

Date: 27 April 2023

March 2023 Quarterly Activities Report – Metalicity Limited

EXPLORATION ACTIVITIES

- Review, interpretation and QAQC undertaken of ultrafine, low detection level soil sampling from the November 2022 field program, which was following up high grade rock chips of up to 11.15% Cu¹. Final results and ASX release pending.
- Re-processing and review of available geophysical survey data over our Queensland tenure commenced with the final report due in the June Quarter.
- Desktop collation of historical data and exploration reporting over granted exploration permit EPM 28653 at Mt Surprise and granted exploration permit EPM 28121 (granted after quarter end) at Georgetown in Far North West Queensland.
- The highly prospective Georgetown project, which had its tenement granted just after the quarter end, remains under explored in a historically mineral rich area, with several strike kilometres of pegmatites and other felsic intrusives that have never been assayed and remain highly prospective for various metals, including lithium, gold, critical battery minerals and base metals.
- Small field reconnaissance activities undertaken across a small number of prospecting tenements at Metalicity's Kookynie and Yundamindra Gold Projects. Exploration activities at the Kookynie and Yundamindra Gold projects continue on a reduced scale whilst the company seeks recovery of over \$1.7m of unpaid JV Cash Calls from Nex Metals and conclusion of the Yundamindra plaint.
- Exploration activities will commence at the Georgetown project and recommence at the Mt Surprise Project in the coming weeks.

CORPORATE

- Highly regarded lawyer and company director, Mr Roger Steinepreis, was appointed to the Board of Metalicity, following the resignation of Mr Jason Livingstone. As a show of support and confidence in the direction of the Company, Mr Steinepreis has agreed to invest \$500,000, into the Company, subject to shareholder approval.
- The Company continues to seek recovery of ~\$1.7m of unpaid cash calls by its JV partner, Nex Metals, with the initial claim of ~\$1.28m made through the Supreme Court.
- The Wardens Court hearing relating to the Yundamindra plaint by MCA Nominees Pty Ltd (lodged prior to MCT entering into the Farm-In and JV Agreement with Nex Metals) was further adjourned by the Warden whilst she takes additional time to consider a no case submission made by Nex Metals.

Metalicity Limited (ASX: MCT) ("Metalicity" or "Company") is pleased to provide the Quarterly Activities Report for the period ending 31st March 2023.

¹ Refer to "High Grade Copper and Cobalt Assays" dated 30 January 2023.

Commenting on the Quarter, Metalicity Managing Director, Justin Barton said:

“The first quarter of 2023 has been a period of detailed review and consolidation of all of the Company’s activities and projects, following the recent appointment of two new and highly credentialled Board members. Whilst the wet season has prevented field work on our emerging QLD tenure, significant work has continued in reviewing and interpreting a significant soils program and geophysics survey data undertaken at Mt Surprise. With the wet season finally near the end and with the recent grant of our highly prospective Georgetown project, we are excited to recommence field exploration activities at these projects in the coming weeks.

We are also looking to seek resolution of our JV matters with Nex Metals and the Wardens Court hearing regarding Yundamindra as expediently as possible to enable the recommencement of detailed exploration and drilling at our flagship project”.

Mt Surprise and Georgetown Projects

The Mt Surprise project consists of two granted exploration permits EPM28052 and EPM28653 covering a large area approximately 165km from the city of Cairns, Queensland and 57 km northeast of the town of Mt Surprise (Figure 1). The Georgetown project is a large tenement area located 70km southwest of the Company’s Mt Surprise project and both are serviced by excellent infrastructure in the area and easy access (Figure 1).

The wet season experienced over most of far north Queensland has been extensive which suspended exploration activities and access to the Mt Surprise and Georgetown project areas. Metalicity has been able to undertake detailed desktop reviews of historical exploration reporting and results over the recently granted exploration permit EPM28653 adjacent to its Mt Surprise project as well as its Georgetown project. Additionally, Metalicity engaged a geophysicist with significant experience in the far north Queensland region to undertake a review and re-processing of available geophysical survey data to assist with exploration target generation for 2023.

QAQC and interpretation of the ultrafine, low detection level soil sampling from the previous quarter’s activities has also been progressing with final results and related announcement expected during the coming weeks.

Following the end of the March quarter, the Georgetown project, EPM 28121, was granted. The tenure is under explored and considered to be highly prospective, including for gold, lithium, battery and base metals, due to its location within the Georgetown Inlier which has significant historical and current mineral endowment from mineral exploration, discovery and production. Within the Georgetown District alone where EPM 28121 is located, it is estimated that over 650,000 ounces of gold was produced in the late 1800’s to early 1900’s² with the Kidston Gold Mine producing 5.1 million ounces of gold over its life between 1985 and 2001. Western areas of EPM 28121 are within 10km of and share similar geology to the Lithium Caesium Tantalum (LCT) occurrences including the Buchanan pegmatite hosted lithium-tantalum deposit held by Strategic Metals Australia (2)³. Metalicity regards the Georgetown Project area as fertile to produce more LCT (Lithium-Caesium-Tantalum) pegmatites prospective for lithium mineralisation. Drilling of targets undertaken in the Buchanan’s LCT pegmatite field has given average grades of 1.32 % Li₂O, 250 ppm Ta₂O₅,

² Refer to “Readings in North Queensland Mining History Vol 1”, Ed KH Kennedy, History Department, James Cook University of North Queensland, Townsville, 1980”.

³ Refer to <https://strategicmetalsaustralia.com/index.php/lithium-caesium-rubidium/>

620 ppm SnO₂, 0.13 % Cs₂O and 0.5 % Rb₂O with lithium bearing mica, lepidolite observed in core and rock chip samples⁴.

The Company's technical team are currently finalising fieldwork activities and will commence initial fieldwork on this new tenure and re-commence activities on our rapidly emerging Mt Surprise project.

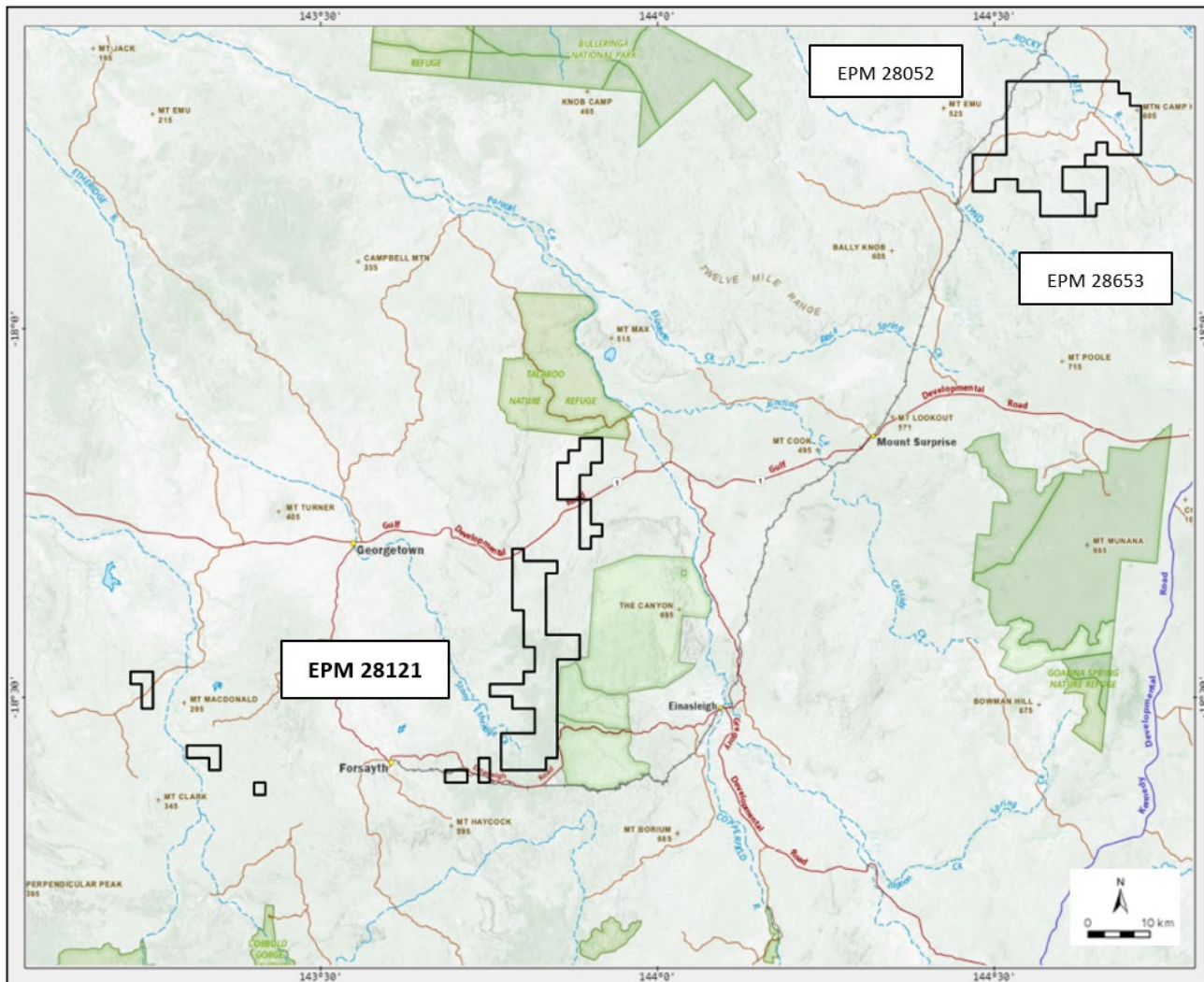


Figure 1. Granted Mt Surprise project exploration permits EPM 28052 and EPM 28653, Georgetown project application EPM 28121 Locality Map.

Kookynie and Yundamindra Gold Projects

Metalicity has continued to actively develop the Kookynie and Yundamindra Gold Projects, located in the Goldfields district of Western Australia. These projects comprise the Kookynie & Yundamindra JV with Nex

⁴ Refer to <https://az659834.vo.msecnd.net/eventsairseasiaproduct/production-ausimm-public/8efc59e339ec4e3eab214fdffb1ded5f>

Metals Exploration Ltd (“Nex Metals”), for which Metalicity has an effective 63.7% joint venture interest through a direct 51% and ~25.92% indirect interest via Nex Metals.

The Kookynie Project, which is located approximately 60 km south of Leonora is host to seven large-producing historical mines: Champion, McTavish, Leipold, Altona, Diamantina, Cosmopolitan and Cumberland (Figure 2).

During the quarter, Metalicity undertook a small field reconnaissance activity at a number of prospecting licenses at the Kookynie Gold Project and two unplaited prospecting licenses at the Yundamindra Gold Project. These activities were conducted to assist with forward planning for future exploration targets and activities.

Metalicity is seeking to recommence detailed exploration and drilling at these projects as soon as possible following resolution of our JV matters with Nex Metals and the Wardens Court hearing regarding Yundamindra.

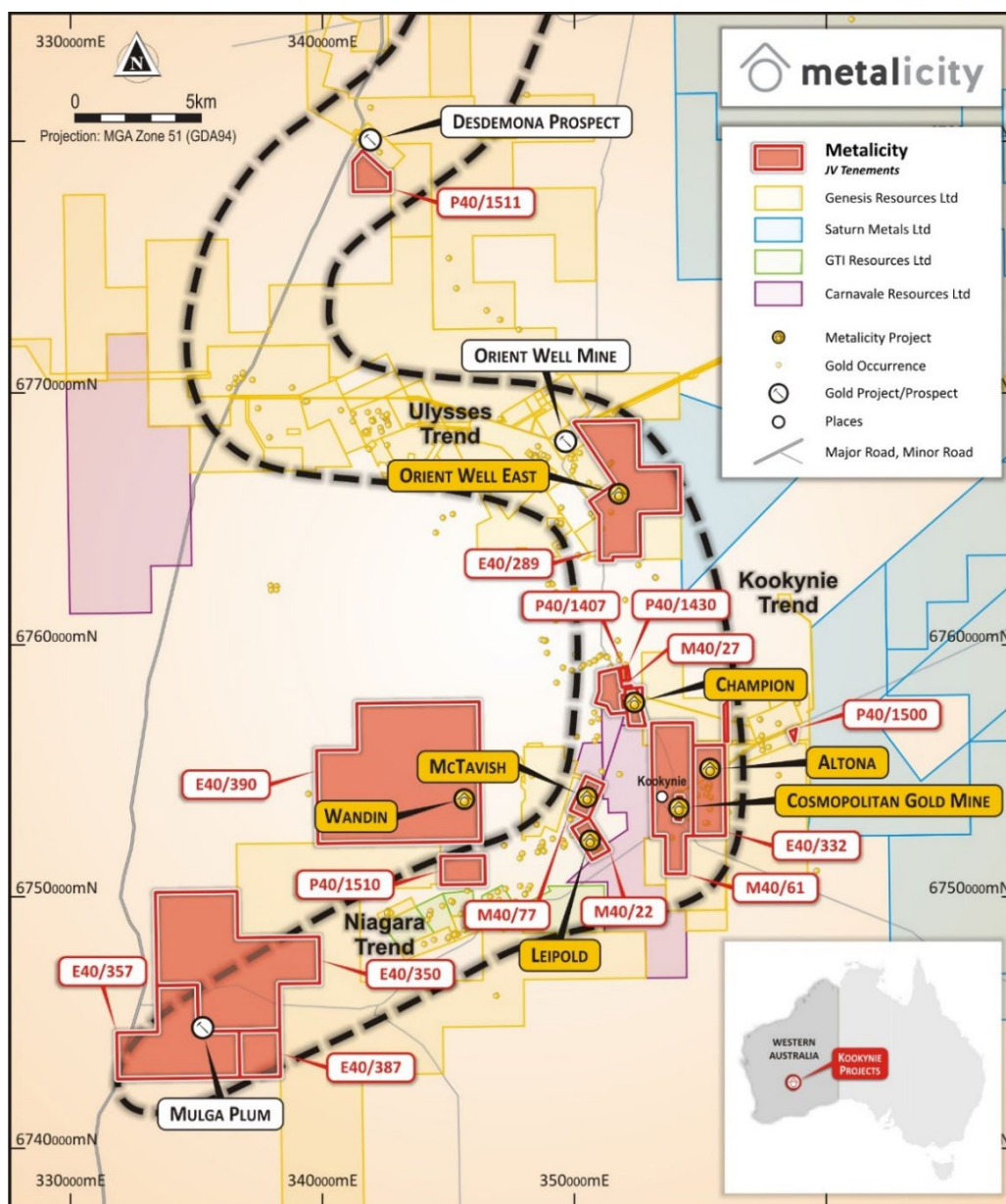


Figure 2. Kookynie Prospect Locality Map with mineralised trends.

Kimberley Mining Limited – Admiral Bay (circa 80.3% holding)

The Admiral Bay asset is on care and maintenance, whilst the Company continues to explore divestment opportunities.

Corporate & Financial

During the quarter, the Company was pleased to announce the appointment of Mr Roger Steinepreis, BJURIS LLB, as a Non-Executive Director.

Roger is a lawyer and Executive Chairman of Perth based Steinepreis Paganin. He has practiced as a lawyer for over 25 years, acting as legal advisor to a number of public companies, particularly in the energy and resources sector, on a wide range of corporate matters. Roger also brings with him a wealth of experience and expertise in highly performing and successful businesses and was recently Non-Executive Chairman of Apollo Consolidated Limited which was subject to a successful takeover by Ramelius Resources Limited in 2021 and is also a Director of Meeka Metals Limited.

Roger has been a long-time supporter of Metalicity and is excited by the future direction of the Company, in particular the developing Kookynie and Yundamindra Gold projects, the under explored and emerging copper and cobalt prospects at Mt Surprise and the sparsely explored Georgetown Project. Roger is looking forward to bringing fresh ideas and opportunities to the Company, as well as his extensive experience and expertise.

In a further show of support and confidence in the direction of the Company, Mr Steinepreis has agreed to invest \$500,000 into Metalicity via a placement. The investment, subject to shareholder approval, will be completed at the current market price of \$0.003 per share, with 1:1 attaching options (50% exercisable at \$0.006 and 50% exercisable at \$0.009). The other directors, Mr Barton and Mr Wood, have also agreed to invest \$20,000 each and convert their accrued Director fees (\$114,247 and \$9,090 respectively) on the same terms and conditions, also subject to shareholder approval.

Metalicity continues to seek recovery through the Supreme Court of unpaid cash calls and costs amounting to approximately ~\$1.7 million owed by our Joint Venture Partner Nex Metals. The Company is seeking to resolve this matter as expediently as possible to enable to continue its detailed exploration activities at these projects.

The Wardens Court hearing relating to the Yundamindra claim made by MCA Nominees Pty Ltd against Nex Metals (lodged prior to MCT entering into the Farm-In and JV Agreement with Nex Metals) was heard on 5 to 7 December 2022, with MCA Nominees submitting their case and Nex Metals lodging a no case submission. The Court was adjourned until 8 March 2023 and then further adjourned by the Warden until 29 May 2023, at which time it is anticipated that the Warden will deliver her decision on a no case submission made by NME.

The Company has \$0.692 million cash on hand at 31 March 2023.

Exploration expenditure during the quarter was ~\$252,000. Full details of exploration activities during the quarter are contained within this report. Payments to related parties of the company and their associates during the quarter was ~\$39,000, representing Director Fees, PAYG and superannuation in accordance with the director remuneration packages. Directors continued to accrue a large portion of their salary during the March quarter.

15,650,000 Unlisted Performance Rights lapsed during the quarter with an exercise price of \$0.05, expiring on 30/01/2023.

25,709,467 unlisted options lapsed during the quarter, with an exercise price of \$0.08, expiring on 14 February 2023.

6,000,000 unlisted performance rights were issued during the quarter, 2,000,000 exercisable at \$0.0135, 2,000,000 exercisable at \$0.018, 1,000,000 exercisable at \$0.0075 and 1,000,000 exercisable at \$0.01, all expiring on 15/02/2026.

12,500,000 ordinary fully paid shares were issued during the quarter as the initial consideration for EPM 28121 (Georgetown Project) and are subject to a 3 month voluntary escrow.

This Announcement is approved by the Board of Metalicity Limited.

ENQUIRIES

Investors

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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.

Note

This Announcement is designed to also supplement for Nex Metals Explorations as it relates to our joint venture agreement as announced "*Metalicity Achieves Earn-In On The Kookynie & Yundamindra Gold Projects*" dated 20th May 2021 with Nex Metals Explorations Ltd, ASX:NME.

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.

Tenement Schedule

Please Note all Kookynie and Yundamindra Tenements will be 51% MCT and 49% Nex Metals as per ASX Announcement “Metalicity Achieves Earn-In On The Kookynie & Yundamindra Gold Projects” dated 20 May 2021 with Nex Metals Explorations Ltd, ASX:NME.

Tenement	Registered Holder	Shares Held	Plainted	Status	Area (ha)	Nature of Interest	Interest
Kookynie							
P40/1331	KYM Mining Limited	100/100	No	Live	161.2	Direct Holding	51% ¹
E40/390	KYM Mining Limited	100/100	No	Live	3,300.0	Direct Holding	51% ¹
E40/350	KYM Mining Limited	100/100	No	Live	2,394.0	Direct Holding	51% ¹
E40/357	KYM Mining Limited	100/100	No	Live	1,194.0	Direct Holding	51% ¹
P40/1407	KYM Mining Limited	100/100	No	Live	10.0	Direct Holding	51% ¹
P40/1430	KYM Mining Limited	100/100	No	Live	9.9	Direct Holding	51% ¹
P40/1510	Metalicity Limited	100/100	No	Live	185.0	Direct Holding	51% ¹
P40/1511	Metalicity Limited	100/100	No	Live	176.7	Direct Holding	51% ¹
E40/387	Metalicity Limited	100/100	No	Live	299.0	Direct Holding	51% ¹
G40/3	Nex Metals Explorations Limited	100/100	No	Live	7.2	Earnt In	51% ¹
L40/9	Nex Metals Explorations Limited	100/100	No	Live	1.0	Earnt In	51% ¹
E40/332	Nex Metals Explorations Limited	100/100	No	Live	600.0	Earnt In	51% ¹
M40/22	Nex Metals Explorations Limited	100/100	No	Live	121.7	Earnt In	51% ¹
M40/27	Nex Metals Explorations Limited	100/100	No	Live	85.5	Earnt In	51% ¹
M40/61	Nex Metals Explorations Limited	100/100	No	Live	832.7	Earnt In	51% ¹
M40/77	Nex Metals Explorations Limited	90,405/90,405	No	Live	119.2	Earnt In	51% ¹
P40/1499	Nex Metals Explorations Limited	100/100	No	Live	8.3	Earnt In	51% ¹
P40/1500	Nex Metals Explorations Limited	100/100	No	Live	5.9	Earnt In	51% ¹
P40/1501	Nex Metals Explorations Limited	100/100	No	Live	21.1	Earnt In	51% ¹
E40/289	Paris Enterprises Pty Ltd	100/100	No	Live	1,222.7	Earnt In	51% ¹
Kookynie Total Area (ha)					10,861.9		
Yundamindra							
L39/34	Nex Metals Explorations Limited	100/100	Yes	Live	1.0	Earnt In	51% ¹
L39/52	Nex Metals Explorations Limited	96/96	Yes	Live	1.0	Earnt In	51% ¹
L39/258	Nex Metals Explorations Limited	100/100	Yes	Live	3.2	Earnt In	51% ¹
M39/84	Nex Metals Explorations Limited	100/100	Yes	Live	378.0	Earnt In	51% ¹
M39/274	Nex Metals Explorations Limited	100/100	Yes	Live	230.0	Earnt In	51% ¹
M39/406	Nex Metals Explorations Limited	100/100	Yes	Live	124.0	Earnt In	51% ¹
M39/407	Nex Metals Explorations Limited	100/100	Yes	Live	896.0	Earnt In	51% ¹
M39/408	Nex Metals Explorations Limited	100/100	Yes	Live	785.0	Earnt In	51% ¹
M39/409	Nex Metals Explorations Limited	100/100	Yes	Live	966.0	Earnt In	51% ¹
M39/410	Nex Metals Explorations Limited	100/100	Yes	Live	978.0	Earnt In	51% ¹

M39/839	Nex Metals Explorations Limited	100/100	Yes	Live	7.3	Earnt In	51% ¹
M39/840	Nex Metals Explorations Limited	100/100	Yes	Live	9.7	Earnt In	51% ¹
P39/6126	Nex Metals Explorations Limited	100/100	No	Live	10.4	Earnt In	51% ¹
P39/6127	Nex Metals Explorations Limited	100/100	No	Live	5.6	Earnt In	51% ¹
E39/1773	Paddick Investments Pty Ltd	100/100	Yes	Live	903.0	Earnt In	51% ¹
E39/1774	Paddick Investments Pty Ltd	100/100	Yes	Live	2,517.0	Earnt In	51% ¹
Yundamindra Total Area (ha)					7,815.1		

Note 1: The Company holds a combined ~63.7% holding in these tenements.

Tenement	Registered Holder	Status	Area	Nature of Interest	Interest
Queensland Projects					
EPM 28052	Metalicity Energy Pty Ltd	Live	32,500 ha	MCT Beneficial owner	100%
EPM 28121*	Astralis Resources Pty Ltd	Live.	29,250 ha	MCT Beneficial owner	100%
EPM 28653	Metalicity Energy Pty Ltd	Live	3,575 ha	MCT Beneficial owner	100%

*Exploration Permit 28121 granted after the March Quarter end.

Tenement	Registered Holder	Status	Area	Nature of Interest	Interest
Admiral Bay					
E 04/1610	Kimberley Mining Australia Pty Ltd	Live	42 Blocks	Holding in Subsidiary	80.3%
M 04/244	Kimberley Mining Australia Pty Ltd	Live	796.4 ha	Holding in Subsidiary	80.3%
M 04/249	Kimberley Mining Australia Pty Ltd	Live	843.85 ha	Holding in Subsidiary	80.3%