

ASX RELEASE: 19 October 2023

## \$1.4m Placement to Accelerate Gold Projects

### HIGHLIGHTS

- Firm commitments from sophisticated investors for \$1.03 million, with a further \$370,000 commitment from Directors, raising total \$1.4m via Placement.
- Funds to be used to accelerate exploration at the Kookynie Gold Project following the recent execution of a term-sheet with our JV partner to increase Metalicity's interest in the JV to 80%.
- Several greenfield and brownfields exploration targets have been reviewed and re-interpreted following input received from geophysical consultant partners.
- Prospects reviewed in conjunction with Metalicity's exploration strategy of targeting structurally hosted gold mineralisation.
- Initial targets will include follow up drilling north of McTavish, which has returned significant intercepts to date including:
  - 5m @ 25.9 g/t Au from 28m, inc. 3m @ 41.5 g/t from 30m; and inc. 1m @ 91.2 g/t Au from 30m<sup>1</sup>.
  - 6m @ 20.6 g/t Au from 19m, inc. 4m @ 29.1 g/t Au from 20m<sup>1</sup>.
  - 3m @ 19.1 g/t Au from 88m, inc. 1m @ 52.8 g/t Au from 89m<sup>1</sup>.
  - 5m @ 17.9 g/t Au from 48m, inc. 1m @ 80.17 g/t Au from 51m<sup>2</sup>.
- Maiden drilling by Metalicity at the underexplored, but highly prospective Mulga Plum to commence.
- Extensive auger drilling program planned at the Wandin prospect, which demonstrates similar geophysical signatures to the prolific Niagara Trend and has had limited effective historical exploration.

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Metalicity Limited (ASX:MCT) (**Metalicity** or **the Company**) is pleased to announce that that it has received firm commitments for a placement of 700 million new fully paid ordinary shares (**Shares**) in the Company at an issue price of AU\$0.002 per Share, together with 1 for 2 free attaching options exercisable at \$0.003 with a 2-year expiry (**Options**), to raise gross proceeds of \$1.4 million (**Placement**).

As part of the Placement, the Company's Directors have agreed to invest a total of \$370,000 into Metalicity (**Director Placement**) in a further show of support and confidence in the direction of the Company.

Canaccord Genuity (Australia) Limited (**Canaccord**) is acting as the Lead Manager to the Placement, which has been strongly supported. Canaccord will receive a cash fee equal to 6% of the amount raised under the Placement, excluding the Director Placement. Subject to completion, Canaccord will receive a cash fee of equal to 1% of the proceeds of the Director Placement. In addition, Canaccord will receive a total of 10,000,000 Options for acting as Lead manager to the Placement.

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<sup>1</sup> Please refer to ASX Announcement "McTavish Delivers Bonanza Grade Gold Results up to 91.2 g/t Au" dated 8 July 2021.

<sup>2</sup> Please refer to ASX Announcement "Metalicity Reports Drill Hole Intercepts Up To 80 g/t Au & Additional Tenement Acquisition for Kookynie" dated 21 January 2020.

In addition to the Placement, the Company's Directors have also agreed to convert a total of \$122,936 of accrued Director fees on the same terms as the Placement (**Director Fee Conversion**).

A total of 141,391,420 Shares and 267,500,000 Options will be issued pursuant the Company's placement capacity under ASX Listing Rule 7.1 and a total of 373,608,580 Shares will be issued pursuant the Company's placement capacity under ASX Listing Rule 7.1A (excluding the securities in respect of the Director Placement and Director Fee Conversion).

The Director Placement and Director Fee Conversion will comprise the issue of a total of 246,467,988 Shares and 123,233,994 Options and will be completed subject to shareholder approval which is intended to be sought at the Company's upcoming 2023 Annual General Meeting. Further details will be provided in the notice of Annual General Meeting to be released shortly.

The issue price of the Placement represents:

- 20% discount to the last closing price of MCT shares on 16 October 2023 of A\$0.0025 per share; and
- 11% premium to the 15-day volume weighted average (VWAP) of A\$0.0018 per share.

Funds raised from the Placement will be employed to accelerate the Kookynie and Yundamindra Gold Projects and for additional working capital.

***Commenting on the success of the Placement, CEO, Mr Barton, said:***

*"We are very happy with the strong support for the Placement, and it is a testament to Canaccord and our continued investor backing. The raising places the Company in a great position to enable us to immediately accelerate the development of our exciting Kookynie Gold Project, following the recent positive outcome of negotiations with our JV partner, which increases MCT's interest in the JV to 80%<sup>3</sup>. We look forward to further success with the Company's projects."*

***Use of Funds to Accelerate Exploration at Kookynie***

The Placement will enable the Company to accelerate development of the Kookynie Gold Project. Upon obtaining appropriate approvals through the JV Management Committee, Metalicity aims to immediately recommence more expansive exploration activities at several highly prospective greenfield and brownfields targets previously identified in 2022<sup>4</sup>. The planned exploration activities will initially focus on drilling the underexplored, but highly prospective Mulga Plum prospect, follow-up drilling at the McTavish North prospect and initial greenfield anomaly exploration for targets within tenement E40/390 and the Wandin prospect.

The McTavish North Target was initially drilled in 2022 and returned assay results, including multi-element analysis of pathfinder elements, that indicated a mineralised target possibly lies immediately to the west within M40/77<sup>5</sup>. A review of the working structural model for hosting gold mineralisation was undertaken and identified a potential structure similar in orientation to McTavish South and proximal to Carnavale Resources (CAV) McTavish North Prospect gold discovery with significant gold intercepts including aircore hole KOAC361 2m @ 16.3g/t from 10m<sup>6</sup>. This is an exciting target for Metalicity and has potential to add gold ounces to the 2012 JORC compliant Mineral Resource Estimate for McTavish and the Kookynie Gold Project<sup>7</sup>. Previous drilling at McTavish has returned the following:

- **5m @ 25.9 g/t Au from 28m**, inc. 3m @ 41.5 g/t from 30m; and inc. 1m @ 91.2 g/t Au from 30m<sup>1</sup>.
- **6m @ 20.6 g/t Au from 19m**, inc. 4m @ 29.1 g/t Au from 20m<sup>1</sup>.

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<sup>3</sup> ASX Announcement, "Metalicity Moves to an 80% Interest in Kookynie and Yundamindra JV" dated 29 September 2023.

<sup>4</sup> Please refer to ASX Announcement "Further Expansion of the Current Drilling Program to Test Wandin Highly Prospective Significant Structural Similarities Identified" dated 22 April 2022.

<sup>5</sup> Please refer to ASX Announcement "Significant High-Grade Intercepts from McTavish South Resampling" dated 4 October 2022.

<sup>6</sup> Please refer to Carnavale Resources (CAV) ASX Announcement "Kookynie Gold Project delivers Bonanza Gold grades" dated 15 July 2021.

<sup>7</sup> Please refer to ASX Announcement "Kookynie Maiden JORC 2012 Mineral Resource Estimate" dated 1 April 2022.

- **3m @ 19.1 g/t Au from 88m**, inc. 1m @ 52.8 g/t Au from 89m<sup>1</sup>.
- **5m @ 17.9 g/t Au from 48m**, inc. 1m @ 80.17 g/t Au from 51m<sup>2</sup>.

The Mulga Plum project was acquired by the Company in late 2022 but has not been drilled by Metalicity. Drilling in early 2020 by Ardea Resources Ltd (ARL), returned results including 2m @ 8.84 g/t Au from 14m and rock chip veins have hosted mineralisation of up to 17.1 g/t Au<sup>8</sup>.

The Company will also undertake extensive auger drilling at the Wandin prospects that form part of the Kookynie project. The Wandin tenement demonstrates similar geophysical signatures to the prolific Niagara Trend under thin alluvial cover<sup>4</sup>. Historical, turn of the century mite site produced 40 tonnes at 12 g/t Au with limited effective historical exploration in the area.

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.

### 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.

### 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.

<sup>8</sup> Please refer to ASX Announcement “Metalicity Continues To Consolidate The Area Around The Kookynie Gold Project” dated 23 November 2020.