

ASX RELEASE: 21 NOVEMBER 2016

LITHIUM DRILLING UNDERWAY AT PILGANGOORA SOUTH

- ▶ RC Drilling program of 1,200m has commenced at the Pilgangoora South Project in the Pilbara Region, WA
- ▶ Significant outcropping pegmatites over 1.5km strike extent targeted at the Stannum prospect
- ▶ Mapping and sampling returned results up to 2.45% Li₂O with spodumene reported at surface
- ▶ Adjoins world-class Wodgina Lithium Operations, owned by Mineral Resources Limited
- ▶ Drilling results to be reported as they become available throughout the coming months

Metalicity Limited (**ASX:MCT**) (“MCT” or “Company”) is pleased to announce a program of 1,200m reverse circulation (RC) drilling at the Pilgangoora South Lithium project is underway.

The Company’s Pilgangoora South Project comprises more than 143km² of tenure in the world-class Wodgina/Pilgangoora district, host to the Pilgangoora Lithium Project of Pilbara Minerals (128.6Mt @ 1.22% Li₂O), Altura Mining Limited (39.2Mt @ 1.02% Li₂O) and the Wodgina Lithium/Tantalum Project recently purchased by Mineral Resources Limited.

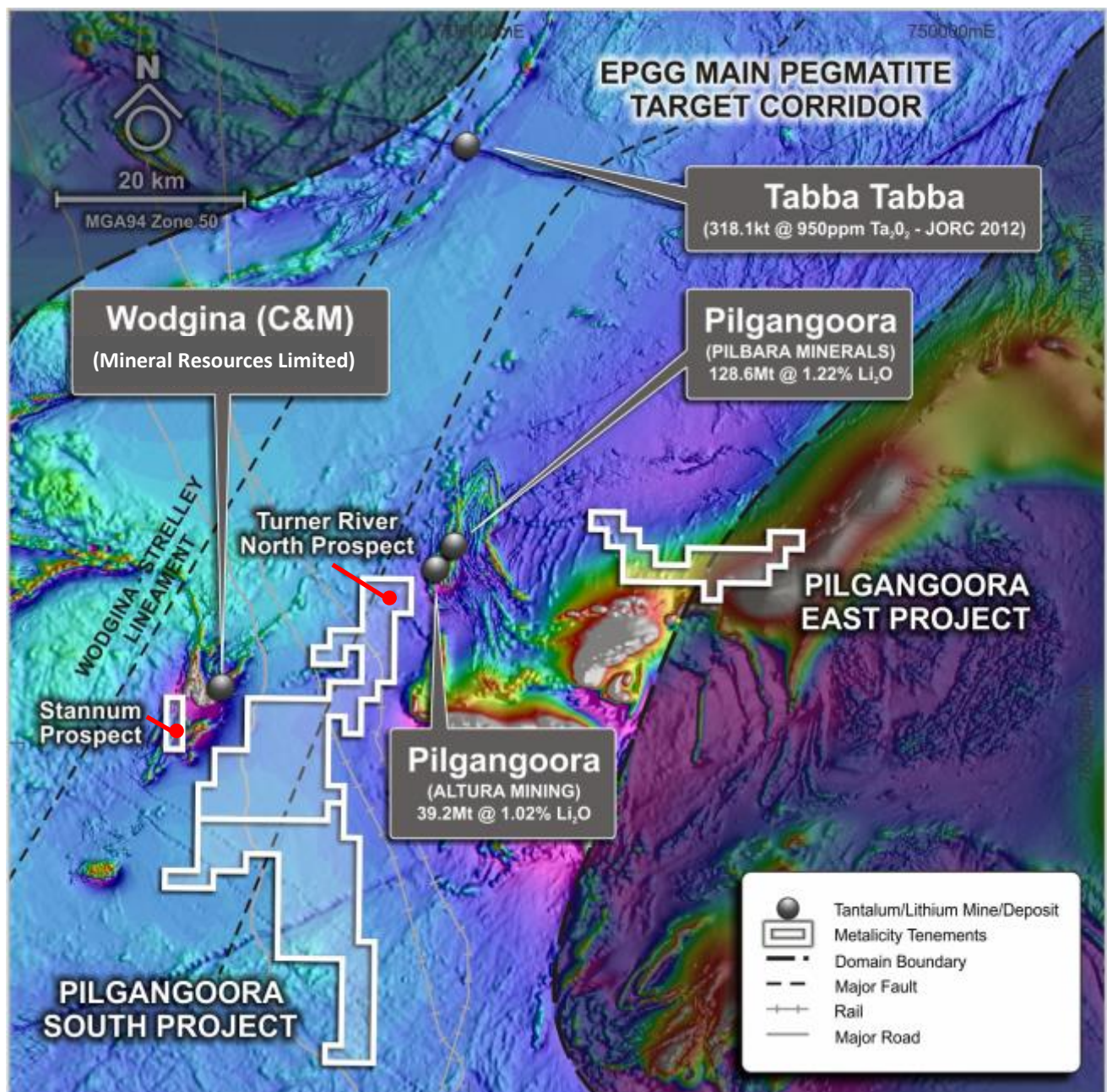
To date, two key prospects have been identified and prioritised for drilling by Metalicity at Pilgangoora South being the Stannum and Turner River North prospects (Figure 1). An analysis of hyperspectral data at Stannum identified a number of priority areas (Figure 2) which were followed up by detailed mapping. Five key pegmatites with the potential to host rare metal mineralisation including lithium were identified (Figure 3).

The approved POW is for up to 1,800m of reverse circulation (RC) drilling at Stannum; and has been designed to test the lithium potential of the three northern pegmatites, Vun, Duus and Tria, (Figure 3) and determine the source of the spodumene previously observed (see MCT ASX announcement 4 August 2016). Vertically oriented RC drill holes will allow investigation of the subsurface expression of the ‘stacked’ flat-lying pegmatite bodies previously observed in mapping; and follow up the lithium anomalism previously noted across the tenement area in rock chip sampling (see MCT ASX announcements 30 March 2016 and 4 August 2016).

The Stannum prospect is well located, approximately 120km south of Port Hedland via the Great Northern Highway. Stannum is also adjacent to Mineral Resources’ Wodgina lithium operations which includes a significant lithium resource, mineral processing assets, 13MW gas fired power station, 387 bed camp, significant water rights and infrastructure.

Metalicity Managing Director, Matt Gauci, commented: *“The drilling program is designed to test the length, width and depth of the pegmatites while gaining better insight into the grade/tonnage profile. The project is ideally located adjacent to existing infrastructure and a proposed downstream lithium processing facility.”*

Figure 1: East Pilbara Pegmatite Corridor, showing Metalicity Pilgangoora South Tenements adjoining Pilgangoora and Wodgina Projects



Source: Metalicity

Wodgina Mine

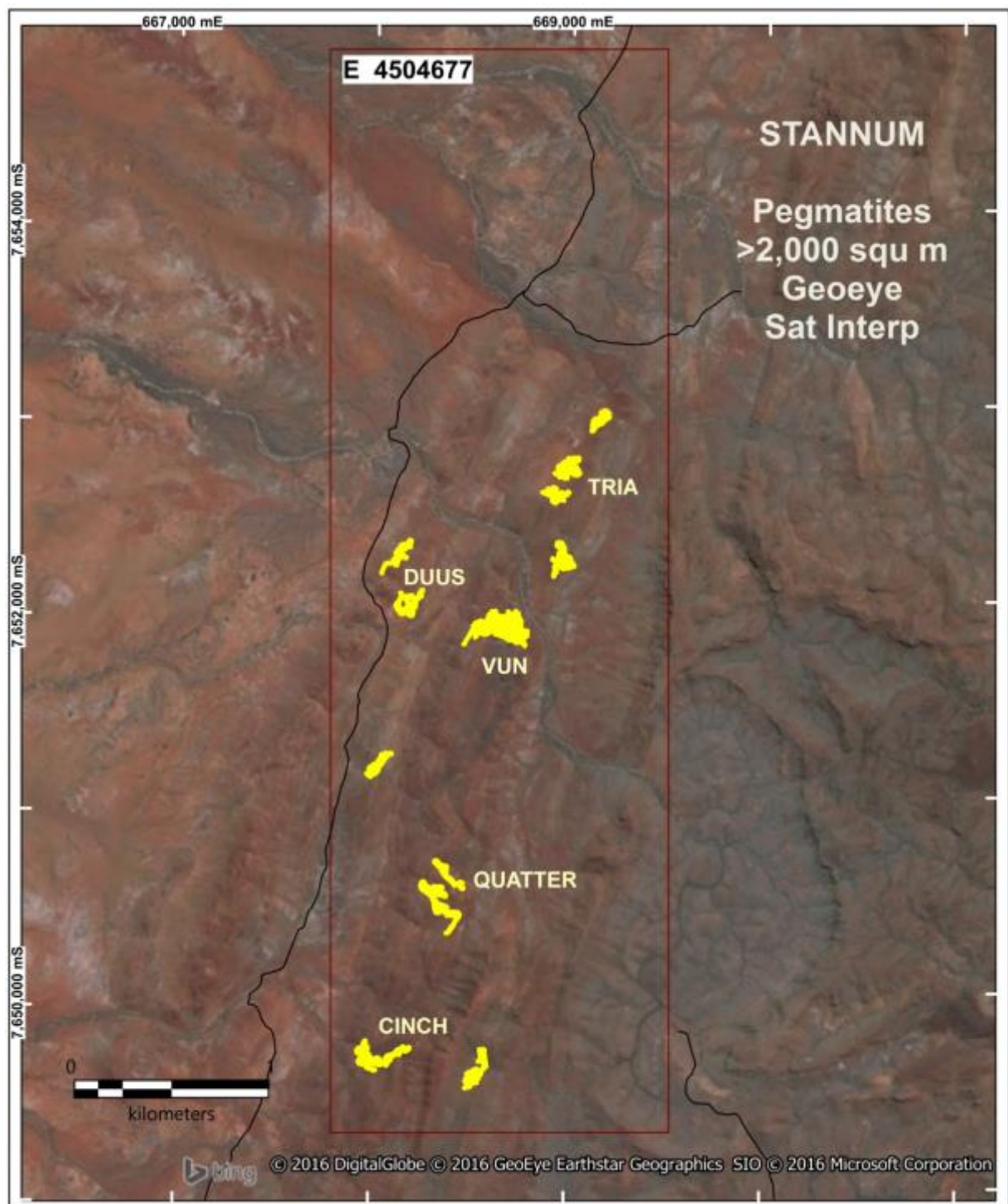
Stannum

5.5km

Rockchip Sampling

Google Earth

Figure 3: Major Outcropping Pegmatites at Stannum – proposed drilling will test Vun, Duus and Tria bodies.



Source: Metalicity

ENQUIRIES

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About Metalicity Limited

Metalicity Limited is an Australian mining exploration company with a primary focus on base metals sector and the development of the world class Admiral Bay Zinc Project, located in the north west of Australia. The company is currently undertaking a Pre-Feasibility Study on Admiral Bay. The Company's secondary focus is the rare metals sector with the addition of several Lithium where early stage exploration has commenced. The Company is supported by a management team with 300+ years collective experience in the resources sector as well as institutional, private equity and retail funds.