

ASX RELEASE: 2 September 2019

Metalicity further consolidates the Kookynie & Yundamindra Gold Projects

HIGHLIGHTS

- Metalicity further consolidates the Kookynie & Yundamindra Gold Projects to more than 11,000 ha. via further farm-in agreements.
- Metalicity to spend \$200,000 over two years at Kookynie farming into 100% of E40/289 held by a private company Paris Enterprises
 - Tenement adjacent to the historic Orient Well Gold Mine.
- Metalicity to spend \$200,000 over two years at Yundamindra farming into 100% of exploration licenses E39/1773 and E39/1774 held by a private company Paddick Investments
 - Tenements adjacent to the south of Yundamindra Gold Project.
- After the farm-in stage, the current owners revert to a 1% NSR royalty capped at 50,000 ounces.
- Farm-in agreements follow outright acquisition of P40/1331 with all costs incorporated into Nex Metals arrangement of \$5 million over 5 years to earn 51%.
- Deed of Arrangement executed with Nex Metals expanding farm-in to incorporate additional tenements within the Kookynie & Yundamindra Gold Projects.

Metalicity Limited (ASX: MCT) (“MCT” or “Company”) is pleased to inform shareholders that it has executed further farm-in agreements of significant and strategic tenure, improving the Company’s holding within Western Australia’s Eastern Goldfields region at its Kookynie and Yundamindra Gold Projects.

These deals are a major step forward with our farm-in agreement with Nex Metals Exploration Ltd (please refer to ASX announcement dated 6th May 2019 titled “*Metalicity Farms Into Eastern Goldfields Gold Projects*”) whereby acquisition and farm in activity by Metalicity, in the Kookynie and Yundamindra areas, is included and contributory towards our commitment of \$5 million to earn 51%. Metalicity, through our farm in agreement, has access to 11,601.6 ha of prolific Eastern Goldfields ground.

Commenting on the further consolidation of the Goldfields projects managing director Mr. Jason Livingstone said:

“The farm in arrangements we have entered into ensures money is spent on the ground. We are seeing opportunities in the Kookynie and Yundamindra areas and we are taking action. I would like to thank Paddick, Paris, Nex Metals and Simon Byrne for negotiating with us in good faith, and I look forward to exploring and developing these assets to realise value for Metalicity shareholders.”

“The farm in agreements are designed to ensure that the acquisition is driven by spending money into the ground and giving the vendors an opportunity to realise the tenements value through a retained royalty. I am delighted that the vendors have negotiated with Metalicity and entered into these agreements allowing us access to ground in such a fantastic area.”

Details of the farm in agreements:

Nex Metals Explorations Ltd:

On the 6th May 2019, the Company made the announcement *“Metalicity Farms Into Eastern Goldfields Gold Projects”* whereby the Company is earning into the tenure by spending money on the ground. During the due diligence period for the farm-in agreement reached between Metalicity and Nex Metals, Nex Metals saw an opportunity to peg strategic prospecting licenses within the Kookynie and Yundamindra Projects. Through a subsequent *“Deed of Acknowledgement”* between Metalicity and Nex Metals, the pegged tenements are now folded into the overall farm-in agreement that allows us to make a concerted effort to effectively explore this ground.

No alteration to the overall premise of \$5 million over 5 years to earn 51% has been made folding these tenements into the schedule subject to the earn-in conditions.

The tenements pegged are detailed in Figures 1 and 2.

Below is an explanatory timetable on the *“Deed of Acknowledgement”* agreement by Metalicity Limited of for P40/1499, P40/1500, P40/1501, P39/6126 & P39/6127:

Action	Date
Deed of Acknowledgment Executed between MCT and NME	30/8/2019

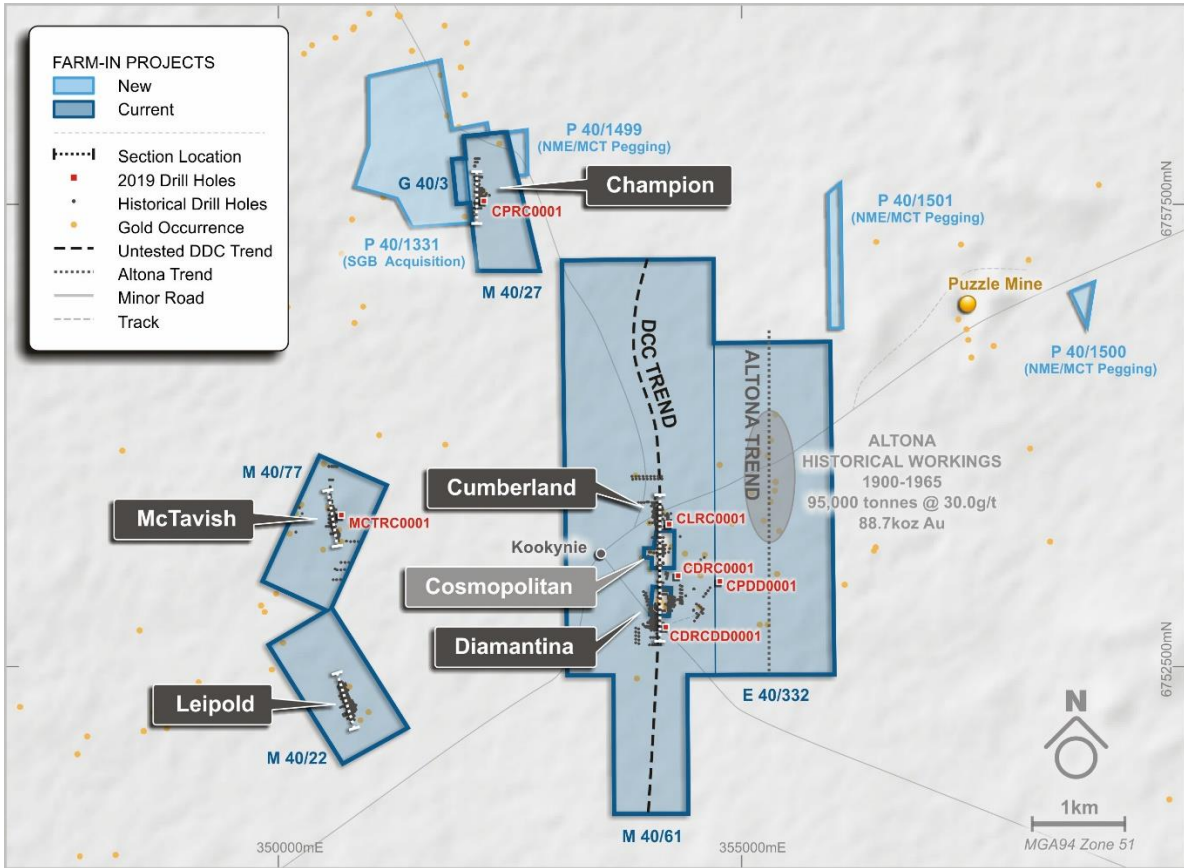


Figure 1 – *Kookynie Area Updated Tenement Map.

Farm-In with Paris Enterprises (WA) Pty Ltd:

The farm-in agreement and exploration costs of E40/289 is contributory towards Metalicity’s commitment of \$5 million to earn 51% of the Kookynie and Yundamindra Gold Projects.

The tenement is owned by a private entity, Paris Enterprises (WA) Pty Ltd.

E40/289 is a live exploration tenement with a farm in arrangement of \$200,000 over 2 years to earn 100% of the tenure. Upon reaching this milestone, Paris will revert to a royalty of 1% NSR on the first 50,000 ounces of production that may potentially be sourced from within this area.

E40/289 is immediately east of the Orient Well Mine Site along strike from Genesis Mineral’s Ulysses and Orient Well NW Projects, please refer to Figure 2.

Below is an explanatory timetable on the farm in agreement by Metalicity Limited of E40/289:

Action	Date
Preliminary Farm-In and Acquisition Agreement Signed and Due Diligence Period Commenced	22/7/2019
Farm-In Agreement Executed by all parties	30/8/2019

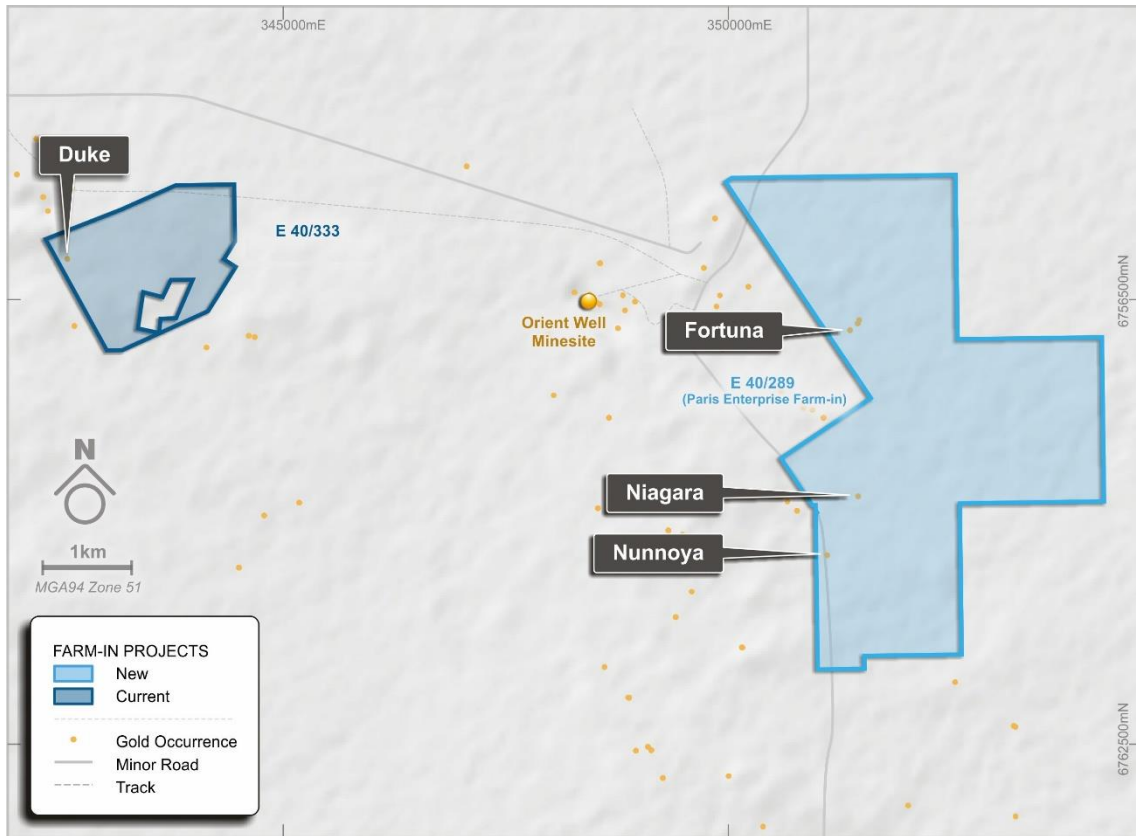


Figure 2 – Kookynie Area (North) Updated Tenement Map.

Farm-In with Paddick Investments Pty Ltd

The farm-in agreement and exploration costs of E39/1773 and E39/1774 is contributory towards Metalicity’s commitment of \$5 million to earn 51% of the Kookynie and Yundamindra Gold Projects.

The tenement is owned by a private entity, Paddick Investments Pty Ltd. Whilst currently under plaintiff, Metalicity is comfortable that Paddick can defend this claim and is tasked with doing so under the farm-in agreement.

E39/1773 and E39/1774 are live exploration tenements with a farm in arrangement of \$200,000 over 2 years to earn 100% of the tenure. Upon reaching this milestone, Paddick will revert to a royalty of 1% NSR on the first 50,000 ounces of production that may potentially be sourced from within this area.

E39/1773 and E39/1774 are immediately south of the Yundamindra Project and potentially host strike extents of the mineralisation observed at the Queen of May and Bound to Rise Prospects, please refer to Figure 3.

Below is an explanatory timetable on the farm in agreement by Metalicity Limited of E39/1773 and E39/1774:

Action	Date
Preliminary Farm-In and Acquisition Agreement Signed and Due Diligence Period Commenced	21/7/2019
Farm-In Agreement Executed by all parties	30/8/2019

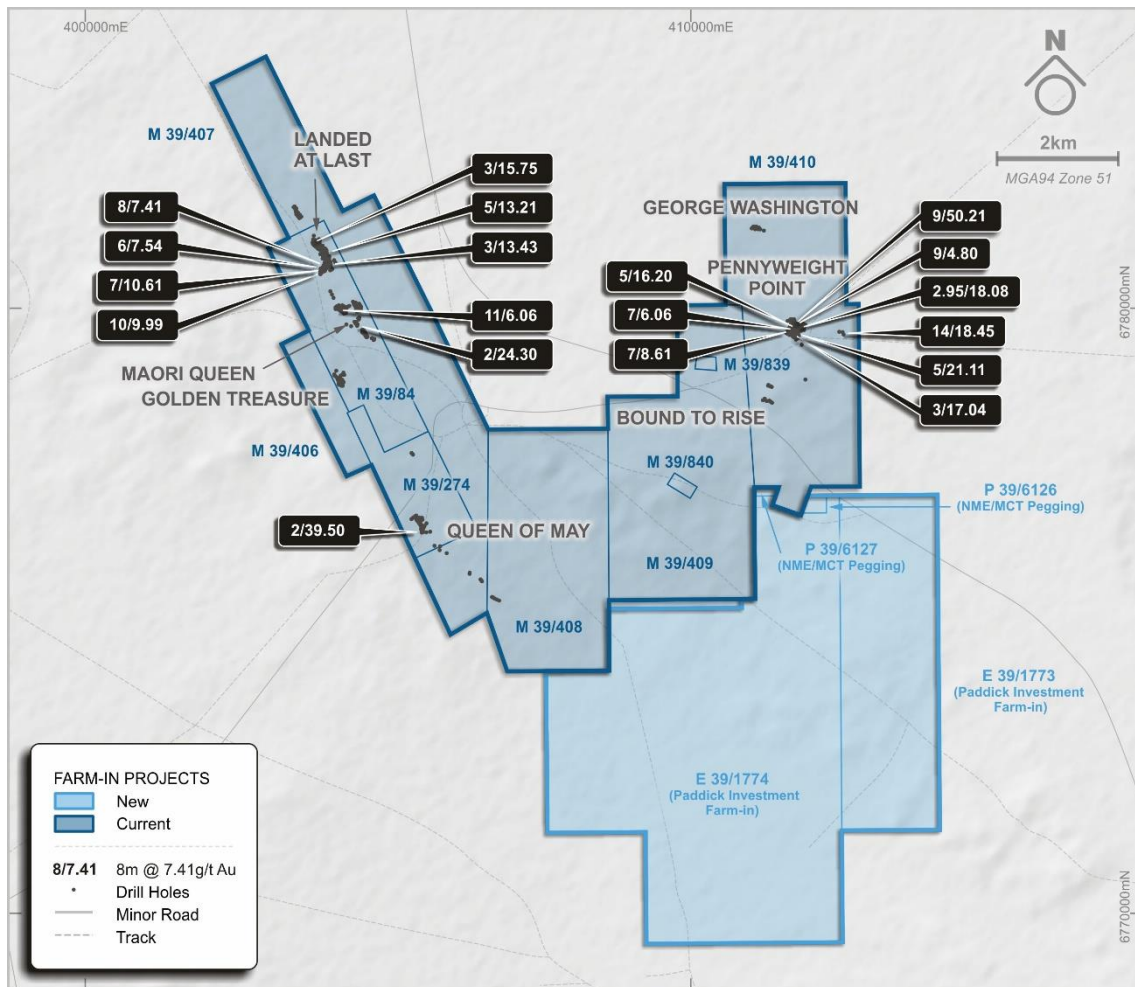


Figure 3 – *Yundamindra Area Updated Tenement Map.

*For details on the historical drill hole intercepts illustrated, please refer to ASX Announcement dated 6 May 2019 titled “Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA”

The latest farm-in agreements with Paris and Paddick are complementary to Metalicity’s acquisitions within the region, with the Company recently announcing the outright acquisition of a prospecting license, P40/1331, adjacent to the lease covering the historic Champion gold mine (See ASX Announcement “Tenement Acquisition” dated 27/08/19).

The tenement was acquired from a local prospector, Simon Gary Byrne for \$10,000 with a further \$10,000 to be paid six months from the date of transfer and a royalty of 1% NSR on the first 50,000 ounces of production that may potentially be sourced from within this area.

The prospecting license acquisition is also contributory to the \$5 million required to earn the 51% interest in the Kookynie and Yundamindra Projects.

ENQUIRIES

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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.

Appendix 1

Below is a full tenement schedule now applicable to the farm in agreement:

Tenement	Registered Holder	Shares Held	Plainted	Status	Area (ha)
Kookynie					
E40/333	Nex Metals Explorations Limited	100/100	No	Live	600.0
G40/3	Nex Metals Explorations Limited	100/100	No	Live	7.2
L40/9	Nex Metals Explorations Limited	100/100	No	Live	1.0
E40/332	Nex Metals Explorations Limited	100/100	No	Live	600.0
M40/22	Nex Metals Explorations Limited	100/100	No	Live	121.7
M40/27	Nex Metals Explorations Limited	100/100	No	Live	85.5
M40/61	Nex Metals Explorations Limited	100/100	No	Live	832.7
M40/77	Nex Metals Explorations Limited	90,405/90,405	No	Live	119.2
P40/1331	KYM Mining Limited	100/100	No	Live	161.2
E40/289	Paris Enterprises Pty Ltd	100/100	No	Live	1,222.7
P40/1499	Nex Metals Explorations Limited	100/100	No	Pending	8.3
P40/1500	Nex Metals Explorations Limited	100/100	No	Pending	5.9
P40/1501	Nex Metals Explorations Limited	100/100	No	Pending	21.1
Kookynie Total Area (ha)					3,786.4
Yundamindra					
L39/34	Nex Metals Explorations Limited	100/100	Yes	Live	1.0
L39/52	Nex Metals Explorations Limited	96/96	Yes	Live	1.0
L39/258	Nex Metals Explorations Limited	100/100	Yes	Live	3.2
M39/84	Nex Metals Explorations Limited	100/100	Yes	Live	378.0
M39/274	Nex Metals Explorations Limited	100/100	Yes	Live	230.0
M39/406	Nex Metals Explorations Limited	100/100	Yes	Live	124.0
M39/407	Nex Metals Explorations Limited	100/100	Yes	Live	896.0
M39/408	Nex Metals Explorations Limited	100/100	Yes	Live	785.0
M39/409	Nex Metals Explorations Limited	100/100	Yes	Live	966.0
M39/410	Nex Metals Explorations Limited	100/100	Yes	Live	978.0
M39/839	Nex Metals Explorations Limited	100/100	Yes	Live	7.3
M39/840	Nex Metals Explorations Limited	100/100	Yes	Live	9.7
P39/6126	Nex Metals Explorations Limited	100/100	No	Pending	10.4
P39/6127	Nex Metals Explorations Limited	100/100	No	Pending	5.6
E39/1773	Paddick Investments Pty Ltd	100/100	Yes	Live	903.0
E39/1774	Paddick Investments Pty Ltd	100/100	Yes	Live	2,517.0
Yundamindra Total Area (ha)					7,815.1