

September 2023 Quarterly Activities Report – Metalicity Limited

CORPORATE

- On 29 September 2023, the Company announced that it had executed a terms sheet (Terms Sheet) with Nex Metals Explorations Ltd (NME) regarding the Kookynie and Yundamindra Joint Venture (JV) and the settlement of all disputes between the parties (Disputes)¹.
- On completion of the matters set out in the Term Sheet, MCT will hold an 80% interest in the JV (currently 51%) with NME retaining the remaining 20%, with both parties to contribute to future expenditure in accordance with their respective interests (or be diluted), and NME will acquire 100% of certain non-core prospecting licences along with the tailing rights under formal terms. MCT will remain the manager of the JV.
- After the end of the quarter, on 19 October 2023, the Company announced that it had received firm commitments for a placement of 700 million new fully paid ordinary shares (Shares) in the Company at an issue price of \$0.002 per Share, together with 1 for 2 free attaching options exercisable at \$0.003 with a 2-year expiry (Options), to raise gross proceeds of \$1.4m (Placement).
- As part of the Placement, the Company's Directors have agreed to invest a total of up to \$370,000 into Metalicity (Director Placement) in a further show of support and confidence in the direction of the Company.

EXPLORATION ACTIVITIES

- Exploration activities focussed on the Mt Surprise and Georgetown Projects in Far North West Queensland during the quarter.
- Exploration conducted included rock chip sampling and field reconnaissance mapping following up on previous successful soil and rock chip exploration results as well as investigating new priority targets identified from the May 2023 geophysics review^{2,3,4}.
- Rock chip sampling from the recent field program has returned impressive results of a potential polymetallic mineralised system emerging at the Mt Surprise Project⁵.
- Initial exploration of EPM28653, a successful addition to the Mt Surprise project, has identified a highly mineralised multi-element gossan⁴.
- Significant results returned from two newly identified targets include (but not limited to)⁴:
 - 9.45% Cu, 112g/t Ag, 16.25% Sn
 - 9.15% Cu, 382g/t Ag, 8.22% Sn
 - 4.27% Cu, 614g/t Ag

¹ Please refer to ASX announcement "MCT moves to 80% interest in Kookynie JV" dated 29 September 2023.

² Please refer ASX announcement "Multiple New Priority Exploration Targets Identified at Mt Surprise" dated 15 May 2023

³ Please refer ASX announcement "Soil Sampling Confirms and Extends Significant Copper and Base Metal Mineralisation" dated 3 May 2023

⁴ Please refer ASX announcement "High Grade Copper Results from Outcropping Gossan Rock Chips at Mt Surprise" dated 14 November 2022.

⁵ Please refer ASX announcement "Significant New Mineralisation Identified at Mt Surprise" dated 20 September 2023.

Metalicity Limited (ASX: MCT) (“Metalicity” or “Company”) is pleased to provide the Quarterly Activities Report for the period ending 30th September 2023.

Commenting on the Quarter, Metalicity Managing Director, Justin Barton said:

“The September quarter has been a significant step forward for the Company, with the execution of a Terms Sheet with our JV partner regarding the Kookynie and Yundamindra Joint Venture, which amongst other things increases our interest in the JV to 80% and settles all disputes between the parties. This agreement will enable Metalicity to accelerate the development of these highly prospective and high-grade projects. Meanwhile, our Mt Surprise project continues to deliver encouraging results, with further significant Cu mineralization identified from our recent exploration program.”

Mt Surprise and Georgetown Projects – Quarterly Activities

Mt Surprise Project

In June 2023, the Company undertook a field program to ground truth and test a number of exploration targets generated by the geophysical survey data review within the large central corridor of interest/prospectivity at the Mt Surprise Project area¹. A significant area of heavily mineralised gossan within EPM28653 was identified 2.5km south along trend from the Copper Cap prospect (Figure 1). Located in the saddle of two prominent hills, this gossanous area over 50m in length and up to 7m wide in places with minor historical excavations present had visual copper minerals (azurite and malachite) similar to Copper Cap.

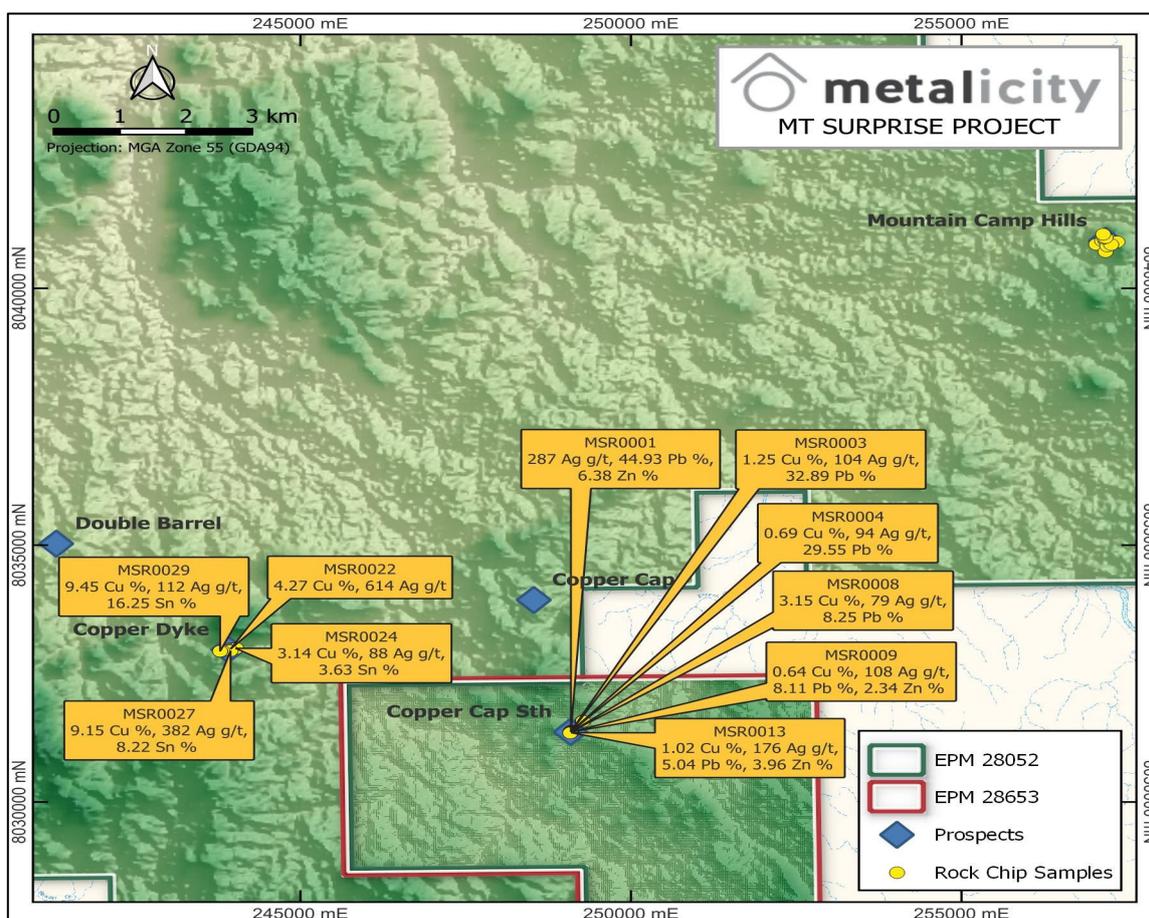


Figure 1. Location of rock chip samples within Mt Surprise Project with details of significant results.

Additional mineralisation and surface oxidation was observed 300m northeast along trend from the main mineralised gossan, supporting a potential north-south oriented mineralised trend up to 3-4km in length.

A second zone of copper mineralisation was identified approximately 5km to the west of the Copper Cap mineralised trend consisting of a highly silicified east-west oriented vein up to 1.5m wide in sections and had a strike length of over 250m with extensive copper mineralisation (azurite and malachite) (Figure 1). Located along the extent of the vein were some minor historical excavations where very high-grade mineralisation was extracted in small trenches and a shaft up to 4m in depth, 2m wide and 3m long (Figure 2).



Figure 2. Visible copper mineralisation at Copper Dyke (azurite and malachite) hosted within siliceous vein. Inset shows a hand specimen of copper mineralisation (malachite) hosted in siliceous veining.

Several rock chip samples yielded significant results for copper and surprisingly significant assay results for tin (Sn) were also reported. The Copper Dyke vein is within 500m of a large granite intrusion to the south which also hosts reported historic instances of tin up to 5km south. The presence of tin along with copper within the vein is encouraging and indicates the Mt Surprise Project is potentially part of a highly varied poly-metallic mineralised system with exceptional potential.

The Mt Surprise Project consists of two granted exploration permits EPM28052 and EPM28653 covering a large area approximately 165km from the city of Cairns, Queensland (Figure 3).

Georgetown Project

Metalicity also conducted preliminary reconnaissance exploration over the extensive ground within EPM 28121 of the Georgetown Project located 50km west of Mt Surprise (Figure 3). EPM28121 covers an area over 90km in length from one end to the other with limited access and substantial vegetation cover making on ground exploration challenging. Metalicity identified several previously mapped pegmatites within close proximity to a larger granite body or within the granite itself at the contact with older Einasliegh Metamorphics

These pegmatites were mapped and sampled, however none returned with any anomalous results for lithium or other associated mineralisation. Further investigation will be undertaken in the south western areas of EPM 28121 closer to the central mining district of the Georgetown/Forsayth area which will become the focus of future exploration activities for Metalicity.

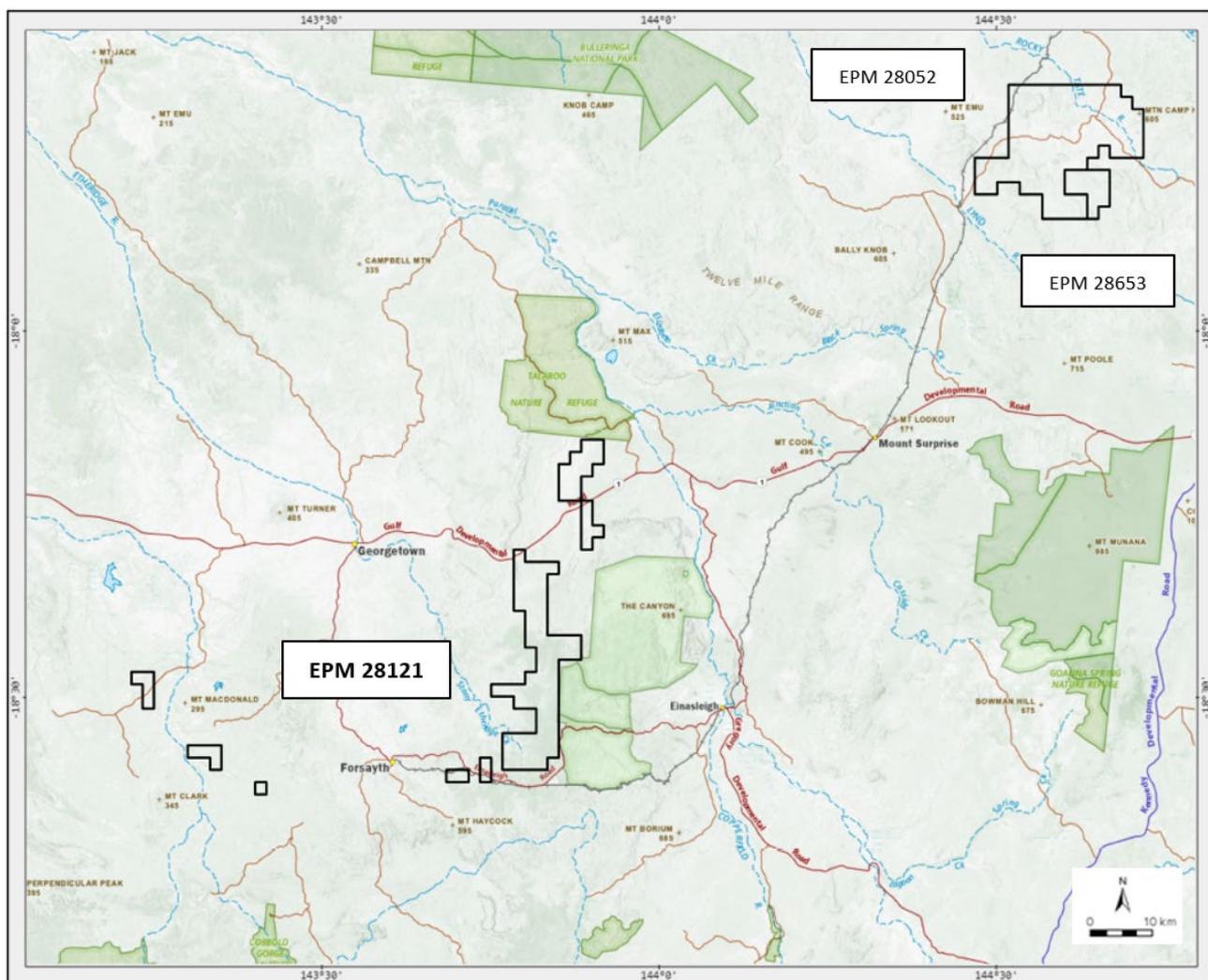


Figure 3. Granted Mt Surprise project exploration permits EPM 28052 and EPM 28653, Georgetown project EPM 28121 Locality Map.

The Georgetown Project is a large tenement area located 70km southwest of the Mt Surprise Project and both are serviced by excellent infrastructure in the area and easy access (Figure 3). The regional area of the Georgetown Project is a highly mineralised and structurally favorable system which includes numerous mineral occurrences of precious and base metals as well as occurrences of battery minerals including copper, lithium and tantalum.

Kookynie and Yundamindra Gold Projects

Metalicity has continued to actively develop the Kookynie and Yundamindra Gold Projects, located in the Goldfields district of Western Australia. These projects comprise the Kookynie & Yundamindra JV with NME. The Kookynie Project, which is located approximately 60 km south of Leonora is host to seven large-producing historical mines: Champion, McTavish, Leipold, Altona, Diamantina, Cosmopolitan and Cumberland (Figure 4).

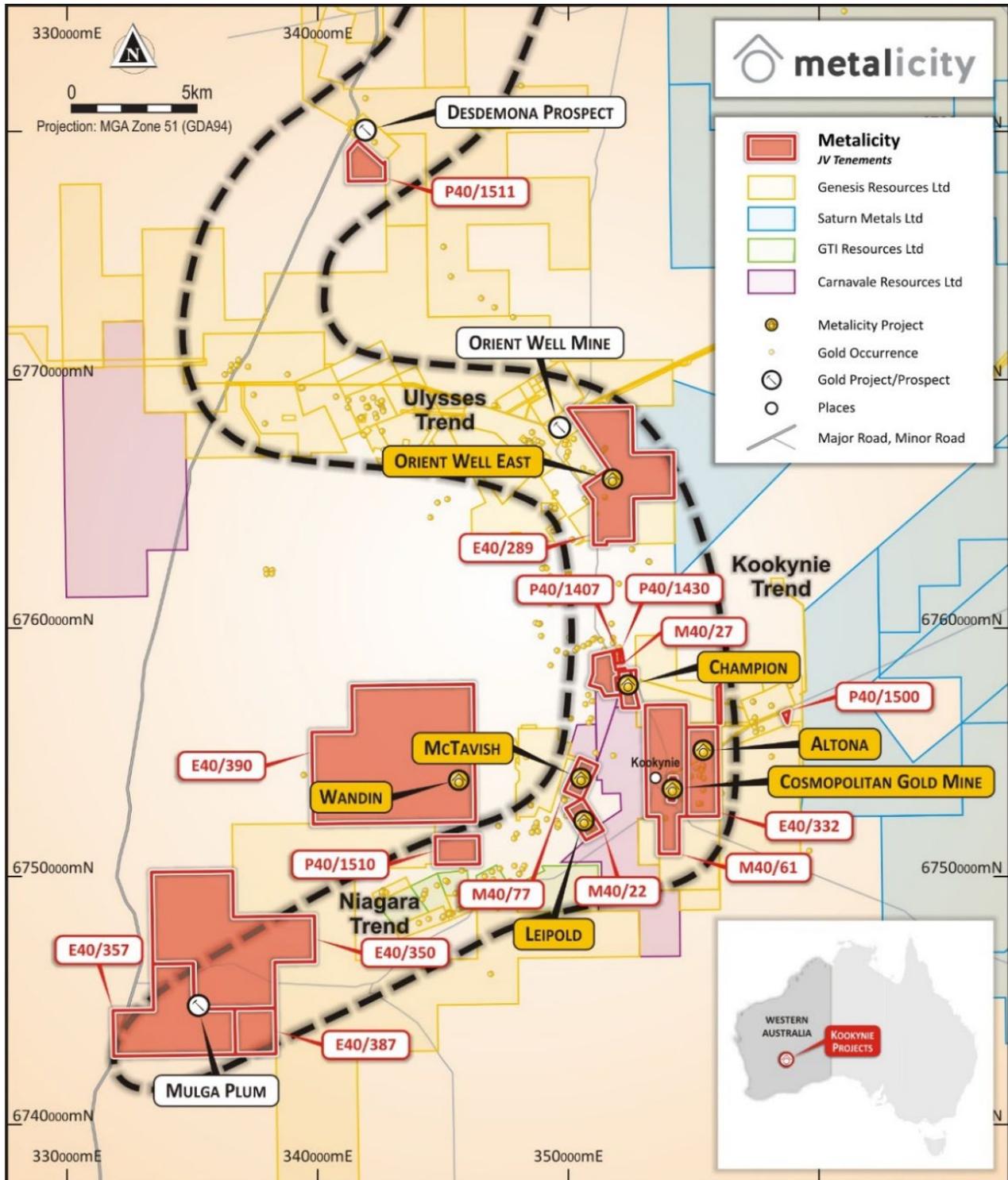


Figure 4. Kookynie Prospect Locality Map with mineralised trends.

Metalicity is seeking to recommence and accelerate detailed exploration and drilling at the Kookynie Gold Project in the next quarter following the positive resolution of our JV matters with NME. The planned exploration activities will initially focus on the underexplored, but highly prospective Mulga Plum and Wandin tenements.

Yundamindra tenure currently remains under plaintiff, whilst the JV awaits the findings of the Warden's Court plaintiff hearing, which concluded on 10 July 2023. Extensive exploration is planned at the Yundamindra Gold Project pending the outcome of the Wardens Court hearing.

Kimberley Mining Limited – Admiral Bay (circa 80.3% holding)

The Admiral Bay asset is on care and maintenance, whilst the Company continues to explore divestment opportunities.

Corporate and Financial

On 29 September 2023, the Company announced that it had executed a terms sheet (**Term Sheet**) with Nex Metals Exploration Ltd (**NME**) regarding the Kookynie and Yundamindra Joint Venture (**JV**) and the settlement of all disputes between the parties (**Disputes**)⁵.

On completion of the matters set out in the Term Sheet, MCT will hold an 80% interest in the JV (currently 51%) with NME retaining the remaining 20%, with both parties to contribute to future expenditure in accordance with their respective interests (or be diluted), and NME will acquire 100% of certain non-core prospecting licences along with the tailing rights under formal terms. MCT will remain the manager of the JV.

In respect of the Disputes, it has been agreed that on completion of the matters set out in the Terms Sheet, Metalicity and NME:

- (a) agree and acknowledge that any claim that they may have against the other party (and their related parties) in relation to the Disputes will have been settled in full; and
- (b) unconditionally and irrevocably releases and discharges the other party (and their related parties) from all future obligations and claims under, in relation to or in connection with the Disputes.

Following quarter end, on 19 October 2023, the Company announced that it had received firm commitments for a placement of 700 million fully paid ordinary shares in the Company at an issue price of \$0.002 per share, together with 1 for 2 free attaching options exercisable at \$0.003 with a 2-year expiry, to raise gross proceeds of \$1.4 million⁶.

As part of the Placement, the Company Directors have agreed, subject to shareholder approval, to invest up to \$370,000 into Metalicity in a further show of support and confidence in the direction of the Company. In addition, the Company's Directors have also agreed, subject to shareholder approval, to convert a total of \$122,936 of accrued Director fees on the same terms as the Placement.

The first tranche of the Placement, of \$1.03m was completed on 26 October 2023.

The Company had \$0.083m cash on hand at 30 September 2023. Exploration expenditure during the quarter was approx. \$280,000. Full details of exploration activities during the September quarter are contained within this report. Payments to related parties of the Company and their associates during the quarter was approx. \$15,000, representing Director Fees, PAYG and superannuation in accordance with the Director remuneration packages. Directors continued to accrue a large portion of their salary during the September quarter.

⁶ Please refer to ASX announcement “\$1.4m Placement to Accelerate Gold Projects” dated 19 October 2023.

This Announcement is approved by the Board of Metalicity Limited.

ENQUIRIES

Investors

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Information in this report that relates Exploration Results has been summarised from previous announcements, as referenced. 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.

Note

This Announcement is designed to also supplement for Nex Metals Explorations as it relates to our joint venture agreement as announced “*Metalicity Achieves Earn-In On The Kookynie & Yundamindra Gold Projects*” dated 20th May 2021 with Nex Metals Explorations Ltd, ASX:NME.

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.

Tenement Schedule

Please Note all Kookynie and Yundamindra Tenements will be 51% MCT and 49% Nex Metals as per ASX Announcement “Metalicity Achieves Earn-In On The Kookynie & Yundamindra Gold Projects” dated 20 May 2021 with Nex Metals Explorations Ltd, ASX:NME.

| Tenement | Registered Holder | Shares Held | Plainted | Status | Area (ha) | Nature of Interest | Interest |
|--------------------------|---------------------------------|---------------|----------|--------|-----------|--------------------|------------------|
| Kookynie | | | | | | | |
| P40/1331 | KYM Mining Limited | 100/100 | No | Live | 161.2 | Direct Holding | 51% ¹ |
| E40/390 | KYM Mining Limited | 100/100 | No | Live | 3,300.0 | Direct Holding | 51% ¹ |
| E40/350 | KYM Mining Limited | 100/100 | No | Live | 2,394.0 | Direct Holding | 51% ¹ |
| E40/357 | KYM Mining Limited | 100/100 | No | Live | 1,194.0 | Direct Holding | 51% ¹ |
| P40/1407 | KYM Mining Limited | 100/100 | No | Live | 10.0 | Direct Holding | 51% ¹ |
| P40/1430 | KYM Mining Limited | 100/100 | No | Live | 9.9 | Direct Holding | 51% ¹ |
| P40/1510 | Metalicity Limited | 100/100 | No | Live | 185.0 | Direct Holding | 51% ¹ |
| P40/1511 | Metalicity Limited | 100/100 | No | Live | 176.7 | Direct Holding | 51% ¹ |
| E40/387 | Metalicity Limited | 100/100 | No | Live | 299.0 | Direct Holding | 51% ¹ |
| G40/3 | Nex Metals Explorations Limited | 100/100 | No | Live | 7.2 | Earnt In | 51% ¹ |
| L40/9 | Nex Metals Explorations Limited | 100/100 | No | Live | 1.0 | Earnt In | 51% ¹ |
| E40/332 | Nex Metals Explorations Limited | 100/100 | No | Live | 600.0 | Earnt In | 51% ¹ |
| M40/22 | Nex Metals Explorations Limited | 100/100 | No | Live | 121.7 | Earnt In | 51% ¹ |
| M40/27 | Nex Metals Explorations Limited | 100/100 | No | Live | 85.5 | Earnt In | 51% ¹ |
| M40/61 | Nex Metals Explorations Limited | 100/100 | No | Live | 832.7 | Earnt In | 51% ¹ |
| M40/77 | Nex Metals Explorations Limited | 90,405/90,405 | No | Live | 119.2 | Earnt In | 51% ¹ |
| P40/1499 | Nex Metals Explorations Limited | 100/100 | No | Live | 8.3 | Earnt In | 51% ¹ |
| P40/1500 | Nex Metals Explorations Limited | 100/100 | No | Live | 5.9 | Earnt In | 51% ¹ |
| P40/1501 | Nex Metals Explorations Limited | 100/100 | No | Live | 21.1 | Earnt In | 51% ¹ |
| E40/289 | Paris Enterprises Pty Ltd | 100/100 | No | Live | 1,222.7 | Earnt In | 51% ¹ |
| Kookynie Total Area (ha) | | | | | 10,861.9 | | |
| Yundamindra | | | | | | | |
| L39/34 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 1.0 | Earnt In | 51% ¹ |
| L39/52 | Nex Metals Explorations Limited | 96/96 | Yes | Live | 1.0 | Earnt In | 51% ¹ |
| L39/258 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 3.2 | Earnt In | 51% ¹ |
| M39/84 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 378.0 | Earnt In | 51% ¹ |
| M39/274 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 230.0 | Earnt In | 51% ¹ |
| M39/406 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 124.0 | Earnt In | 51% ¹ |
| M39/407 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 896.0 | Earnt In | 51% ¹ |
| M39/408 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 785.0 | Earnt In | 51% ¹ |
| M39/409 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 966.0 | Earnt In | 51% ¹ |
| M39/410 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 978.0 | Earnt In | 51% ¹ |

| | | | | | | | |
|-----------------------------|---------------------------------|---------|-----|------|---------|----------|------------------|
| M39/839 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 7.3 | Earnt In | 51% ¹ |
| M39/840 | Nex Metals Explorations Limited | 100/100 | Yes | Live | 9.7 | Earnt In | 51% ¹ |
| P39/6126 | Nex Metals Explorations Limited | 100/100 | No | Live | 10.4 | Earnt In | 51% ¹ |
| P39/6127 | Nex Metals Explorations Limited | 100/100 | No | Live | 5.6 | Earnt In | 51% ¹ |
| E39/1773 | Paddick Investments Pty Ltd | 100/100 | Yes | Live | 903.0 | Earnt In | 51% ¹ |
| E39/1774 | Paddick Investments Pty Ltd | 100/100 | Yes | Live | 2,517.0 | Earnt In | 51% ¹ |
| Yundamindra Total Area (ha) | | | | | 7,815.1 | | |

Note 1: The Company holds a combined ~63.7% holding in these tenements.

| Tenement | Registered Holder | Status | Area | Nature of Interest | Interest |
|---------------------|----------------------------|--------|-----------|----------------------|----------|
| Queensland Projects | | | | | |
| EPM 28052 | Metalicity Energy Pty Ltd | Live | 32,500 ha | MCT Beneficial owner | 100% |
| EPM 28121 | Astralis Resources Pty Ltd | Live. | 29,250 ha | MCT Beneficial owner | 100% |
| EPM 28653 | Metalicity Energy Pty Ltd | Live | 3,575 ha | MCT Beneficial owner | 100% |

| Tenement | Registered Holder | Status | Area | Nature of Interest | Interest |
|-------------|------------------------------------|--------|-----------|-----------------------|----------|
| Admiral Bay | | | | | |
| E 04/1610 | Kimberley Mining Australia Pty Ltd | Live | 42 Blocks | Holding in Subsidiary | 80.3% |
| M 04/244 | Kimberley Mining Australia Pty Ltd | Live | 796.4 ha | Holding in Subsidiary | 80.3% |
| M 04/249 | Kimberley Mining Australia Pty Ltd | Live | 843.85 ha | Holding in Subsidiary | 80.3% |