

ASX RELEASE: 1 DECEMBER 2016

LITHIUM DRILLING COMPLETE AT PILGANGOORA SOUTH

- ▶ Significant albite rich LCT type pegmatites intersected up to 124m thick (from surface) at Pilgangoora South.
- ▶ Pegmatite thickness from 28m to > 124m (from surface) at the three northern prospects drilled.
- ▶ The outcropping pegmatites have a combined north-south strike extent of 1km and up to 300m in width.
- ▶ Mineralogical zonation observed, including potentially spodumene, lepidolite and tourmaline¹.
- ▶ Samples dispatched for assaying and petrological analysis to determine lithium and spodumene content

Metalicity Limited (“Metalicity” or “the Company”) advises that first pass wide spaced reverse circulation (RC) drilling of 11 holes for approximately 1,050m at the Stannum prospect, within the Pilgangoora South Lithium project (Figure 1), has been completed. The drilling was successful in intersecting very thick albite rich Lithium-Caesium-Tantalum (“LCT”) type pegmatites including an area with a vertical thickness of at least 124m from surface.

The vertically oriented RC drilling at Stannum was designed to test the lithium potential of the three northern pegmatites (Vun, Dus, and Tria - Figure 2) and to determine the source of the spodumene previously encountered in surface sampling (see MCT ASX announcement 4 August 2016). Compositional and mineralogical layering previously observed (see MCT ASX announcement 12 October 2016) had led the company to anticipate multiple, sub-horizontal layers of pegmatites would be intersected in drilling.

However, drill testing has shown that all three prospects host very thick pegmatite bodies with some internal mineralogical zonation including potentially spodumene. Thicknesses of the pegmatites intersected are very significant being Tria >124m, Duus 60m, and Vun 28m.

A suite of assays will be undertaken as well as petrological studies, X-Ray Diffraction (XRD) and geological modelling to assess the lithium potential, mineralogy and to underpin future work including potential infill and extension drilling. Results of the assays, petrological and modelling work will be released as they become available.

The Company’s Pilgangoora South Project comprises more than 458km² 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 of 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.

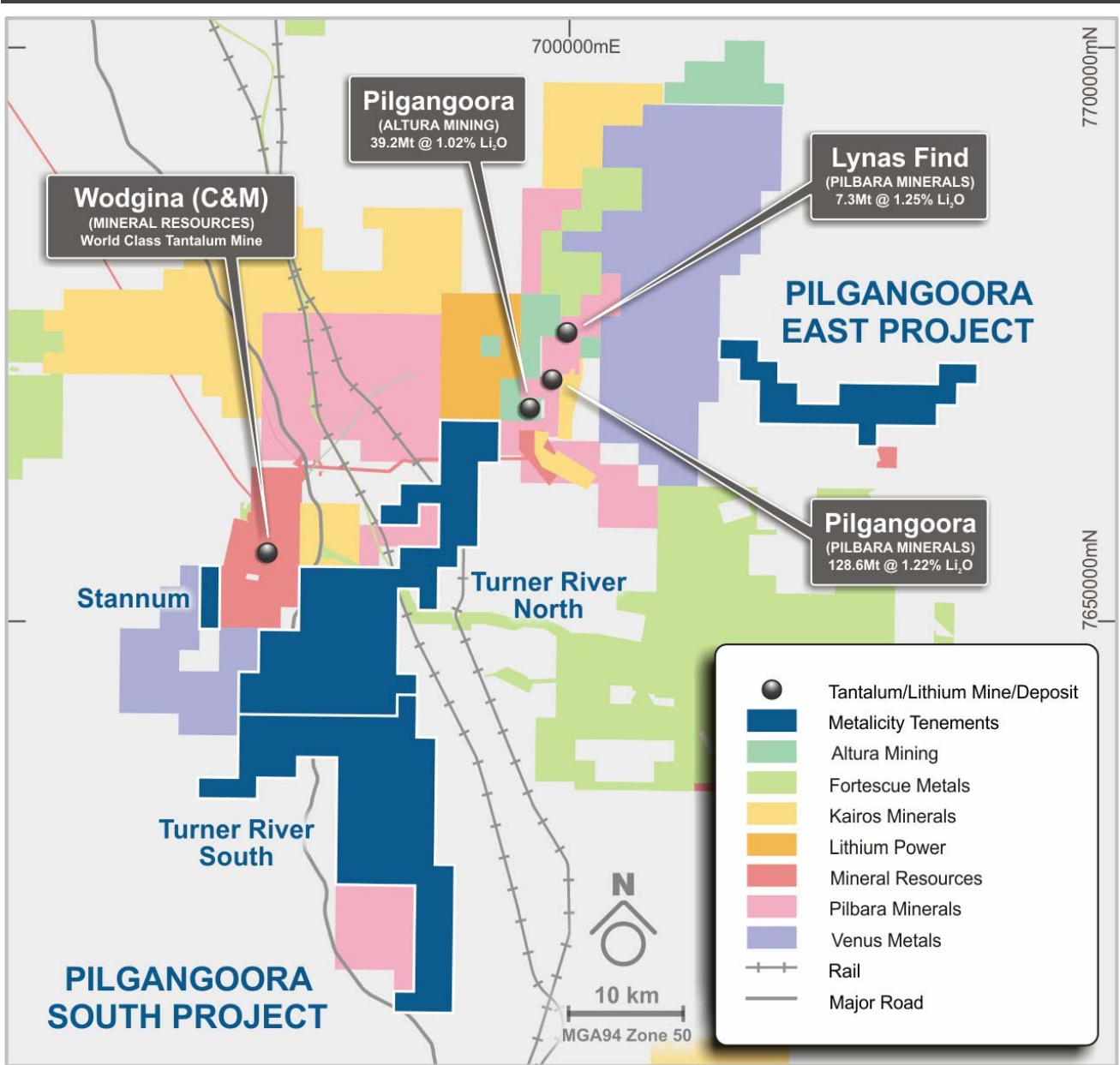
The Stannum prospect is well located, approximately 120km south of Port Hedland via the Great Northern Highway. Stannum is also adjacent to Mineral Resources’ Wodgina lithium operations which includes a significant lithium resource, mineral processing assets, 13MW gas fired power station, 387 bed camp,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

1. Petrological and XRD analysis of the RC samples is required to confirm the mineralogy of the intersected pegmatites including spodumene.

Managing Director, Matt Gauci, commented:

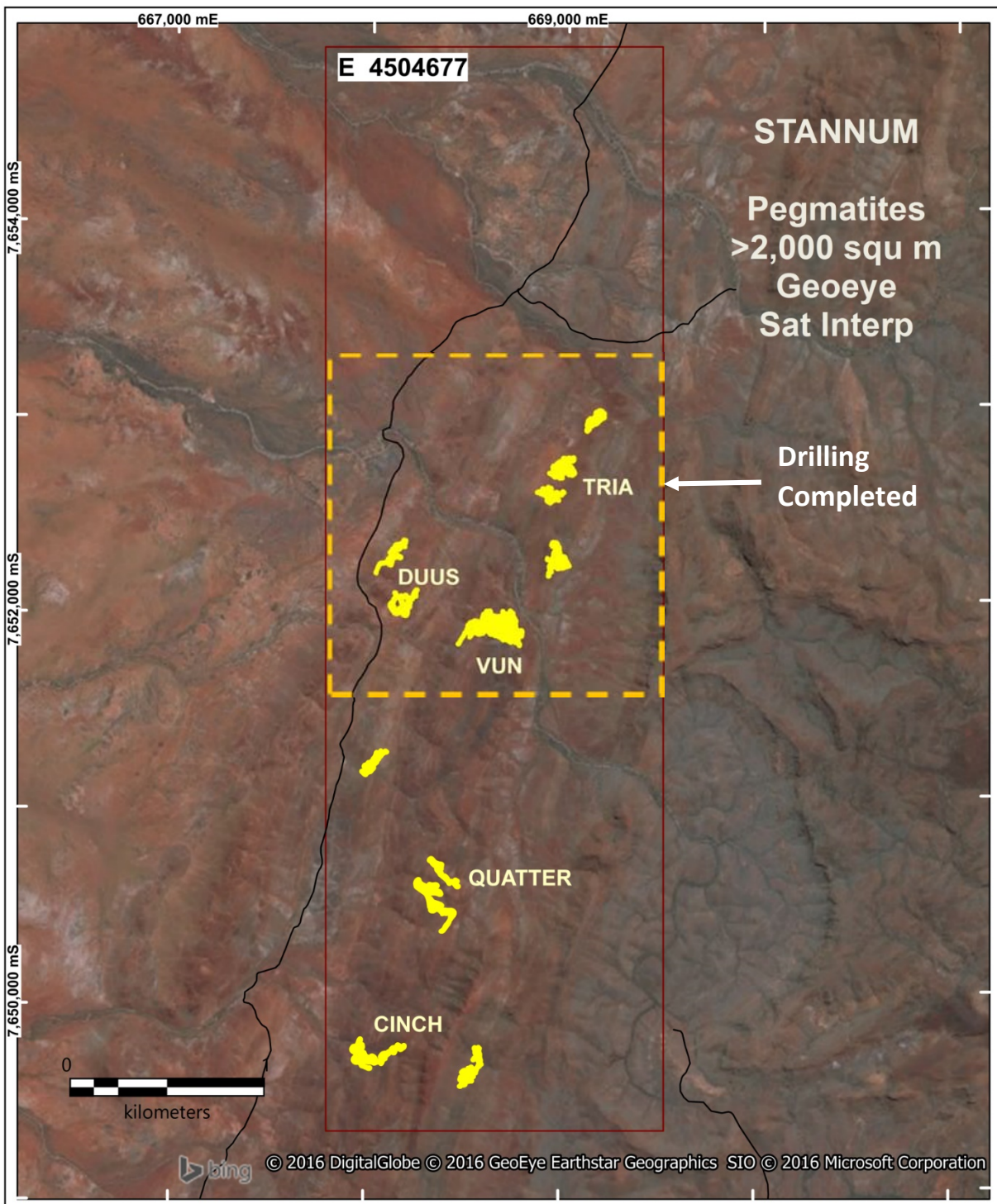
“The initial first pass drill assessment within the Northern pegmatites at Stannum suggests a very large albite rich LCT type pegmatite system spanning 1km by 300m at surface and up to 124m thick (depth from surface). Assays, petrological and geological modelling studies are underway to determine lithium grades and associated mineralogy, with results to be released as they become available.”

Figure 1: Metalicity Wodgina/Pilgangoora Tenements



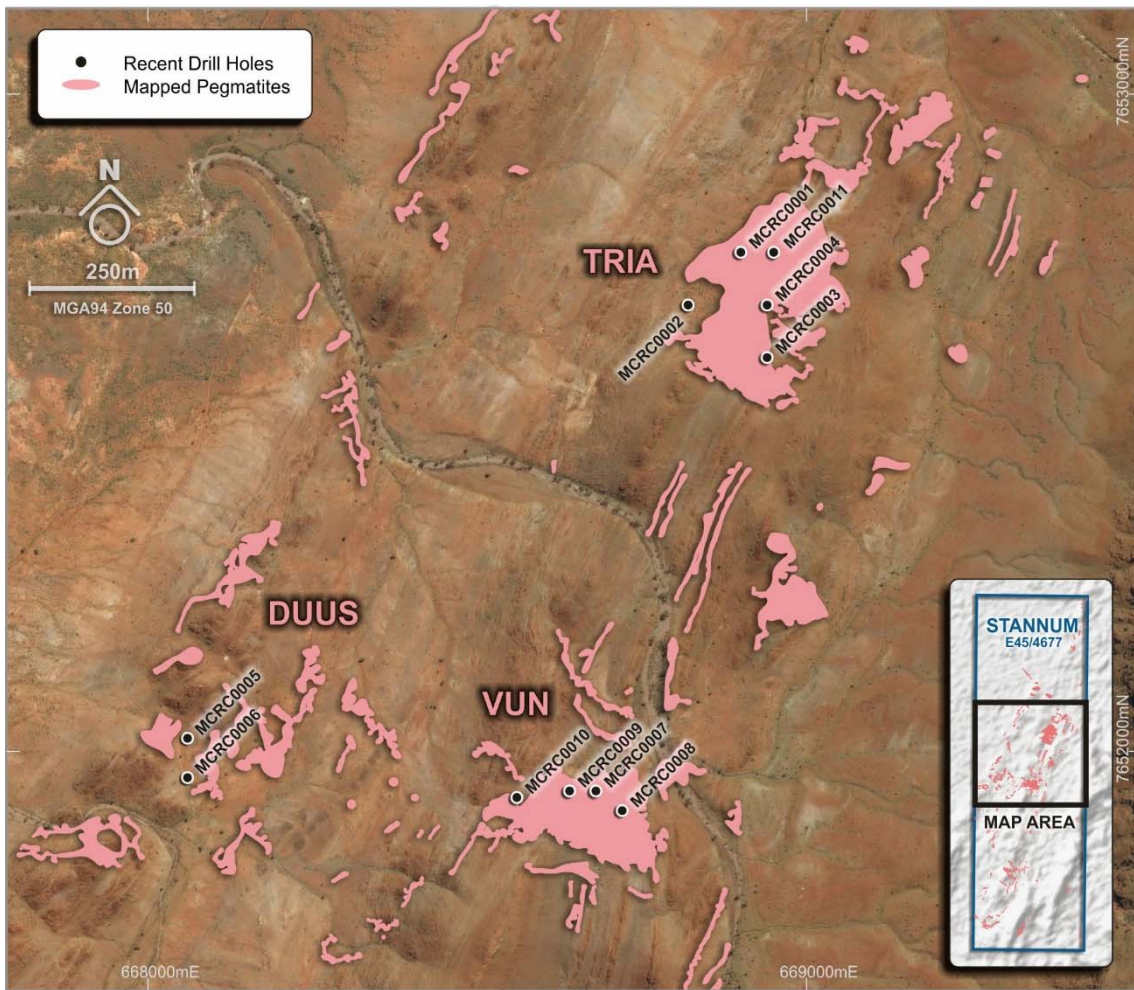
Source: Metalicity

Figure 2: Locations of the main pegmatite prospects at Stannum with highlighted area shown in Figure 3



Source: Metalicity

Figure 3: Location of RC drill holes recently completed at Stannum



Source: Metalicity

ENQUIRIES

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Competent Person Statement

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The Information contained in this announcement has been presented in accordance with the JORC Code. Information in this report relating to Exploration results is based on information compiled by Mr Pip Darvall, a consultant to the Company, who has sufficient experience relevant to the type of activities under consideration 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 Darvall is a member of the Australian Institute of Geoscientists, and consents to the inclusion of the information in this announcement in the form and context in which it appears.

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 projects where drilling has commenced. The Company is supported by an experienced management team as well as institutional, private equity and retail funds.