ASX RELEASE: 28 APRIL 2017

MARCH 2017 QUARTERLY ACTIVITIES REPORT

- **Admiral Bay Zinc Project Pre-Feasibility Study (PFS) drilling options designed to target the high-grade zone Inferred Mineral Resource Estimate (MRE) of 20Mt at 10% ZnEq (including 4.9Mt at 12.5% ZnEq)**
- **High grade zone within 2.1km of the existing 18km global Inferred MRE of 170Mt at 7.5% ZnEq**
- **MOU signed with China Non-ferrous Metals to review, develop and potentially finance Admiral Bay**
- **High grade, widespread cobalt anomalies identified at Kyarra Cobalt Project**
- **Significant lithium mineralisation intersected from first pass drilling at Stannum Lithium Project**
- **Extensive lithium bearing pegmatites mapped at Lynas Find North Lithium Project**
- **Cash balance of approximately $2.65 million at 31 March 2017 (excluding $1.86m Options in the money).**

ADMIRAL BAY ZINC-LEAD PROJECT (100% MCT)

Commencement of Pre-Feasibility Study (PFS)

The initial focus of the Pre-Feasibility Study (PFS) on the Admiral Bay Zinc Project has been the refinement of the preferred PFS pathway including the design and budgeting of drilling options in readiness for the field season.

SRK Consulting has been appointed to review the high grade MRE located in M04/249 where the majority of drilling is concentrated**.** The high-grade MRE of 20Mt at 10% ZnEq (see ASX:MCT 10/2/2015) includes 4.9Mt at 12.5% ZnEq at 11% ZnEq cut-off, and is limited to 2.1km within the 18km global Inferred MRE (Figure 3).

Significant high-grade intersections >10% ZnEq occur in most of the holes that have tested the central axis of the antiform. In the higher-grade zone, seven holes have drilled mineralised zones of >10m in the axial zone and of these three have intersected zones >10% ZnEq and four have intersected mineralisation from 8-10% ZnEq.

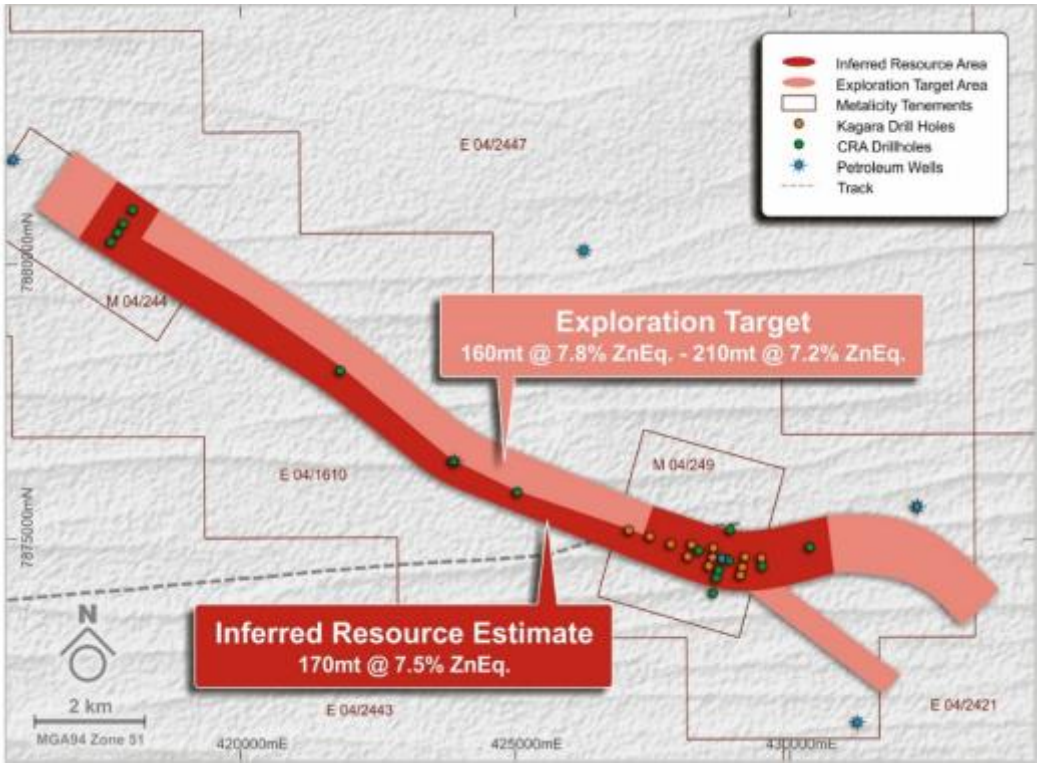
The existence of intersections such as 20m at 14.5% ZnEq (including 6m at 24.3% ZnEq) in ABRD001, and 19m at 8.3% ZnEq and 14m at 17.7% ZnEq in SS02 indicates that high-grade zones are present in the axial zone of the deposit and it is considered likely that multiple high-grade zones will be intersected by further drilling.

This high-grade zone is the most logical area for the commencement of mining to accelerate payback on pre-production capital and it is a priority to convert a relevant portion of this zone to the indicated category. The design and budgeting of drilling options hence has focussed on this portion of the deposit.

During the quarter a Memorandum of Understanding (**"MOU"**) with CNFC Equipment Co.,LTD, (**"CNFC"**), a holding subsidiary company of the leading zinc project development group, China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd (**"NFC"**)**,** to advance Admiral Bay, was signed. The MOU is the first step in a potential partnership regarding the feasibility, development, financing and construction of Admiral Bay.

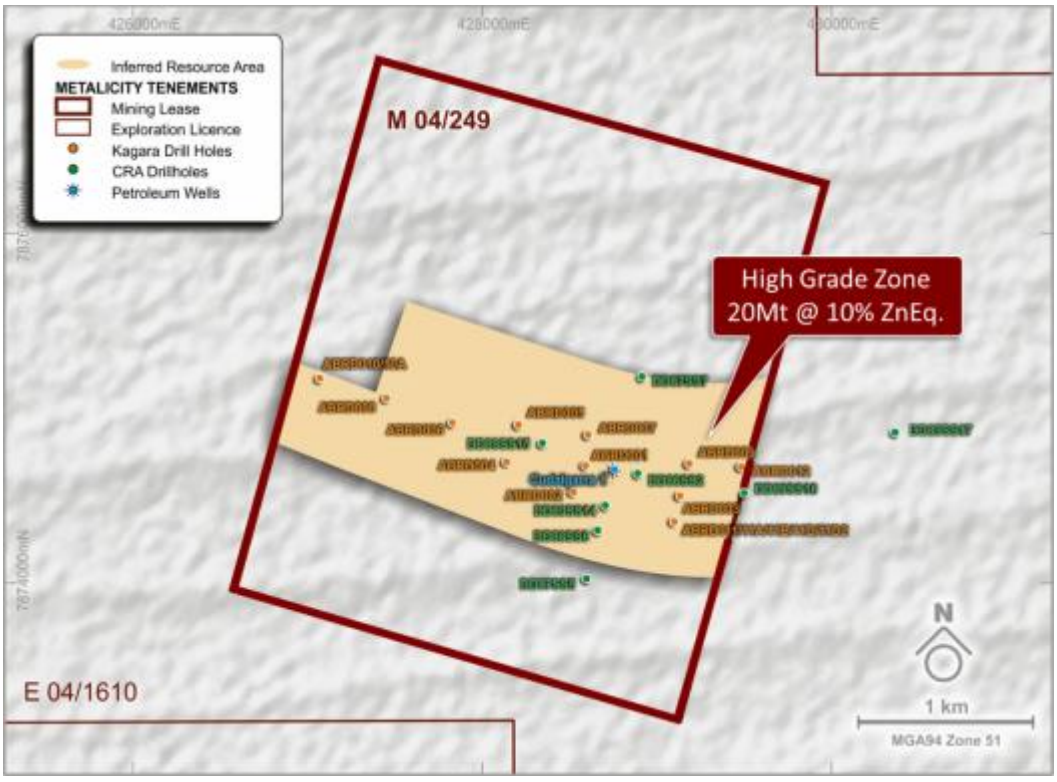
The MOU followed several meetings held by Metalicity and NFC in Beijing as part of the Joint Venture process being run by the Company. Alternative discussions with other parties including global resources houses and financiers regarding an investment in Metalicity and/or Admiral Bay are also at an advanced stage.

Figure 2: Admiral Bay Zinc Project: MRE and ETR in plan view



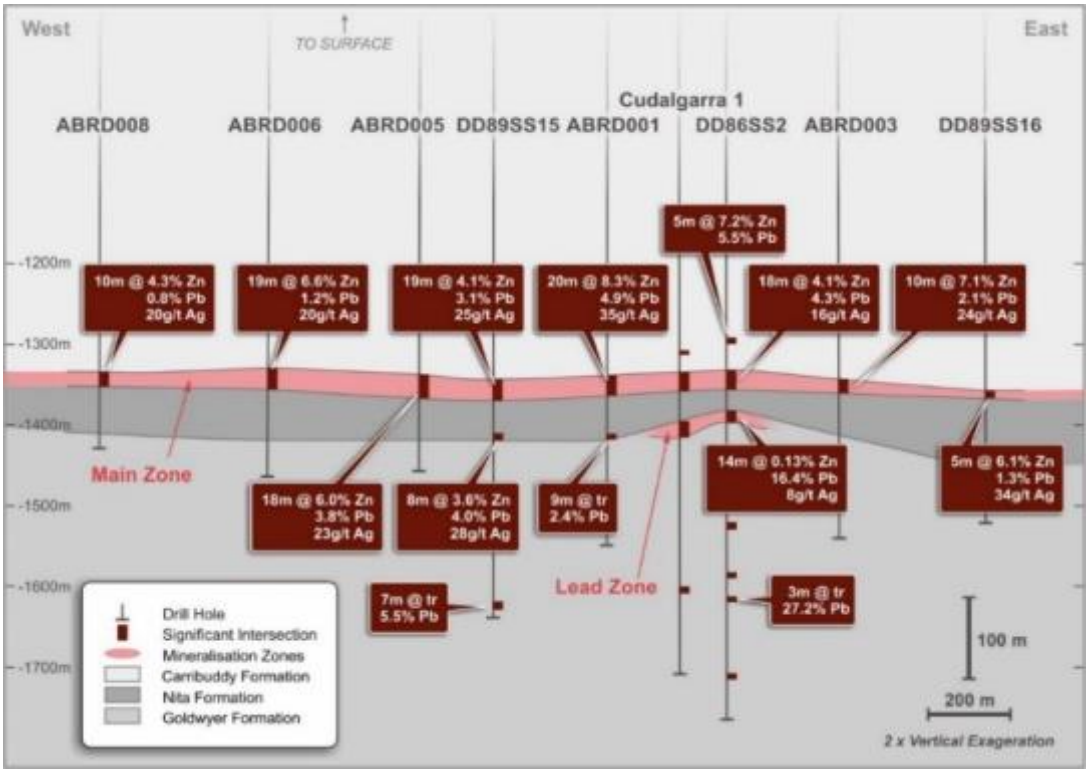
Source: Metalicity

Figure 3: Admiral Bay Zinc Project high grade zone extending over a 2.1km strike



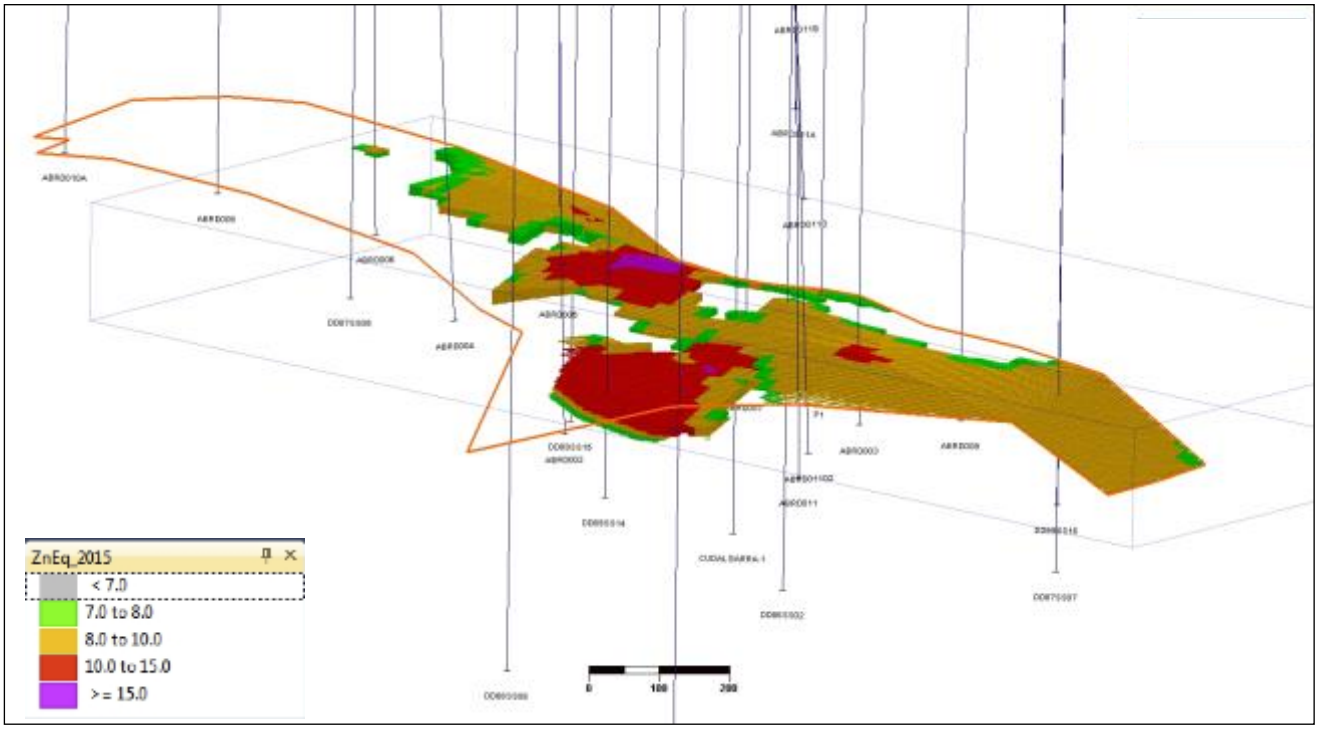
Source: Metalicity

Figure 4: Admiral Bay Zinc Project long section (see ASX:MCT 4/7/2016)



Source: Metalicity

Figure 5: Admiral Bay Zinc Project block model of high grade zone of 20Mt at 10% ZnEq at 7.7% cut-off



Source: Metalicity

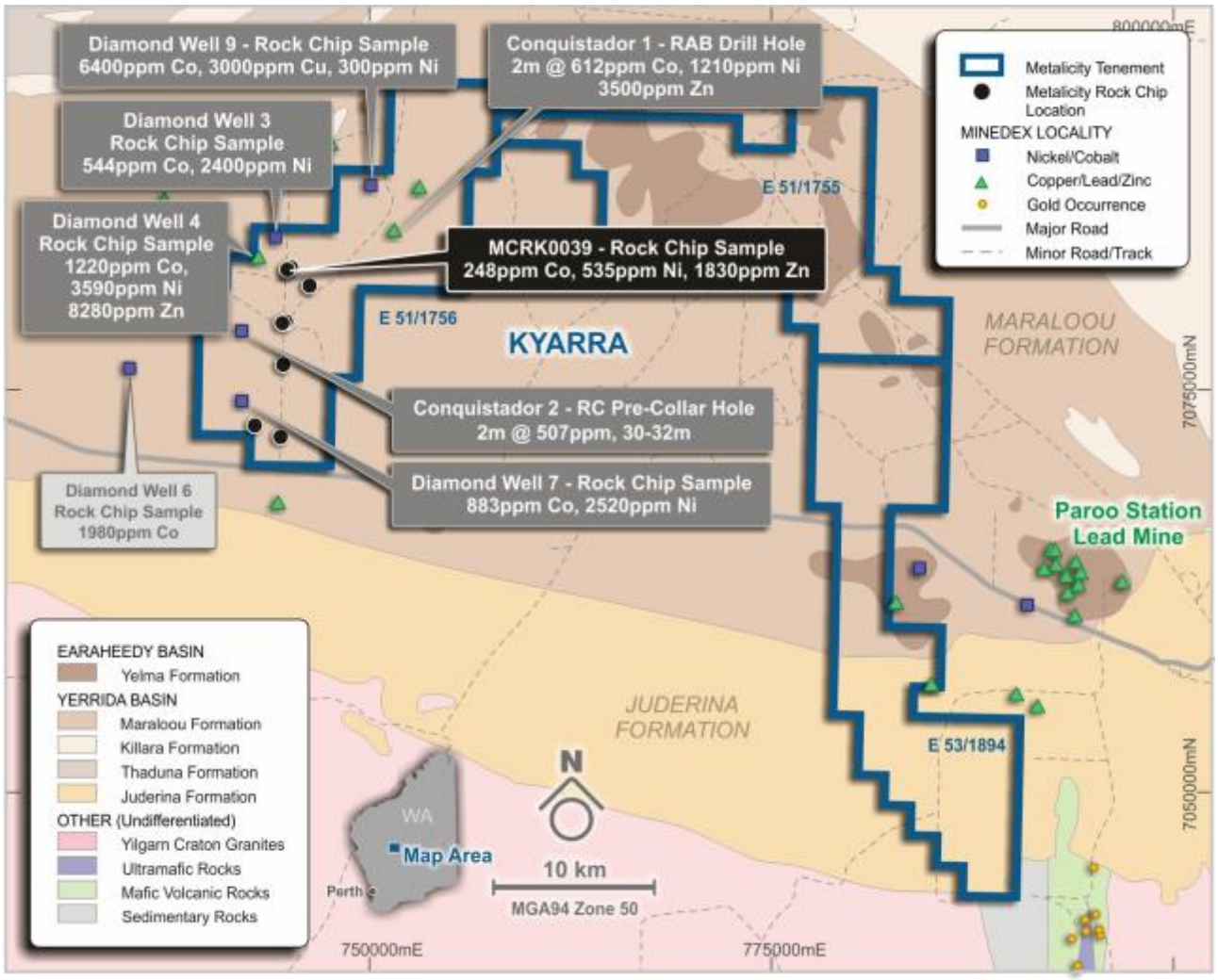
COBALT PROJECTS (100% MCT)

Kyarra Nickel-Cobalt Project

Following up the identification of historic high grade, widespread cobalt anomalies at the Kyarra Cobalt Project field work commenced. The initial field visit to the Kyarra West target area in mid-March to verify historic cobalt anomalism identified by previous workers (see MCT ASX announcement 15/3/2017) was interrupted by rain. However, several rock chip samples were collected for which assay results confirm surface base metal anomalism, with results up to 535 ppm Ni, 248 ppm Co, and 1830 ppm Zn, (Table 1, Figure 6). Further field work is planned once ground conditions improve.

The company has commissioned a targeting study of the Yerrida Basin by Dr Dennis Gee, previously Deputy Director of the Geological Survey of Western Australia, and Regional Manager, Exploration with Mount Isa Mines Ltd. Dr Gee has published several technical papers on the stratigraphy and structure of the Yerrida Basin based on extensive field experience in the area, having supervised the completion of 1:250 000 scale regional mapping of Western Australia. The study is expected to be completed within the June Quarter.

Figure 6: Kyarra Project Tenure over regional geology showing historic assay results from DMP database



Source: Metalicity

Table 1: Recent rock chip sample results at Kyarra

Sample ID	Easting MGAZ50	Northing MGAZ50	Co (ppm)	Cu (ppm)	Ni (ppm)	Zn (ppm)
MCRK_0031	744471	7072069	9.6	60	76	47
MCRK_0032	742868	7072787	6.2	36	19	72
MCRK_0033	744640	7076560	1.5	26	8	20
MCRK_0034	744800	7079183	22.7	111	101	216
MCRK_0035	744798	7079244	1.5	22	25	129
MCRK_0036	744578	7079149	3.7	74	25	45
MCRK_0038	746279	7081472	3	130	5	43
MCRK_0039	744889	7082474	248	81	535	1830
MCRK_0040	745127	7082594	10	20	10	63

Source: Metalicity

Rocky Gully Nickel-Cobalt Project

During the period an Independent Review was undertaken on the Rocky Gully Project by Martin Bennett, which highlighted the Nickel-Cobalt sulphide potential of the M20 and M19 prospects. Previous near surface drilling by the Company (see ASX:MCT 04/11/14) consisted of 5 RC holes for a total of 362m and was aimed at verifying nickel copper and cobalt mineralisation. Drilling confirmed the presence of sulphides and extended the known mineralisation at shallow depths of <100m.

All holes intersected nickel cobalt minerlaisation in the weathering profile, including intercepts of 1m at 2.05% Nickel and 0.05% Cobalt. Significantly, at the M20 target, hole M20RC001 intersected around 30m of tertiary cover and underneath this, weathered ultramafic was noted, while secondary nickel minerals were observed towards the base of the weathered zone in this hole.

Follow up exploration will focus on the M20 Nickel-Cobalt target, as the coincidence of laterite soil anomalies, circular magnetic anomalies, EM conductors and significant nickel cobalt intersections in drilling make this a high priority nickel cobalt target. An IP survey and or Downhole EM survey is planned followed by deeper drilling.

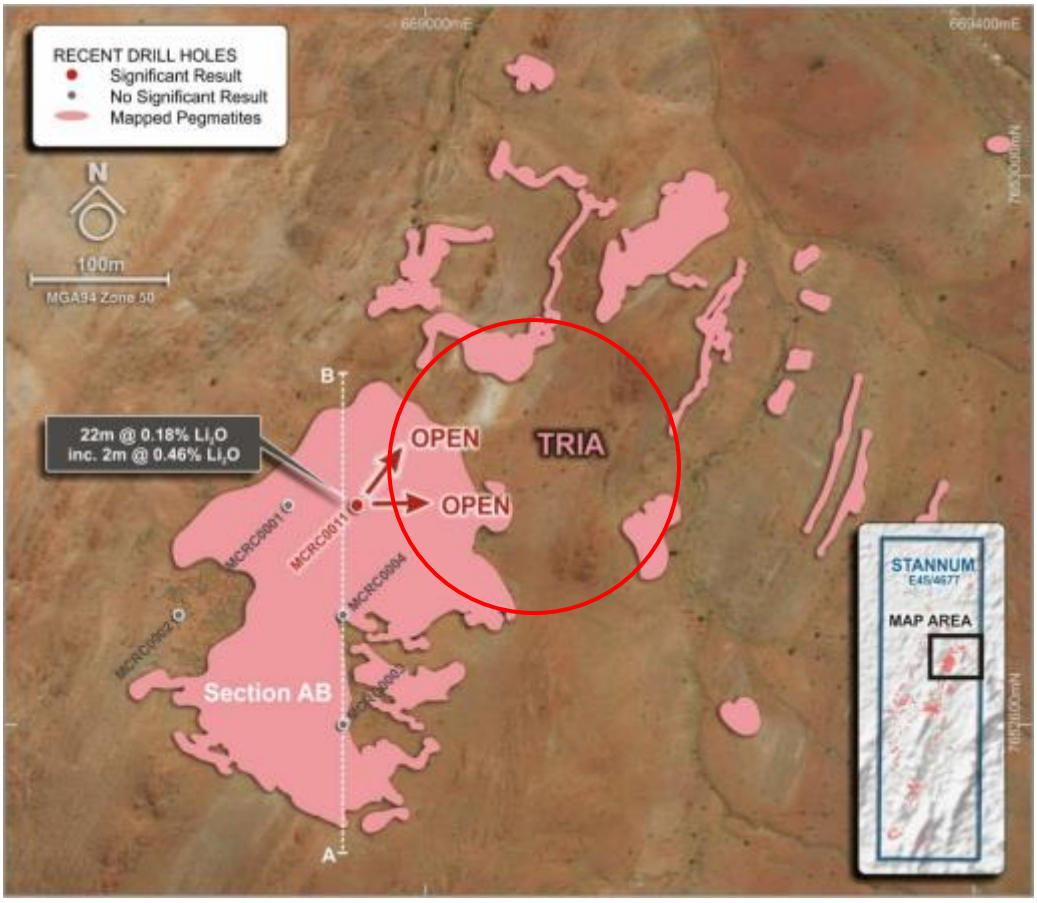
LITHIUM PROJECTS (100% MCT)

Pilbara Lithium Projects

Following on from the intersection of significant lithium mineralisation in first pass drilling at the Stannum Lithium Project, a recent Heritage survey covering the areas planned for phase 2 and additional drilling has been completed with no major impediments to the planned program identified. The Company anticipates drilling will commence in the June Quarter. Drilling will aim to follow up previous lithium anomalism identified in drilling (Figure 7). X-Ray Diffraction analysis carried out by ALS Laboratories, Perth on 3 samples with anomalous lithium revealed the presence of eucryptite (an alteration phase of spodumene) in all 3 samples; and a possible trace of petalite.

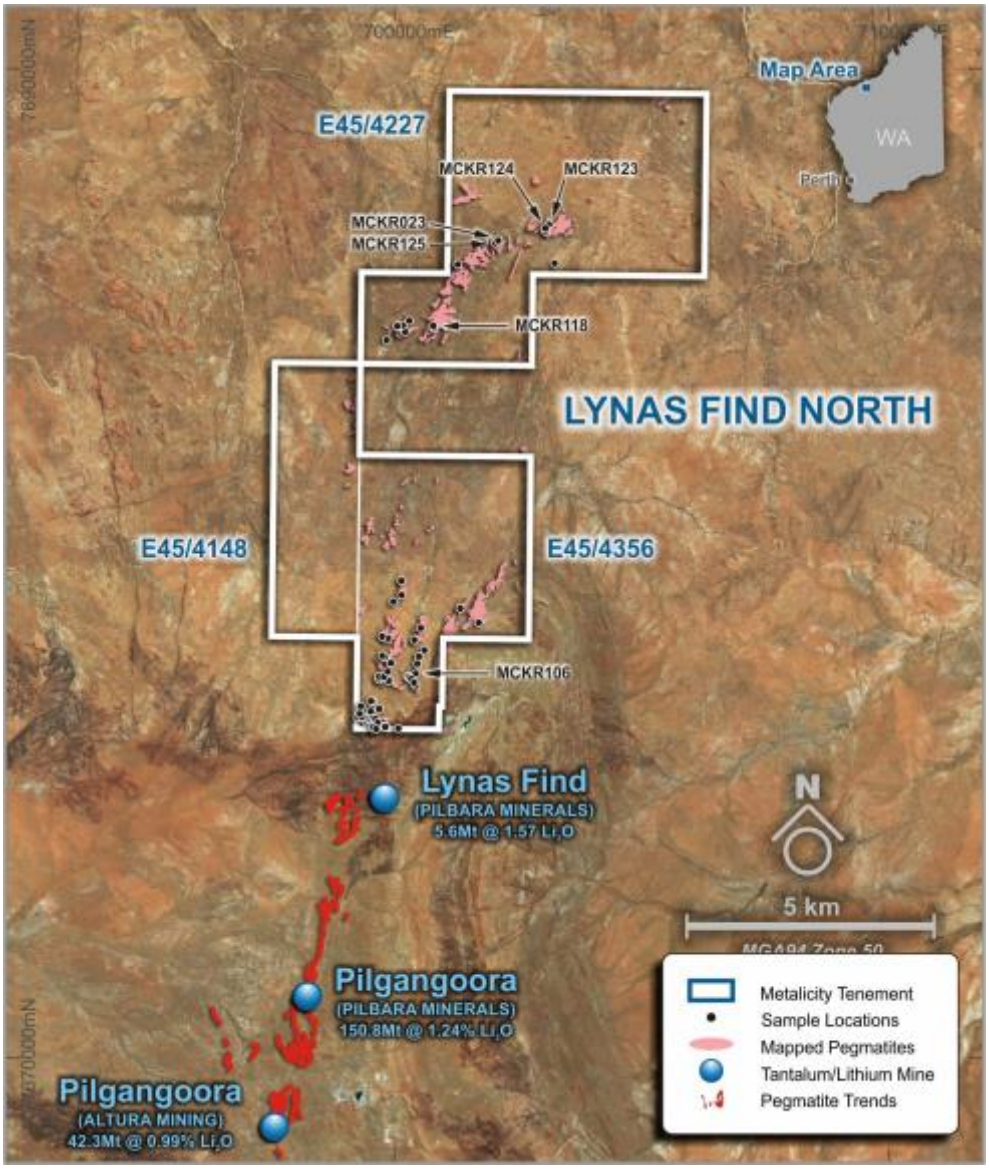
At Lynas Find North, recent mapping identified significant numbers of pegmatites, often outcropping as a series of stacked, sill-like bodies (see MCT ASX announcement 15/3/2017). Assay results from the rock chip samples collected have been received and demonstrate the pegmatites are significantly fractionated, with anomalous potassium-rubidium (K/Rb) and potassium-cesium (K/Cs) ratios, and lithium values. Key results are presented in Table 2, all results in Appendix 1; refer Figure 8. These fractionation indices (K/Rb and K/Cs) are suggestive of the presence of rare metal mineralization. Rb and Cs are known to concentrate in K bearing minerals such as K feldspar and micas. The company considers that values of K/Rb < 50 and with Cs > 12 ppm (4 times background) or K/Cs < 1500 are of significance. Low ratios for K/Rb and K/Cs are well known to be associated with lithium and tantalum mineralized pegmatites, indicated from several academic studies (e.g. Selway et al., 2005).

Figure 7: Detailed view of 'Tria' Prospect at Stannum showing location of drilling completed, and the circled area to be targeted in proposed Phase 2 drilling.



Source: Metalicity

Figure 8: Pegmatite outcrops at Lynas Find, showing Rock Chip samples listed in Table 2 and Appendix 1.



Source: Metalicity

Table 2: Selected recent rock chip sample results at Lynas Find. (See Appendix for all results)

Sample ID	MGA94 Z50 East	MGA94 Z50 North	Cs PPM	Li PPM	Nb PPM	Rb PPM	K %	Li2O %	K/Rb	K/Cs
MCRK0023	702096	7686525	18	104	65	950	2.2	0.02%	23	1222
MCRK0106	700429	7677772	35.9	93.6	65	255	0.8	0.02%	31	223
MCRK0118	701265	7684699	143	134	30	1150	1.7	0.03%	15	119
MCRK0123	703123	7686847	14	44.7	35	423	2	0.01%	47	1429
MCRK0124	703050	7686775	48.3	270	90	955	3.4	0.06%	36	704
MCRK0125	702039	7686474	22.1	177	120	988	2.7	0.04%	27	1222

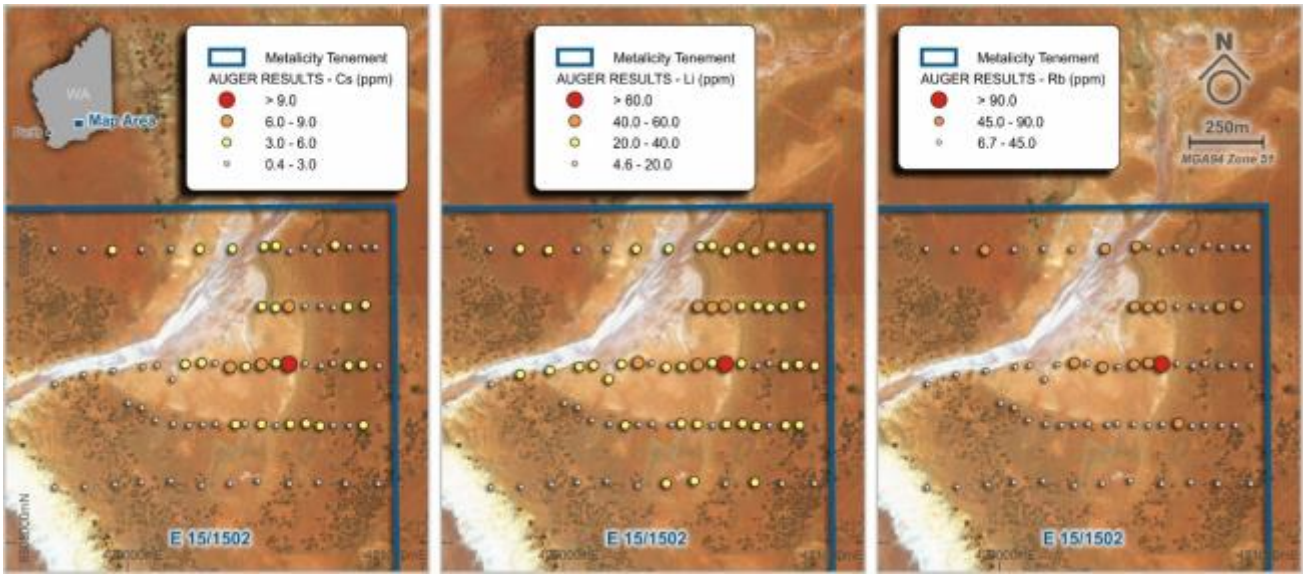
Source: Metalicity

Lake Cowan Lithium Project

At Lake Cowan the second round auger program has returned additional elevated levels of lithium (Li), cesium (Cs) and rubidium (Rb) (Figure 9). These results provide further encouragement for the Company to progress a targeted reverse-circulation (RC) drilling program to confirm the presence of buried rare metal pegmatites in this location. The coincidence of these three elements is considered a good indicator of a nearby underlying fractionated pegmatite that could host lithium mineralization. The Program of Work proposal (PoW) has been approved and heritage survey imminent to allow RC drilling to potentially occur in the June Quarter.

The auger program consisted of 50m spaced auger holes on 200m spaced lines over the originally defined anomaly to infill and more closely define a previously identified target, the 'Salt Creek Prospect', where rare metal pegmatites have been interpreted to extend into the Company's tenement area under a shallow veneer of cover material.

Figure 9: Lithium, cesium and rubidium anomalies at the Salt Creek Prospect



Source: Metalicity

Notes to Figure 5:

- Lithium displayed at 1X, 2X, 3X and >3X average crustal abundance (20ppm).
- Cesium displayed at 1X, 2X, 3x and >3X average crustal abundance (3ppm).
- Rubidium displayed at 0.5X, 1X and >1.5X average crustal abundance (90ppm).

References:

Selway J. B., Breaks, F. W. and Tindle, A. G., 2005. A Review of Rare Element (Li-Cs-Ta) Pegmatite Exploration Techniques for the Superior Province, Canada, and Large Worldwide Tantalum Deposits. Exploration and Mining Geology, Vol 14, pp 1-30, 2005.

Appendix: Rock Chip Sample Results Lynas Find North

Sample ID	MGA94 Z50 East	MGA94 Z50 North	Cs PPM	Li PPM	Nb PPM	Rb PPM	K %	Li2O %	K/Rb	K/Cs
MCRK0001	700298	7677690	9.1	37.2	85	133	0.5	0.01%	38	549
MCRK0002	700341	7677662	9.6	23.5	90	365	1.7	0.01%	47	1771
MCRK0003	700427	7677525	5.4	14.4	35	220	2.1	0.00%	95	3889
MCRK0004	700395	7677590	11.4	16	30	730	6.4	0.00%	88	5614
MCRK0005	699925	7677983	12.3	5.3	<10	586	6.5	0.00%	111	5285
MCRK0006	699692	7677708	3.8	36.1	25	267	2.9	0.01%	109	7632
MCRK0008	699688	7677053	6.7	51.2	50	334	2.8	0.01%	84	4179
MCRK0009	699658	7676776	7.5	46.4	35	398	3.7	0.01%	93	4933
MCRK0010	699519	7677009	7.8	57	80	272	3.1	0.01%	114	3974
MCRK0011	700141	7679357	5.4	5.4	40	539	7	0.00%	130	12963
MCRK0012	699980	7679224	3.6	17.6	10	330	5.1	0.00%	155	14167
MCRK0013	700603	7678245	9.6	43.9	95	487	4.7	0.01%	97	4896
MCRK0014	700532	7678692	7.5	24.9	40	488	3.8	0.01%	78	5067
MCRK0015	699869	7678482	1.4	8.5	15	43	0.4	0.00%	93	2857
MCRK0016	699750	7678523	3.1	17.5	20	278	4.2	0.00%	151	13548
MCRK0017	699783	7677702	4.5	27.3	25	271	3.4	0.01%	125	7556
MCRK0018	699864	7677812	3.4	5.3	<10	276	3.3	0.00%	120	9706
MCRK0019	700057	7684794	5.2	86.9	20	332	3.1	0.02%	93	5962
MCRK0020	700057	7684794	2.5	73.2	20	142	1	0.02%	70	4000
MCRK0021	700297	7684906	8.4	62.2	25	438	4.1	0.01%	94	4881
MCRK0022	703055	7686717	5.9	15.1	25	224	2.1	0.00%	94	3559
MCRK0023	702096	7686525	18	104	65	950	2.2	0.02%	23	1222
MCRK0024	699385	7676883	8.3	87.8	75	357	3.7	0.02%	104	4458
MCRK0025	699334	7676895	7.6	73.7	150	407	3.8	0.02%	93	5000
MCRK0026	699297	7676958	6	45.6	35	229	2.6	0.01%	114	4333
MCRK0029	699567	7676685	7.7	56.6	45	431	3.3	0.01%	77	4286
MCRK0051	699671	7676715	6.5	67	60	431	3.9	0.01%	90	6000
MCRK0052	699702	7677700	3.3	37.9	35	268	2.8	0.01%	104	8485
MCRK0053	699690	7677654	5.5	33.6	25	332	4.1	0.01%	123	7455
MCRK0054	699524	7677216	9.4	37.4	25	395	4.9	0.01%	124	5213
MCRK0101	699754	7678128	3	11.5	20	157	1.9	0.00%	121	6333
MCRK0102	700464	7677969	8.3	23.7	40	206	1.4	0.01%	68	1687
MCRK0103	699880	7677628	21.2	98.4	40	333	2.5	0.02%	75	1179
MCRK0104	699817	7677684	4.8	28.6	15	128	1	0.01%	78	2083
MCRK0105	700264	7677714	5	25.2	75	289	2.3	0.01%	80	4600
MCRK0106	700429	7677772	35.9	93.6	65	255	0.8	0.02%	31	223
MCRK0107	699753	7676780	7.2	62	80	440	2.7	0.01%	61	3750
MCRK0108	699407	7676823	11.3	201	75	421	3.2	0.04%	76	2832
MCRK0109	700140	7679645	6.6	21.7	10	329	4.6	0.00%	140	6970
MCRK0110	700491	7678110	2.7	12.9	25	271	1.8	0.00%	66	6667
MCRK0111	699836	7684512	3.4	25	<10	69.3	0.8	0.01%	115	2353
MCRK0112	700123	7684794	10.5	14.4	10	604	5.7	0.00%	94	5429
MCRK0113	700080	7684778	5.8	18.5	55	314	2.8	0.00%	89	4828
MCRK0114	700105	7684783	13.1	8.6	20	584	6.8	0.00%	116	5191
MCRK0115	700165	7684808	2.6	15	45	104	0.4	0.00%	38	1538
MCRK0116	700215	7684684	10.2	107	100	445	2.7	0.02%	61	2647
MCRK0117	700797	7684756	10.8	63.1	55	625	3.3	0.01%	53	3056
MCRK0118	701265	7684699	143	134	30	1150	1.7	0.03%	15	119
MCRK0119	703237	7686065	2.4	9.7	<10	162	1.1	0.00%	68	4583
MCRK0120	699320	7677110	6.5	63.3	60	409	4.1	0.01%	100	6308
MCRK0121	699256	7676890	13.1	70.9	65	464	4.6	0.02%	99	3511
MCRK0122	699794	7676707	17.5	16.3	20	1060	6.3	0.00%	59	3600
MCRK0123	703123	7686847	14	44.7	35	423	2	0.01%	47	1429
MCRK0124	703050	7686775	48.3	270	90	955	3.4	0.06%	36	704
MCRK0125	702039	7686474	22.1	177	120	988	2.7	0.04%	27	1222
MCRK0126	701283	7686041	20.2	47.3	60	857	3.5	0.01%	41	1733
MCRK0127	699809	7676693	8.6	25.4	35	515	4.2	0.01%	82	4884
MCRK0128	699489	7676850	28.3	155	10	165	1	0.03%	61	353
MCRK0129	699591	7676801	7	59.5	50	355	2.6	0.01%	73	3714
MCRK0130	699614	7676854	9	51.7	30	433	5.1	0.01%	118	5667
MCRK0131	699555	7676881	13.1	66.2	70	571	4.1	0.01%	72	3130
MCRK0144	699489	7676839	3.8	29	35	176	1.1	0.01%	63	2895
MCRK0145	700401	7678450	11.2	32.7	25	674	6.6	0.01%	98	5893
MCRK0146	701332	7679091	6.8	7.1	30	324	2.7	0.00%	83	3971
MCRK0147	701702	7678801	7.3	41.9	95	409	2	0.01%	49	2740
MCRK0148	699806	7678107	5.6	104	160	498	2.5	0.02%	50	4464
MCRK0149	699558	7677210	6.9	31.9	30	333	6.7	0.01%	201	9710
MCRK0150	700077	7676663	11.8	30.7	55	822	4.9	0.01%	60	4153

CORPORATE AND FINANCIAL

The Company's cash balance at the end of the Quarter stood at approximately $2.65m. This included a AusIndustry Research and Development refund of $441,000.

The Company currently has approximately $1.86m of Options in the money.

The Company evaluated a number of potential Merger and Acquisition opportunities in the base metals sector (including advanced Cobalt projects) during the quarter and these evaluations and discussions are ongoing.

Additional funding, when and if needed, to progress the PFS is being evaluated including but not limited to the sale of non-core assets, a formal JV on Admiral Bay, the sale of a Net Smelter Royalty (NSR) on Admiral Bay, Commodity Streaming Deals (CSD) on Admiral Bay, Pre-payment on Off-take on Admiral Bay and/or a capital raising including a share purchase plan so that existing shareholders may participate, as the Company progresses the PFS at the Admiral Bay Zinc Project and Exploration drilling of the Kyarra Cobalt project.

ENQUIRIES

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Competent Person Statement Regarding Admiral Bay Project

See ASX Announcement 19/4/2017.

Competent Person Statement Regarding Lithium Projects

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 relating to the Company's Lithium Projects has been presented in accordance with the JORC Code. Information in this report relating to Exploration results has been previously released or 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.

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. Information in this report that relates to Exploration results at Kyarra has been compiled by Dr Simon Dorling, who is a member of the Australian Institute of Geoscientists and the Australian Institute of Mining and Metallurgy. Dr Dorling is a consultant to Metalicity Ltd, and 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 Dorling 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	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *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.*	Lake Cowan • Vertical auger drilling from surface to a nominal depth of 1.5m. With ~3kg samples taken at end of hole. • Field duplicates were inserted to confirm sample representivity and certified reference materials were inserted to confirm assay precision. Lynas Find • Rock chip samples consisted of a series of chips taken over a ~20m^2 area centred on the sample location resulting in a ~2-3kg sample. Kyarra • Rock chip samples consisted of a series of chips taken at a specific point location. Stannum • Three pulp samples over the interval with anomalous lithium results (previously reported drillhole MCRC0011, samples MC00762-4, from 64-70m) were chosen for X Ray diffraction (XRD) analysis. • ALS Laboratories Perth undertook pressed powder XRD analysis
Drilling techniques	• *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).*	Lake Cowan • Drilling was completed using a Toyota Landcruiser mounted 3.5" diameter auger. • All samples were collected above the water table and were dry. Stannum • RC drilling as per previous reports.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	Lake Cowan • Sampling technique does not preferentially return different size fractions. • Drilling technique may result in contamination from material above end of hole. Other Areas • No new drilling undertaken. Stannum XRD samples taken from previous RC drill samples.
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	Lake Cowan • Samples were not geologically logged, but a basic description of samples was completed. Samples consisted of cover material that obscures bedrock in the area. Other Areas • Geological descriptions were completed at each location.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	<u>Lake Cowan</u> • ~3kg samples were collected at end of hole in uniquely numbered sample bags from the spoil pile alongside the hole. • Field duplicate samples were collected at a frequency of 1 duplicate for every 200 samples. assay results from the field duplicates were within 20% of the results from the primary sample, suggesting no issues with sample representivity. • The nature of the drilling technique means there may have been some contamination from material above end of hole. <u>Lynas Find</u> • Rock chip samples consisted of a series of chips taken over a ~20m^2 area centred on the sample location recorded resulting in a ~2-3kg sample representative of the location. <u>Kyarra</u> • Rock chip samples consisted of a series of chips taken at a specific point and may therefore exhibit bias compared with the overall outcrop. <u>Stannum</u> • Pulp samples from previous drilling are sub-samples of RC drill chips from the particular interval collected through a cone splitter and subsequently crushed and split at the assay laboratory.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	<u>Lake Cowan and Lynas Find</u> • Samples were dried, crushed, pulverised to 85% passing 75 microns, and a 0.25g representative split obtained for analysis by SGS Australia in Perth by sodium peroxide fusion, followed by an acid digest and ICP–MS/OES analysis (SGS codes (IMS90Q, ICP90Q). This technique is considered to be appropriate for the elements of interest. • Field duplicates were inserted at Lake Cowan and lithium assay results within 5% of the original sample. • Laboratory duplicates undertaken by SGS. Lithium results were all within 10% of the original samples at Lynas Find, and within 7% at Lake Cowan, indicating no obvious problems with laboratory assay precision. • Reference standards were inserted by Metalicity Ltd for the Lake Cowan samples only, and lithium assay results found to be within 12% of the expected value indicating no significant issues with the laboratory assay accuracy. <u>Kyarra</u> • All samples were assayed by SGS Australia in Perth by 4 acid digest followed by ICP-AES and ICP-MS. No standards or field duplicates were inserted. • Elements assayed were Al, Ba, Ca, Cr, Fe, K, Mg, Mn, Na, P, S, Ti, V, Zn, Mn, Ag, As, Be, Bi, Cd, Ce, Cs, Co, Cu, Ga, Hf, In, La, Li, Lu, Mo, Nb, Ni, Pb, Rb, Sb, Sc, Se, Sn, Sr, Ta, Tb, Te, Tl, W, Y, Yb, Zr, Dy, Er, Eu, Gd, Ho, Nd, Pr, Sm, Tm, Th, U. • Co, Cu, Ni and Zn assay results for the laboratory duplicate of MCRK0039 were all

Criteria	JORC Code explanation	Commentary
		within 5% of the original sample, indicating no obvious problems with laboratory assay precision. <u>Stannum</u> • No repeat or check analysis was performed on the three pulp samples chosen for X Ray diffraction (XRD) analysis.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Field data was recorded directly into standard templates on site using pre-established library tables, and subsequently validated and loaded into the company surface sampling database. • Validation of sample point locations in ArcGIS did not identify any inconsistent locations and the information was subsequently loaded into the company database. • Anomalous surface values have been verified by the Company's Exploration Manager and the relevant Competent Persons.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample locations were surveyed using a Garmin handheld GPS with an accuracy of +/- 5m. • Standard MGA94 Zone grid coordinates are presented in the relevant table and figures above with the Zone appended.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	<u>Lake Cowan</u> • Sampling locations were appropriate for first pass, wide spaced assessment of geochemical anomalism only. • Assay values are relevant only to highlight geochemical anomalies in cover material, that may indicate the presence of rare metal pegmatites in the underlying bedrock. <u>Other Areas</u> • Sample locations were appropriate for first pass regional assessment of project potential in either pegmatites (Lynas Find North), to verify historic results (Kyarra), or to check the mineralogy of a specific interval (Stannum).
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	<u>Lake Cowan</u> • Samples were all collected in cover material that obscures bedrock. <u>Other areas</u> • Samples were all collected from outcropping bedrock.
Sample security	• *The measures taken to ensure sample security.*	• All samples were collected and sealed in uniquely labelled calico sample bags by the field geologists. • Sample bags were packaged up and delivered to a courier company for transport direct to SGS Laboratories in Perth. • Samples were checked against the submission forms on arrival at SGS, with no missing samples, one additional sample was identified from Lynas Find, and corrections made to the original sampling file. • Pulp samples from Stannum were selected and personally delivered to the assay lab for XRD analysis.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Audits and reviews were not undertaken, apart from the QAQC checks outlined above.

Section 2 – Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	Lake Cowan • Sampling was undertaken within tenements E15/1502 and E15/1503, located approximately 100km South of Kalgoorlie, WA and 100% owned by Metalicity Energy Pty Ltd, a wholly owned subsidiary of Metalicity Limited. • The area the subject of this announcement lies on Madoonia Station. • A Heritage Agreement with the Ngadju Native Title Aboriginal Corporation has been signed in relation to both tenements. Kyarra • Sampling was undertaken under a miners right within the area of tenement application E51/1756 located approximately 60km east of Meekatharra, WA and 100% owned by Metalicity Energy Pty Ltd, a wholly owned subsidiary of Metalicity Limited. • The area the subject of this announcement lies on vacant crown land. • A Heritage Agreement with the local native title holders is currently being negotiated. Lynas Find • Sampling was undertaken within granted tenements E45/4227, E45/4356, and E45/4148, located approximately 100km south of Port Hedland, WA and 100% owned by Metalicity Energy Pty Ltd, a wholly owned subsidiary of Metalicity Limited.. • The area the subject of this announcement lies on Wallareenya Station. • A Heritage Agreement with the Njamal Native Title Aboriginal Corporation has not been signed in relation to the tenements. Stannum • Sampling was originally undertaken during a drill program within granted tenement E45/4677, approximately 100km south of Port Hedland, WA and 100% owned by Metalicity Energy Pty Ltd, a wholly owned subsidiary of Metalicity Limited.. • The area the subject of this announcement lies on vacant crown land. • A Heritage Agreement with the Kariyarra Native Title Claimant group has been signed in relation to the tenements.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Lake Cowan • Previous exploration work within the tenement area has consisted of regional mapping and auger or soil sampling by various parties primarily exploring for gold. • No previous sampling had been undertaken in the areas covered by this work. Kyarra • Previous exploration work within the tenement area has consisted of regional mapping, soil sampling and drilling by various parties primarily exploring for base metals. • Previous sampling had been undertaken in the areas covered by this work which is aimed at verifying the historic results.

Criteria	JORC Code explanation	Commentary
		Lynas Find • Previous exploration work within the tenement area has consisted of regional mapping, soil and bulk sampling and drilling by various parties primarily exploring for gold and tantalite. Limited small scale mining for tin and tantalum has occurred previously. • Limited sampling has been undertaken in the areas covered by this work primarily focusing on the discovery of tantalum and tin mineralisation. Stannum • Metalicity has undertaken mapping and surface sampling as well as RC drilling.
Geology	• *Deposit type, geological setting and style of mineralisation.*	Lake Cowan • The Company is exploring for rare metal pegmatites in the project area. The geology of the area is dominated by Archaean Mt Belches Formation metasedimentary units, intruded by granites and pegmatites which are known to host rare metal mineralisation including tin, tantalum and lithium. Previous exploration in the Mount Belches-Bald Hill pegmatite belt focused on Tantalum and Tin with limited exploration for Lithium. Kyarra • The Company is exploring for base metals, in particular cobalt within the Kyarra Project area. The geology consists of shallowly dipping sediments and volcanic rocks of the Yerrida Basin where base metal anomalism has led numerous previous explorers to target sedimentary exhalative style mineralisation. The Company is targeting sedimentary-hosted Co-Cu-Ni deposits. Lynas Find • The Company is exploring for rare metal pegmatites in the project area. The geology of the area is dominated by Archaean Pilgangoora Greenstone Belt metasedimentary and metavolcanics units, intruded by granites and pegmatites which are known to host rare metal mineralisation including tin, tantalum and lithium. Previous exploration focused on Tantalum and Tin with limited exploration for Lithium prior to the discoveries immediately south of the Company's tenements. Stannum • The Company is exploring for rare metal pegmatites in the project area, derived from fertile granites that have intruded the Wodgina Greenstone belt. The Wodgina Greenstone Belt is an arcuate, keel shaped package of Archaean aged meta-sediments and meta-volcanics. Intruded by granite and pegmatite bodies which are known to host rare metal mineralisation. The pegmatites have been mined in the past for tin, tantalum and beryl and are known to host lithium mineralisation. immediately south of the Project area.

Drill hole Information	• *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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
		Lake Cowan
		• See Figure 2 above, including associated notes which shows location of the auger holes and the levels of anomalism.
		• No additional information is provided as the absolute assay results are not critical to the outcomes of the study. The critical information is the relative abundances of the pathfinder elements compared with the crustal abundances and background levels in

Criteria	JORC Code explanation	Commentary
	○ *down hole length and interception depth* ○ *hole length.* • *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.*	the remainder of the study area. <u>Stannum</u> • Previously released.
Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No weighting, or cut off grades were employed. • No metal equivalent values are reported
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• No intercepts are reported apart from Stannum (Figure 4). In which the intercept length is reported as a down-hole length. • There is not enough information to determine true width, however the geological assessment of approximately flat lying pegmatite bodies suggests it is reasonable to assume in the vertical hole referenced that the down hole width closely approximates true width.
Diagrams	• *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.*	• Refer to main body of announcement for figures depicting locations of sampling locations and assay results.
Balanced reporting	• *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.*	• Other assay results were not significant and have not been reported.
Other substantive exploration data	• *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.*	• Some relevant geological observations are presented in the main body text. • No additional testwork beyond assaying has been undertaken to date.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	<u>Lake Cowan, Stannum and Lynas Find</u> • Follow up RC drilling will be undertaken to confirm the presence and extent of rare metal pegmatites in bedrock. <u>Kyarra</u> • Further sampling and mapping will be undertaken to assist drill targeting.