

21 November 2019

Drilling Completed Ahead of Schedule on Abercorn Project

Metalsearch Limited (“MSE” or the “Company”) is pleased to announce that it has completed a 62 hole Aircore drilling program on the Abercorn Project, located in central Queensland, Australia (Figure 1).

Highlights

- MSE has completed an Aircore drilling program at the Abercorn Project ahead of schedule
- **62 drill holes were completed for a total of 2,358m** at the Abercorn Project, which has already produced **99.99% Al₂O₃ (4N HPA)¹**
- Geochemical samples are in the process of being expedited to ALS for analysis
- **Intersections of bright white kaolin, host to the Al₂O₃, in excess of 40m were encountered.** The kaolin mineralisation remains open along strike, down plunge and at depth
- Kaolin mineralisation was routinely intersected throughout the drill campaign and on the periphery of the drill grid, suggesting that the kaolin mineralisation extends beyond the current limits of the drilling
- **An area 2km south of the primary focus** of the Abercorn Project known as the Cynthia prospect **also intersected bright white kaolin** of the same form mineralised with Al₂O₃. An increased number of holes were drilled around this satellite target and it is likely a follow up drilling campaign will be conducted
- The objective of the drilling program was to define a maiden Inferred Mineral Resource (JORC 2012) and further test the extent and scale of the kaolin mineralisation, host to the Al₂O₃ mineralisation¹

Mr John Goody, Technical Director, commented:

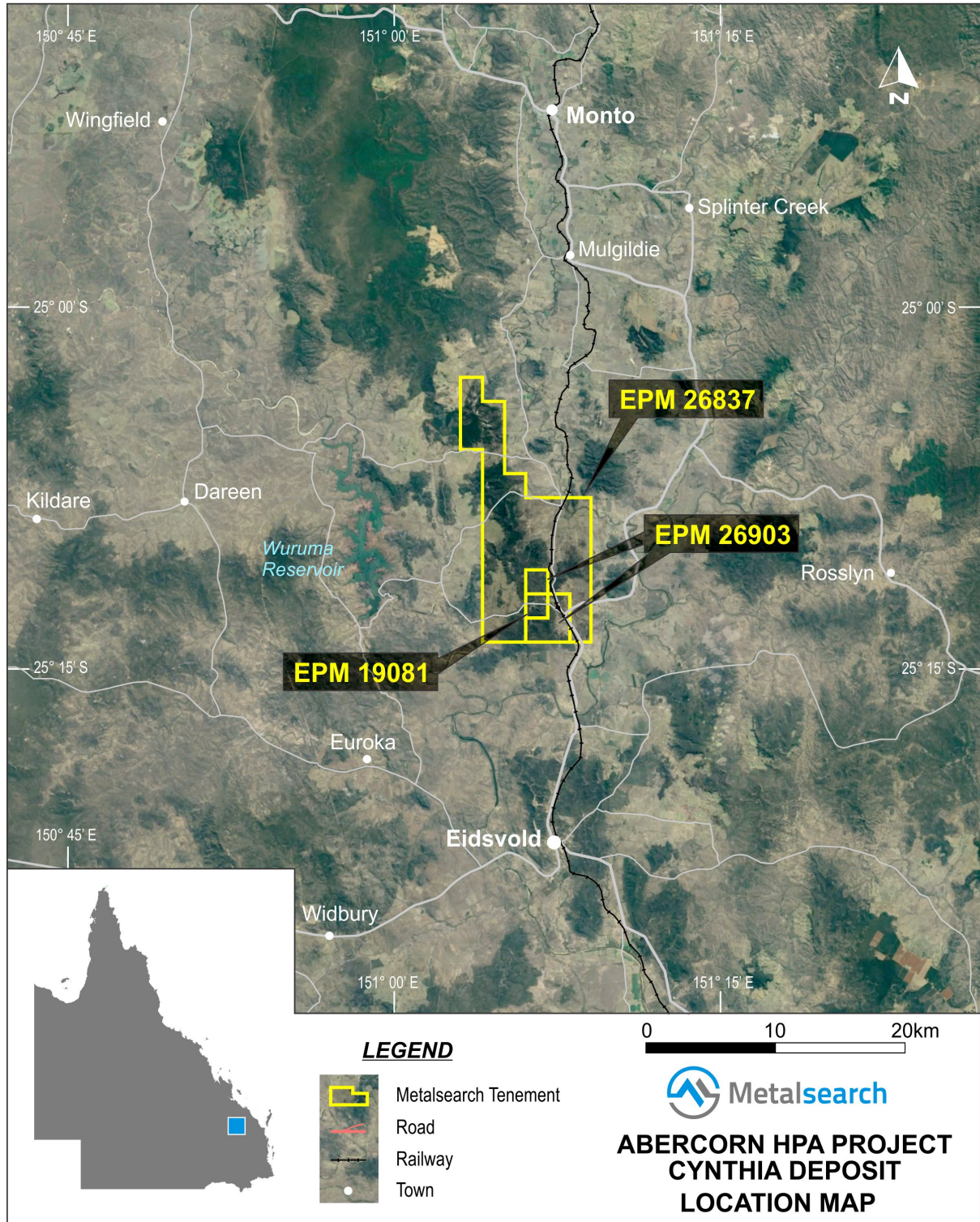
We are pleased to have completed the 62 drill hole campaign so efficiently and ahead of schedule.

We are very encouraged by what we have seen throughout the drill campaign and are confident we have gained a stronger understanding of the overall scale of mineralisation at the Abercorn Project.

We look forward to presenting assay results and are confident of delivering a strong maiden JORC resource.

¹See Metalsearch Limited ASX Announcement 13 August 2019. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Figure 1 – Project Location



Aircore Drilling Program

MSE is pleased to have completed the planned Aircore drilling programme ahead of schedule.

A total of 62 holes were drilled, with depths ranging from 23 metres to 51 metres, for an average depth of 38 metres and a total of 2,358 metres drilled (Figure 2). The Abercorn Project has previously produced 99.99% Al_2O_3 (4N HPA)².

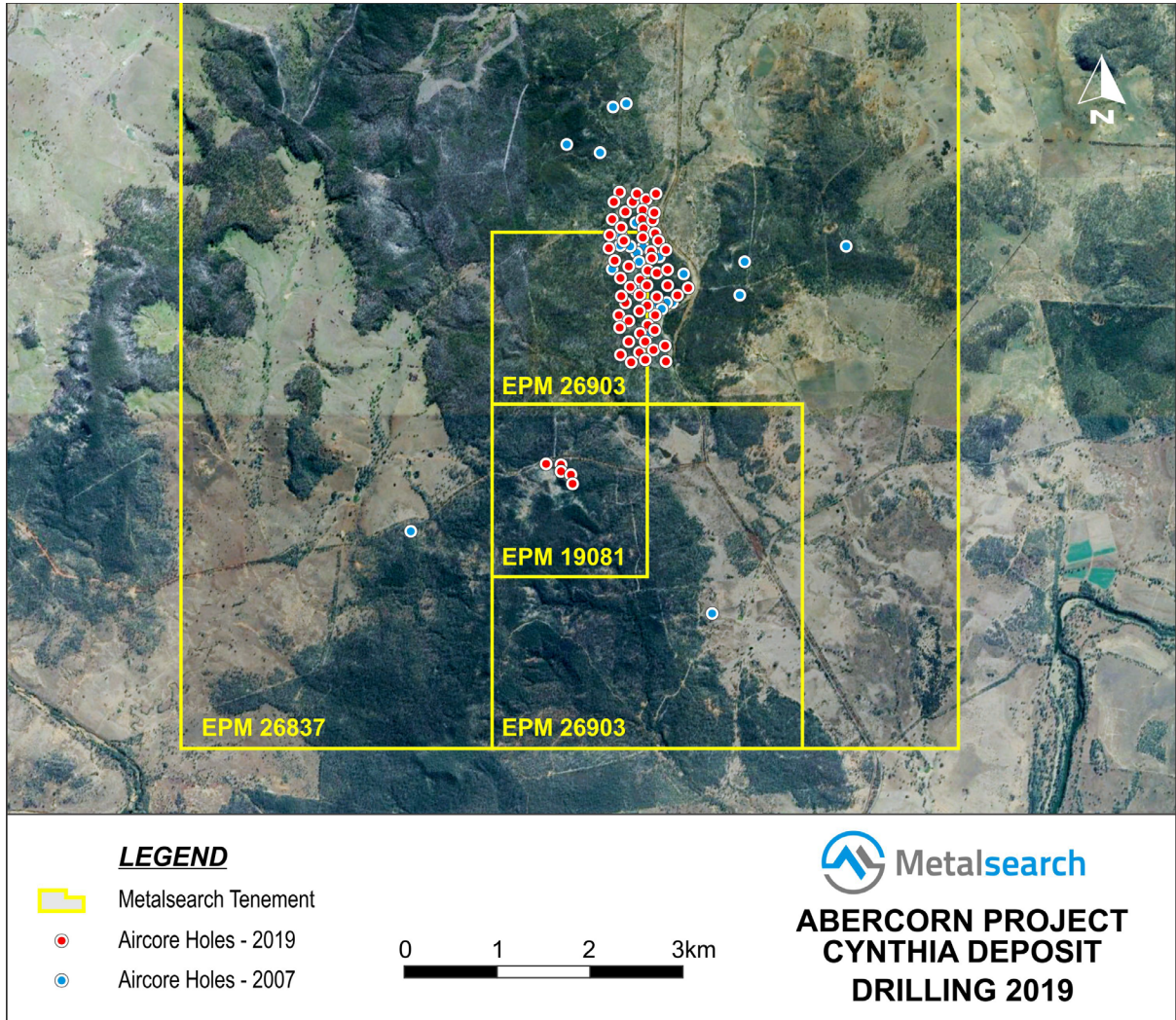
The Company is encouraged by the positive intersections throughout the drilling program of what appears to be high quality kaolin, of the form which the 2007 drilling showed is host to the Al_2O_3 mineralisation. Intersections of Kaolin mineralisation were routinely intersected throughout the campaign, including in excess of 40m thickness. Substantial intersections of bright white kaolin were also encountered on the periphery of the drill grid, indicating high potential for further mineralisation outside of the current drilled area.

Aircore holes drilled into an area 2km south of the main Cynthia prospect also intersected bright white kaolin of the same form mineralised with Al_2O_3 at the Cynthia Prospect. The Company decided to increase the number of holes drilled around this satellite target, and pending results, it is likely a follow up drilling campaign will be conducted around this satellite target in 2020.

The objective of the Aircore drilling program is to define a maiden Inferred Mineral Resource (JORC 2012) of kaolin containing high-grade Al_2O_3 . The Company also conducted extensional drilling in order to further define and extend the encouraging kaolin mineralisation intersected in holes drilled in 2007. The Company is confident of delivering a strong result and looks forward to updating the market in due course.

²See Metalsearch Limited ASX Announcement 13 August 2019. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Figure 2 – 2019 Cynthia Prospect Aircore Drilling Program



About the Abercorn Project

The Abercorn Project is a large-scale kaolin prospect, which has the potential to be developed into a world leading HPA project, located in central Queensland (Figure 1).

The kaolin mineralisation previously drilled in 24 holes at the Abercorn Project in 2007 has the potential for the extraction of marketable volumes of higher-grade Al_2O_3 feedstock.

- 24 RC holes drilled - Kaolinite intersected in every hole
- Large scale mineralised system from surface
- Resource remains open in all directions
- Abercorn Kaolin has produced 99.99% Al_2O_3 (4N HPA)³
- High Grade Al_2O_3 (HPA) assay results include 33.71% Al_2O_3 ³
- Abercorn Kaolin has produced commercial grade Alum, used in water purification
- Potential low cost operation - straight forward open cut mining
- Little to no overburden and low impurities
- Main Sealed highway adjacent to the deposit
- Mains power on site - major power transmission line within 5km of site
- Large water supply nearby and within EPM
- Close to two deep water ports

Assays completed on samples of kaolin from the 2007 drilling program, indicate the -10 micron fraction consistently graded at >33% Al_2O_3 ³, representing approximately 20% of the raw ore mass. The ability to cost effectively upgrade bulk raw ore to a higher yield of Al_2O_3 via simple grain size sorting, at considerable scale, indicates the potential for developing the Project in joint venture with global end users seeking to source high grade Al_2O_3 ³.

The Abercorn Project is situated approximately 135km south of the deep-water port of Gladstone and 125km west of the deep-water port of Bundaberg in central Queensland. Both of these major ports are connected to the Abercorn Project by sealed roads. The Burnett highway bisects the tenements.

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Competent Person Statement

Statements contained in this announcement relating to historical exploration results, and current exploration results are based on, and fairly represents, information and supporting documentation prepared by Mr Graham Rolfe BSc, MSc, FAIG, RPGeo, who is a member of the Australian Institute of Geoscientists (AIG), Member No 5850. Mr Rolfe is a part-time consultant to the Company and has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the *Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012*. Mr Rolfe consents to the use of this information in this announcement in the form and context in which it appears.