

ASX Code: MCT

5 January 2017

Mr Chris Bailey
Adviser, Listings Compliance (Perth)
ASX Compliance Pty Ltd
Level 40, Central Park, 152-158 St Georges Terrace
Perth WA 6000

By email: chris.bailey@asx.com.au

Dear Mr Bailey

ASX PRICE AND VOLUME QUERY (Metalicity Limited ASX:MCT “Company”)

We refer to your letter dated 5 January 2017 regarding the recent price and volume changes in the Company's securities since 4 January 2017. In response to your questions we reply as follows:

1. No.
2. Not applicable.
3. The Company is not currently aware of any specific explanation for the price change and increase in volume of trading in the Company's securities other than the fact that:
 - a. Metalicity currently owns 100% of the Admiral Bay Zinc Project in Northern Western Australia which is the largest undeveloped zinc project in Australia.
 - b. Market fundamentals have led to a recent 9-year high in zinc commodity prices.
 - c. As previously announced to the ASX, Metalicity has commenced a formal process to seek a Joint Venture Partner or Strategic Investor for development of the Admiral Bay Zinc Project.
 - d. Recent press in The Australian and Australian Financial Review have highlighted the significant value of the Admiral Bay Zinc Project to Metalicity.
4. We confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. We confirm this response is in accordance with the Company's authorised continuous disclosure policy and delegated practices.

Metalicity Limited
6 Outram Street
West Perth WA 6005
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Web: www.metalicity.com.au

If you have any queries please do not hesitate to contact the company.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Neil Hackett".

Neil Hackett
Company Secretary



5 January 2017

Mr Neil Hackett
Metalicity Limited
6 Outram Street
West Perth WA 6005

By Email

Dear Mr Hackett

Metalicity Limited ("MCT"): Price Query

We note a change in the price of MCT's securities from a closing price of \$0.074 on Wednesday 4 January 2017 to an intra-day at the time of writing of \$0.087 today, Thursday 5 January 2017.

In light of this, ASX asks MCT to respond separately to each of the following questions and requests for information:

1. Is MCT aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
 - a) Is MCT relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in MCT's securities would suggest to ASX that such information may have ceased to be confidential and therefore MCT may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. Is there any other explanation that MCT may have for the recent trading in its securities?
4. Please confirm that MCT is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that MCT's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MCT with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later half an hour before the start of trading (ie **before 5:30 am AWST**) on **Friday 6 January 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in MCT's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MCT's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me copying in TradingHaltsPerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to MCT's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that MCT's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in MCT's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Chris Bailey

Adviser, Listings Compliance (Perth)