

ASX Announcement

10 May 2018

Metals Australia divests Mile 72 Uranium Project, Namibia

Highlights:

- **Metals Australia has entered into a binding agreement to divest 100% of the Mile 72 Uranium Project located in Erongo, Namibia**
 - **Metals Australia will receive a cash payment and a 1% gross preferential dividend on any future production**
-

Metals Australia Limited (ASX:MLS) is pleased to announce it has entered into a binding agreement to divest its 100% interest in the Mile 72 Uranium Project in Namibia to fellow ASX-listed uranium exploration and development company Marenica Energy Ltd (ASX:MEY).

In consideration, Marenica Energy will make a total cash payment of AUD30,000 and grant MLS a 1% gross preferential dividend on Exclusive Prospecting Licence No. 3308 (EPL3308).

Commenting on the agreement, Mr Gino D'Anna, a Director of MLS stated:

"The Board of Metals Australia consider that the sale of the Mile 72 Uranium Project is in line with the change in the Company's strategy to position itself to become a developer of key commodities for the growing lithium-ion battery and energy storage markets.

Marenica Energy already holds other uranium projects in Namibia and is well positioned to continue exploration of the Project. Furthermore, Marenica Energy has developed a proprietary technology called U-pgrade™ for processing of surficial uranium deposits. Consequently, Marenica are also more favourably positioned to undertake the development of any uranium deposits that may be discovered on EPL 3308. Through the preferential dividend agreement, MLS will share in any future development on this Project."

Mile 72 Uranium Project

The Mile 72 Uranium Project comprises a single Exclusive Prospecting Licence No. 3308 (EPL3308), located in the Erongo Region of Namibia (Figure 1). The Project area was explored by MLS and widespread anomalous uranium mineralisation was discovered in near-surface deposits. The Project is considered prospective for both calcrete-hosted and alaskite-hosted styles of uranium mineralisation.

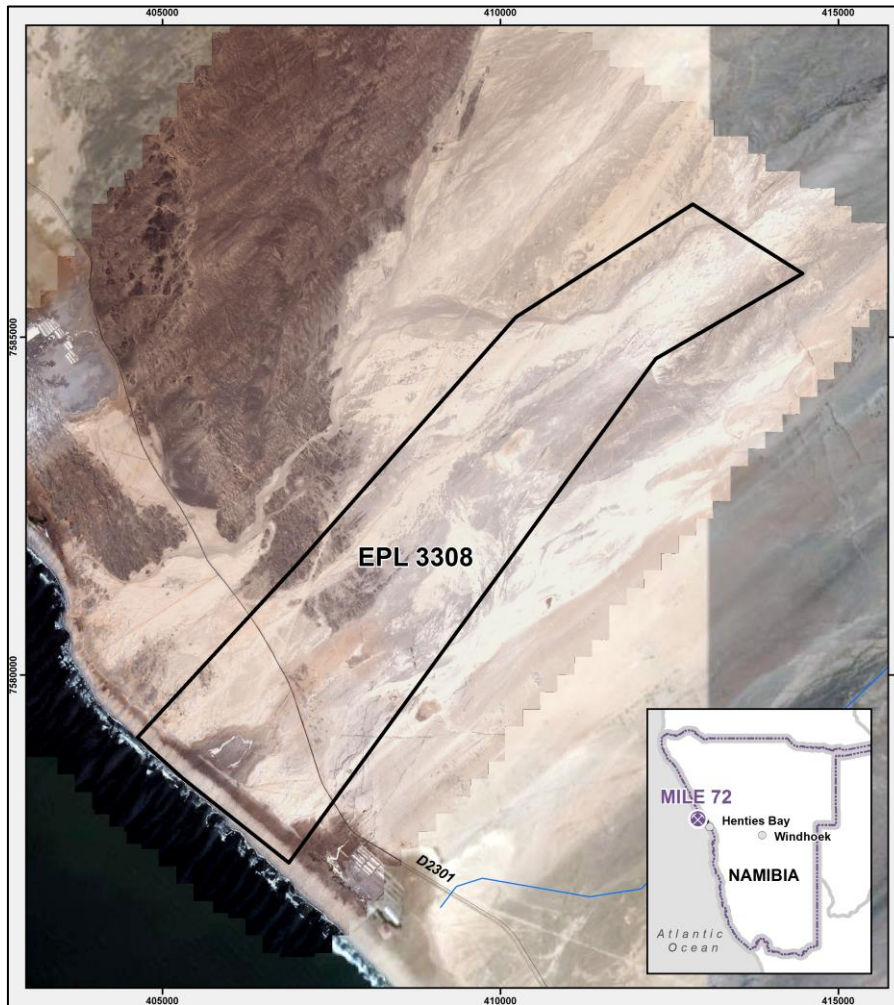


Figure 1: Location map of the Mile 72 Uranium Project in Namibia

Summary of Sale Terms

Metals Australia Limited (MLS) has entered into a binding agreement with Marenica Energy Limited (MEY) to sell 100% of the Mile 72 Uranium Project, Namibia (the Agreement).

The key terms of the Agreement are as follows:

- MEY will pay MLS a total of A\$30,000 in cash; and
- MEY shall grant MLS a 1.0% gross preferential dividend on any mineral production from the area of EPL3308.

The Agreement is subject to obtaining any regulatory approvals that are required in Australia or Namibia. The companies have completed a formal Sale and Purchase Agreement for the Namibian company that holds EPL3308.

ENDS

For more information, please contact:

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

Graham Baldisseri
Company Secretary
Metals Australia Ltd
Ph: 08 9481 7835

Competent Person Statement

The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves, as applicable, is based on information compiled by Mr. Lachlan Reynolds. Mr Reynolds is a consultant to Metals Australia Limited and is a member of the Australasian Institute of Mining and Metallurgy. Mr. Reynolds has sufficient experience 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. Reynolds consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.