

ASX RELEASE: 27 August 2019

Share Placement & Non-Renounceable Rights Issue

HIGHLIGHTS

- Share Placement & 1 for 4 Non-Renounceable Rights Issue to raise a total of circa \$1.1 million before costs.
- A 1 for 4 Rights Issue at \$0.006 to raise circa \$1 million with a 1 for 5 option based on shares placed as a free attaching option at \$0.015 exercisable within 12 months from issue.
- Offer price of \$0.006 represents a 25% discount to the last price of \$0.008 and a 25% discount to the 15-day volume weighted average price of \$0.008
- Anticipated proceeds will go towards drilling at the Kookynie Gold Project in the prolific Eastern Goldfields region.
- Placement of 20,506,667 shares under Listing Rule 7.1 Capacity at \$0.006 that raised circa \$123,000 with a 1 for 5 option based on shares placed as a free attaching option at \$0.015 exercisable within 12 months from issue.
- Drilling to commence imminently upon drill contractor availability.

Metalicity Limited (ASX: MCT) (“MCT” or “Company”) is pleased to announce that it is undertaking a share placement and a 1 for 4 non-renounceable Rights Issue to raise a total of circa \$1.1 million before costs. Eligible participants who subscribe to the offer will also receive 1 free attaching, unlisted option for every 5 shares subscribed, exercisable at \$0.015 12 months after issuance.

The primary focus of the offer, if fully subscribed, is to fund a large programme of (predominately) reverse circulation (RC) and diamond drilling (DD), at the Kookynie Project to confirm and extend zones of known mineralisation at the defined Cosmopolitan, Diamantina, Cumberland, Champion, McTavish and Leipold prospects. As previously announced, recent drilling confirmed that all are open along strike and down dip (see Figure 1 and refer to ASX announcement dated 31 July 2019). Drilling is scheduled to commence imminently once drill contractor availability is ascertained. The programme is anticipated to take several months to complete.

Metalicity Managing Director, Jason Livingstone commented:

“Our previous, but short, drilling programme at Kookynie confirmed the mineralisation and slightly extended it. Metalicity, through its farm in agreement with Nex Metals, needs to complete a larger drilling programme to begin to fully delineate the mineralisation and start steps towards maiden JORC 2012 compliant mineral resource estimates across the prolific and well-endowed Prospects at Kookynie. This rights issue represents a “ground floor” opportunity to be a part of what could be a successful gold exploration and development Project in the Eastern Goldfields of Western Australia.”

Under the placement, the Company had 52,598,133 shares under Listing Rule 7.1 capacity remaining before the placement, of which 20,506,667 shares and 4,101,333 options have been issued. Note, capacity under Listing Rule 7.1a was not included in this placement.

Under the Rights Issue, it is anticipated to issue 156,105,619 shares and 31,221,124 options.

Assuming the rights issue is fully subscribed and after completion of the placement, a total of 156,105,619 shares and 31,221,124 new options will be issued, increasing the number of shares on issue from 624,422,477 (pre-placement) to 801,034,763 (post placement included) and the number of options on issue from 179,261,059 (pre-placement) to 214,583,516 (post placement included).

Eligible shareholders will be given the opportunity to apply for additional securities in excess of their entitlement, which shall be allocated at the absolute discretion of the board.

The Placement and Rights Issue are not underwritten.

If you have any queries concerning the Share Placement or Rights Issue, or the action you are required to take to subscribe for the new shares, please contact your financial advisor, or the **Share Registry “Link Market Services” on 1300 554 474** or Mr. Neil Hackett, Metalicity’s Company Secretary, on +61 8 9324 1053.

Timetable for the Rights Issue:

Action	Date
Lodgement of Prospectus with the ASIC	Friday, 30 August 2019
Lodgement of Prospectus & Appendix 3B with ASX	Friday, 30 August 2019
Notice sent to Option Holders	Monday, 2 September 2019
Notice sent to Shareholders	Monday, 2 September 2019
Ex date	Tuesday, 3 September 2019
Record Date for determining Entitlements	Wednesday, 4 September 2019
Prospectus despatched to Shareholders & Company announces despatch has been completed	Monday, 9 September 2019
Closing Date*	Wednesday, 18 September 2019
Securities quoted on a deferred settlement basis	Thursday, 19 September 2019
ASX notified of under subscriptions	Monday, 23 September 2019
Quotation of Securities issued under the Offer*	Wednesday, 25 September 2019

*The Directors may extend the Closing Date by giving at least 3 Business Days’ notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

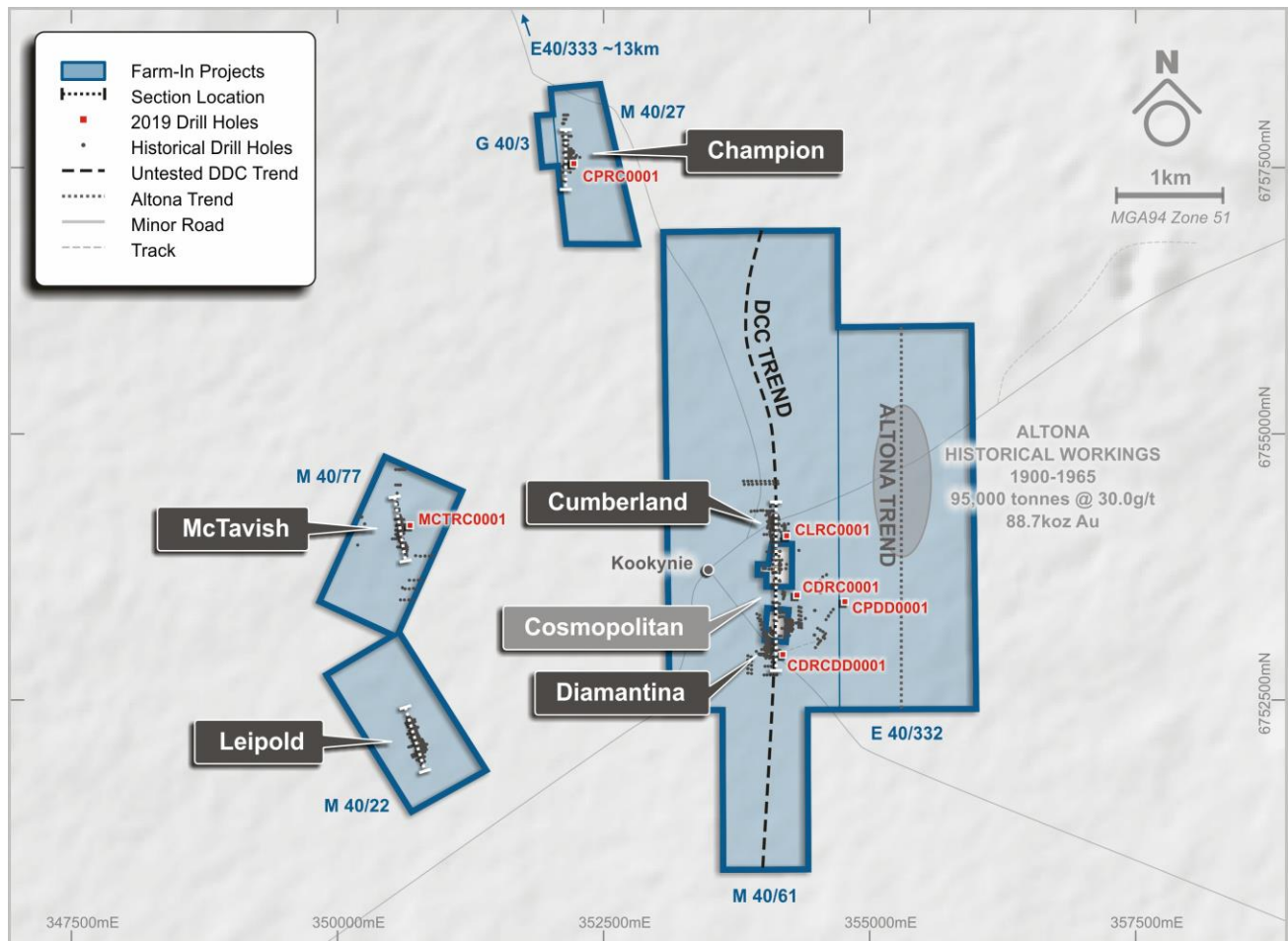


Figure 1 – Kookynie Prospect Locality Map with recent drill holes and mineralised trends.

ENQUIRIES

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THIS ANNOUNCEMENT IS DESIGNED TO LIFT THE CURRENT VOLUNTARY SUSPENSION OF THE COMPANY'S SECURITIES.

Competent Person Statement

Information in this report that relates to Exploration results and targets is based on, and fairly reflects, information compiled by Mr. Jason Livingstone, a Competent Person who is a Member of the Australian Institute of Geoscientists and Australian Institute of Mining and Metallurgy. Mr. Livingstone is an employee of Metalicity Limited. Mr. Livingstone has sufficient experience that is 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. Livingstone consents to the inclusion of the data in the form and context in which it appears.

Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have reasonable basis. However, forward-looking statements:

- (a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;
- (b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such risks include, without limitation, resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and

operational risks in the countries and states in which the Company operates or supplies or sells product to, and governmental regulation and judicial outcomes; and

(c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The words “believe”, “expect”, “anticipate”, “indicate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward-looking statements.

All forward-looking statements contained in this presentation are qualified by the foregoing cautionary statements. Recipients are cautioned that forward-looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

The Company disclaims any intent or obligation to publicly update any forward-looking statements, whether as a result of new information, future events or results or otherwise.