

ASX RELEASE: 11 SEPTEMBER 2018

KIMBERLEY MINING TSX-V LISTING UPDATE

HIGHLIGHTS

- Sale of the Admiral Bay Zinc Project and the Lennard Shelf Zinc Projects to Canadian subsidiary, Kimberley Mining Limited, successfully completed
- First cash payment of C\$500,000 (A\$531,436) received
- Total cash payments of up to C\$12,500,000 (A\$13.28M) to be received, as well as planned equity holding valued up to C\$20M, total C\$32.5M (A\$34.6M) subject to successful completion of IPO
- First tranche of C\$2M Seed capital raising successfully completed
- Kimberley Mining Limited prospectus being finalised with proposed TSX-V listing expected for the December Quarter 2018

Metalicity Limited (ASX:MCT) ("**MCT**" or "**Company**") is pleased to confirm that it has completed the sale of its Admiral Bay Zinc Project and Lennard Shelf Zinc Projects to its newly created Canadian subsidiary, Kimberley Mining Limited ("**KML**" or "**Kimberley Mining**") and has received the first cash payment related to the transaction of C\$500,000 (A\$531,436) of a total of up to C\$12.5M cash (A\$13.28M), subject to successful completion of the initial public offering ("**IPO**") of KML and certain milestones (see ASX:MCT 29/05/18).

The proposed IPO and TSX-V listing of KML and associated sale of the Company's zinc projects was approved by the Company's shareholders at a general meeting held on 27 July 2018.

The Company is also pleased to announce, further to its ASX announcement dated 10 July 2018, that KML has closed the first tranche of its C\$2M seed capital raising. KML has elected to separate the seed capital raising into two separate tranches, with the second and final tranche expected to close within the next two weeks.

Funds raised under the KML seed capital raising will be allocated towards funding the proposed IPO and TSX-V listing of KML. KML's IPO prospectus is expected to be completed and lodged shortly and MCT and KML will now focus efforts on listing KML on the TSX-V which is expected to take place in the December Quarter 2018.

Commenting on the transaction, Metalicity Managing Director Matt Gauci said:

"Completion of the sale of our zinc projects and receipt of the first C\$500,000 cash payment (of a total of up to C\$12.5M cash payments) is an important milestone for the transaction. The successful seed capital raising is also a strong indication of demand from predominantly North American strategic, institutional and HNI investors for the planned IPO of KML which is expected to take place in the December Quarter 2018.

Metalicity would like to thank its advisors to the transaction Haywood Securities, Eight Capital, Steinepreis Paganin, Cassels Brock, as well as the Company's zinc project stakeholders, Resource Capital Funds (RCF), Orion Mine Finance (Orion), Lennard Shelf Pty Ltd (Teck Resources and Glencore) and Meridian (Lennard Shelf Project) Pty Ltd, for their efforts in completing the transaction in a timely manner."

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 a pipeline of zinc projects including the large-scale Admiral Bay Zinc Project and the high-grade Napier Range Zinc Project, both located in the Kimberley region of Western Australia. The Company's secondary focus is the battery metals (lithium, cobalt and graphite) sector with exploration projects located in existing world class and/or emerging districts for lithium, cobalt and graphite. The Company is supported by a management team with significant collective experience in the resources sector as well as private equity, institutional and retail funds.