

ASX RELEASE: 18<sup>th</sup> August 2022

## Metalicity Secures Highly Prospective Lithium Project

- Metalicity has secured the highly prospective Mt Surprise Lithium Project, located 57km northeast of the town of Mt Surprise in Queensland.
- A historic rock chip sample returned **3.55% Li<sub>2</sub>O**, 125ppm tantalum, 0.25% caesium and 1.26% Rubidium highlighting the significant potential of the ground, which remains sparsely explored\*.
- Work by previous explorers suggests that high grade lithium occurs at the contact between granite and volcanic rocks on the Project.
- Mt Surprise is considered prospective for lithium deposits hosted in pegmatites with various lithium minerals (i.e. both spodumene and lepidolite) and also in volcanic rhyolites (e.g. Rhyolite Ridge).
- Metalicity intends to immediately undertake a thorough field review of the Mt Surprise area including detailed mapping and collection of rock chip and soil samples targeting new pegmatites and lithium mineralisation across the extensive land holding.

Metalicity Limited (ASX: MCT) (“MCT” or “Company”) is excited to announce that it has secured the Mt Surprise Lithium Project (EPM 26052) in North Queensland. The Project is well located circa 57km northeast of the town of Mt Surprise and is serviced by excellent infrastructure in the area and easy access.

Mt Surprise is considered highly prospective for lithium, as evidenced by a historical rock chip sample that returned 3.55% Li<sub>2</sub>O, 1.23% Rb, 125ppm tantalum and 0.25% caesium. The Project has seen minimal exploration work and, in particular, has not been properly explored for lithium and other valuable associated metals.

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

*“We are incredibly pleased to have been able to secure this exciting tenure, which is significantly under explored with previous company exploration in the area mainly focussed on gold and tin. This is an exciting venture forward for the company in the rapidly emerging battery materials sector where demand for Lithium continues to soar.*

*Previous assays and field work undertaken on the tenure, although only in its infancy, shows very encouraging signs for the prospectivity of this ground with results of up to 3.5% lithium. We are looking forward to undertaking further work at the earliest possible opportunity to create value for shareholders and also to continue to look at other projects that might make sense for the Company.”*

### Overview of Project

The Mount Surprise project covers a large area approximately 165km from the city of Cairns, Queensland and 57 km northeast of the town of Mt Surprise (Figure 3). The geology of the area is characterised by the Silurian-aged Blackman Gap Complex, a medium to coarse-grained biotite-muscovite granodiorite and granite and pegmatite (Figure 2). The granite is overlain by various Carboniferous-aged volcanics including the Double Barrel andesite and tuff as well as the Gingerella rhyolites and ignimbrites (Figure 1).

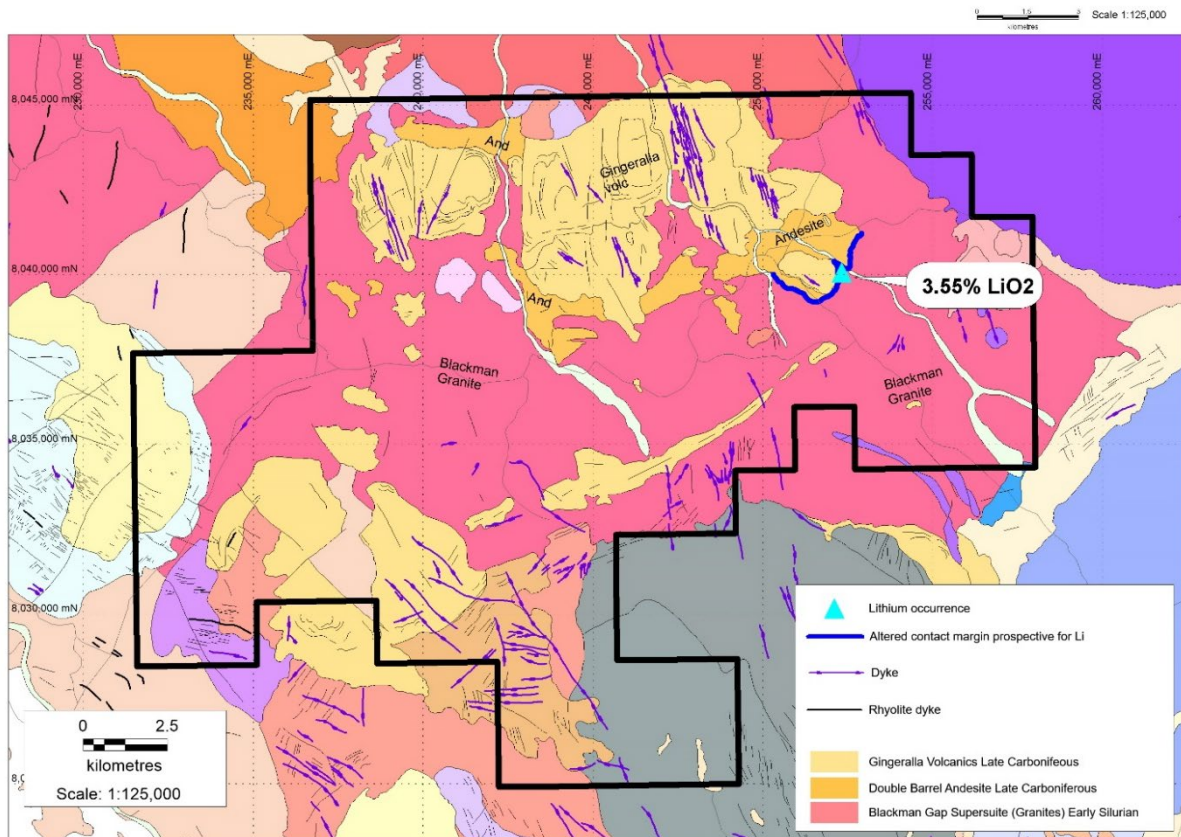


Figure 1 – Mt Surprise Project EPM28052 tenement showing the 100,000 bedrock geology by Geological Survey of Qld showing location of 3.55% Li rock chip sample highlighted. *Note: prospective contact highlighted in blue and various unspecified dykes highlighted in purple have been mapped across the project.*

Reconnaissance rock sampling was conducted by Monax in 2016 (See MOX announcement May 2016<sup>1</sup>) from an area identified as the Gingerella Site, which returned assay results outlined in the summary table below (Further information contained in Table 1 of the Appendix).

Site	Easting	Northing	Li <sub>2</sub> O (%)	Ta (ppm)	Cs (ppm)	Rb (%)
Gingerella	252747	8039644	3.55	125.5	2560	1.23
MGA94 (Zone 55)						

The sampled outcrop is described as close to a quarry mining the Double Barrel andesite for road base but specifically along a red/pink altered contact of the underlying Blackman Granite and/or pegmatite (Figure 2; Hughes 2017 CR\_99948<sup>2</sup>). Lithium minerals were described as lepidolite (lithium mica) however the mineralogy was never confirmed by detailed analysis.

**\*Cautionary Note:** There has previously been only minor work done on lithium at the Project area to date. It has been further reported in the historical data that “a number of reasonable lithium results were obtained”... “in the past”<sup>2</sup>. However, these additional samples from the area are unable to be obtained and verified and only one sample has been

<sup>1</sup> <https://www.asx.com.au/asxpdf/20160517/pdf/43797gzb3nxf3.pdf> Monax Mining Limited (MOX) to Acquire Prospective Lithium Project 17/5/2016

<sup>2</sup> CR\_99948. Tenement EPM26053 Gingerella. Annual, Final & Relinquishment Reports 24<sup>th</sup> February, 2017. K. Hughes and J. Belcher. Department of Natural Resources, Mines and Energy, Queensland.

documented with lithium at 3.55%. More exploration sampling is required to establish what is representative of the true extent and sample grade of the lithium mineralisation within the Project area.

Metalicity regards the Mt Surprise Project as prospective for lithium mineralisation and that the granites in the area are clearly fertile to produce LCT (Lithium-Caesium-Tantalum) pegmatites. Other lithium deposit styles such as rhyolite hosted deposits are also prospective given the Mt Surprise area contains similar host rocks within a volcanic caldera setting to the Rhyolite Ridge lithium deposit in USA.



Figure 2. (Left) Sample of red/pink-altered contact with the Blackman Gap granite described as lepidolite<sup>2</sup>  
(Right) Sample described as lepidolite-rich pegmatite that assayed 3.55% Li<sub>2</sub>O<sup>1</sup>

Metalicity intends to immediately undertake a thorough field review of the Mt Surprise area including detailed mapping and collection of rock chip samples targeting new pegmatites and potential lithium mineralisation across the extensive land holding particularly along the prospective contact (Figure 2). It is important to note that many unspecified dykes have been interpreted by the Geological Survey of Queensland (Figure 2) that will be investigated for pegmatites as part of the upcoming field programs. However, bedrock exposures in the area are known to be sparse so powerful low detection limit multi-element soil sampling techniques will ultimately be required to investigate the area more comprehensively for lithium and associated metals.

## Terms of Offer

Under the terms of the agreement, Metalicity will acquire a 100% interest in EPM 28052 for consideration of \$100,000 in Metalicity Shares at issue price of \$0.003, subject to 3 months voluntary escrow, and \$16,770 in reimbursement for tenement application.

This Announcement is approved by the Board of Metalicity Limited.

## References:

### ENQUIRIES

#### Investors

Justin Barton  
MD/CEO  
+61 8 6500 0202  
[jbarton@metalicity.com.au](mailto:jbarton@metalicity.com.au)

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**

The information in this announcement that relates to previous Exploration Results based on and fairly represents information and supporting documentation prepared by Mr Leo Horn. Mr Horn is a **consultant for Metalicity** and a member of the Australian Institute of Geoscientists. Mr Horn has sufficient experience relevant to the styles of mineralisation and types of deposits that are covered in this announcement and to the activity that they are undertaking 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’ (“JORC Code”). Mr Horn consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

#### **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.

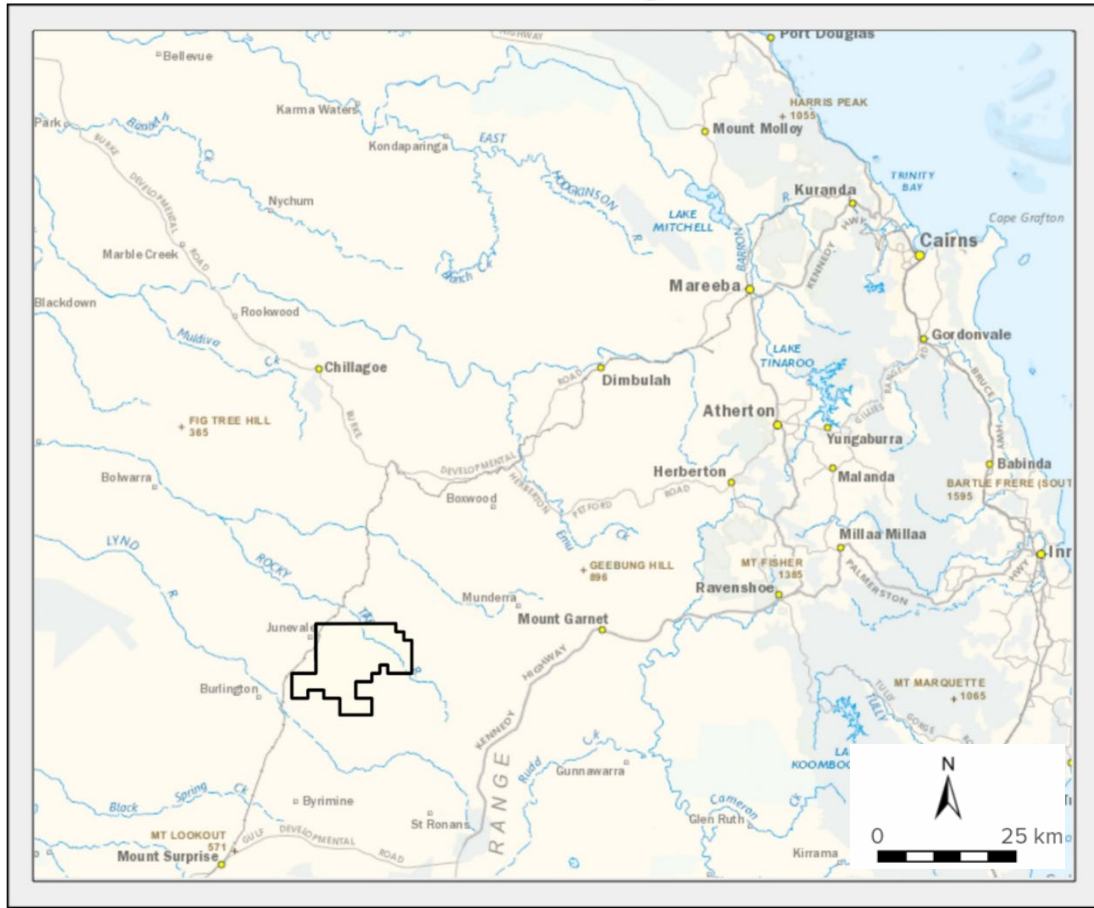


Figure 3 – Location of Application EPM 28052 Mt Surprise Project - North Queensland.

## 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"> <li>• <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></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• Rock sample of granite/pegmatite was collected from an outcrop within EPM 28052 application by previous explorer Monax Mining Limited in 2016.</li> <li>• There is insufficient data to confirm whether the sample is highly representative of the area at this stage.</li> <li>• There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>• <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,</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not Applicable – no drilling results reported.</li> </ul>

	<i>face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• Not Applicable – no drilling results reported.</li> </ul>
<i>Logging</i>	<ul style="list-style-type: none"> <li>• <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></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not Applicable – no drilling results reported.</li> </ul>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative</i></li> </ul>	<ul style="list-style-type: none"> <li>• No sample preparation was completed on sample collected in the field. Samples were crushed and pulverised at the laboratory for analysis.</li> <li>• The sample size is considered appropriate for reconnaissance sampling of pegmatites for lithium.</li> </ul>

	<p><i>of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <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></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• Rock chip was assayed in a commercial laboratory using standard methods for lithium.</li> <li>• Lithium was determined by peroxide fusion with final analysis by inductively coupled atomic emission spectroscopy (ICP-AES). Ta and Cs were assayed using Me-MS81 which is a lithium borate fusion finished with ICP-MS (Inductively coupled plasma mass spectrometry). Rb was assayed by Me-XRF15b – which is a fusion XRF technique. Sample was assayed at ALS Minerals laboratory Brisbane.</li> <li>• Lab standards were assayed as part of this job.</li> </ul>
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not Applicable – no drilling results reported.</li> <li>• Lithium results have been adjusted – original results reported for Li only – these were converted to Li<sub>2</sub>O using standard industry formula (Li x 2.153).</li> </ul>
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>Specification of the grid system</i></li> </ul>	<ul style="list-style-type: none"> <li>• Rock chip sample locations were collected using a handheld GPS (+/- 5m accuracy).</li> <li>• MGA94 (Zone 55)</li> </ul>



	<p><i>used.</i></p> <ul style="list-style-type: none"> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <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></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The data is not appropriate for use in estimating a Mineral Resource and is not intended for such use. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.</li> <li>• No sample compositing was undertaken.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <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></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• The sample was collected at a selected site and it is unknown if these results are biased or unbiased.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Unknown.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No audits or reviews have been completed.</li> </ul>

## 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"> <li>• <i>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,</i></li> </ul>	<ul style="list-style-type: none"> <li>• EPM2052 is currently an application. As part of the heads of agreement, once the licenses are granted, ownership of the licenses will transfer over to Metalicity.</li> <li>• The EPM is free of any known impediments.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>historical sites, wilderness or national park and environmental settings.</i></p> <ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties</i></li> </ul>	<ul style="list-style-type: none"> <li>• Previous work by Monax Mining Limited in 2016 is material and described in this announcement.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The deposit style of lithium mineralisation on the project is unknown however is likely to be either pegmatite-hosted or volcanic rhyolite hosted.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>• <i>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:</i> <ul style="list-style-type: none"> <li>• <i>Easting and northing of the drill hole collar</i></li> <li>• <i>Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>• <i>Dip and azimuth of the hole</i></li> <li>• <i>Down hole length and interception depth</i></li> <li>• <i>Hole length.</i></li> </ul> </li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable – no drilling results reported</li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>• <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable – no drilling results reported</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>(e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p> <ul style="list-style-type: none"> <li>•</li> <li>• <i>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 such aggregations should be shown in detail.</i></li> <li>•</li> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	
<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>•</li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable – no drilling results reported</li> </ul>
<p><i>Diagrams</i></p>	<ul style="list-style-type: none"> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• Maps showing tenement application are included in the release and previous rock sample results are presented in Table format within the release.</li> </ul>
<p><i>Balanced reporting</i></p>	<ul style="list-style-type: none"> <li>• <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high</i></li> </ul>	<ul style="list-style-type: none"> <li>• Results for the sample are included in the release. Only one rock sample has been recorded by previous explorers and reported in this announcement.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.</i></p>	
<p><i>Other substantive exploration data</i></p>	<ul style="list-style-type: none"> <li>● <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 substances.</i></li> </ul>	<ul style="list-style-type: none"> <li>● Not applicable – no other history of lithium exploration reported in the area</li> </ul>
<p><i>Further work</i></p>	<ul style="list-style-type: none"> <li>● <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>● <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></li> </ul>	<ul style="list-style-type: none"> <li>● Metalicity is planning to undertake mapping as well as rock and soil sampling within the tenement application area once granted.</li> </ul>