ASX RELEASE: 31 JULY 2018

JUNE 2018 QUARTERLY ACTIVITIES REPORT

Updated: IPO TARGET OCTOBER 2018

HIGHLIGHTS

- Metalicity Limited ("Metalicity") received strong shareholder approval for the sale of the Admiral Bay Project and the Lennard Shelf Project ("Zinc Projects") to Kimberley Mining Limited ("Kimberley Mining") paving the way for listing of Kimberley Mining on the TSX-V.
- Metalicity will effectively vend the zinc projects into Kimberley Mining in exchange for approximately C$32.5M cash and shares (up to C$12.5M cash and retaining 25M shares valued at C$20M)[1].
- Metalicity will retain ~40% of the expanded capital of Kimberley Mining[2] still representing one of the largest exposures to the zinc sector of any active zinc development company on the ASX.
- Exploration advanced on the Company's prospective battery metals (lithium, cobalt and graphite) projects in Western Australia with field mapping, geochemical sampling and drilling continuing to generate new high priority targets for future drilling programs.
- Evaluation of numerous additional new projects within the battery metals sector (including nickel and copper) which have the potential of creating significant shareholder value either through exploration, joint ventures and/or strategic partnerships.
- Cash balance of approximately A$1.87M, with likely cash inflows of ~$750,000

Commenting on the quarter, Metalicity Managing Director Matt Gauci said:

"Metalicity is very pleased with the strong shareholder support for the sale of the Company's zinc projects and proposed listing of Kimberley Mining on the TSX-V and thanks shareholders which, along with the support of project stakeholders and some of the world's largest mining investors in Resource Capital Funds ("RCF") and China Minmetals ("Minmetals"), is strong endorsement for the transaction.

The proposed transaction will (1) deliver a cash injection to accelerate exploration on existing exploration projects as well as the evaluation of new additional projects and (2) unlock the value of the zinc projects to create shareholder value for Metalicity via our approximate 40% holding in Kimberley Mining on the TSX-V. Both companies, advisors and brokers are now working through the listing process with the completion of the Initial Public Offering ("IPO") targeted for October 2018.

Concurrently the Company is advancing exploration work on our existing exploration projects where high priority targets continue to be generated from field mapping, geochemical sampling and drilling, while a project generation program is underway to identify, evaluate and acquire new additional battery metals projects (including copper and nickel) that will create further shareholder value."

---

1. Assuming an IPO raise of C$25M at C$0.8 per share (see ASX:MCT 18/6/18 Kimberley Mining Presentation for further details)
2. Assuming an IPO raise of C$25M at C$0.8 per share (see ASX:MCT 18/6/18 Kimberley Mining Presentation for further details)

KIMBERLEY MINING LIMITED TSX-V LISTING

Subsequent to the end of the June quarter the Company received strong shareholder approval for the sale of the Admiral Bay and Lennard Shelf projects ("Zinc projects") to Kimberley Mining Limited ("Kimberley Mining"), paving the way for the listing of Kimberley Mining on the TSX-V.

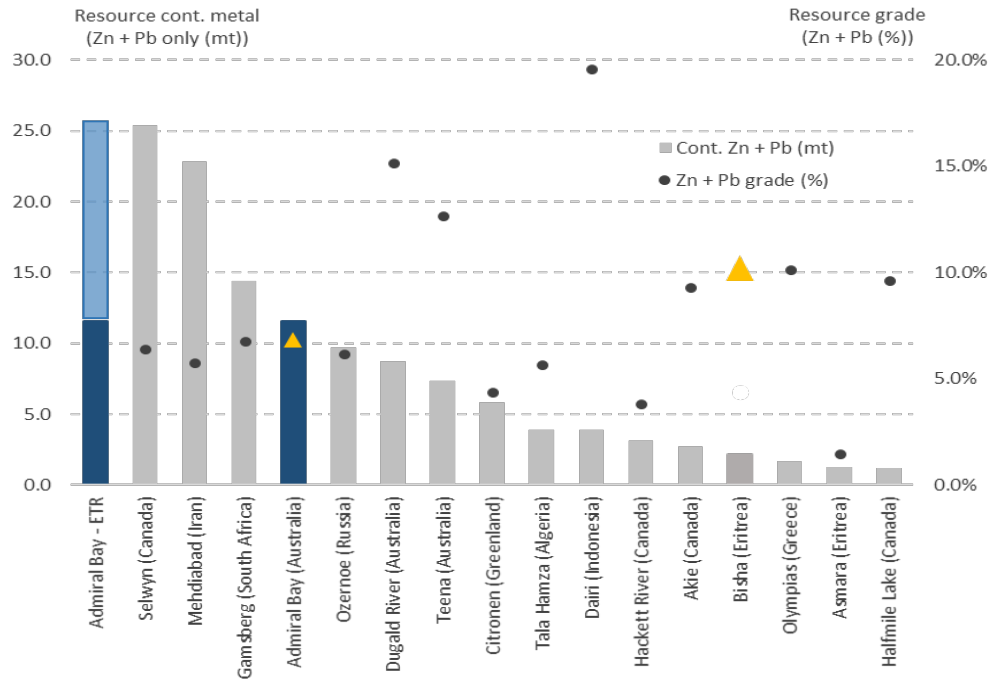
The sale of the zinc projects and ultimate strategy of listing Kimberley Mining on the TSX-V received shareholder support of >95% of the vote FOR the resolution and, with support from project stakeholders and some of the world's largest mining investors including Resource Capital Funds ("RCF") and China Minmetals ("Minmetals"), is strong endorsement for the transaction.

Metalicity has formed a subsidiary in Vancouver, Kimberley Mining, and is now in the process of effectively vending the zinc projects into Kimberley Mining. Kimberley Mining is completing a seed capital raising targeting C$2M with strong support from new North American institutional, retail and strategic investors with the raising anticipated to be completed shortly.

Once the seed capital raising and sale of the zinc projects into Kimberley Mining is complete, Kimberley Mining will then file a preliminary long form prospectus with the Securities Commission before reviewing any comments, and then filing a final long form prospectus, commencing a marketing roadshow in September and undertaking an initial public offering ("IPO") to seek a listing on the TSX-V concurrently with the completion of the IPO, targeted for October 2018.

The terms of the sale and purchase of the zinc projects with Kimberley Mining will potentially deliver C$32.5M cash and shares to Metalicity (up to C$12.5M cash and retaining 25M shares valued at C$20M), while Metalicity will retain approximately 40% of the expanded capital of Kimberley Mining post the October listing, still representing one of the largest exposures to the zinc sector of any active zinc exploration and development company on the ASX.

Figure 1. Global zinc project development and Kimberley Mining's Admiral Bay project



DRILLING AND FIELD WORK BUILDS ON YERRIDA COBALT PROJECT (100% MCT)

The Yerrida Cobalt Project is located in the Yerrida Basin, WA, which has a geological setting considered amenable to hosting structural/stratigraphic-controlled copper-cobalt mineralization.

During the quarter the Company completed a two-hole (446m) RC drill program at the K1 prospect and wide spaced soil sampling field exploration program at the K2-K4 prospects at the Yerrida Cobalt Project (Figure 2).

The results continue to build on the prospectivity of the project area and support the company's exploration model where certain characteristics are considered analogous to the prolific Central African Copperbelt.

The targeting rational at the Yerrida Cobalt project is derived from a geological evaluation and concept study for the region, from which it was concluded that the evolution of the Yerrida basin is compatible to the geological history and setting of copper-cobalt and nickel-cobalt deposits of the prolific Central African Copperbelt, where new discoveries continue to be made based on advances in exploration concepts.

Assay results of the previous drill program showed consistent near surface base metal enrichment which accounts for some of the surface anomalism, however, a 8m to 12m thick, shallow south dipping anomalous base metal (400 to 500 ppm Cu and 50 to 60 ppm Co; 4 x Cu and 2 x Co back ground values) horizon was intersected in all drill holes. It was inferred that this anomalous horizon could show gradual down dip enrichment particularly if major structures were intersected. The objective for this program was to step out and test this possibility to build on the exploration model.

The recent RC drill program at the K1 prospect intersected the same stratigraphic sequence of sandstones of the Yelma Formation near the surface unconformably overlying Maraloo Formation black shales at depth. The 446m RC drill program targeted down dip potential source structures feeding the previously reported shallow, south-dipping, zone of 8m to 12m cobalt horizon. Exploration previously intersected anomalous copper-cobalt mineralisation which provides support for the geological setting's potential to host further high-grade copper-cobalt mineralisation associated with the underlying "red bed" sandstones of the Yerrida Basin at depth.

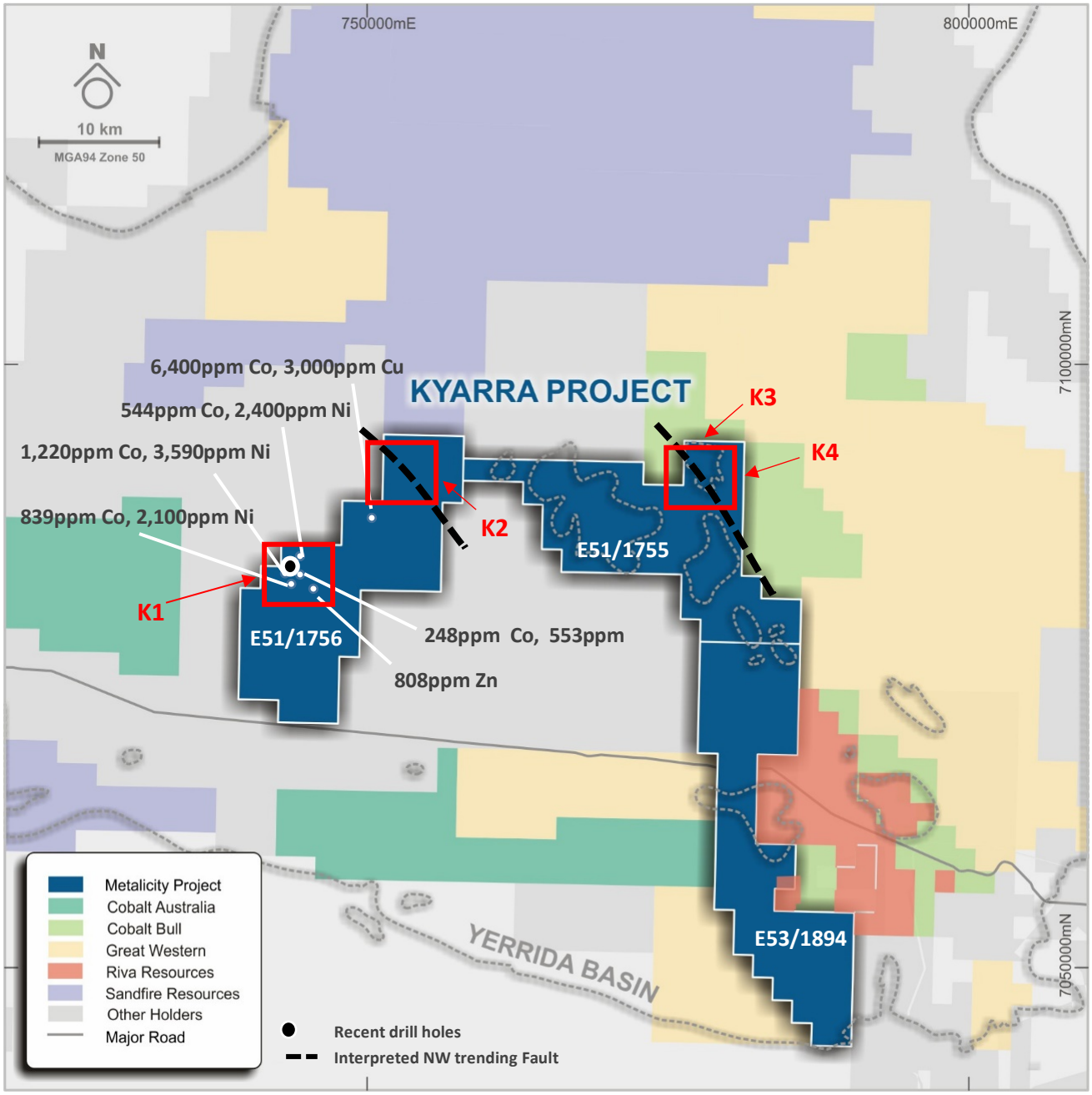
The company is therefore targeting postulated higher grade structurally controlled feeder zones to the stratigraphically controlled mineralisation. The next phase of exploration will aim to locate and map these structures and prioritising them for drill testing. Geophysics, targeted geochemistry and detailed geological mapping may identify the high grade feeder zones and possibly the red bed associated mineralisation.

The field exploration program at the K2-K4 prospects included geological mapping and rock chip sampling, using a 250m X 250m pattern over an area of 3km by 5km at K3 and K4 for 160 samples and 2.5km X 2.5km at K2 for 116 samples. Within the area of K2, a number of geochemically anomalous soil samples were returned requiring further assessment and infill sampling. In particular a coincident copper-cobalt in soil anomaly in the north east corner of the K2 target, which warrants follow up exploration.

The Company will now focus its efforts to target the base of the Maraloo Formation and the main transition zone from the underlying "red-bed" sandstones, which represents the primary target and most prospective setting for mineralization at K1 and, pending geological mapping and sampling results, across K2-K4.

Detailed sampling, mapping and high resolution airborne magnetic geophysics will be required particularly with regard to structural interpretation and targeting of higher grade mineralization.

Figure 2: Regional Location Map showing cobalt rich high priority target area



Source: Metalicity

FIELD WORK IDENTIFIES 8KM LITHIUM TARGET AT PILGANGOORA NORTH (100% MCT)

The Pilgangoora North tenements are located some 80 km south-southeast of Port Hedland in the Pilbara region of Western Australia. Access to the tenements is currently from the south via the access road to Pilbara Minerals Limited (ASX:PLS) and Altura Mining Limited (ASX:AJM) operations and then via a mix of private station tracks.

The Pilgangoora North project area covers northern extensions of the greenstone belt hosting the lithium-bearing Pilgangoora group of pegmatites currently being developed by Pilbara Minerals and Altura Mining.

Preliminary mapping, satellite imagery interpretation and rock ship sampling defined a series of pegmatites over a 10 km trend. The recent reconnaissance mapping and rock chip sampling, combined with the earlier rock chip sampling results, has identified priority target areas for further work.

The project area also contains portions of two monzogranite suites, namely the Motherin Monzogranite and the Sisters Supersuite Monzogranites both of which appear to have characteristics indicative of fertile granites and therefore potentially the source of the lithium ± tantalum bearing pegmatites present in the Pilgangoora district. The recent field work by Metalicity has confirmed the Motherin Monzogranite has geochemical signatures indicative of fertile granites is therefore a potential source of lithium bearing pegmatites.

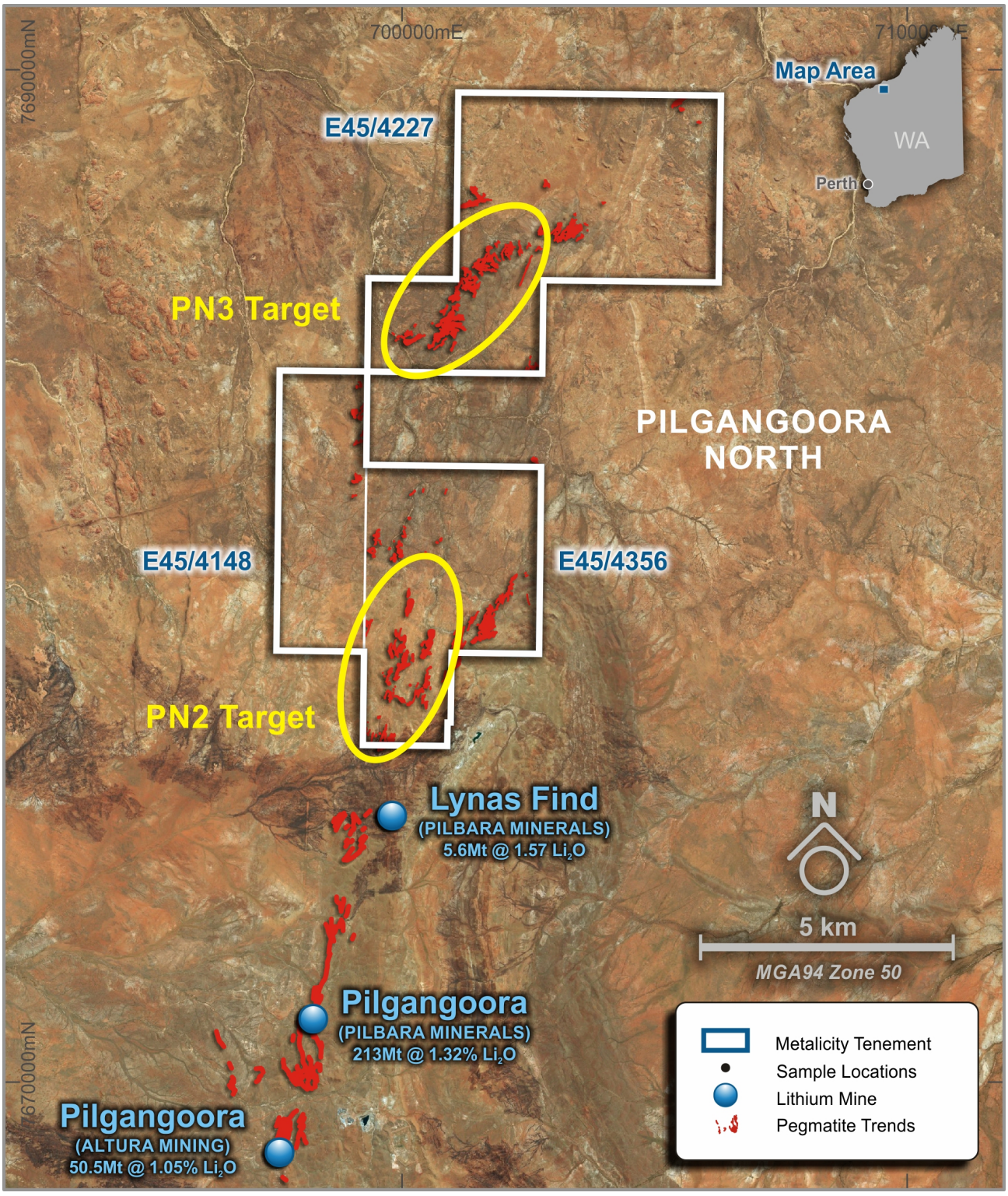
The recent field work comprised visits to point localities identified as possible pegmatites from satellite imagery and field traverses across portions of the greenstone belts hosting or likely to host pegmatites to visually inspect outcropping pegmatites for lithium bearing minerals.

Rock chip samples were collected from any pegmatites that visually appeared to host lithium mineralisation, as well as samples of blocky-K-feldspar and muscovite to understand the pegmatite fractionation trends. In addition, the Motherin Monzogranite was sampled to determine if this granite has characteristics indicative of being a fertile granite and therefore potentially capable of producing pegmatite hosted lithium ± tantalum mineralisation. The geochemical results indicate the Motherin Monzogranite is likely a fertile granite and further information is available at ASX:MCT 3/7/18.

Based on these recent results and the results of previous rock chip sampling programmes (ASX:MCT 14/12/17) two areas have been selected (PN 2 and PN 3) in which to undertake additional reconnaissance mapping and rock chip sampling. In addition, pegmatites identified to date as being potentially mineralised will be evaluated in more detail to allow effective drill planning.

The two future target areas named PN 2 and PN 3 are shown on Figure 3.

Figure 3: Pilgangoora North priority targets at PN2 and PN3



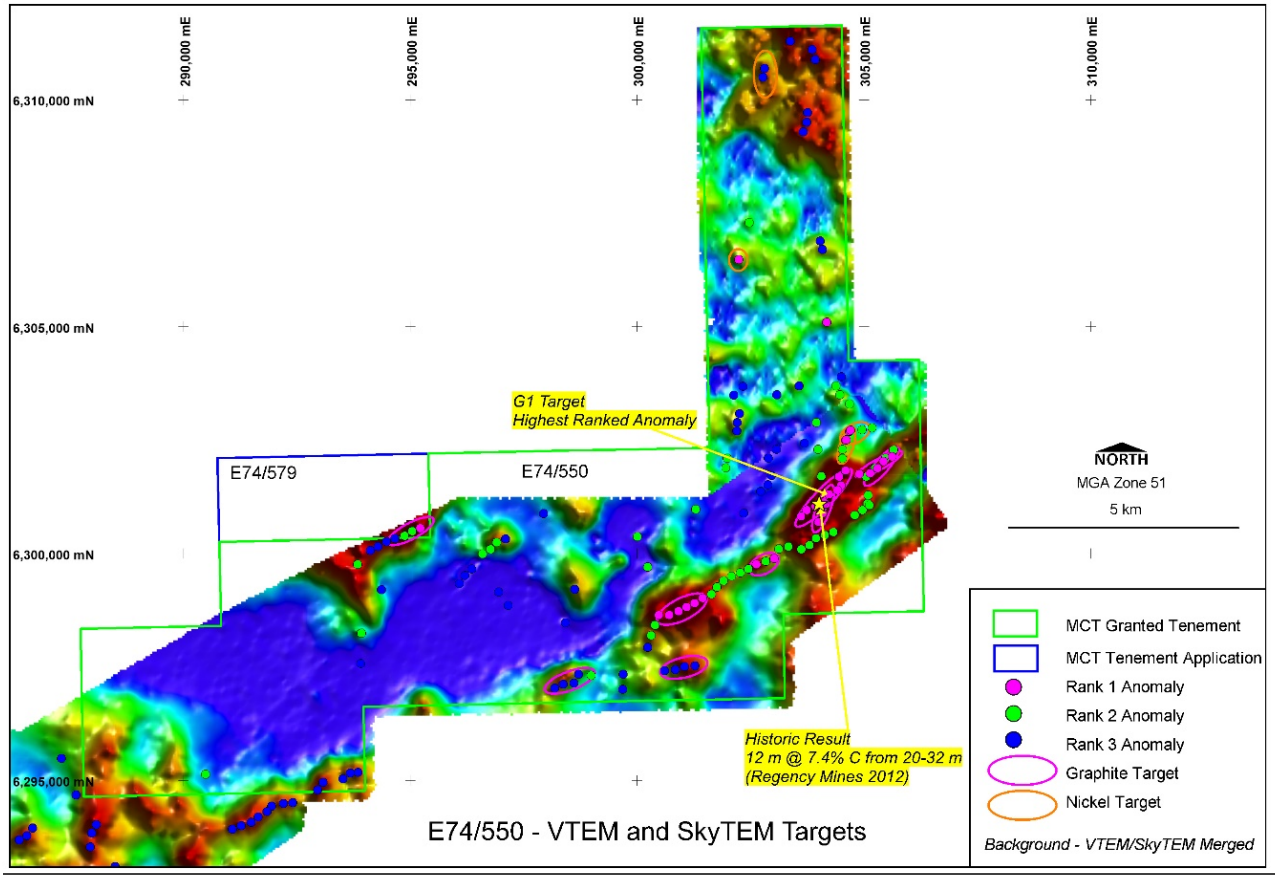
Source: Metalicity; ASX:PLS May Presentation; ASX:AJM June Presentation

DESKTOP WORK IDENTIFIES 1.5KM GRAPHITE TARGET AT MUNGLIUNP NORTH (100% MCT)

The Munglinup North Project is located 20km north of the Munglinup Graphite deposit (owned by Mineral Commodities Limited ASX:MRC) one of the worlds highest grade graphite deposits. Previous limited assaying for graphite from shallow drilling on E70/550 intersected 12m at 7.4% carbon, including 4m at 10.33% carbon, from 20m beneath the surface. The project tenements are located across and adjacent to the boundary of the Yilgarn Craton and the Albany Fraser Belt.

Recent interpretation and modelling undertaken on data from three previously flown airborne electromagnetic surveys acquired by the Company, has highlighted seven anomalies considered highly prospective for graphite mineralisation. The G1 target has the highest conductivity modelled and corresponds to the strongest conductivity in the Conductivity Depth Inversion (CDI), and known graphite mineralisation from previous drilling. The modelled conductivity of 480mS/m is of similar tenure to the Munglinup Graphite deposit located further to the south. The G1 target extends over 1.5km and the company is preparing a first pass drilling program to test for further high grade graphite mineralisation (See ASX:MCT 17/03/2016).

Figure 4: Munglinup North Graphite Target



Source: Metalicity

CORPORATE AND FINANCIAL

Subsequent to the quarter the Company held a General Meeting (GM) to approve the sale of the zinc projects to Kimberley Mining and various other resolutions related to the transaction. Strong support was demonstrated from shareholders with >95% of the vote FOR the resolution to approve the transaction (See ASX:MCT 27/7/18).

Cash balance at the end of the quarter was A$1.87M with likely cash inflows of ~A$750,000 for the September Quarter and pending the successful IPO of Kimberley Mining on the TSX-V, C$3M.

ENQUIRIES

Investors

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

Investor Relations

David Tasker
Chapter One Advisors
+61 433 112 936 / +61 439 980 359
dtasker@chapteroneadvisors.com.au

About Metalicity Limited

Metalicity Limited is an Australian exploration company with a primary focus on the battery metals sector (lithium, cobalt and graphite) with exploration projects located in existing world class and/or emerging districts for lithium, cobalt and graphite in Western Australia. The Company is also progressing a TSX-V Initial Public Offering ("IPO) of its base metal projects and has recently agreed to the terms of the sale and purchase of these projects. Metalicity is well supported by a management team with significant collective experience in the resources sector, as well as private equity, institutional, strategic and retail funds.

Competent Person Statement

The information in this report that relates to the Pilgangoora North project Exploration results is based on information compiled by Ralph Porter, a Competent Person who is a member of the Australian Institute of Geoscientists. Mr Porter is a consultant to the Company and an employee of CSA Global Pty Ltd. Mr Porter has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the type of activity being undertaken 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 Porter consents to the inclusion in the report of the information in this announcement in the form and context in which it appears.

Competent Person Statement

Information in this report that relates to Exploration results has been compiled from Metallicity's exploration results and historic data by Mr. Simon Dorling, who is a member of the Australian Institute of Geoscientists. Mr. 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. Mr. Dorling consents to the inclusion of the data in the form and context in which it appears.

For further information regarding the Munglinup North Project see ASX:MCT 17/3/16

JORC Code, 2012 Edition – Section 1 Sampling Techniques and Data

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.*	• Rock chip samples of outcrop and float were collected in uniquely numbered sample bags by a contract geologist during a soil sampling program. Samples were approximately 2-3kg in weight. • Soil samples were collected in uniquely numbered sample bags by a contract geologist. Samples were 100g to 200g in size. Samples had the uppermost layer of lag and soil removed before digging and mixing up a 20cm x 20cm area using the chisel end of a rock hammer. Samples were sieved to a fraction size of 80mesh before collecting. • Rock chip and soil samples record results at a specific location and should not be regarded as representative of the entire outcrop or underlying rock unit. • Reverse Circulation ('RC') drilling from surface was used to obtain drill chips collected via a two-tier riffle splitter. The sample line was blown clean at the completion of every sampled interval. • One 3kg (average) sample was taken for each 2m sample length and collected in pre-numbered calico bags. Quality of sampling continuously monitored by field geologist during drilling. • A sample mass of 3kg (average) was sent to the laboratory where it was dried, crushed and pulverised to 80% passing 75microns. A 0.25g representative split obtained for sodium peroxide fusion and subsequent analysis using ICP-MS and ICP-OES techniques. • To monitor representivity of the samples collected, duplicate samples were taken every 40 samples. • Sampling was carried out as per Metalicity sampling and QAQC procedures as per industry best practice.
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).*	• 2 drill holes were completed by NDRC Drilling Pty Ltd using reverse circulation (RC) drilling techniques. Holes were angled at -60° dip to the north. Bit was 140mm diameter face sampling hammer and standard 6m tubes were used. • Auxiliary and booster compressors were used in an attempt to exclude groundwater and keep samples dry.
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.*	• RC sample recovery is recorded and estimated by the field staff during drilling and is based on visual estimation of the volume of sample returned from the splitter. Recovery was recorded as 'Good', 'Fair' or 'Poor'. Recoveries were typically 'Good' for the two RC drill holes. • Condition of the sample recovered from the drilling process was also recorded as either dry, moist, wet or saturated. 34% of samples recovered were recorded as wet or saturated. • To ensure maximum sample recovery and representivity, the field geologist was present during drilling and monitored the sampling process. Any issues were immediately rectified.

Criteria	JORC Code explanation	Commentary
		• There were no significant sample recovery issues encountered during drilling.
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.*	• A representative sample of each 2m interval was sieved and retained in chip trays for future reference. • RC chips were geologically logged to 2m intervals corresponding with the 2m sample interval including lithology, mineralogy, grainsize, colour, texture, alteration, veining, and moisture content. • Most information recorded is qualitative, with semi-quantitative estimates of abundances of different lithologies and minerals. • Rock chip and soil samples typically have a basic description recorded by the geologist including sample type and regolith type.
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.*	• RC drill chips were collected using a face sampling bit in uniquely numbered sample bags from a two-tier riffle splitter mounted at the end of the sample line. • Approximately 10% of the drill chips returned from the bit were collected in the sample bags, with the bulk rejects placed in order on the ground. • Field duplicate samples were collected at a frequency of approximately 1 duplicate for every 40 samples. Field duplicates had to be collected after passing the bulk reject through a second riffle splitter. Due to this method these duplicates are not true duplicates but are still indicators of sample homogeneity. Assay results from the field duplicates showed acceptable correlation with the primary sample, within 20% except for Pb results which were up to 50% out, the remaining QAQC elements were within 20% no issues with sample representivity outside of Pb. • Sample tubes and cyclone were blown clean at the completion of every sample to minimise the potential for contamination of subsequent samples, and the cyclone was routinely cleaned at the completion of every 6m drill rod. • Booster and auxiliary compressed air attempted to maintain dry samples and minimise potential contamination of samples. • Soil samples were taken after removing the top layer of lag and brush and the sample area thoroughly mixed prior to sieving. Industry standard sampling sizes of 100g were collected. • Field duplicates were collected at 1 in every 40 samples for soil samples and were collected in the area immediately adjacent to the alpha sample location. Field duplicates showed very poor correlation between alpha and duplicate samples indicating poor sample homogeneity. • Rock chip samples averaged 3kg in size and were collected from available outcrop. No duplicates or standards were used.
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)*	• All samples were assayed by Nagrom in Perth for 49 elements by 4 acid digest followed by ICP-OES and ICP-MS. • This technique is considered to be appropriate for the elements of interest. • Reference standards were inserted by Metalicity Ltd at a frequency of 1 per 40 samples with RC and soil sampling. Majority of assay results were found to be within 2 standard deviations of the expected value indicating no issues with the laboratory assay accuracy.

Criteria	JORC Code explanation	Commentary
	and precision have been established.	• Blank samples were inserted by Metalicity Ltd at a frequency of 1 per 40 samples for RC samples with assay results largely outside 1 standard deviations. • Rock chip and drill samples were analysed for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Hf, In, K, La, Li, Lu, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, S, Sb, Sc, Se, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, U, V, W, Y, Yb, Zn and Zr.
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 on paper and entered into standard templates on site using pre-established library tables, and subsequently validated and loaded into the company drill database.
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.*	• Drill collar locations were surveyed using a Garmin handheld GPS with an accuracy of +/- 5m • To confirm drillhole inclination, single shot down hole surveys were completed utilising an Axis Mining Technology 'Champ' north seeking gyroscope with a published accuracy of +/-0.15°. Holes were angled at -60 degrees at surface and dropped to -70 to -80 degrees by end of hole. • Data was collected in MGA Zone 50 format. • Standard MGA 94 Zone 50 grid coordinates are presented in Table 1. • Location of data points has been verified by a review of locations in MapInfo.
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.*	• Drill hole locations were approximately 250m away from previous drilling on lines 400m apart, which is considered appropriate for first pass, wide spaced drill testing of the lithologies present and potential mineralisation but is not adequate to support Mineral Resource modelling. • 2m composite samples were collected during drilling. • Soil samples were collected on a 250m by 250m grid.
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.*	• Rock chip sampling is prone to bias. • Several of the RC drilling samples were either wet or saturated and have been exposed to contamination and loss of material.
Sample security	• *The measures taken to ensure sample security.*	• Field geologists transported soil and rock chip samples to Metalicity's office in Perth where a courier transported the material to Nagrom labs in Kelmscott. • RC drill samples were transported from site by the field geologists to Nagrom labs in Kelmscott. • Samples were checked against the submission forms on arrival at Nagrom.
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.

JORC Code, 2012 Edition – 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.*	• The Kyarra Project consists of 3 tenement applications E51/1755, E51/1756 and E53/1894, located approximately 50km west of Wiluna, WA. • The three applications are held by Metalicity Energy Pty Ltd, a wholly owned subsidiary 100% owned by Metalicity Limited. • The area the subject of this announcement lies on vacant crown land, Paroo Station, Lake Way station, and Ullula Station. • A Heritage Agreement with the Yugunga-Nya Claimant Group is currently being negotiated with respect to all three tenement applications in the Kyarra Project.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration work within the tenement area has consisted of regional mapping, soil and rock chip sampling, RAB, RC and diamond drilling; and geophysical surveys. This information is extensively reported in over 200 WAMEX reports available for download from the DMP via www.dmp.wa.gov.au
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Company is exploring for cobalt and other base metals within the Kyarra Project, which is wholly located within the Proterozoic Yerrida Basin in Western Australia. • The Yerrida Basin is a northwest-southeast trending sedimentary basin dominated by weakly metamorphosed, flat-lying to shallowly dipping sediments and basaltic lavas. The Yerrida Group has a composite thickness of up to 6km, and has been subdivided into two Subgroups related to two different tectonic settings. The Windplain Subgroup is an early, shallow water, sag-basin succession dominated by siliciclastic and evaporitic sediments. Overlain by arenaceous, argillaceous and mafic volcanic rocks of the Mooloogool Subgroup. Only the Juderina Formation of the Windplain Subgroup, and Maraloou Formation of the Mooloogool Subgroup have been documented within the Project area. However, a significant area of basalts and dolerites of the Killara Formation outcrop to the northeast. The entire package is relatively un-deformed and has undergone low grade metamorphism. In the south of the Project area Juderina Formation siliciclastics and minor stromatolitic rocks of the Finlayson and Bubble Well Members respectively, dip shallowly north. They are overlain to the north by Maraloou Formation argillaceous, dolomitic limestone and siltstone. The Maraloou Formation also includes significant thicknesses of sulfidic black shales at its base that outcrop poorly but have been encountered in drilling. These rocks are unconformably overlain by Earaheedy Basin sediments, which in the tenement area are represented by units of the Yelma Formation. Including laminated dolomitic siltstone and shale, dolomites, stromatolites and cherts. • The Yerrida Basin sedimentary package also contains several of the key elements necessary for sedimentary hosted base metal mineralisation, including evaporites, siliciclastics, hydrocarbons and basin bounding faults. Extensive exploration activities were completed in the late 1980's and 1990's focused on discovery of base metal deposits using this model. Cobalt anomalism was identified but not prioritized.
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*	• See Figure 1 above for location of historic results which have been verified against the original reports. • The number of historic surface data points is >25 000, too many to be individually

Criteria	JORC Code explanation	Commentary
	○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *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.*	reported. Locations of the original data have been transposed directly from the digital data downloads with the relevant grid systems verified by reference to the original reports. The locations of the data points are represented in the figures above, at a scale appropriate to the intent of identifying focus areas for follow up work.
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').*	• Where discussed downhole lengths only are discussed as the orientation of any mineralisation is currently unknown.
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 map of sample locations and selected 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.*	• Selected assay results demonstrate the extent of anomalism only and require follow up by Metalicity. • All known historic sampling data has been compiled into the Company database, with the highest quality results presented in the figures above.
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 historic assay work has been reported.
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.*	• Follow up work planned by Metalicity includes field mapping and rock chip sampling to verify the historic results reported herein, followed by drilling if results warrant it. • See Figure 1 of the announcement which depicts the area of interest.