

ASX RELEASE: 15 May 2023

Multiple New Priority Exploration Targets Identified at Mt Surprise

HIGHLIGHTS

- Multiple new high priority targets have been identified at the Mt Surprise Project through the re-processing of geophysical datasets in collaboration with results from recent soil sampling and geochemical exploration work.
- Several new anomalous areas have been delineated and are coincident to potential mineralised areas identified from ultra-fine soil sampling assays announced recently.
- A significant 30km north-east to south-west corridor of prospectivity associated with a linear feature likely related to Carboniferous aged intrusions, trends across Project and is spatially associated with 6 out of the new 7 targets.
- These geophysical targets are in addition to the two high priority targets (Copper Cap copper/cobalt Prospect and the Double Barrell base metals prospect) already identified from fieldwork.
- Geophysics also highlights a gravity ridge anomaly at the Copper Cap prospect that is coincident to the 4km strike length potential identified for this target.
- Metalicity has a strong pipeline of exploration targets for testing with field programs with the first commencing in the coming weeks.

Metalicity Limited (ASX: MCT) (“MCT”, “Metalicity” or “Company”) is pleased to announce that the Company has identified multiple new targets at the Company’s wholly owned Mt Surprise Project (EPM 28052) located circa 57km northeast of the town of Mt Surprise, 165 km west of the major centre of Cairns. These additional highly prospective exploration targets have been derived from a recent review of all available geophysical survey data over the Mt Surprise project and surrounding areas by exploration consultants Terra Search based in Townsville. Regional geophysical datasets were reprocessed, and several anomalous regions have been delineated some of which are coincident to the north-south and east-west mineralized zones identified from the ultra-fine soil sampling¹. This geophysical survey data review will fast-track the next program of fieldwork and target testing of the recent anomalous regions outlined below as well as the Copper Cap copper/cobalt prospect and Double Barrel base metal prospects¹.

Commenting on the initial results, Metalicity Managing Director, Justin Barton said:

“The geophysics survey data has not only provided additional target areas in the vastly underexplored Mt Surprise area, but also appears to provide additional support and data for the significant north-south and east-west mineralized trends previously identified by the Company. As we methodically continue to explore and build knowledge of this area, we are highly encouraged by the number of targets and results that have been presented to date that show this area to be highly prospective. We look forward to getting back out into the

¹ Please refer ASX announcement “Soil Sampling Confirms and Extends Significant Copper and Base Metal Mineralisation” dated 3 May 2023.

field in the coming weeks to follow-up on our recent results and also beginning exploration on our highly prospective Georgetown project.”

Implications for Mineralisation and Exploration

Geophysical re-processing is a cost efficient and effective method of highlighting multiple areas of interest including localised radiometric and magnetic features as well as a large central corridor of interest/prospectivity where Metalicity will effectively focus future exploration activities (Figure 1). This work enhances the visualization of structural elements utilized over the Mt Surprise Project area to bring out more subtle features in the magnetically low relief basement areas and granites (Figure 1). Results of reviewing geophysical survey data has generated new prospective targets, but also provides confirmation of mineralised trends associated with mineralisation at Metalicity’s Copper Cap Prospect with a potential strike length over 4 kilometres (Figure 1 and 2).

The Copper Cap prospect has an association with faint north north-west structures which align with field observations, recent soil anomalies and a minor gravity ridge, however the broad spacing of the re-processed aeromagnetic survey may lack granularity to properly delineate mineralised host structures (Figure 1)¹. A small buried positively magnetized anomaly associated with occurrences of tungsten, has been interpreted in an area south of the Mountain Camp Hills target (Figure 1).

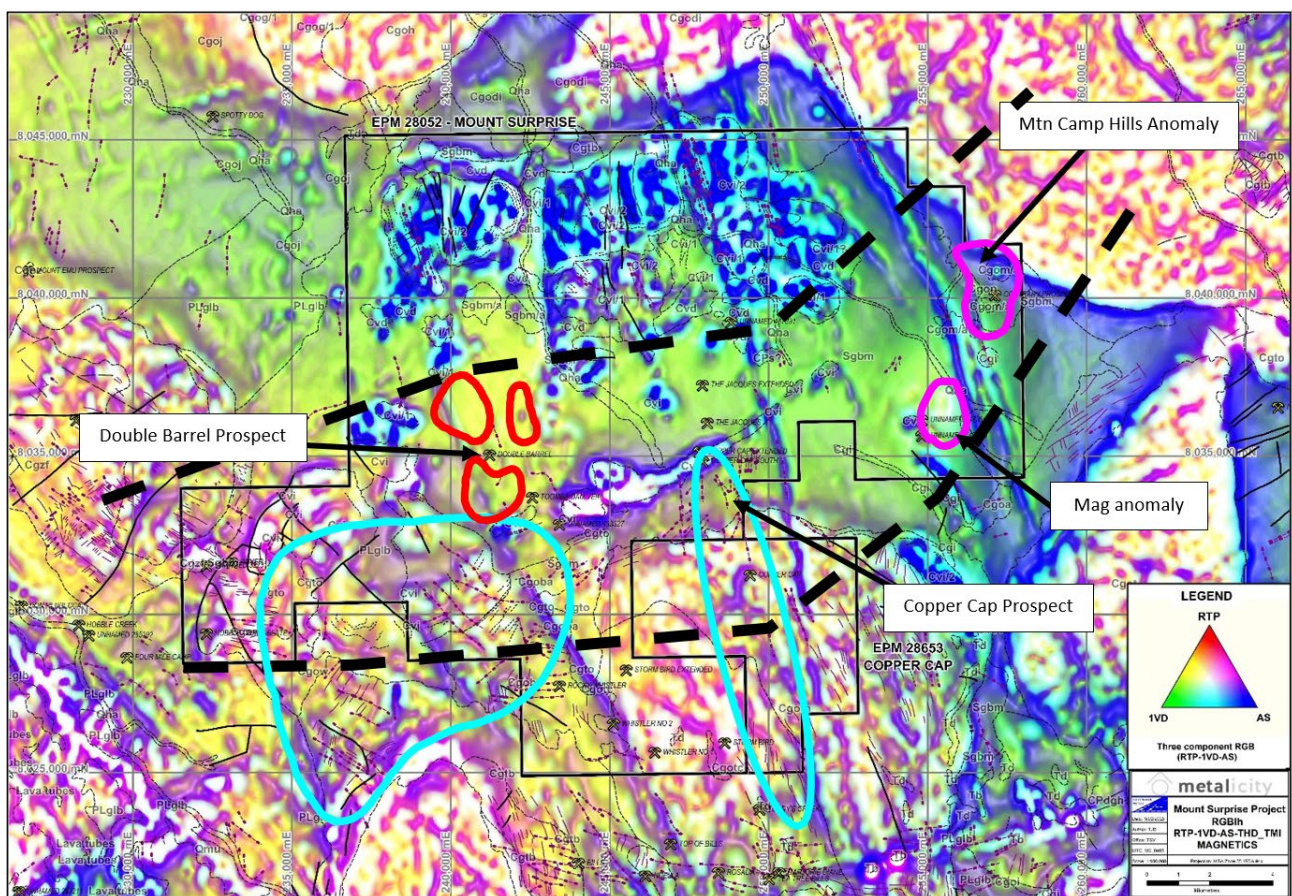


Figure 1. Magnetic Anomalies highlighted purple, radiometric anomalies highlighted red and gravity anomalies highlighted light blue. Central corridor of prospectivity as black dashed lines. Shaded Ternary RGBi Magnetic Image (RTP – 1VD – AS – THD) – Mt Surprise.

Geophysical anomalies have been delineated from the re-processed gravity dataset and identify a minor gravity ridge that aligns with the general trend of the Copper Cap prospect and extends to the south into the recently granted exploration permit EPM28653 adjacent to the initial Mt Surprise Project area (EPM28052) (Figure 2)². The gravity ridge anomaly at the Copper Cap prospect is coincident to the 4km strike length potential for this exploration target². In addition, a large gravity low anomaly in the south-western area of tenure, suggestive of a felsic pluton/magma chamber at depth with an interesting coincidence of mineral occurrences (mostly old tin workings) and the margins of the gravity low, particularly on the eastern side (Figure 2).

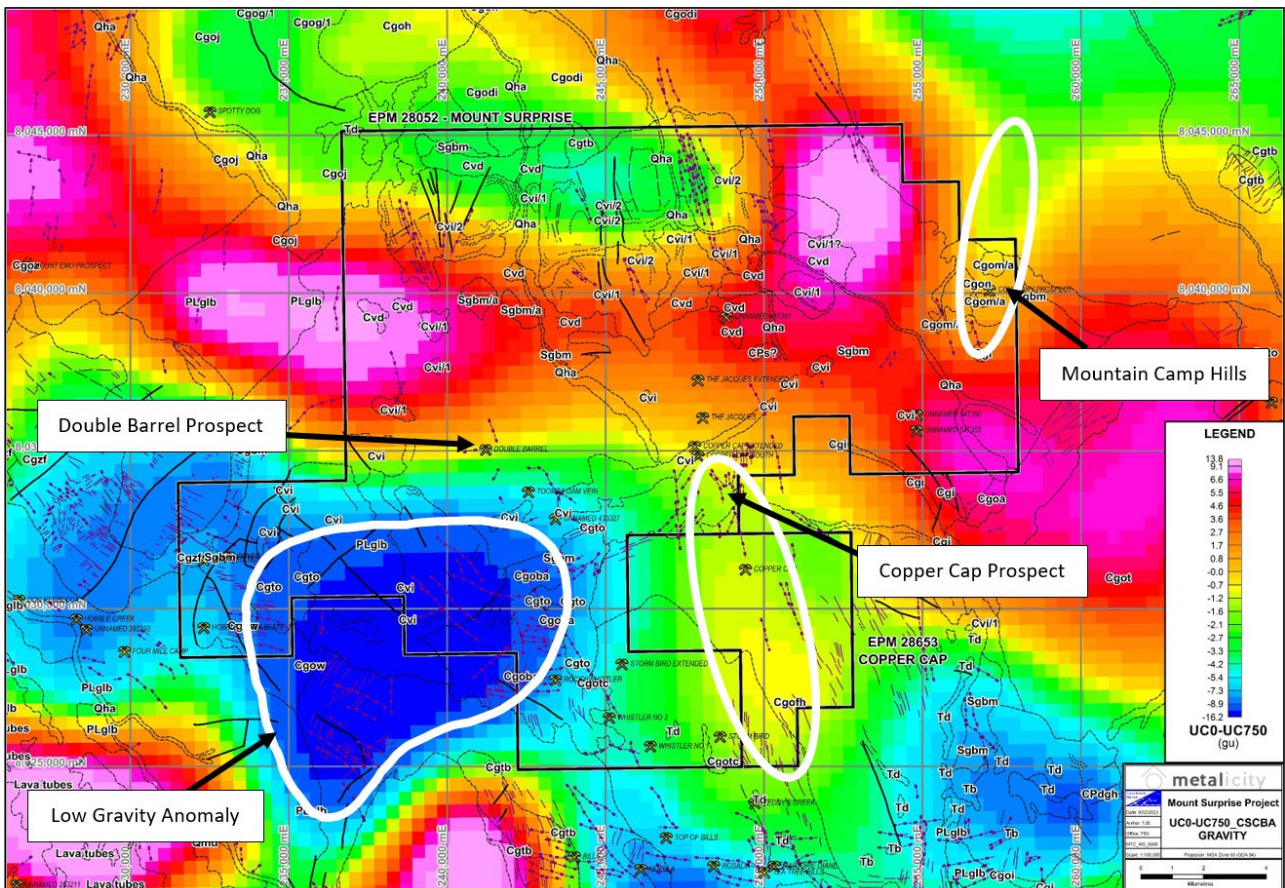


Figure 2. Gravity Anomalies highlighted as a white polygon over UCO-UC750 CSCBA (Shallow Gravity Filter) – Mt Surprise Project North Queensland

The third category of geophysical anomalies have been interpreted from radiometric datasets with three anomalous potassic zones around the Double Barrel base metal prospect which appear to have a spatial association with a major north, north-west trending structure/dyke through this area. Bright red or intense signatures relating to potential potassic alteration are a positive indicator for potential mineralisation (Figure 3).

² Please refer ASX announcement “New Highly Prospective Exploration Permit” dated 14 December 2022.

An additional potassic anomaly up to 2.5km long and 1.3km wide, significantly stands out corresponding with magnetic and gravity anomalies at the area of Mountain Camp Hills, in the north-east corner of EPM28052 and is related to a historical silver prospect (Figures 2 and 3).

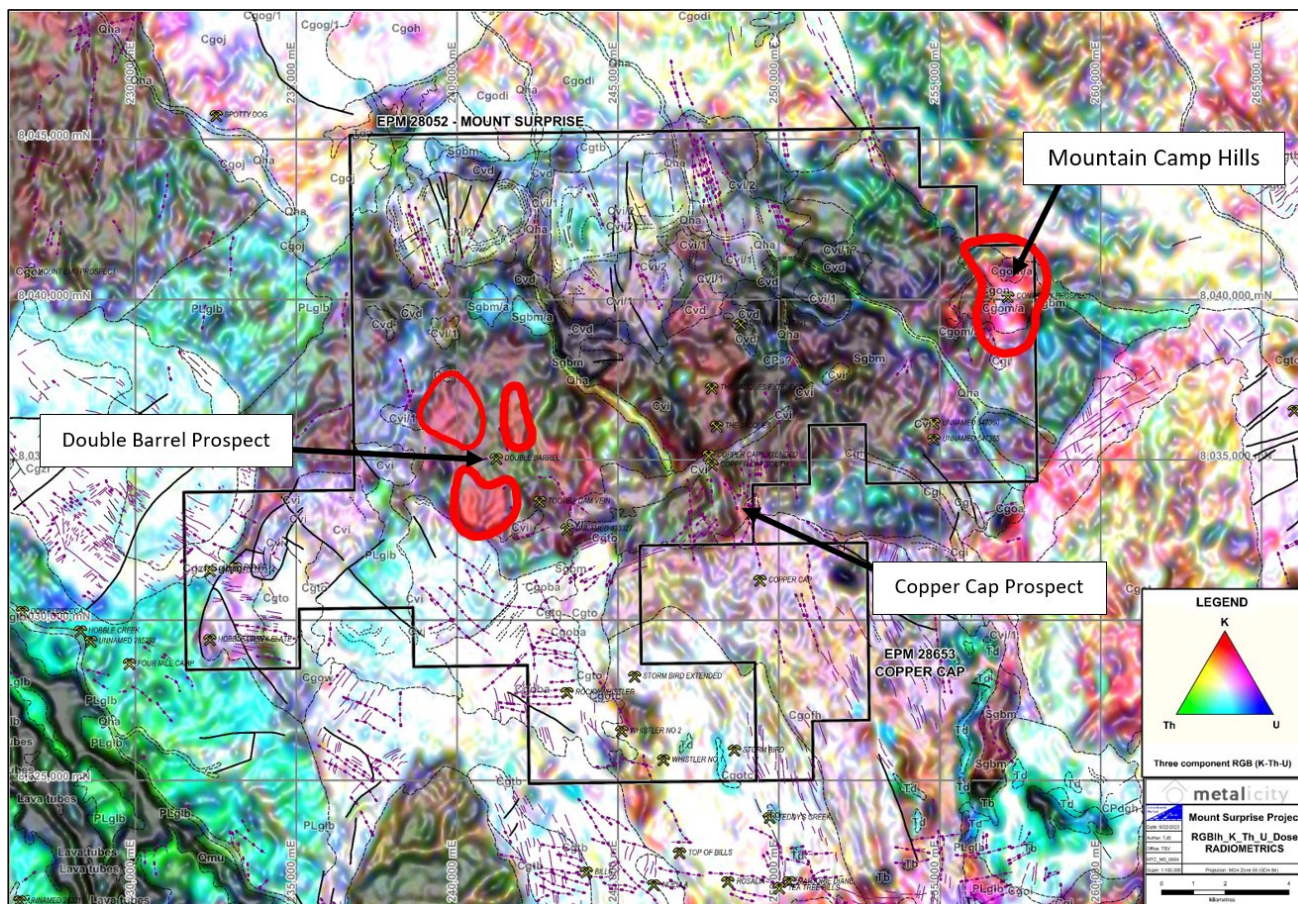


Figure 3. Radiometric Anomalies highlighted as red polygons over Shaded Ternary RGBI Radiometric Image (K – Th – U – THD) – Mt Surprise Project North Queensland.

Next Steps

Reprocessing and interpretation of available geophysical datasets indicate that the Mt Surprise Project is a prospective area for exploration and has geophysical anomalies with the potential to be related to mineralisation. Metalicity intends to implement the recommendations of ground truthing and reconnaissance made by Terra Search from the Geophysical Dataset re-processing report in the next field program in parallel with further soil sampling and target delineation of the Copper Cap and Double Barrel prospects¹. Exploration targets generated from the geophysical re-processing will be investigated in the next field program with priority given to anomalies such as the area of Mountain Camp Hills which was present across all geophysical datasets.

After the geophysical anomalies have been investigated, Metalicity will review the findings and consider if the use of high-resolution ground and/or airborne drone magnetic surveys can further delineate small scale dykes and veins, structures and alteration zones which may be related to known and potential mineralisation. Also planned in the next North Queensland field program, Metalicity will be undertaking its maiden fieldwork program at its prospective Georgetown Project located 75km southeast from its Mt Surprise Project.

Regional Geophysical Datasets

Terra Search was recently engaged to undertake a desktop review of various available geophysical datasets over Metalicity's Mt Surprise Project and surrounding area where the aeromagnetics, airborne radiometrics, gravity and elevation datasets were re-processed, interpreted and reported. This work included identifying subtle potential host structures such as high-level dykes, altered structures and intrusive bodies associated with a Carboniferous event associated with mineralisation.

The magnetic, radiometric and elevation data is sourced from the Hodgkinson-Georgetown Block B Survey (P798). This data was collected at 200m line spacing and 80m terrain clearance. The gravity data is sourced from the Cape York Gravity Survey (P200940) at a nominal 4km station spacing. Terra Search has significant expertise in North Queensland to undertake this scope of work and continue to offer professional services to Metalicity with its Queensland projects. Definitions of abbreviations used throughout the report are in Appendix 1.

Overview of Mt Surprise Project

The Mt Surprise project covers a large area approximately 165km from the city of Cairns, Queensland and 57 km northeast of the town of Mt Surprise and is serviced by excellent infrastructure in the area and easy access outside of the tropical wet season (Figure 4). The geology of the area is characterised by the Silurian-aged Blackman Gap Complex, a medium to coarse-grained biotite-muscovite granodiorite and granite. The Mt surprise Project is located within the highly prospective Georgetown Inlier of north Queensland hosting significant deposits such as Kidston gold mine 130km South. 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 4). Local Geological units within the Mt Surprise Project Area and documented in the figures of this announcement are tabulated in Table 2 of Appendix 1.

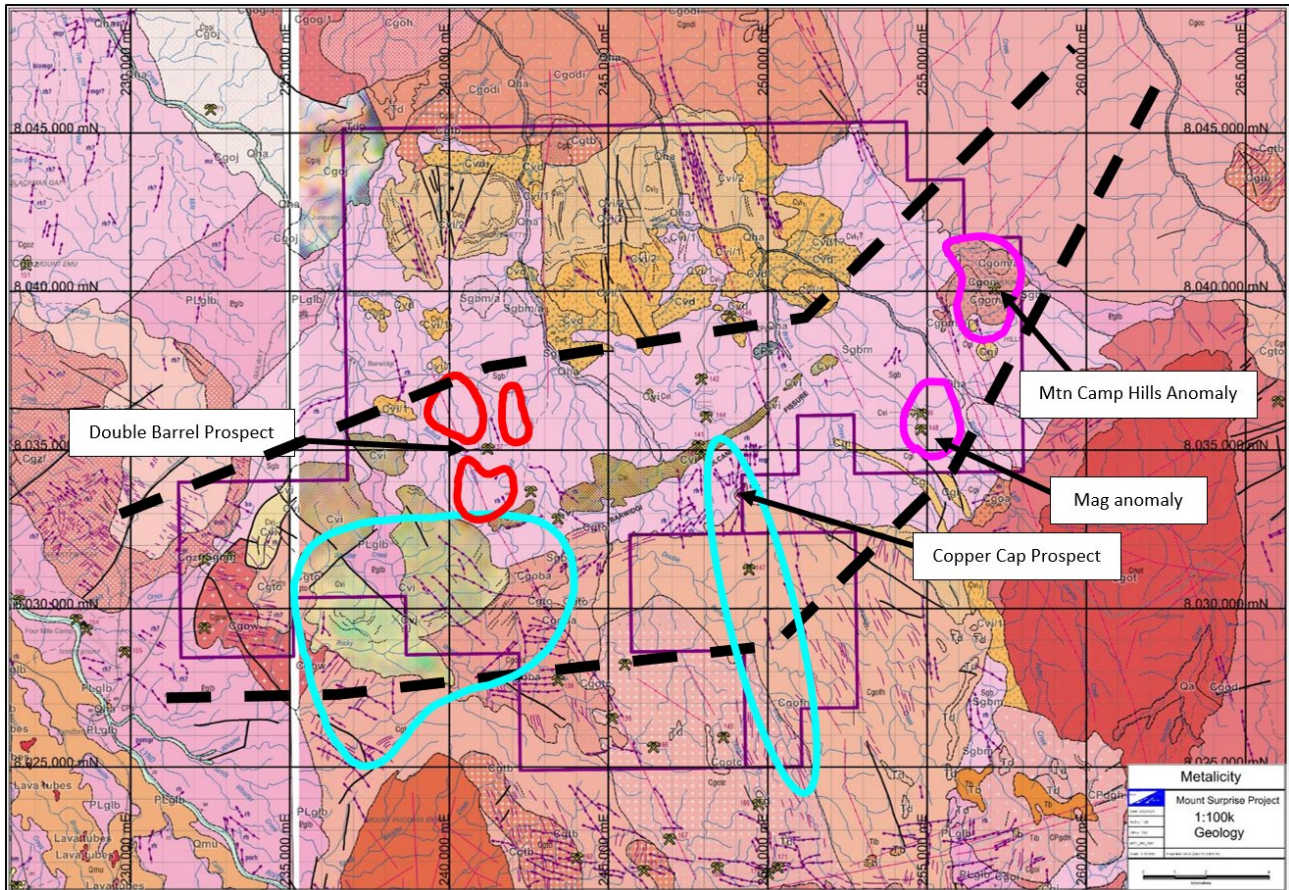


Figure 4: 1:100k Geology Mt Surprise Area with geophysical anomalies and known prospects.

This Announcement is approved by the Board of Metalicity Limited.

ENQUIRIES

Investors

Justin Barton
 Managing Director
 +61 8 6500 0202
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

Information in this report that relates to Exploration results and targets is based on, and fairly reflects, information compiled by Mr. Stephen Guy, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Guy is an employee of Metalicity Limited. Mr. Guy 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. Guy consents to the inclusion of the data in the form and context in which it appears.

Terra Search approves Metalicity referring to the geophysics report produced by Terra Search on their behalf. Terra Search consents to inclusion of material from their geophysical report into Metalicity ASX and public announcements based on information put together by Terra Search and in the form and context in which it was originally reported. Dr Simon Beams - Managing Director - Principal Geologist Terra Search Pty Ltd

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 – Definition of Abbreviations Associated with this Announcement.

Table 1. Abbreviation Definitions

Abbreviation	Definition
DEM	Digital Elevation Model
AS	Analytic Signal
RTP	Reduced to Pole
1VD	First Vertical Derivative
2VD	Second Vertical Derivative
THD	Total Horizontal Derivative
TLD	Tilt Derivative
UC750	Upward Continued to a height of 750m
UC0	Upward Continued to a height of 0m
TMI	Total Magnetic Intensity
RGB	Three component Red Green Blue scale (RTP AS 1VD)
CSCBA	Complete Spherical Cap Bouguer Anomaly

Table 2. Mapped 100K geology units – Mt Surprise Area.

Map Symbol	Rock Name	Age	Unit Type	Dominant Rock Type	Lithology Summary
Qha	Qha-QLD	Holocene	Stratified	Alluvium	Sand, gravel, silt and clay; active stream channels and low terraces
Lava tubes	Lava tubes-McBride Volcanic Province	Quaternary	Stratified	Basalt	Open tubes and collapse features in basalt
Qa	Qa-QLD	Quaternary	Stratified	Alluvium	Clay, silt, sand, gravel; floodplain alluvium
Qmu	Undara Basalt	Quaternary	Stratified	Basalt	Olivine basalt (0.19 Ma)
Tb	Tb-QLD	Tertiary	Stratified	Basalt	Mostly olivine basalt; some areas of nephelinite, basanite etc
Td	Td-QLD	Tertiary	Stratified	Ferricrete	Duricrusted palaeosols at the top of deep weathering profiles, including ferricrete and silcrete; duricrusted old land surfaces
CPs?	CPs?-7862	Carboniferous - permian?	Stratified	Arenite-rudite	Sandstone, conglomerate
CPir	CPir-Kennedy Province	Carboniferous - permian	Intrusive	Felsites (lavas, clastics & high-level intrusives)	Mainly buff, pale grey to dark grey or brown, aphyric to highly porphyritic, intrusive rhyolite; commonly flow-banded; locally grades into microgranite
Cgb\A	O'Briens Creek Supersuite-alteration	Late carboniferous	Intrusive	Granitoid	Altered biotite granite or microgranite
Cgi	Branch Creek Rhyolite	Late carboniferous	Intrusive	Felsites (lavas, clastics & high-level intrusives)	Porphyritic microgranite, flow-banded intrusive rhyolite and breccia, containing coarse clasts of rhyolite and granite
Cgoa	Swamp Creek Granite	Late carboniferous	Intrusive	Granitoid	Pink to grey, medium-grained, mainly even-grained biotite monzogranite with metasedimentary inclusions

Map Symbol	Rock Name	Age	Unit Type	Dominant Rock Type	Lithology Summary
Cgoba	Barwidgi Granite	Late carboniferous	Intrusive	Granitoid	Pink to grey, fine to medium-grained, moderately porphyritic monzogranite(?); locally cut by numerous sheeted quartz veins and greisen zones with minor molybdenite and cassiterite(?)
Cgoc	Mount Cardwell Granite	Late carboniferous	Intrusive	Granitoid	Pink to cream, medium-grained, slightly porphyritic biotite monzogranite; minor fine-grained monzogranite(?)
Cgod	Rudd Granite	Late carboniferous	Intrusive	Granitoid	Grey, medium-grained, even-grained biotite monzogranite; minor biotite granodiorite
Cgodi	Baldick Granite	Late carboniferous	Intrusive	Granitoid	Medium to coarse-grained, even-grained biotite granite
Cgofh	Frog Hollow Granite	Late carboniferous	Intrusive	Granitoid	Pink, medium to fine-grained biotite granite, commonly altered
Cgog/1	Gelaro Granite/1	Late carboniferous	Intrusive	Granitoid	Geophysical subdivision, rock type uncertain; probably variant of pink to red, medium to coarse-grained, even-grained, biotite monzogranite; commonly altered
Cgoh	Gelaro Granite	Late carboniferous	Intrusive	Granitoid	Pink to red, medium to coarse-grained, even-grained, biotite monzogranite; commonly altered
Cgoi	Bird Spring Granite	Late carboniferous	Intrusive	Granitoid	Pale pink to white, medium to coarse-grained, even-grained biotite granite
Cgoj	Junevale Granite	Late carboniferous	Intrusive	Granitoid	Pink, medium-grained, porphyritic hornblende-biotite and biotite monzogranite, with numerous enclaves; subordinate fine-grained porphyritic biotite monzogranite
Cgok	Brookers Waterhole Granite	Late carboniferous	Intrusive	Granitoid	White to pink, medium-grained, even-grained hornblende-biotite monzogranite
Cgom/a	Mountain Camp Granite-altered	Late carboniferous	Altered Intrusive	Granitoid	Intensely altered, silicified, porphyritic monzogranite and granodiorite
Cgon	Mountain Camp Granite	Late carboniferous	Intrusive	Granitoid	Pink to cream, medium to coarse-grained, porphyritic biotitemonzogranite and granodiorite
Cgoss	Soda Spring Granite	Late carboniferous	Intrusive	Granitoid	Grey to pale pink, medium-grained, porphyritic biotite monzogranite, with scattered K-feldspar megacrysts and mafic enclaves
Cgot	Rattler Granite	Late carboniferous	Intrusive	Granitoid	White to pink, medium-grained, porphyritic biotite monzogranite; mafic enclaves relatively common
Cgotc	Teddys Creek Granite	Late carboniferous	Intrusive	Granitoid	White to pink medium-grained, even-grained biotite granite
Cgou	Mount Pudding Basin Granodiorite	Late carboniferous	Intrusive	Granitoid	White to grey, fine to medium-grained, even-grained, hornblende-biotite granodiorite; with small mafic enclaves
Cgow	Whistler Granite	Late carboniferous	Intrusive	Granitoid	Fine to medium-grained, porphyritic (muscovite-) biotite granite
Cgoz	Ixe Microgranodiorite	Late carboniferous	Intrusive	Granitoid	Fine-grained, porphyritic biotite granodiorite to granite
Cgtb	O'Briens Creek Supersuite-Cgtb	Late carboniferous	Intrusive	Granitoid	Scattered plutons of pink to red, fine to coarse-grained, even-grained to porphyritic biotite granite of the O'Briens Creek Supersuite
Cgto	Ootann Supersuite-Cgto	Late carboniferous	Intrusive	Granitoid	Pink, white and grey, fine to coarse grained, biotite, biotite-hornblende, and hornblende-biotite granite, sparse granodiorite of the Ootan Supersuite

Map Symbol	Rock Name	Age	Unit Type	Dominant Rock Type	Lithology Summary
Cgzf	Fulford Creek Granite	Late carboniferous	Intrusive	Granitoid	Fine to medium-grained porphyritic (muscovite-) biotite granite
CPdgh	Dickie Hill Granite	Late carboniferous	Intrusive	Granitoid	Pink, fine grained porphyritic biotite granite with quartz and feldspar phenocrysts and common miarolitic cavities
Cvd	Double Barrel Andesite	Late carboniferous	Stratified	Mafites (lavas, clastics & high-level intrusives)	Grey, porphyritic andesitic and dacitic lava (locally autobrecciated), tuff and possible pyroclastic flow deposits
Cvi	Gingerella Volcanics	Late carboniferous	Stratified	Felsites (lavas, clastics & high-level intrusives)	Rhyolitic to rhyodacitic ignimbrite, lava and high-level intrusive rocks; minor tuff, rhyodacite, dacite, volcanic breccia with blocks of flow banded rhyolite and granite up to 2m across
Cvi/1	Gingerella Volcanics/1	Late carboniferous	Stratified	FELSITES (LAVAS, CLASTICS & HIGH-LEVEL INTRUSIVES)	Crystal-rich, rhyolitic ignimbrite and flow-banded rhyolite lava; minor andesitic to rhyodacitic tuff, dacite, volcanic breccia
Cvi/1?	Gingerella Volcanics/1?	Late carboniferous	Intrusive	FELSITES (LAVAS, CLASTICS & HIGH-LEVEL INTRUSIVES)	Crystal-rich rhyolitic ignimbrite and flow-banded rhyolite lava; minor andesitic to rhyodacitic tuff, dacite, volcanic breccia
Cvi/2	Gingerella Volcanics/2	Late carboniferous	Stratified	FELSITES (LAVAS, CLASTICS & HIGH-LEVEL INTRUSIVES)	Massive, lithics-rich, crystal-rich, welded rhyolitic to rhyodacitic ignimbrite
Sgbm	Blackman Gap Complex	Silurian	Intrusive	GRANITOID	Pale grey to cream, variably foliated, medium to coarse-grained, seriate to megacrystic, biotite-muscovite granodiorite and granite; extensively altered in places; minor pegmatite aplite, schist; metasedimentary pendants and inclusions common locally
Sgbm/a	Blackman Gap Complex-alteration	Silurian	Intrusive	GRANITOID	Altered muscovite-biotite granite to granodiorite
PLglb	Lyndbrook Complex	Palaeoproterozoic	Intrusive	GRANITOID	Foliated biotite and muscovite-biotite granitoid, commonly with streaky layering and schlieren, locally garnetiferous; muscovite and/or biotite leucogranitoid and pegmatite; sillimanite-biotite schist, gneiss, migmatite and rare amphibolite