

ASX RELEASE: 14 DECEMBER 2017

NEW LITHIUM TARGETS IDENTIFIED AT PILGANGOORA

- ▶ Comprehensive review of Metalicity's lithium exploration projects in the Pilbara region by lithium experts at CSA Global, has identified new target areas that have not been previously identified nor systematically explored
- ▶ At Pilgangoora North new high priority target area identified and prioritised for further exploration
- ▶ At Wodgina South new priority target area identified and prioritised for further exploration
- ▶ Thorough mapping, rock chip and bulk sampling program to commence in the March Q 2018
- ▶ Field visit completed in conjunction with one of Asia's largest mineral resource groups and one of the worlds biggest lithium ion battery groups to evaluate lithium potential at Pilgangoora North and Wodgina South

Metalicity Limited (**ASX:MCT**) ("**MCT**" or "**Company**") is pleased to report that following the appointment of CSA to undertake a comprehensive review of the Company's lithium exploration projects in the Pilbara, including the 100% owned Pilgangoora North and Wodgina South projects, new high priority targets have been defined and prioritised for future exploration and potentially drilling.

The Pilgangoora North project adjoins the world class Pilgangoora Deposit of Pilbara Minerals Limited (ASX:PLS) and was acquired from Fortescue Metals Group (ASX:FMG), a shareholder of Metalicity. Preliminary mapping, satellite imagery and rock ship sampling has defined a series of pegmatites over a 10km trend. The Wodgina South project was acquired by the company via systematic project generation, where preliminary mapping, satellite imagery and rock ship sampling has defined a series of pegmatites over a 5km trend.

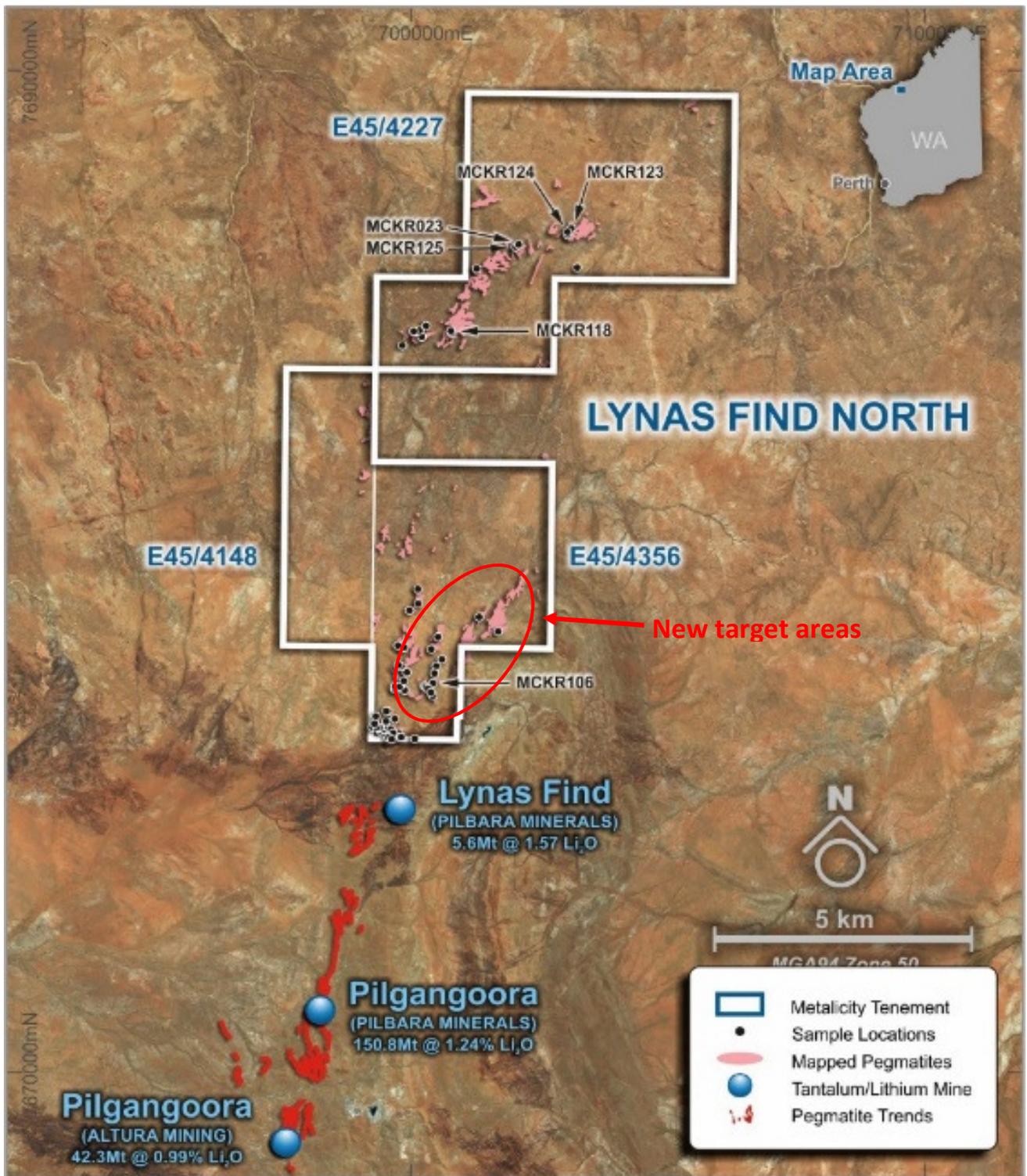
The review by CSA Global included a comprehensive compilation and assessment of data sets not previously used. CSA Global concluded that the projects have not been systematically explored to date; however, they are considered prospective for rare element and lithium-bearing pegmatites. Systematic field mapping, rock sampling and geochemical analysis is required to define fertile granites and fractionation trends that could point towards further lithium-bearing pegmatite targets. Based on work done to date, and CSA Global's review of the regional setting, one higher priority target area has been selected for Pilgangoora North and for Wodgina South.

At Pilgangoora North the high priority target covers an area of approximately 4km X 2km (8km²), while the Wodgina South high priority target area covers 2km X 1km (2km²). Both targets have been selected based on the preliminary assessment of pegmatite sampling to date and evidence for higher fractionation in pegmatites in these area's. In addition, Geoscience Australia regional potassium the radiometric data indicates that the "Pilgangoora" greenstone belt possibly extends through the Pilgangoora North project, while the "Wodgina" greenstone belt is interpreted to extend through the Wodgina South project.

Key recommendations for future work at the newly identified targets at both Pilgangoora North and Wodgina South include additional field mapping of the interpreted and confirmed pegmatites and collect bulk pegmatite samples, and, samples of blocky K-feldspar and muscovite, to obtain additional fractionation and mineralisation data.

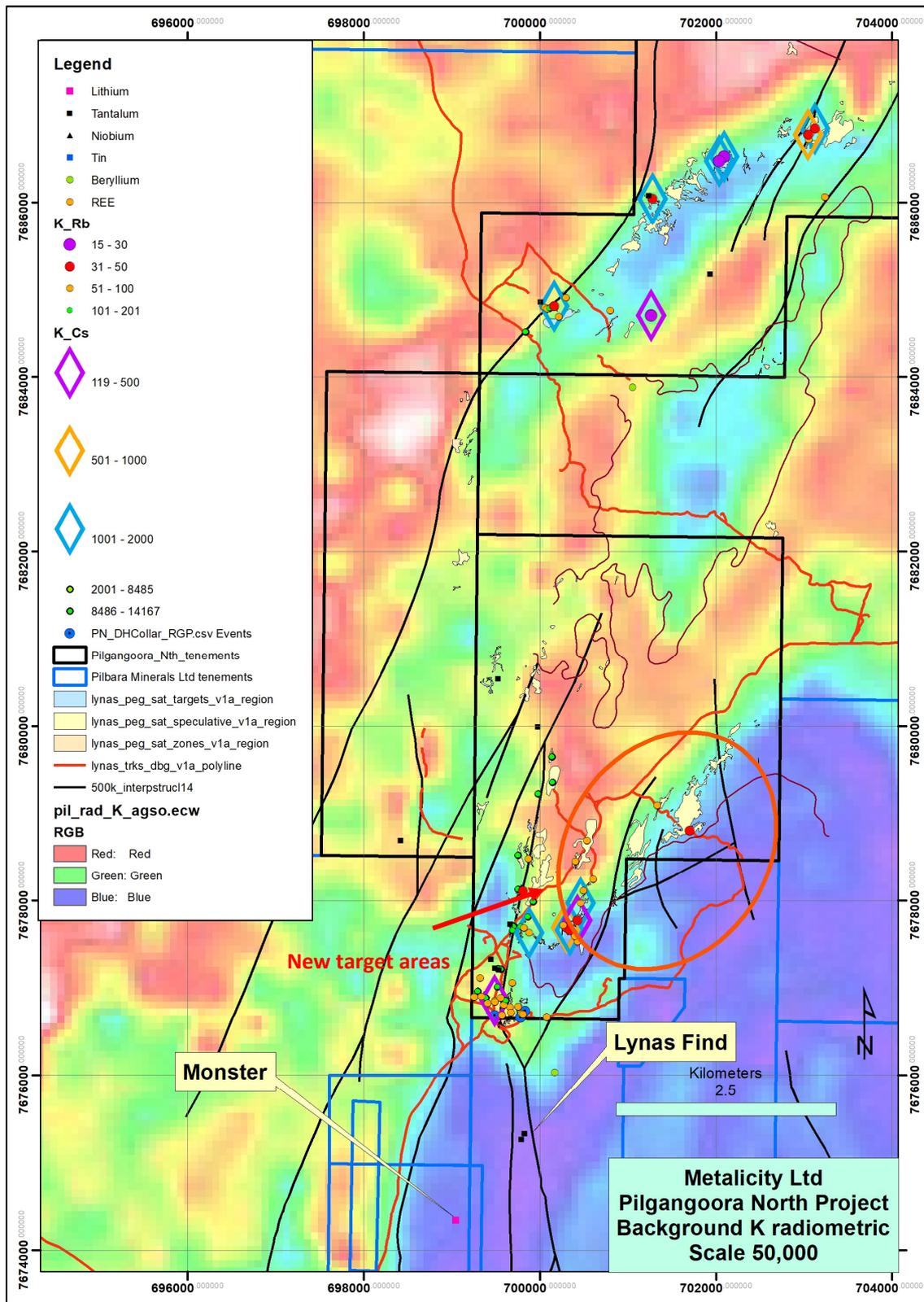
The CSA Global review included a field visit to both Pilgangoora North and Wodgina South in conjunction with one of Asia's largest mineral resource groups and one of the worlds biggest Lithium-ion battery producers, where discussions are underway regarding future cooperation. Exploration is scheduled to commence in the March Quarter with CSA Global appointed to undertake the recommended work program.

Figure 1: Pilgangoora North mapped pegmatites



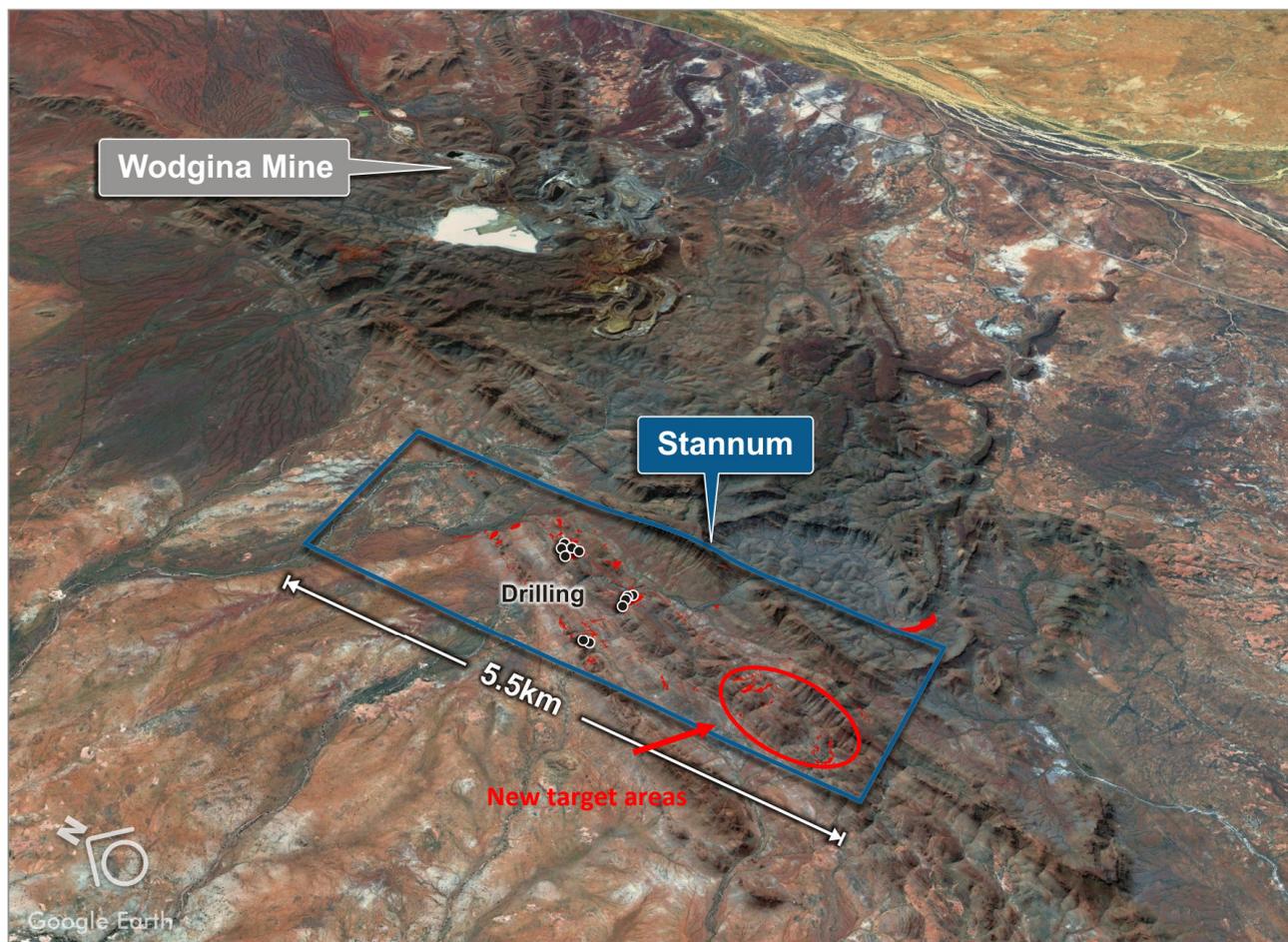
Source: Metallicity

Figure 2: Pilgangoora North new target area



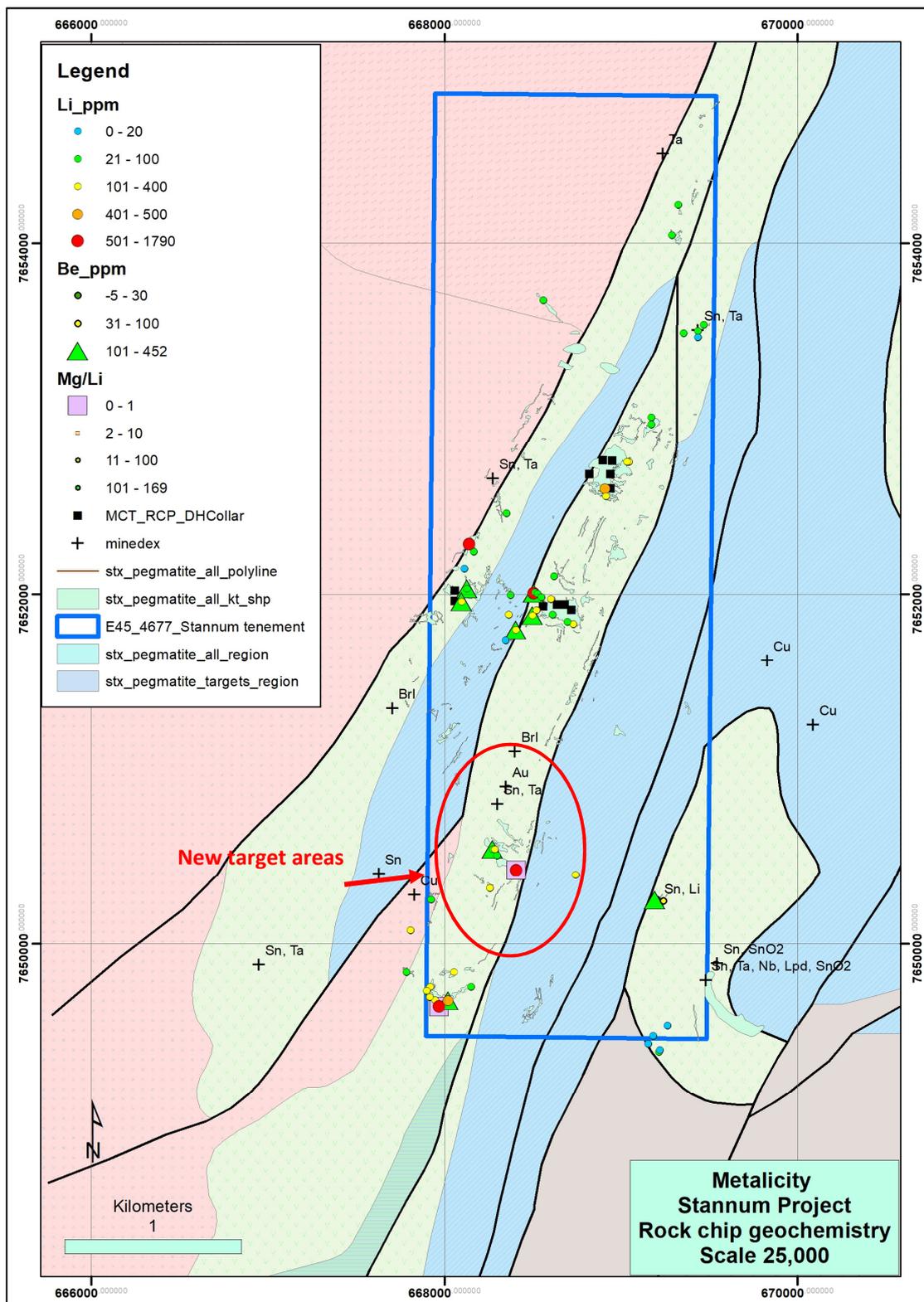
Source: Metalicity

Figure 3: Wodgina South (Stannum) mapped pegmatites



Source: Metalicity

Figure 4: Wodgina South (Stannum) new target area



Source: Metalicity

ENQUIRIES

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About Metalicity Limited

Metalicity Limited is an Australian exploration company with a primary focus on the base metals sector and the development of the world class Admiral Bay Zinc Project, and exploration of the Lennard Shelf Zinc Project, both located in the north west of Australia. The Company is currently undertaking a Pre-Feasibility Study (PFS) on Admiral Bay and preparing for an extensive drilling program at Lennard Shelf. The Company's secondary focus is the lithium and cobalt sector with the addition of several lithium and cobalt projects where early stage exploration has commenced. The Company is supported by a management team with significant collective experience in the resources sector as well as international private equity, institutional and retail funds.

Competent Person Statement

The information in this report that relates to 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.