

ASX RELEASE: 28 July 2021

Cosmopolitan Gold Mine Drilling Results

- Final assays from the recent 12 hole drill programme at the Cosmopolitan Gold Mine at the Kookynie Gold Project¹ have been returned, with best intercepts including:
 - COSRC0026 - 1 metre @ 5.4 g/t from 193 metres and:
 - 1 metre @ 3.9 g/t from 202 metres.
 - COSRC0027 - 1 metre @ 4.4 g/t from 183 metres and:
 - 1 metre @ 7.7 g/t from 208 metres.
 - COSRC0029 - 2 metres @ 2.1 g/t from 165 metres.
 - COSRC0030 - 6 metres @ 1.4 g/t from 182 metres.
- These are the first 12 holes that have been drilled by the Company in and around the historic Cosmopolitan mine which produced 360,000 ounces at 15 g/t Au.
- The Company is highly encouraged by the initial scout drilling conducted and about the potential for high grade extensions to the old mine; with more work programmes now planned to follow.
- All assays from the recent drilling programme across the wider Project have been returned and the Company will commence its next programme shortly with a focus on McTavish and the 2km of untested strike between McTavish and Leipold, where recent results included²:
 - McTRC0049 - 5 metres @ 25.9 g/t from 28 metres
 - McTRC0064 - 6 metres @ 20.6 g/t from 19 metres
 - McTRC0044 - 3 metres @ 19.1 g/t from 88 metres

Metalicity Limited (ASX: MCT) ("MCT" or "Company") is pleased to announce the gold results from the historic Cosmopolitan Gold Mine at the Kookynie Gold Project¹ in the Eastern Goldfields, Western Australia, approximately 60 kilometres south southwest of Leonora.

¹Please refer to ASX Announcement "*Metalicity Achieves Earn-In On The Kookynie & Yundamindra Gold Projects*" dated 20 May 2021 with Nex Metals Explorations Ltd, ASX:NME. **As reported on 20 May, Metalicity now has a 51% and controlling interest in both the Kookynie & Yundamindra Gold projects.**

²Please refer to ASX Announcement "*McTavish Delivers Bonanza Grade Gold Results up to 91.2 g/t Au*" dated 8 July 2021.

Cautionary Statement Relating to the Cosmopolitan Production Data

The Production details for the Cosmopolitan Mine are referenced from publicly available data sources. The source and date of the production data for the Cosmopolitan Gold Mine has been reported in the Geological Survey of Western Australia records showing the development of the Cosmopolitan Gold Mine in 1905. DMIRS digital records include open file Annual Reports and data pertaining to the exploration and development efforts of previous operators. Two documents with WAMEX reference numbers A069774 and A067918 are of particular interest. The previous operator in the early 2000's, Point Exploration Ltd, digitised these historical maps, including the channel sampling. The historical production data have not been reported in accordance with the JORC Code 2012. A Competent Person has not done sufficient work to disclose the historical production data in accordance with the JORC Code 2012. It is possible that following further evaluation and/or exploration work that the confidence in the prior reported production data may be reduced when reported under the JORC Code 2012. Nothing has come to the attention of the operator that causes it to question the accuracy or reliability of the historical production data; An assessment of the additional exploration or evaluation work that is required to report the data in accordance with JORC Code 2012 will be undertaken as part of the Company's development plan.

Commenting on the drilling results, Metalicity CEO, Justin Barton said:

“These were the first 12 holes drilled by Metalicity at Cosmopolitan and we are highly encouraged by the initial results and more work is now planned to test potential extensions to the historic high-grade mineralisation that was mined here.”

“The results were not what we were expecting given the detection of visible gold during drilling. Following a detailed investigation of the drilling programme and extensively re-testing assays, we have been able to identify that a significant amount of water was encountered in the hole announced with visible gold, that has led to potentially only 20% recovery through this interval. Although incredibly frustrating, this does provide us with significant encouragement that the drilling results at Cosmopolitan potentially understate the gold recovered recently and historically, given the higher grades we have consistently encountered at all the other nearby prospects, namely McTavish, Champion and Leipold.”

Summary of Cosmopolitan Gold Mine Assay Results

Seven of the 12 holes drilled at the Cosmopolitan Gold Mine have delivered significant intercepts, further highlighting the potential of this prospect. Whilst values returned are not at historical grades it is highly encouraging to intersect the structure that hosted the historical workings and confirm that this mineralisation continues. As articulated in this announcement, incredibly high variability in re-assaying has been encountered with the current results. Nevertheless, the Cosmopolitan Gold Mine was once one of the largest gold mines in Western Australia during its time.

Figure 1 below details a plane of vein long section for the Cosmopolitan drilling to date and intercepts reported in Table 1.

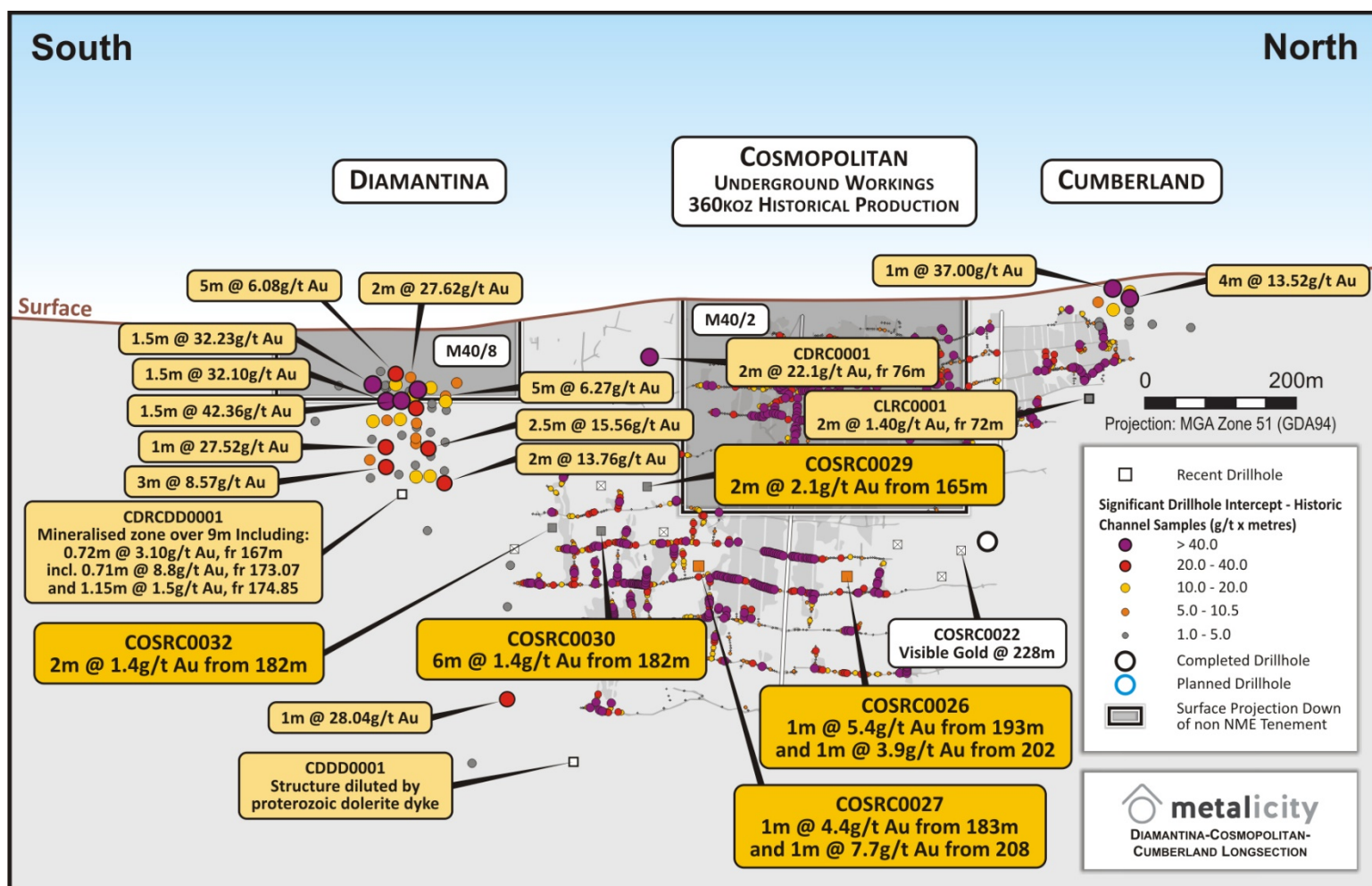


Figure 1 – Cosmopolitan Gold Mine Plane of Vein Section with recent drilling*.

For Figure Two Drilling Results; *Please refer to ASX Announcements: Metalicity Continues to Deliver Impressive Drill Hole Results for the Kookynie Gold Project, dated 22nd December 2020, Metalicity Continues to Deliver Fantastic Drill Hole Results for the Kookynie Gold Project dated 1st October 2020, Metalicity Reports Drill Hole Intercepts Up to 100 g/t Au for the Kookynie Gold Project dated 15th September 2020, Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project dated 25th August 2020, Metalicity Delivers More Outstanding Drill Hole Results for the Kookynie Gold Project. Phase Two Drilling to Commence Imminently dated 10th July 2020, Metalicity Continues to Deliver Excellent Drill Hole Results for the Kookynie Gold Project dated 2nd July 2020, Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project dated 25th June 2020 & Metalicity Reports Drill Hole Intercepts Up To 80 g/t Au & Additional Tenement Acquisition for Kookynie dated 21st January 2020.

			MGA 94_Zone 51 South											
Hole ID	Tenement	Hole Type	Easting	Northing	RL	EOH	Dip	Azi	From (m)	To (m)	Down Hole Width (m)	Grade (Au g/t)	Comments	
COSRC0022	M40/61	RC	354,346	6,753,970	431	240	-75	270	No significant intersection				Note this excludes re-assay of COSRC0022 from Viz Au 227 to 228 m where we did get a 1.5 and a 1.2 on 2 samples	
COSRC0023	M40/61	RC	354,376	6,753,930	433	234	-72	270	No significant intersection					
COSRC0024	M40/61	RC	354,388	6,753,890	434	270	-70	270	No significant intersection					
COSRC0025	M40/61	RC	354,386	6,753,850	433	250	-70	270	No significant intersection					
COSRC0026	M40/61	RC	354,393	6,753,780	431	269	-80	270	193	194	1	5.4	1 metre @ 5.4 g/t from 193 metres	
									202	203	1	3.9	1 metre @ 3.9 g/t from 202 metres	
COSRC0027	M40/61	RC	354,371	6,753,580	429	274	-80	270	183	184	1	4.4	1 metre @ 4.4 g/t from 183 metres	
									208	209	1	7.7	1 metre @ 7.7 g/t from 208 metres	
COSRC0028	M40/61	RC	354,335	6,753,535	428	252	-80	270	No significant intersection					
COSRC0029	M40/61	RC	354,348	6,753,515	428	232	-60	270	165	167	2	2.1	2 metres @ 2.1 g/t from 165 metres	
COSRC0030	M40/61	RC	354,377	6,753,450	428	256	-70	270	182	188	6	1.4	6 metres @ 1.4 g/t from 182 metres	
COSRC0031	M40/61	RC	354,377	6,753,450	428	102	-60	270	No significant intersection					
COSRC0032	M40/61	RC	354,371	6,753,385	428	245	-80	270	180	182	2	1.9	2 metres @ 1.4 g/t from 182 metres	
COSRC0033	M40/61	RC	354,368	6,753,345	429	275	-75	270	No significant intersection					

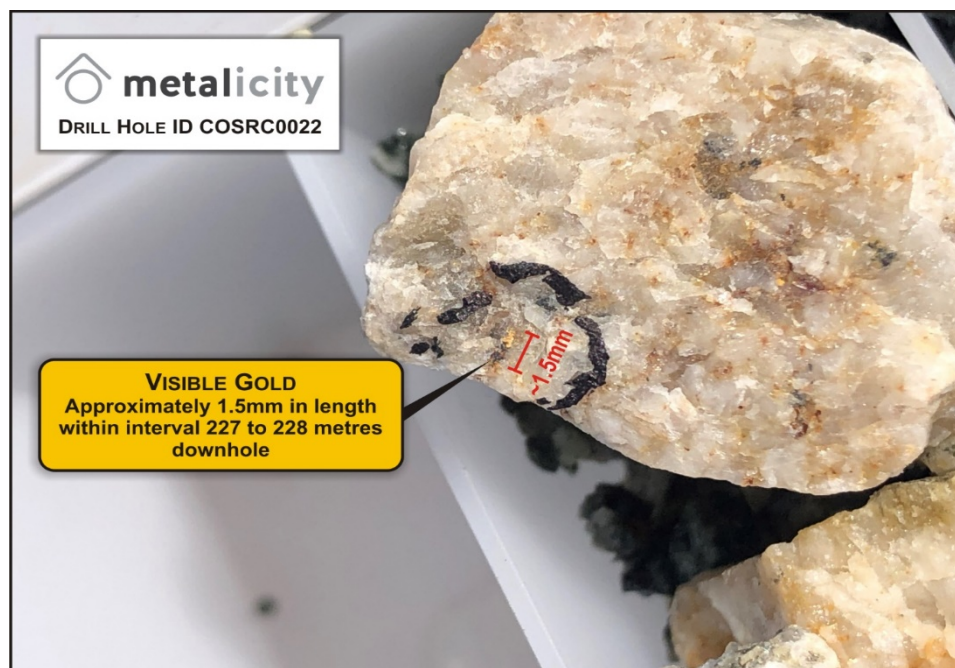
Table 1 – Cosmopolitan Gold Mine Anomalous Drill Hole Intercepts.

Note: Duplicates and CRM analysis was not used in the calculation of the significant intercepts. A hole listed with “no significant anomalism” means that no sample run returned a value to trigger reporting.

The intercepts above were calculated based on a sample returning an assay value of greater than 1 g/t Au over an interval greater than 2 metres, but not including any more than 1 metre of internal material that graded less than 1 g/t Au. Intervals were based on geology and no top cut off was applied.

Visible Gold Anomaly

During the drilling of COSRC0022 the site geologist reported that he had observed a visible gold fleck in an RC chip in the chip tray in the 227 to 228 metre sampling interval, as shown in Photograph 1 below. This led to an expectation that the interval would deliver an assay result which could be anything from 1 to 100 + g/t Au, but in all events at least over 10 g/t Au.



Photograph 1 – Visible gold from interval 227-228 metres in COSRC0022 at the Cosmopolitan Gold Mine.

Please refer to ASX Announcement “First Hole Intersects Visible Gold at the Cosmopolitan Prospect, 100m North of Historic Cosmopolitan Gold Mine” dated 4 February 2021. Please note the wrong hole ID was displayed in the previous announcement.

The location for COSRC0022 was designed to test what was hoped to be the possible location of the southern extent of the Cumberland zone of mineralisation at depth. The targeting was inferred from up dip stopes and an estimate of dip / strike of the mineralised horizon, as well as the up-dip sampling information.

This interval in question is in the expected target zone, which appears to be a typical (shear hosted lode gold) quartz vein of variable thickness (~0.2 to +2 metre) in a shear / vein structure system, which can host good high gold grades based on the reported results of the historic hand sampling in the workings and from historic production figures.

However, when the interval was assayed, the Intertek Laboratory reported a fire assay and screen fire assay result of no gold, and separately, the SGS Laboratory reported a screen fire assay reported of 0.02 g/t gold.

An investigation was launched, and several further assays carried out on residual pulps, with these additional results only confirming the original Intertek and SGS findings.

It was noted; however, that during the drilling of the hole and particularly the interval in question, a significant amount of water was encountered in the hole and sample recovery had been compromised. The field geologist stated that sample recovery was an issue during the drilling when the structure was encountered. The samples had been dry, with good recovery up to that point.

An estimate has been made that there may have been only 20% recovery through this interval with fines being

preferentially lost.

Following further analysis, we have concluded that as the distribution of gold in this interval is highly variable, it is unlikely to have been adequately representatively sampled due to the poor recovery and loss of material caused by excessive uncontrolled water inflows. The target zone is likely to have contained a thin (probably sub 20 to 30 cm) quartz vein with variable amounts of coarse gold.

More detailed discussion and analysis of this can be found in Appendix Two attached.

Notwithstanding the above, future drilling at Cosmopolitan will attempt to RC drill to close proximity of the target mineralised horizon and then diamond core through the structure so that sample losses due to sudden onset of large amounts of water are minimised and sample representivity is maintained as best as possible

Kookynie Drilling Results to Date

With the completion of all outstanding assays for Cosmopolitan, Champion, Leipold and McTavish Prospects over the past few weeks, all outstanding assays are now published.

The Company is now in the process of finalising plans for its next exploration efforts. The initial focus will be at McTavish, along with the 2km of untested strike between McTavish and Leipold, where the Company is becoming increasingly confident these prospects could link up into one bigger system of multiple similar high grades lodes seen at both prospects. Recent results from McTavish were outstanding and included*:

- McTRC0049 - 5 metres @ 25.9 g/t from 28 metres
- McTRC0064 - 6 metres @ 20.6 g/t from 19 metres
- McTRC0044 - 3 metres @ 19.1 g/t from 88 metres

*Please refer to ASX Announcement "McTavish Delivers Bonanza Grade Gold Results up to 91.2 g/t Au" dated 8 July 2021.

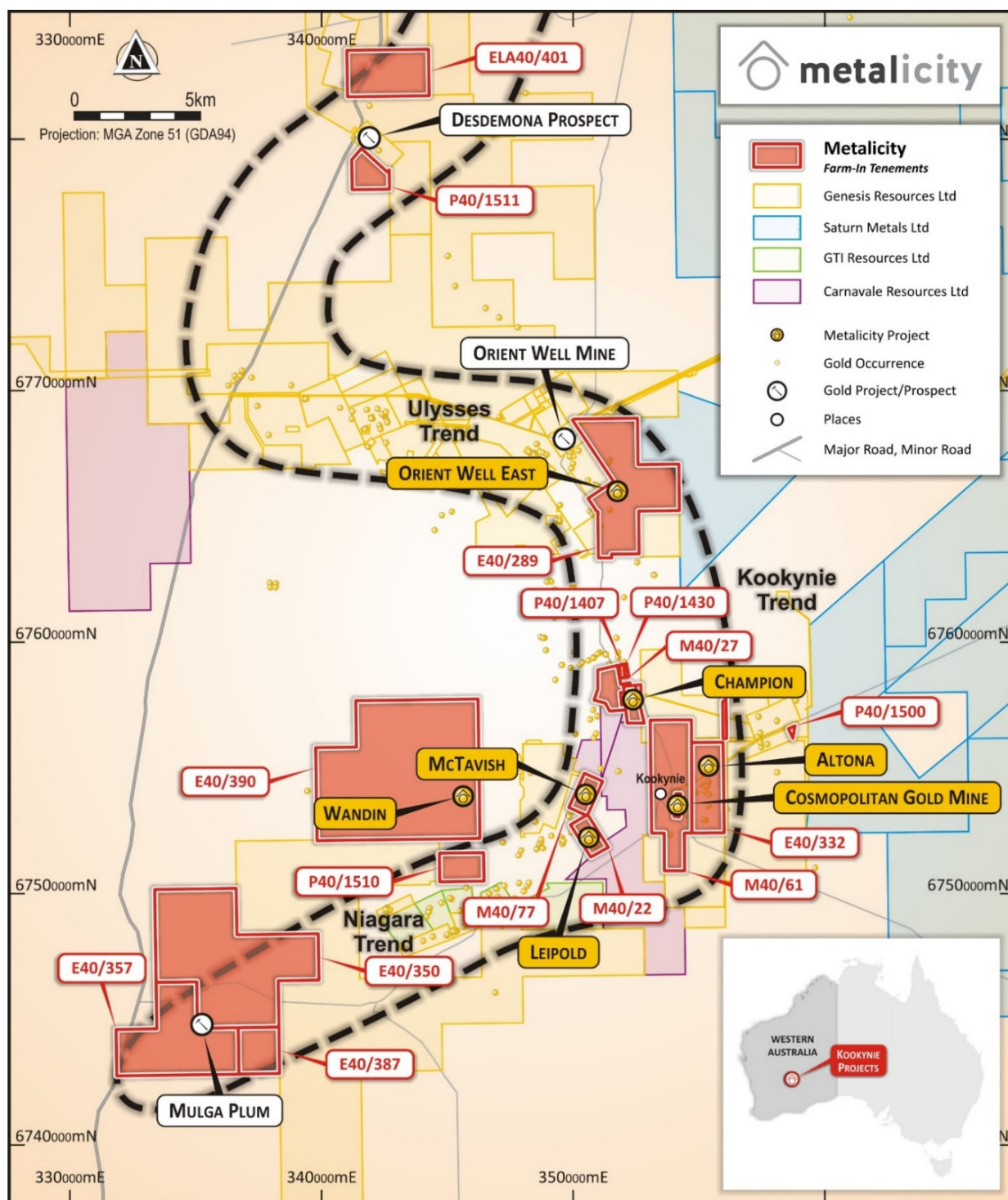


Figure 2 – Kookynie Prospect Locality Map with mineralised trends.

Since the beginning of the year, the Company has completed a total of 102 drill holes for a total of 12,538 metres, which were designed to extend known mineralisation in preparing and stating updated mineral Resource Estimates for the Leipold, McTavish and Champion Prospects. The tenure and extent of the returned

mineralisation bodes exceptionally well for this future initial Mineral Resource Estimate at Champion, McTavish and Leipold. With these results received the Company is making significant headway into completing these initial Resource Estimates.

Of significance, is that all three of these prospects remain open in one or more directions and these results clearly defined areas to target in the next drilling programme.

Kookynie Gold Project

Kookynie is located 60 kilometres south south-east from Leonora in Western Australia and is host to nine significant prospects: Champion, McTavish, Leipold, Altona, Mulga Plum, Wandin, Diamantina, Cosmopolitan and Cumberland. Diamantina, Cosmopolitan and Cumberland are known collectively as the DCC Trend, please refer to Figure 2 above.

This Announcement is approved by the Board of Metalicity Limited.

ENQUIRIES

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Metalicity confirms that the Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of “exploration results” that all material assumptions and technical parameters underpinning the “exploration results” in the relevant announcements referenced apply and have not materially changed.

Competent Person Statement

Information in this report that relates to Exploration results and targets is based on, and fairly reflects, information compiled by Mr. Jason Livingstone, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Livingstone is an employee of Metalicity Limited. Mr. Livingstone has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Livingstone consents to the inclusion of the data in the form and context in which it appears.

Note

This Announcement is designed to also supplement for Nex Metals Exploration as it relates to our farm-in agreement as announced on the 6th May 2019 titled “*Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA*”.

Forward Looking Statements

This announcement may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have reasonable basis. However, forward-looking statements:

(a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;

(b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such risks include, without limitation, resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which the Company operates or supplies or sells product to, and governmental regulation and judicial outcomes; and

(c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The words “believe”, “expect”, “anticipate”, “indicate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward-looking statements.

All forward-looking statements contained in this presentation are qualified by the foregoing cautionary statements. Recipients are cautioned that forward-looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. The Company disclaims any intent or obligation to publicly update any forward-looking statements, whether as a result of new information, future events or results or otherwise.

Appendix One – JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • Reverse circulation (RC) sampling was conducted by the offsidiers on the drill rig and checked at the end of each rod (6 metres) to ensure that the sample ID's matched the interval that was intended to be represented by that sample ID. No issues were seen or noted by the Competent person during the entire drilling campaign. These samples are kept onsite in a secure location available for further analysis if required. • All RC samples were sieved and washed to ensure samples were taken from the appropriate intervals. The presence of quartz veining +- sulphide presence +- alteration was used to determine if a zone was interpreted to be mineralised. If the sample was deemed to be potentially mineralised, the samples were submitted for screen fire assay. If no mineralisation was observed, the sample was submitted for check using fire assay. • All samples were submitted for analysis, no compositing took place. • The quality of the sampling is industry standard and was completed with the utmost care to ensure that the material being sampled, can be traced back to the interval taken from the drill hole for both RC and diamond core. However, for specific intervals, sample recovery in RC is discussed. • OREAS standards of 60 gram charges of OREAS 22F (Au grade range of <1ppb Au – this is a blank), OREAS 251 (Au grade range of 0.498ppm Au to

		0.510ppm Au), OREAS 219 (Au grade range of 0.753ppm Au to 0.768ppm Au) and OREAS 229b (Au grade range of 11.86ppm Au to 12.04ppm Au) were used in alternating and sporadic patterns at a ratio of 1 QAQC sample in 20 samples submitted. The material used to make these standards was sourced from a West Australian, Eastern Goldfields orogenic gold deposits.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> • RC drilling used a bit size of 5 ¼ inch.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> • RC drilling sample recovery was excellent except in the structures discussed above and in Appendix Two. • There appears to be a relationship displayed between recovery and grade nor loss/gain of fine/course material.
<i>Logging</i>	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • All recovered sample from RC has been geologically logged to a level where it would support an appropriate Mineral Resource Estimate, mining studies and metallurgical test work. • Logging was qualitative based on the 1 metre samples derived from the RC drilling.

<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • RC samples were cone split from the rig. Then subsequent resampling as defined in the tables above was conducted. • Most RC samples were dry. However, sample recover and wet samples were an issue during the intersection of the mineralised lodes at the Cosmopolitan Gold Mine. • Duplicates or a CRM standard were inserted every 20 samples. • The Competent Person is of the opinion the sampling method is appropriate.
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Fire assay and screen fire assay methods have been selected for RC samples. The methodology employed in these analytical procedures are industry standard with appropriate checks and balances throughout their own processes. • The analytical method employed is appropriate for the style of mineralisation and target commodity present. However, selected entire intercepts with a returned weighted average assay above 5 g/t Au will be selected and analysed using the screen fire method to provide a statistical comparison between the two analytical methods in high grade zones. This is to ensure the high-grade nature (nugget effect) is defined and articulated. However, as discussed in Appendix Two, issues were identified and explained. • No geophysical tools,

		<p>spectrometers, handheld XRF instruments were used.</p> <ul style="list-style-type: none"> ● A 1 in 20 standard or duplicate or blank was employed during this programme. QAQC analysis shows that the lab performed within the specifications of the QAQC protocols. The standards used were from OREAS and based on material sourced from within the Eastern Goldfields. Blanks were also sourced from OREAS as well.
Verification of sampling and assaying	<ul style="list-style-type: none"> ● The verification of significant intersections by either independent or alternative company personnel. ● The use of twinned holes. ● Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. ● Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> ● Umpire analysis has been presented with requisite statistical interrogation. Please refer to Appendix Two for a detailed account. ● No twinned holes have been completed. However, drill holes have been collared near previously drilled holes but on different orientations. ● Data was collected on to standardised templates in the field and data entered at night. Cross checks were performed verifying field data. ● No adjustment to the available assay data has been made.
Location of data points	<ul style="list-style-type: none"> ● Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. ● Specification of the grid system used. ● Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> ● Drill hole collars will be surveyed using a DGPS. ● The RC holes were downhole surveyed using a "Champ Gyro multi-shot down hole survey camera". ● GDA94 Zone 51S was used, collars will be picked up by a qualified surveyor using a DGPS (Trimble S7). ● The surveyed collar coordinates appear to be sufficient, however, better definition is required of the topography to allow for a JORC 2012 compliant estimation. ● Appendix Two contains collar coordinates as drilled:
Data spacing and distribution	<ul style="list-style-type: none"> ● Data spacing for reporting of 	<ul style="list-style-type: none"> ● The data spacing is sufficient to

	<p><i>Exploration Results.</i></p> <ul style="list-style-type: none"> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<p>establish a relatively high confidence in geological and grade continuity, however, peripheral data to support the drill holes requires further work to ensure compliance with JORC 2012 guidelines.</p> <ul style="list-style-type: none"> • No sample compositing was applied beyond the calculation of down hole significant intercepts.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Most of the drilling has been perpendicular to the main structure that hosts mineralisation. Secondary structures oblique to the main structure may have influence hanging and foot wall intercepts. • The author believes that the drilling orientation and the orientation of key mineralised structures has not introduced a bias.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • The chain of supply from rig to the laboratory was overseen a contract geologist under the supervision of the Competent Person. At no stage has any person or entity outside of the Competent Person, the contract geologist, the drilling contractor, and the assay laboratory came into contact with the samples. • Samples dispatched to the laboratory were delivered to the laboratory by a contract geologist, no third-party courier used.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • Extensive discussions with industry leaders has been performed to understand the variance in not only the statistical data presented, but also the mineralisation. It has been noted that visible gold was intersected, however, given the geostatistical results provided, a very large nugget effect is

		<p>present.</p> <ul style="list-style-type: none"> • No other external audit of the results, beyond the laboratory internal QAQC measures, has taken place.
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Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> • Please refer to the tenement column below to where the drill holes were completed. • Nex Metals Explorations Ltd holds the tenure in question. Metalicity is currently performing an earn in option as part of our farm in agreement (please refer to ASX Announcement “Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA” dated 6th May 2019) • No impediments exist to obtaining a license to operate over the listed tenure.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> • Nex Metals Explorations Ltd have done a great job of collating the historical drilling completed over the previous 30 years. • The Kookynie Area been subjected to many phases of Exploration commencing with the discovery of gold in 1897 at the Cosmopolitan Gold Mine. Extensive work by Western Mining Corporation between 1934 to 1937 with Aerial Geological and Geophysical Survey of Northern Australia (AGGNSA) between 1937 to 1940. Then with WMC at 1966 and 1986, ASARCO between 1974 to 1975, Square Gold and Minerals in 1981, CRA between 1982 and 1983, and Money Mining in 1992. Between 1993 and 2008, FMR and since 2008 it has been held between A&C Mining and Nex Metals

		<p>Explorations.</p> <ul style="list-style-type: none"> • The historical work completed requires further field verification via re-down hole surveying (if possible) of drill holes beyond 60 metres depth – it appears below this depth; hole deviation becomes a factor in establishing the location of mineralisation in 3D. Furthermore, collar pickups require verification. All laboratory certificates for the assays on file are collated, only recommendation is possibly more duplicate information in mineralised zones.
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • Kookynie: <ul style="list-style-type: none"> • The project area is in the Keith-Kilkenny Tectonic Zone within the north-northwest trending Archean-aged Malcolm greenstone belt. The Keith-Kilkenny Tectonic Zone is a triangular shaped area hosting a succession of Archean mafic-ultramafic igneous and meta-sedimentary rocks. Regional magnetic data indicates the Kookynie region is bounded to the west by the north-trending Mt George Shear, the Keith-Kilkenny Shear Zone to the east and the Mulliberry Granitoid Complex to the south. • There are several styles of gold mineralisation identified in the Kookynie region. The largest system discovered to date is the high-grade mineralisation mined at the Admiral/Butterfly area, Desdemona area and Niagara area. The gold mineralisation is associated with pyritic quartz veins hosted within north to

		<p>northeast dipping structures cross-cutting 'favourable' lithologies which can also extend into shears along geological contacts. Gold mineralisation tends to be preferentially concentrated in differentiated dolerite sills associated with pyrite/carbonate/silica/sericite wall rock alteration.</p>
Drill hole Information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> • For Kookynie (and Yundramindra), please refer to the Company's announcement dated 6th May 2019, "Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA", for all historical drill collar information, and selected significant intercepts. • For the drilling performed and subject to this announcement, please see Table 1 and Appendix Two in this announcement.
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of 	<ul style="list-style-type: none"> • All intercepts have been calculated using the weighted average method but are based on 1 metre samples from RC drilling. Specific intervals within an interval have been described as part of the overall intercept statement. • Intercepts were calculated based on a sample returning an assay value of greater than 0.1 g/t Au over an interval greater than 2 metres, but not including any more than 1 metre of internal

	<p><i>such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<p>material that graded less than 0.1 g/t Au. Intervals were based on geology and no top cut off was applied.</p> <ul style="list-style-type: none"> • No metal equivalents are discussed or reported.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • Given the shallow dipping nature (approximately -45° on average) of the mineralisation observed at Kookynie, the nominal drilling inclination of -60° lends to close to truth width intercepts. • However, cross cutting structures within the hanging wall and footwall are noted and may influence the results.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Please see main body of the announcement for the relevant figures.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • All results have been presented. Please refer to Appendix 2.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating</i> 	<ul style="list-style-type: none"> • The area has had significant historical production recorded and is accessible via the MINEDEX database. • All stated mineral resources for the Kookynie (and Yundramindra) Projects are pre-JORC 2012. Considerable work around bulk density, QAQC, down hole surveys and metallurgy, coupled with the planned drilling will be required to ensure compliance with JORC

	<i>substances.</i>	2012 guidelines.
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Metalicity intends to drill the known and extend the mineralised occurrences within the Kookynie and Yundramindra Projects. The Yundramindra Project is currently under the plaint process, however Metalicity believes that Nex Metals is well advanced in defending those claims. The drilling will be designed to validate historical drilling with a view to making maiden JORC 2012 Mineral Resource Estimate statements. Metalicity has made the aspirational statement of developing “significant resource and reserve base on which to commence a sustainable mining operation focusing on grade and margin”. • Diagrams pertinent to the area’s in question are supplied in the body of this announcement.

Appendix Two – Detailed Assay Result Discussion

The drilling at Cosmopolitan has provided results that are difficult to explain given the visible gold seen in the selected interval (Photograph 1). This interval then assayed below detection in the initial Intertek laboratory fire assay and screen fire assay testing, and 0.02 g/t Au for the initial SGS screen fire assay.

This interval is located in the expected target zone, which appears to be a typical (shear hosted lode gold) quartz vein of variable thickness (~0.2 to +2 metre) in a shear / vein structure system, which can host good high gold grades based on the results of the hand sampling in the workings and from historic production figures. Clearly the historic underground production would have focussed on the broader mineralisation zones, meaning potential shallow (relatively) residual zones that are the target of this drill hole are likely to be fairly narrow. The representivity of the hand samples is impossible to determine, as the sampling methodology is unknown. If, as is very likely, they were taken by chip sampling the sample results will be biased. Despite the assumption that that sampling is biased, it was still used to guide exploration drill planning efforts along with the underground development information. The location of COSRC0022 tests what was hoped to be the possible location of the southern extent of the Cumberland zone of mineralisation at depth. The targeting was inferred from up dip stopes and an estimate of dip / strike of the mineralised horizon, as well as the up-dip sampling information.

The site geologist reported that he had discovered a visible gold fleck in an RC chip in the chip tray in the 227 to 228 metre sampling interval and sent the photograph as illustrated in Photograph One. This led to an expectation that the interval would deliver an assay result in keeping with visible gold having been seen which could be anything from 1 to 100 + g/t Au, and most likely at least over 10 g/t Au.

In keeping with the expectation that results can be extremely variable due to the coarse gold commonly encountered at the Kookynie Project prospects, the assay strategy was designed to negate this problem. Each sample interval deemed reasonably prospective based on locational and visual cues had three primary samples sent for assay, being 50 gram fire assay to Intertek, 1 kg screen fire assay to Intertek and 500 gram screen fire assay to SGS. The expectation being that with three separate samples of different sizes and methods of the intervals we would be able to show and attempt to quantify variability in sample results.

Once the initial Intertek results were returned with below detection result for both fire and screen fire assay; however, we saw we had a real problem, as with the visible gold at least some detectable level of gold was expected. The Intertek sample residues were retrieved and sent for “umpire” (umpire – taking the same sample that was analysed at one laboratory and checking the result against another laboratories performance using the same analytical method) analysis at SGS by 50 gram fire assay. The two samples then returned values of 0.02 g/t Au, which is at least a detection but not near expected values. In the meantime, the original screen fire analysis sample sent to SGS returned a value of 0.02 g/t Au, which was still not in the expected range.

However, sample recovery had been compromised due to unexpected significant water flow whilst the hole was being drilled. The field geologist stated that sample recovery was an issue during the drilling when the structure was hit. There was a very significant water flow through the sample return (samples had been dry with good recovery) up to that point, and it is estimated that the Company had probably recovered 5kg of sample, from what should have been approx. 25kg dry sample. This implies a 20% recovery with fines preferentially lost. Drilling in the southern area encountered significant water issues with the other holes displaying moderate to good recoveries as the drillers adapted the drill technique to keep the samples dry.

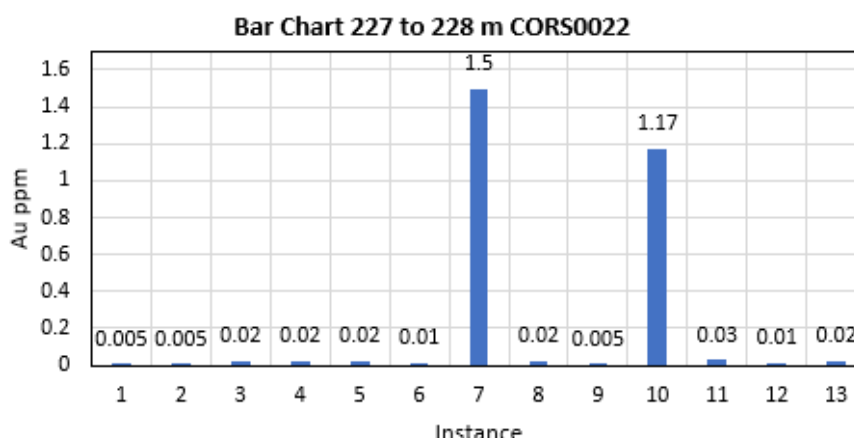
In order to further test the interval a riffle splitter was obtained to prevent bias in subsequent sample slits and the remainder of the sample material from the interval was split into eight ~500 g samples and submitted for fire assay analysis at SGS. The results then returned a range of values from below detection up to a maximum of 1.5 g/t Au, with one other sample at 1.2 g/t Au, as shown in the table below:

Sample Type	Sample ID	Analysis	Au ppm
Original	MCT_21773	SFA Intertek	<LDL
Spear Dup	MCT_21773A	SFA Intertek	<LDL
Spear Dup	MCT_21773B	SFA SGS	0.02
Pulp Umpire	MCT_21773	FA SGS	0.02
Pulp Umpire	MCT_21773A	FA SGS	0.02
Riffle split remainder	MCT_27001	FA SGS	0.01
Riffle split remainder	MCT_27002	FA SGS	1.5
Riffle split remainder	MCT_27003	FA SGS	0.02
Riffle split remainder	MCT_27004	FA SGS	<LDL
Riffle split remainder	MCT_27005	FA SGS	1.17
Riffle split remainder	MCT_27006	FA SGS	0.03
Riffle split remainder	MCT_27007	FA SGS	0.01
Riffle split remainder	MCT_27008	FA SGS	0.02
Mean with 1/2 LDL i.e. 0.005 applied to LDL values			0.2

Cosmopolitan Gold Mine Anomalous Drill Hole Intercept resampling information.

A statistical analysis showed what was intuitive and already known i.e. the sample (and the mineralisation at Kookynie generally) is highly variable or nuggety consisting of largely coarse gold rather than evenly distributed disseminated gold. Coarse gold is highly unevenly distributed at the close range, small scale, as encountered in a drill hole sample and as such analysis results can be expected to be highly variable as shown in the table above, and visually demonstrated in the bar chart below. Note that the below detection values were converted to ½ detection (i.e. 0.005 g/t Au) for the purposes of the analysis.

Count	13
Range	1.5
Minimum	0.005
Maximum	1.5
Sum	2.835
Mean	0.218
Median	0.02
Mode	0.02
Variance	0.231
Std Dev	0.481
Coeff Var	3.179
Kurtosis	3.863452
Skewness	2.26213



Cosmopolitan Gold Mine Anomalous Drill Hole Intercept resampling statistical information.

All statistical measures such as coefficient of variation show high variability of the results for the 13 samples from the single metre. The screen fire assay analysis with the larger sample size being analysed does not appear to have performed any better than the smaller fire assay in this case.

In conclusion this interval is unlikely to have been adequately representatively sampled due to the poor recovery and loss of material caused by excessive uncontrolled water. The target zone is likely to have contained a thin (probably sub 20 to 30 cm) quartz vein with variable amounts of coarse gold. The two samples that have returned above 1 g/t Au demonstrate the variability and the existence of gold in the overall interval. I would probably also recommend that the mean value of 0.22 g/t Au be used as the database value for this interval as it is probably closer to representative of the interval than any one individual sample.

Future drilling at the Cosmopolitan Gold Mine should attempt to RC drill to close proximity of the target and then diamond core through the structure so that sample losses due to sudden onset of large amounts of water are minimised and sample representivity is maintained as best as possible.