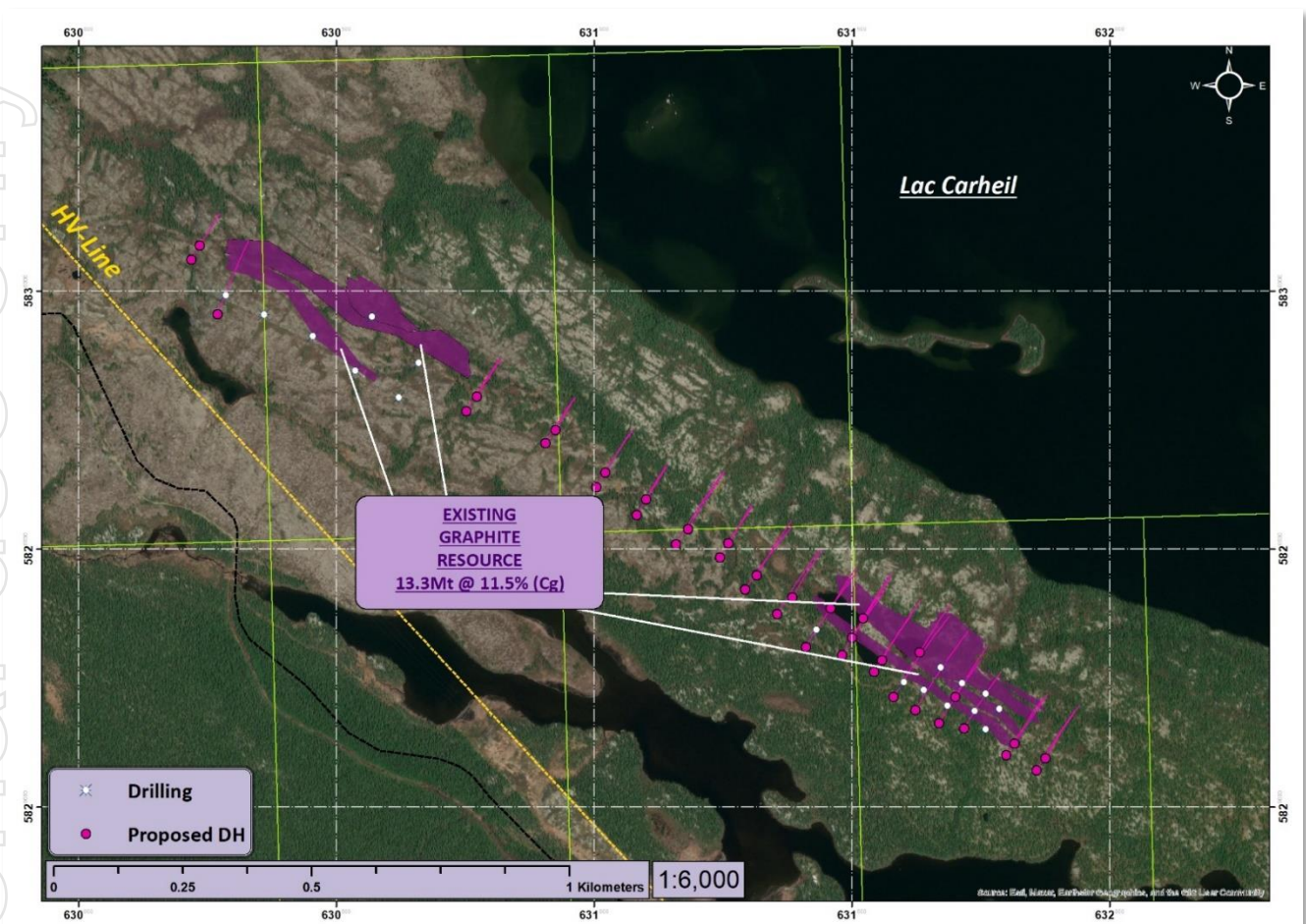


Figure 5 Lac Carheil Graphite Project – Existing Resource Locations¹ (purple), planned resource extension and infill drilling (pink), Location of High Voltage Corridor (yellow) & general topography.

Further Contract Award signed

Metals Australia is pleased to announce award of its Marketing & Pricing study to Lone Star Tech Minerals (LSTM), USA. LSTM provides industrial minerals consulting services focusing on all aspects of graphite and carbon products as well as sales and technical consulting services and expertise for various industrial mineral applications. LSTM's principal consultant, Mr. Christopher Whiteley (MBA), has successfully implemented global marketing and sales initiatives for many international graphite and carbon companies for fuel cells, li-ion batteries, lead acid batteries, alkaline batteries, refractories, hot metal forming, engineering applications, pencil, ceramics, polymers and plastics, drilling fluids, automotive products, fire retardants, lubricants, dispersions, SiC, CGI, and geothermal applications.

LSTM will review and assess the Lac Carheil Graphite flake-size distribution, metallurgical and chemical characteristics as part of the overall PFS development. Detailed assessment of products – in terms of flake-size distribution, metallurgical and chemical characteristics are made for the most suitable markets and applications for the upstream and downstream products and associated prices identified markets and applications will attract. Prices and demand will impact conversion of resources to reserves, extraction sequence and help guide overall product marketing strategies in completing successful qualifications for product end use.

Graphite is a Critical industrial mineral that has wide ranging applications including industrial, consumer goods, aerospace, lubricants, automotive, and battery. As with all industrial minerals, specifications will vary by market and application and matching a suitable graphite product is key to the success of the graphite project. Defining and developing a path from production to market is a critical component to the success of the graphite project. The work we will undertake is to rigorously assess the mesh size distribution and other important aspects of the natural flake graphite project flake-size and characteristics against a wide range of potential market outlets and applications, including use of natural graphite in anode applications for a number of secondary battery uses, including future growth in EV markets.

An early opportunity under investigation, in conjunction with test work being performed with SGS, is to define the distribution of **coarse flake graphite** within the broader Mineral Resource. Early test work for the Scoping Study² preferentially utilised a bulk-sample from the southeast pit resource, which was predominantly fine to medium flake of higher average grade (approximately 20% was characterised as coarse or + 80 Mesh/+ 180 micron)². Samples for the PFS testing will also investigate the contribution of the **northwest pit resource, which appears to have a higher proportion of coarse-flake**. This observation compares to Focus Graphite Inc.'s (TSXV: FMS) Lac Knife Project (approx. 10 km southwest of Lac Carheil Project – see Figure 6), which has a reported 33% of the Mineral Resource classified as coarse flake graphite, according to their 2023 Feasibility study³. Given market demand for coarse flake, including for foils, gaskets, and fire retardants, understanding these markets in the PFS will be beneficial.

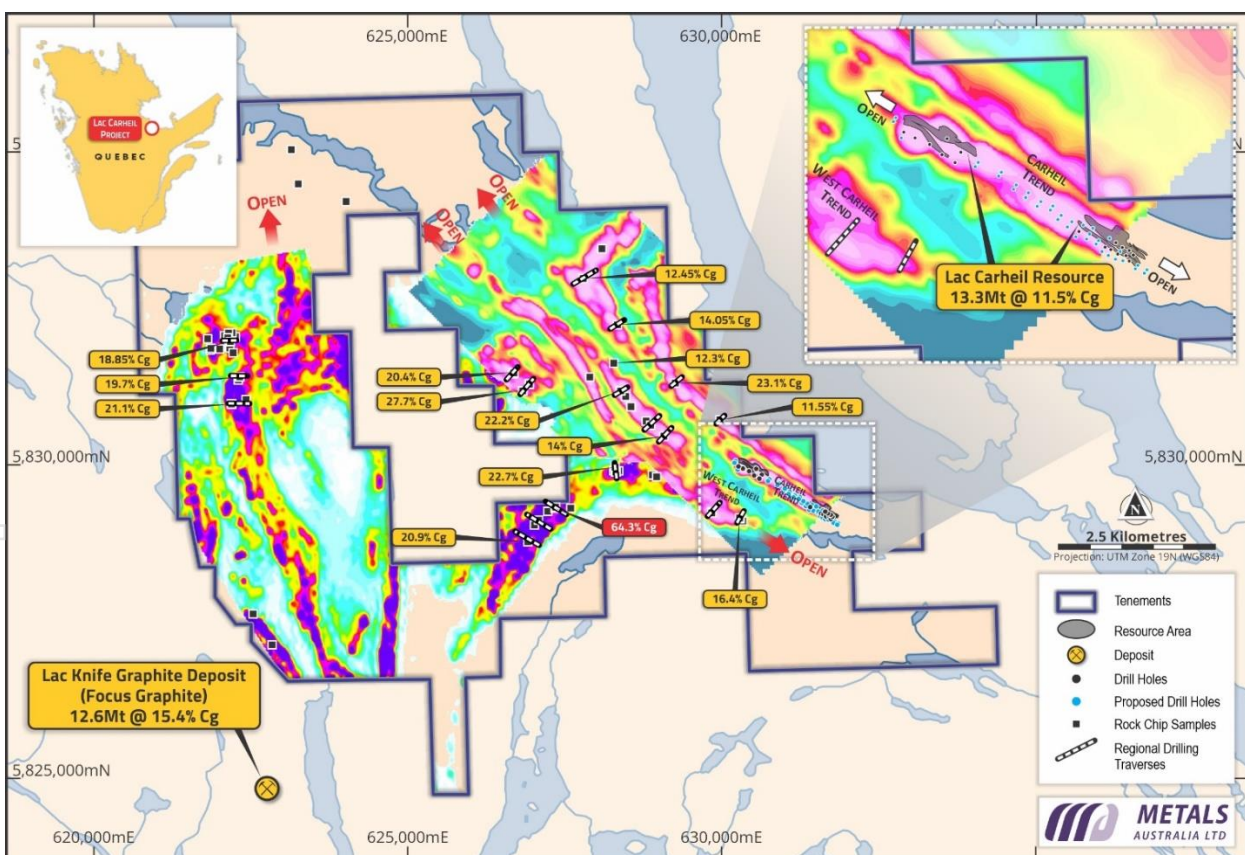


Figure 6: Lac Carheil Graphite Project, key high-grade graphite trends with planned drilling locations⁴

It was also noted that the Focus Graphite Feasibility Study reported an average flake-graphite product price of approximately \$1,660 USD per Tonne (2023)³. In comparison the Metals Australia Scoping Study² utilised

2020 pricing averaging \$885 USD per Tonne. The importance of detailed assessment of the product potential in terms of application and pricing will have a significant impact on overall project economics.

Advancing further detailed proposal reviews for key elements of the project.

In support of the detailed study work already announced⁴, Metals Australia is also obtaining and reviewing proposals for other work program scopes across Strategic Advisory & Social Engagement Services, Environmental Science and Studies, and Geology, Geotechnical and Mining.

These activities increase in significance as the project moves through the various phases of evaluation required to assess its rigour for potential development. It is essential that the complexity of issues outlined in the above work scopes are fully assessed.

Community and stakeholder engagement support is essential to ensure that stakeholders fully understand the benefits that a critical minerals project can bring to communities and regions. Equally, a practical and fair representation of potential impacts is only possible through engagement and open and honest dialogue. Resourcing the Company to assist strategically and professionally in this area is thus essential for the project to move on from exploration.

Critical to any discussion on impacts is a sound understanding of the environment, which can only be achieved via detailed environmental assessments of the key features – water resources, land management, forestry, flora, and fauna habitat. Establishing an environmental base line for the site is imperative – as will be the ongoing monitoring and reporting. Metals Australia is anticipating a long-term partnering agreement that can assist in this aspect of the project.

A further study area currently under proposal review covers, Geology, Geotechnical and Mining design. All work is contingent on output from planned exploration drilling aimed at growing the resource and investigating further mineral potential in proximity. Scopes of work such as the Mineral Resource Estimation, Mine Geotechnical design and Mine design, including infrastructure, equipment, planning, and scheduling are all progressing and further updates will be provided.

Progress on Previously Announced Study Contracts.

Metals Australia previously outlined a series of contracts awarded to progress key drilling, metallurgy, and engineering design scopes, including supporting specialist consultancies. Details of the awards are all outlined in our May 8th release⁴.

Our major metallurgical test work program is underway with SGS laboratories in Lakefield Ontario. The program of work is being managed by MetPro management, a metallurgical consultancy with significant experience in the design of graphite process flow sheets for a wide variety of projects, including those progressing elsewhere in Canada. While the objective of the work programs has all been summarised in prior releases it is worth noting that aspects of the work may also be eligible for study grants from the government. The Company is preparing an application for support for a portion of the costs it will spend investigating and pursuing a dry, stacked tailings product that has had sulphides removed and is effectively benign. If successful, the company plans to integrate this design into its project with the aim of mitigating long term environmental potential impacts that are associated with conventional slurry-based tailings production. A dry, benign tailings product can be co-disposed with overburden.

Once all test work is completed under the SGS program, a final flake-graphite concentrate sample of around 50 Kg will be dispatched to ANZAPLAN in Germany for their down-stream product work to begin.

Metals Australia CEO Paul Ferguson commented:

“We are continuing the hard work to progress our flagship critical minerals project at Lac Carheil in one of world’s premier mining regions. The regional proximity to large scale mines and communities with directly relevant skills and services and significant infrastructure – including power, road and rail all bode well for future development within the region. We have been delighted by the support our project is receiving particularly within the Quebec government, the funds we have engaged with and through existing and potential business partners. There is increasing awareness of the project’s significance and potential – as Canada and the USA seek to source their future needs for critical minerals, such as graphite, on shore.

We are in the early stages of investigations and studies to advance upon the work completed so far. While we have announced a series of agreements to progress critical path items, there are additional work programs still advancing through reviews, and I plan to share more updates when available.

Metals Australia is also exploring pathways for supportive government grants that not only aid in funding a portion of the costs of the work we are undertaking – or plan to undertake – but also further profile the company and the project to government agencies tasked with the strategic supply of critical minerals, in North America and in Europe. Having a high-grade graphite resource with significant resource expansion potential puts us in a particularly advantageous position for those discussions.

The Company has the financial capability to complete all the work programs we have commenced, or plan to commence, for Lac Carheil. This position of strength also allows us to progress work we have planned across the balance of our high-quality exploration portfolio – all of which are in active planning. I believe this capacity is a distinguishing feature of Metals Australia. We currently have a market cap well below our cash backing, which is uncommon. In that regard, I note a research coverage report prepared by Vested Equities, which can be downloaded from our website. It provides a compelling insight into the Company and its potential.”

About Metals Australia Ltd

Metals Australia Ltd (ASX: MLS) has a proven track record of battery 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 and Western Australia.

With a strong balance sheet, the Company is focused on the exploration and development of its flagship Lac Rainy flake-graphite project in Quebec, 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.

The Company is also advancing its lithium and gold exploration projects in the world-class James Bay region of Quebec and at its advanced Manindi battery minerals and metals project in Western Australia.

In addition, Metals Australia also has highly prospective exploration projects at Warrambie in the northwest Pilbara near the Andover lithium project, gold exploration projects in WA’s rich Murchison gold region and highly prospective tenements in the Tennant Creek copper-gold field of the Northern Territory.

References

- ¹Metals Australia Ltd, 15 June 2020. "Metals Australia Delivers High-Grade Maiden JORC Resource at Lac Rainy."
²Metals Australia Ltd, 3 February 2021. "Scoping Study Results for Lac Rainy Graphite Project, Quebec."
³Focus Graphite (TSXV: FMS), 19 April 2023. "Focus Graphite Files Lac Knife Graphite Project Feasibility Study Technical Report."
⁴Metals Australia Ltd, 8 May 2024. "Major Contracts Awarded to Advance Lac Rainy."
⁵Transports Quebec Impact Assessment Summary, January 2016 – "Route 389 Improvement Program between Fire Lake and Fermont (Kilometre 478 to 564)."

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 Persons Statement

The information in this report that relates to exploration results, 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 35 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.

ASX listing Rules Compliance

In preparing this announcement the Company has relied on the announcements previously made by the Company as listed under "References". 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.

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

*****ENDS*****

Further Information:

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