

ASX RELEASE: 31 August 2020

Compelling 1.3 Kilometre Anomaly Along Strike and 2.5kms to the North of the Historic High-Grade Cosmopolitan Gold Mine

HIGHLIGHTS

- Initial results from the Drone Magnetic Survey of the DCC and Altona Trend areas have revealed a compelling 1.3-kilometre-long geophysical anomaly along strike and 2.5 kilometres to the north of the very high-grade Cosmopolitan Gold Mine.
- The historic Cosmopolitan mine produced 360,000 ounces at 15 g/t Au from surface to a depth of 320 metres.
- The 1.3-kilometre anomaly is very similar with regards to geophysical signatures and structural settings to the DCC Trend which hosts the Cosmopolitan mine, and to the known mineralised areas like Leipold, McTavish, Champion, and Altona Trends.
- The Altona Trend appears to be a “mirror image” of the DCC Trend displaying the same geophysical anomalism and structural disruption.
- The balance of the drone survey results of remaining Leipold-McTavish, Champion and E40/289 are pending and are expected to be announced shortly.
- Drilling at Kookynie Gold Project continues with a further 24 holes in the laboratory pending assay results from the current drilling activities due imminently.

Metalicity Limited (ASX: MCT) (“MCT” or “Company”) is pleased to announce the return of the drone magnetic geophysical interpretation for the DCC and Altona Trends from the Kookynie Gold Project¹ in the Eastern Goldfields, Western Australia, approximately 60 kilometres south southwest of Leonora.

¹Please refer to ASX Announcement “Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA” dated 6th May 2019 with Nex Metals Explorations Ltd, ASX:NME.

Initial results from the Drone Magnetic Survey of the DCC and Altona Trends areas have revealed a 1.3-kilometre-long geophysical anomaly along strike and 2.5 kms to the north of the historic Cosmopolitan Gold Mine. In addition, immediately north of the historical Cumberland Pit, on the northern extremity of the historical Cosmopolitan Mine, there is also an 800-metre anomaly that remains relatively untested.

The Leipold-McTavish, Champion and Fortuna-Orient Well East (E40/289) surveys are still undergoing final interpretation and checks and results are expected in the near future.

The initial results have also identified 5 targets that have similar geophysical and structural settings to known mineralised areas within the Cosmopolitan Gold Mine area. Metalicity plans to secure a second rig to test these high priority targets shortly. Furthermore, the drilling underway at Kookynie continues to advance well with 68 holes drilled to date. There are also samples from 24 drill holes at the laboratory pending analysis, the results of which are expected in the very near future.

Commenting on the target generation, Metalicity Managing Director, Jason Livingstone said:

“This is an incredibly exciting time for the Kookynie Gold project with such high tenure targets near the prolific Cosmopolitan Gold Mine wholly within granted tenure being generated from this exercise. The very similar settings of these targets bode very well for the prospectivity of the identified targets, especially uncovering a 1.3 kilometre anomaly some 2.5 kilometres north of the

Cosmopolitan Gold Mine that has an incredibly similar signature with not a single drill hole into it. This is a fantastic result and confirms our interpretation of the area, let alone the incredible prospectivity.”

The Kookynie Gold Project

The Kookynie Project is host to seven, significant prospects; Champion, McTavish, Leipold, Diamantina, Cosmopolitan and Cumberland (collectively known as the DCC Trend), and finally, the Altona Trend 1.5 kilometres east of the DCC Trend. In June and July 2020, the Company flew a drone magnetic survey over all major trends within live tenure subject to the farm-in agreement. The ultra-high-resolution geophysical survey was designed to map out lithological and structural complexities of the Kookynie Gold Project with the aim of developing targets along the untested 8 kilometres of strike potential and to gain a better understanding of the influencing structures that control mineralisation at the known prospects of Leipold, McTavish, Champion, the DCC and Altona trends. Figure One provides a general overview of the prospect locations:

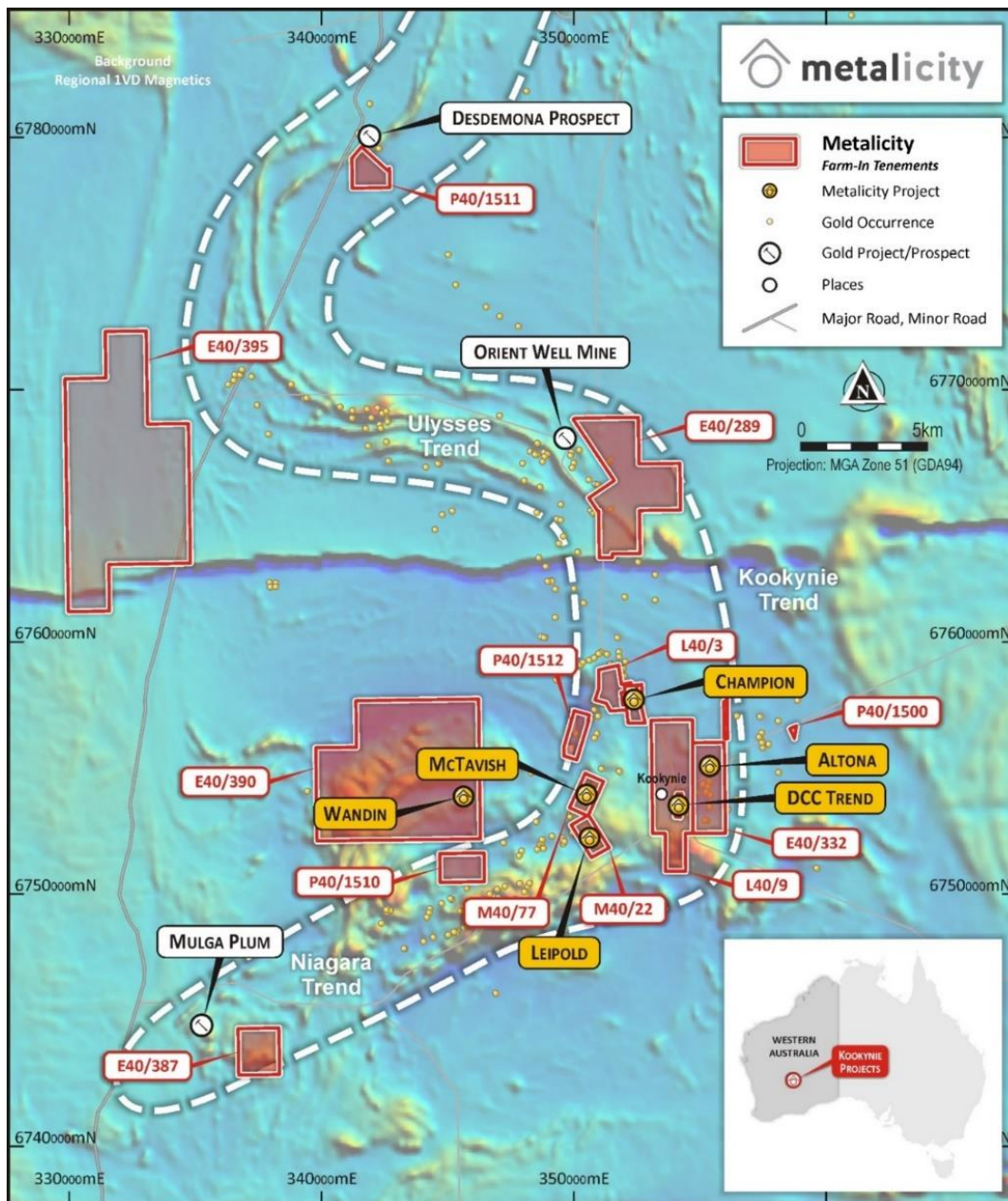


Figure 1 – Kookynie Prospect Locality Map with mineralised trends.

The Drone Magnetic Survey & Interpretation

The orientation of the drone survey flight lines was east west to ensure coverage of what we interpreted to be the main generally north south-south trending structures that host known mineralisation, with what appears to be influencing north east-south west trending structures that influence high grade pods as observed at the Cosmopolitan Gold Mine and Leipold for example.

Now, the drone survey was localised over trends identified when the Company acquired and re-processed all publicly available geophysical data from the DMIRS website – GeoView. From this re-processed geophysical data, we were able to delineate 8 kilometres of strike potential outside of the known areas of mineralisation. The Company is now armed with ultra-high-resolution magnetic data that further refines the regional data and has produced 21 high priority targets that are of a similar signature to the known prospects with “known” mineralisation. The following sections detail and discuss the results from the survey.

The DCC (Diamantina-Cosmopolitan-Cumberland) & Altona Trends

The Cosmopolitan Gold Mine between 1896 and 1922 produced 360,000 ounces at an average, life of mine head grade of 15 g/t gold. Historic channel sampling results at Cosmopolitan has indicated extraordinarily high-grade mineralisation in areas of remnant mineralisation that may still exist in developed areas of the mine. Of the 2,438 sample points presented, 110 returned assays above 100 g/t Au, 444 returned assays above 50 g/t Au and 1,046 returned assays above 20 g/t Au (please refer to ASX Announcement dated 9 June 2020 titled “*Extremely High-Grade Gold From Historical Underground Sampling At The Cosmopolitan Gold Mine*”).

The Altona area is 1.5 kilometres east of the DCC Trend and between 1900 and 1965, produced some 88.7koz from approximately 90,000 tonnes at an average grade of approximately 30 g/t Au.

The DCC and Altona Trends have very prominent geophysical signatures with clear contrast between magnetic intensities and structural disruption that indicates the controlling structures to mineralisation observed. Interestingly, the northern extents of the Cosmopolitan Gold Mine presents an incredible opportunity where two distinct zones have been identified, the most prominent is a 1.3-kilometre anomaly approximately 2.5 kilometres north of this historically prolific gold mine wholly within Mining License 40/61. This anomaly has a very similar geophysical signature that also has cross cutting, influencing structures present that are also observed at the Cosmopolitan Gold Mine. This bodes incredibly well in the fact that it is along strike from a known mineralised area, but also carries similar dispositions whereby the chance of exploration success is high. Furthermore, the Altona Trend appears to be an almost mirror image of the DCC trend with very prominent geophysical and structural discontinuities coincident with historical production centres.

Overall, by utilising a methodical approach of taking learnings from our drilling to date and observing geophysical signatures in areas of known mineralisation and extrapolating those out, the Company has identified five high priority target areas very close to significant and prolific historical production centres like Cosmopolitan and Altona.

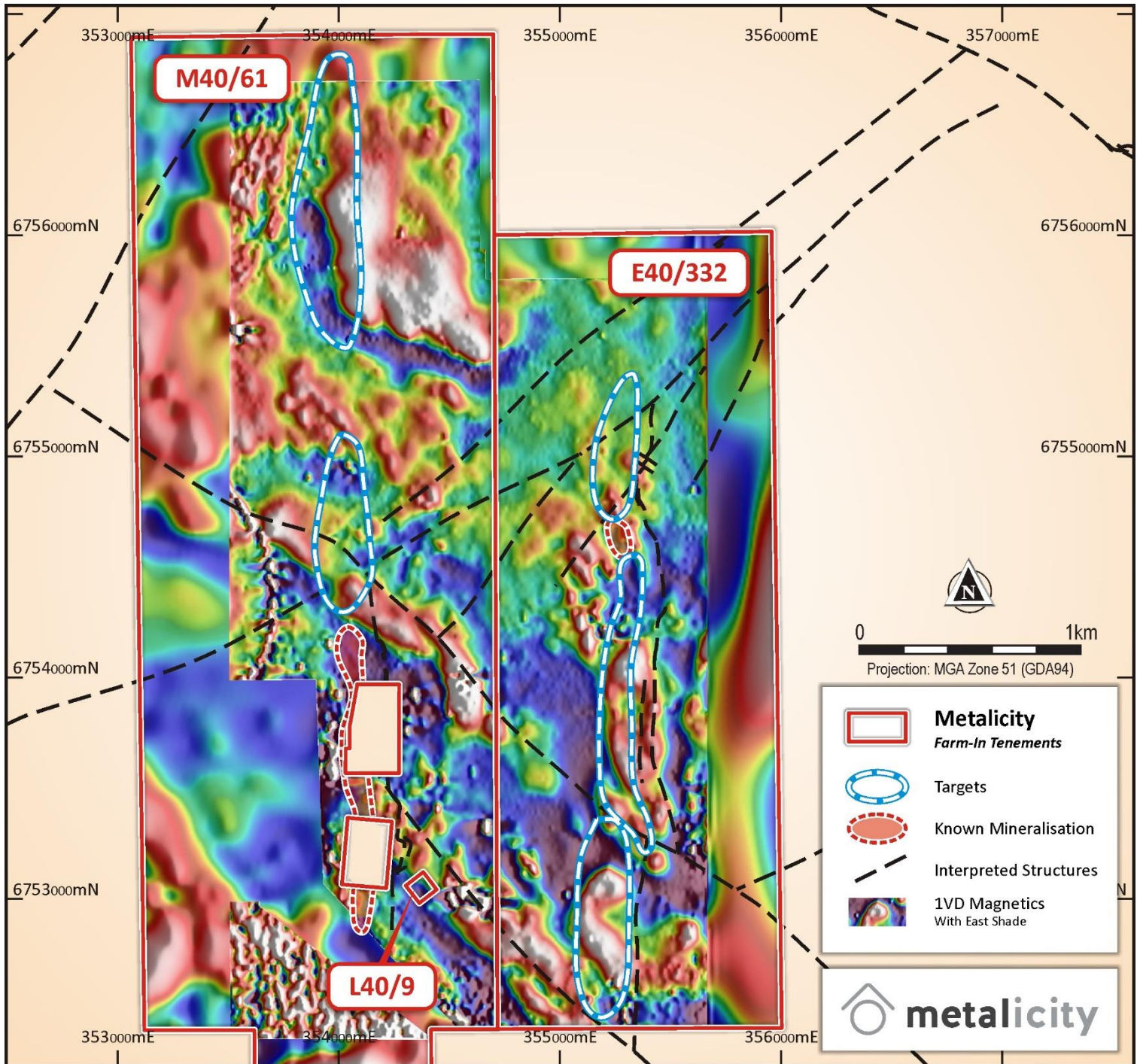


Figure 2 – The DCC & Altona Trend Imagery (1VD Magnetics – drone survey draped over regional, with east shade) with interpretation.

Summary & Plan Moving Forward

The drone magnetic survey has produced 5 high tenor targets of similar disposition to known mineralised areas of the Cosmopolitan and Altona Gold Mines within the Kookynie Gold Project. Collectively, these two mining centres within 1.5 kilometres of each other have produced nearly 450,000 ounces. The targets presented in Figure Two and the table below represent an incredible opportunity for exploration success in potentially defining repeats of the prolific and high-grade Cosmopolitan Gold Mine, let alone potentially defining remnant mineralisation with previously developed areas.

			Target Centre Point - MGA 94 Zone 51 South		
Prospect	Tenement(s)	Target Number	Easting	Northing	Strike Length (km's)
The DCC and Altona Trends	M40/61 & E40/332	1	353,929	6,756,141	1.3
		2	354,016	6,754,656	0.8
		3	355,265	6,755,032	0.6
		4	355,256	6,753,836	1.3
		5	355,212	6,752,902	0.9

Table 1 – Drill Target Summary.

Therefore, with most of the assays still pending from the current drilling, we are using this information derived from the RC drilling and pending finalisation of the balance of the high-resolution geophysics to plan further work within the targets generated from this exercise. It is intended to expand the programme of work to continue to evaluate not only the known mineralised areas like the Cosmopolitan Gold Mine where 360,000 ounces was produced historically at a head grade of 15 g/t over the life of that mine between 1896 to 1922 but to also systematically test these targets.

Project Geology

The Kookynie Project area is in the Keith-Kilkenny Tectonic Zone within the north-northwest trending Archean-aged Malcolm greenstone belt. The Keith-Kilkenny Tectonic Zone is a triangular shaped area hosting a succession of Archean mafic-ultramafic igneous and meta-sedimentary rocks. Regional magnetic data indicates the Kookynie region is bounded to the west by the north-trending Mt George Shear, the Keith-Kilkenny Shear Zone to the east and the Mulliberry Granitoid Complex to the south.

There are several styles of gold mineralisation identified in the Kookynie region. The largest system discovered to date is the high-grade mineralisation mined at the Admiral/Butterfly area, Desdemona area and Kookynie (Niagara) areas. The gold mineralisation is associated with pyritic quartz veins hosted within north to northeast dipping structures cross-cutting 'favourable' lithologies which can also extend into shears along geological contacts. Gold mineralisation at Kookynie tends to be preferentially concentrated in magnetite dominated granitic fractions of the overall granite plutons observed within the Kookynie area.

This Announcement is approved by Jason Livingstone, Managing Director & CEO of Metalicity Limited.

ENQUIRIES

Investors

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Metalicity confirms that the Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of "exploration results" that all material assumptions and technical parameters underpinning the "exploration results" in the relevant announcements referenced apply and have not materially changed.

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. 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.

Note

This Announcement is designed to also supplement for Nex Metals Exploration as it relates to our farm-in agreement as announced on the 6th May 2019 titled "*Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA*".

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 One – JORC Code, 2012 Edition – Table 1

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Please refer to the tenement column below to where the targets were listed in Table One in the body of the announcement. Nex Metals Explorations Ltd holds the tenure in question. Metalicity is currently performing an earn in option as part of our farm in agreement (please refer to ASX Announcement “Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA” dated 6th May 2019). No impediments exist to obtaining a license to operate over the listed tenure.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Nex Metals Explorations Ltd have done a great job of collating the historical drilling completed over the previous 30 years. The historical work completed requires further field verification via re-down hole surveying (if possible) of drill holes beyond 60 metres depth – it appears below this depth; hole deviation becomes a factor in establishing the location of mineralisation in 3D. Furthermore, collar pickups require verification. All laboratory certificates for the assays on file are collated, only recommendation is possibly more duplicate information in mineralised zones.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Kookynie: <ul style="list-style-type: none"> The project area is in the Keith-Kilkenny Tectonic Zone within the north-northwest trending Archean-aged Malcolm greenstone belt. The Keith-Kilkenny Tectonic Zone is a triangular shaped area hosting a succession of Archean mafic-ultramafic igneous and meta-sedimentary rocks. Regional magnetic data indicates the Kookynie region is bounded to the west by the north-trending Mt George Shear, the Keith-Kilkenny Shear Zone to the east and the Mulliberry Granitoid Complex to the south. There are several styles of gold mineralisation identified in the Kookynie region. The largest system discovered to date is the high-grade mineralisation mined at the Admiral/Butterfly area, Desdemona area and Niagara area. The gold mineralisation is associated with pyritic quartz veins hosted within north to northeast dipping structures

		cross-cutting 'favourable' lithologies which can also extend into shears along geological contacts. Gold mineralisation tends to be preferentially concentrated in differentiated dolerite sills associated with pyrite/carbonate/silica/sericite wall rock alteration.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ 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 ○ 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. 	<ul style="list-style-type: none"> • No new drilling information is discussed in this announcement; however, the following ASX Announcements are referenced: • ASX Announcement “Metalicity Reports Drill Hole Intercepts Up To 80 g/t Au & Additional Tenement Acquisition for Kookynie” dated 21 January 2020, ASX Announcement “Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project” dated 25 June 2020, ASX Announcement “Metalicity Continues to Deliver Excellent Drill Hole Results for the Kookynie Gold Project” dated 2 July 2020, ASX Announcement “Metalicity Delivers More Outstanding Drill Hole Results for the Kookynie Gold Project. Phase Two Drilling to Commence Imminently” dated 10 July 2020 & ASX Announcement “Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project” dated 25 August 2020. • Furthermore, historical channel sampling is also referenced from ASX Announcement dated 9 June 2020 titled “Extremely High-Grade Gold From Historical Underground Sampling At The Cosmopolitan Gold Mine”.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • All intercepts discussed have been calculated using the weighted average method but are based on 1 metre samples from RC drilling. Specific intervals within an interval have been described as part of the overall intercept statement. • Intercepts were calculated based on a sample returning an assay value of greater than 1 g/t Au over an interval greater than 1 metre, but not including any more than 1 metre of internal material that graded less than 1 g/t Au. Intervals were based on geology and no top cut off was applied. • No metal equivalents are discussed or reported. • No new drill hole intercepts are published in this announcement, and where drill hole intercepts are discussed, the ASX Announcement that originally detailed the intercept has been referenced.
<i>Relationship between mineralisation widths and</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • No new drill hole intercepts are published in this announcement, and where drill hole intercepts are discussed, the ASX Announcement that originally detailed the intercept has been referenced. • Given the shallow dipping nature (approximately -45° on average) of the

<p><i>intercept lengths</i></p>	<ul style="list-style-type: none"> ● <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<p>mineralisation observed at Kookynie, the nominal drilling inclination of -60° lends to close to truth width intercepts.</p> <ul style="list-style-type: none"> ● However, cross cutting structures within the hanging wall and footwall are noted and may influence the results.
<p><i>Diagrams</i></p>	<ul style="list-style-type: none"> ● <i>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.</i> 	<ul style="list-style-type: none"> ● Please see main body of the announcement for the relevant figures.
<p><i>Balanced reporting</i></p>	<ul style="list-style-type: none"> ● <i>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.</i> 	<ul style="list-style-type: none"> ● The Announcement above details the interpretation of a ultra-high-resolution drone magnetic survey, re-processed publicly available geophysical data coupled with observations from drilling and fact mapping over the tenure in question. The objective of this announcement is to briefly summarise previous work completed and its application towards the interpretation of remote sensed data in an effort to generate drill targets. ● All previous information has been referenced accordingly and “<i>Metalicity confirms that the Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of “exploration results” that all material assumptions and technical parameters underpinning the “exploration results” in the relevant announcements referenced apply and have not materially changed.</i>” ● Therefore, the intent of this announcement is to demonstrate, based on previous collated and collected data, in light of new data being acquired from detailed geophysical survey has highlighted numerous geophysical anomalies that are analogous to known mineralised centres. ● The drone magnetic survey was flown on 25 metre spaced lines orientated east west at a mean terrain clearance height of 24 metres. ● The publicly available geophysical data had the following data sets contributing towards the re-processed and combined imagery: <ul style="list-style-type: none"> ● Survey Name – Kookynie (70867) , line spacing 50 metres, mean terrain clearance height of 40 metres orientated north south, ● Survey Name - Wandarie Well (53683), line spacing 65 metres, mean terrain height of 20 metres orientated east west.

		<ul style="list-style-type: none"> • Survey Name - Menzies North (P1260), line spacing 100 metres, mean terrain height of 50 metres orientated east west, & • Survey name – Edjudina (P580), line spacing 400 metres, mean terrain height of 100 metres orientated east west.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • The area has had significant historical production recorded and is accessible via the MINEDEX database. • All stated mineral resources for the Kookynie Gold Project is pre-JORC 2012. Considerable work around bulk density, QAQC, down hole surveys and metallurgy, coupled with the planned drilling will be required to ensure compliance with JORC 2012 guidelines. • Regional, broad spaced geophysical data is available publicly from the DMIRS – GeoView website and has been collected and reprocessed accordingly using standard algorithms for such data set types.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Metalicity intends to drill the known and extend the mineralised occurrences within the Kookynie and Yundramindra Projects. The Yundramindra Project is currently under the plaint process, however Metalicity believes that Nex Metals is well advanced in defending those claims. The drilling will be designed to validate historical drilling with a view to making maiden JORC 2012 Mineral Resource Estimate statements. Metalicity has made the aspirational statement of developing “significant resource and reserve base on which to commence a sustainable mining operation focusing on grade and margin”. • Diagrams pertinent to the area’s in question are supplied in the body of this announcement.