

ASX RELEASE: 28 MARCH 2017

## SIGNIFICANT LITHIUM PEGMATITES AT PILGANGOORA

- ▶ At Lynas Find North, significant lithium bearing pegmatites mapped 1km along strike from the high grade Lynas Find deposit within the world class Pilgangoora project owned by Pilbara Minerals (ASX:PLS)
- ▶ Extensive pegmatites mapped over ~10km x 4km with 72 samples collected and submitted for assaying
- ▶ Heritage survey planned and program of works (POW) submitted for an initial ~1,500m drilling program
- ▶ At Stannum, further pegmatites targeted for second phase drilling 5km from the high grade, large tonnage Wodgina Lithium mine owned by Mineral Resources Limited (ASX:MIN)
- ▶ Pegmatites outcrop for 350m to the N and E of where lithium anomalism was discovered in first pass drilling
- ▶ Heritage survey completed and POW submitted for second phase ~1,500m drilling program

Metalicity Limited (ASX:MCT) (“MCT” or “Company”) is pleased to provide an update on lithium exploration activities in the world class Pilgangoora-Wodgina district where the company commands a significant landholding of over 582km<sup>2</sup> of highly prospective, yet underexplored lithium targets (Figure 1).

At the Lynas Find North project (Figure 2), significant lithium bearing pegmatites (ASX: MCT 20/12/16) have been identified and now mapped during recent field exploration. The extensive pegmatites mapped over the ~10km x 4km project area were commonly observed to be shallowly dipping, stacked, sill-like bodies. The southernmost pegmatites are located 1km along strike to the north from the Lynas Find deposit within the world class Pilgangoora Lithium project, where intersections including 21m at 2.64% Li<sub>2</sub>O have been recorded (ASX: DKO 3/6/16).

A total of 72 rock chip samples have been submitted for assaying to assist vectoring into high priority target areas. A heritage survey has been planned and a POW application submitted for a 1,500m first pass RC drill program anticipated to occur within the June Quarter 2017.

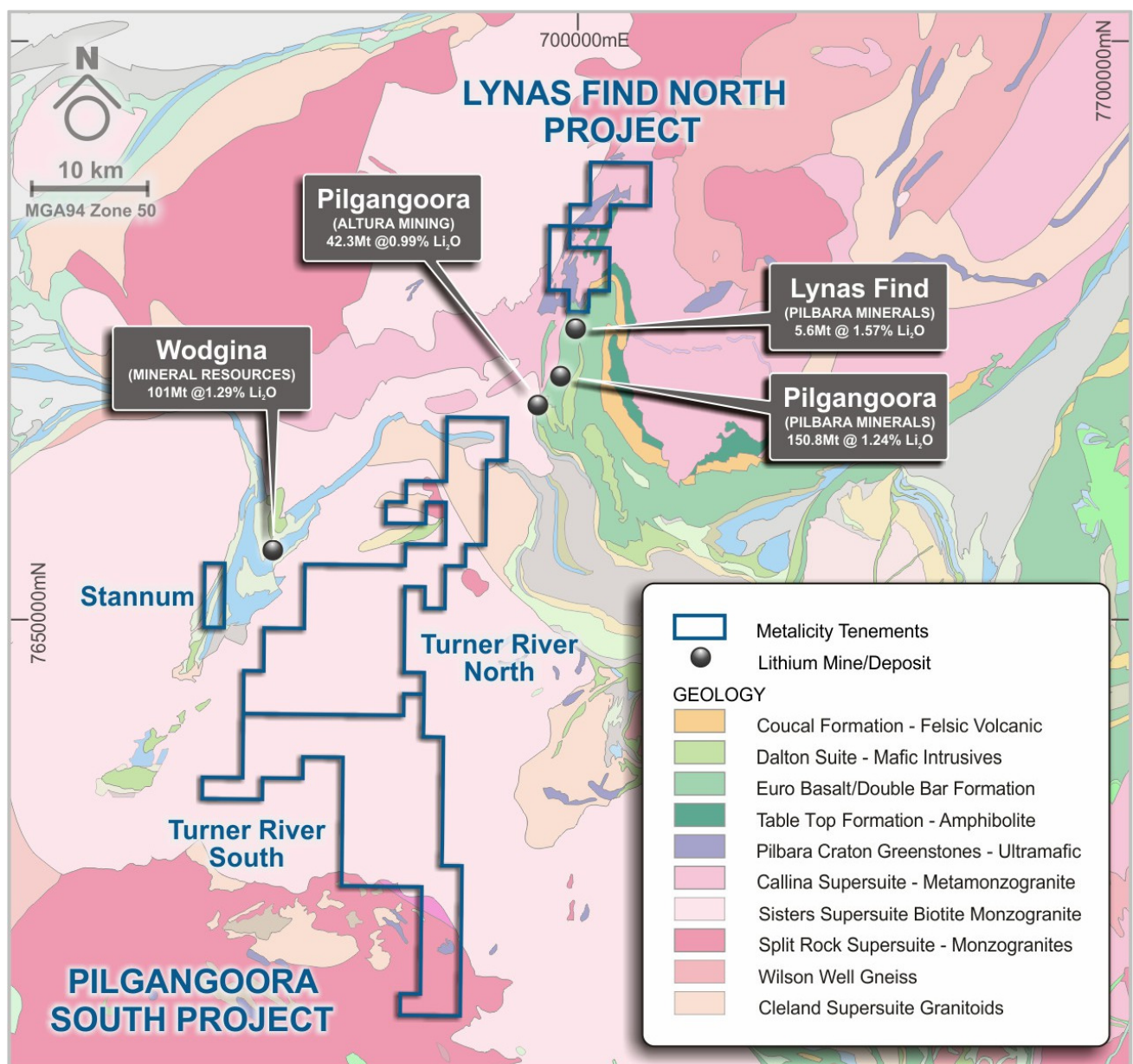
At the Stannum Project (Figure 3), approvals are underway for a planned second phase drilling program to follow up on the Company’s initial lithium anomalism discovery from its first pass drilling program in the December Quarter 2016. The Stannum Project is located only 5km to the southwest of the world class Wodgina Lithium mine, where recent drilling activities intersected up to 135m at 1.9% Li<sub>2</sub>O (ASX: MIN 17/3/2017).

The pegmatites at the Tria Prospect (Figure 3) are significant with a thickness of greater than 120m from surface and where lithium anomalism was discovered during the Company’s first pass drilling program. The second phase drilling program will be focused on discovering higher grade and thicker mineralization within these very thick and wide pegmatites. A heritage survey has been completed and the POW application submitted, for a planned 1,500m RC drill program, anticipated to occur within the June Quarter 2017.

**Managing Director, Matt Gauci, commented:**

*“The Company is very excited about the forthcoming drilling programs having systematically generated compelling drill targets within what is the world’s premier hard rock lithium district where ~300Mt >1.0% Li<sub>2</sub>O has been defined over the past 12 months. The company is targeting >1.0% Li<sub>2</sub>O from the drilling programs to support a potential low capital and operating cost Direct Shipping Ore (DSO) operation and has engaged partners Shanghai Metals regarding the development/marketing of a DSO product from the Pilgangoora district with very positive feedback.”*

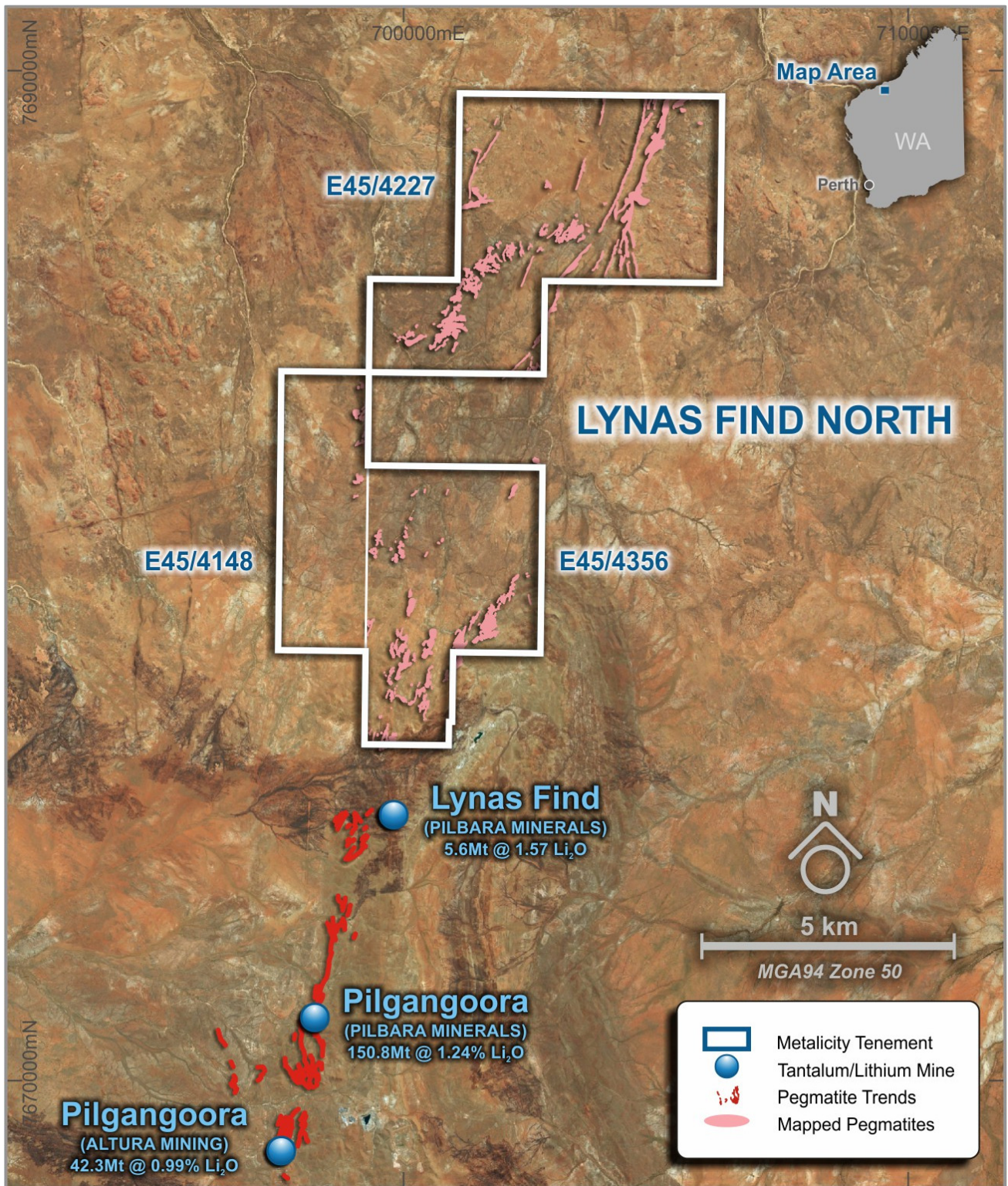
Figure 1: Pilgangoora-Wodgina Lithium District showing location of Metalicity tenements



Source: Metalicity



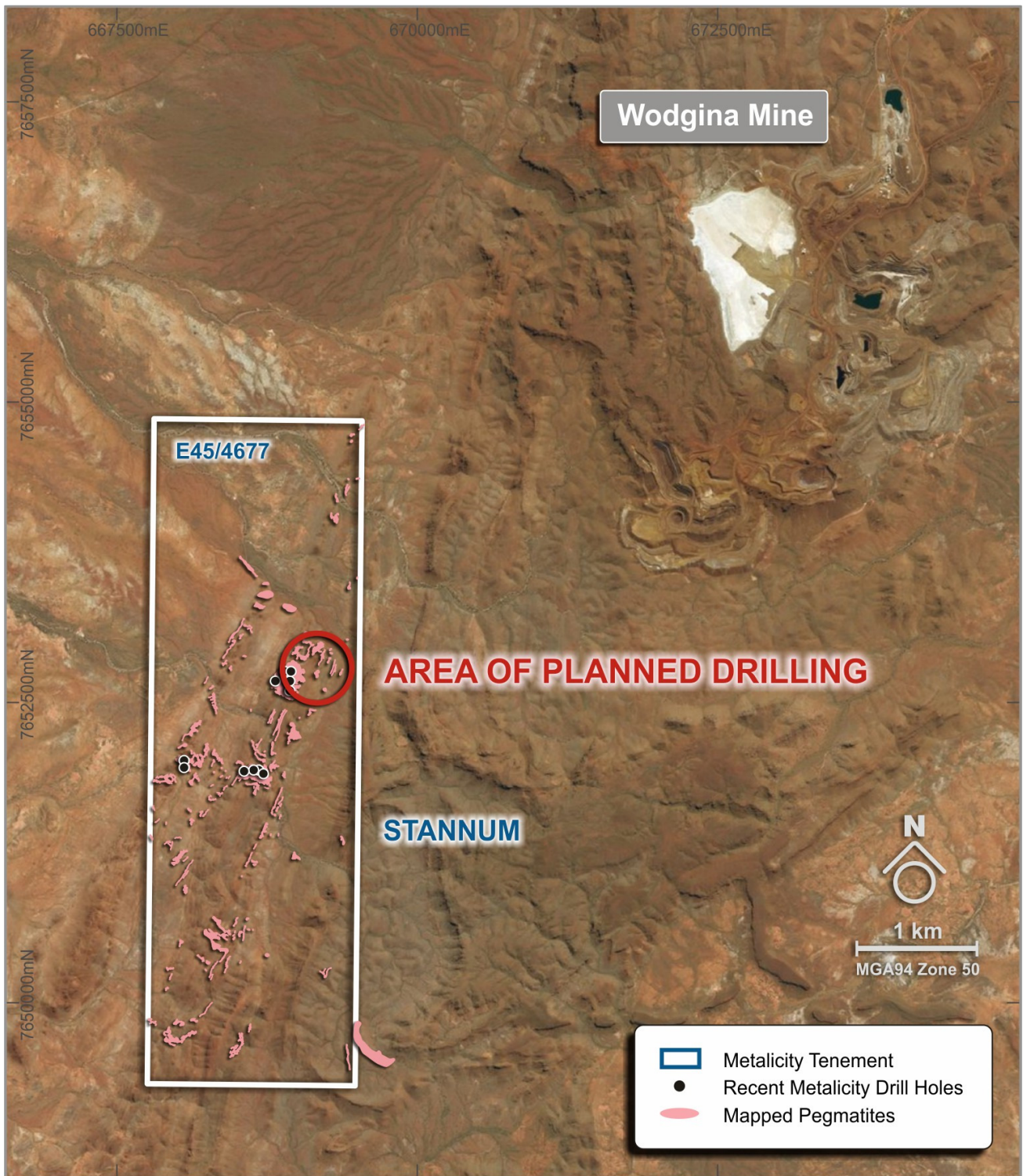
Figure 2: Pegmatites and pegmatitic granites recently mapped at Lynas Find North, adjoining the Pilgangoora Lithium projects of Pilbara Minerals and Altura.



Source: Metallicity



Figure 3: Stannum Pegmatites adjoining the Wodgina Lithium Mine showing the phase two drilling area at the Tria Prospect.



Source: Metalicity

## ENQUIRIES

### Investors

Matt Gauci  
Managing Director  
+61 8 9324 1053  
mgauci@metalicity.com.au

### Media

Michael Vaughan  
Fivemark Partners  
+61 422 602 720  
michael.vaughan@fivemark.com.au

### About Metalicity Limited

*Metalicity Limited is an Australian exploration company with a primary focus on the 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 (PFS) on Admiral Bay. The Company's secondary focus is the lithium and cobalt sector with the addition of several lithium and cobalt projects where early stage exploration has commenced. The Company is supported by a management team with significant collective experience in the resources sector as well as international private equity, institutional and retail funds.*

### 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 Dr Marcus Sweetapple, a consultant to the Company, who has sufficient experience 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. Dr Sweetapple is a member of the Australian Institute of Geoscientists, and consents to the inclusion of the data in the form and context in which it appears.

## JORC Code, 2012 Edition – Table 1 report template

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>72 Rock chip samples were collected but are not reported in this release as assay results are still pending.</li> <li>Geological mapping and identification of pegmatites and other rock types was completed by experienced field geologists. Outcrops were visited in the field. Where localities could not be accessed during the field work interpretation of satellite imagery was undertaken and represents ~20% of the total project area. These areas will be followed up in future field programs.</li> <li>No mineralisation was identified or reported.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable – no drilling undertaken</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable – no drilling undertaken</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>A basic geological description was completed for each sample collected and of the rock types encountered during the mapping.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material</li> </ul>	<ul style="list-style-type: none"> <li>No sub-sampling was conducted.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>Samples have been sent for assay by SGS Australia in Perth by sodium peroxide fusion and ICP – OES/MS.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Field data was recorded directly in a digital format for inclusion into the company's database.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Mapping locations were surveyed using a Garmin or Trimble handheld GPS with an accuracy of 2-5m.</li> <li>Standard MGA grid coordinates are presented with the relevant zone appended.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Rock chip sampling points were chosen to be representative of the pegmatites encountered.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>No specific mineralized structures were observed or sampled.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Samples were collected and delivered to the transport company by the field geologist, for transport directly to the laboratory.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>Audits and reviews were not undertaken.</li> </ul>



## Section 2 – Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Samples referred to in the announcement were collected from tenements E45/4148, E45/ 4227, and E45/4356 recently purchase by the Company from FMG</li> <li>The project are is located on Wallareenya Station, and the Njamal Native Title Claim area.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>A number of previous companies have explored the area for gold, base metals, tin and tantalum.</li> <li>Minor small scale tin and tantalum mining has occurred within the Project area.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The Company is seeking rare metal pegmatites in the areas, derived from fertile granites that have intruded the Pilgangoora Greenstone Belt and nearby granites.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable – mapping information only presented.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable – no assay results reported.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable – no assay results reported.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to main announcement for maps.</li> </ul>



Criteria	JORC Code explanation	Commentary
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable – no assay results reported.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Mapping of pegmatite areas shown in figures within main body of announcement.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Assay results will shortly be received from the rock chip samples collected.</li> <li>Review of these results will assist in planning for RC drilling to be completed thereafter.</li> </ul>