

ASX RELEASE: 14 December 2022

New Highly Prospective Exploration Permit

- Metalicity has secured a third prospective mineral exploration permit application (EPM 28653), expanding its Mt Surprise Project in North Queensland.
- Based on recent fieldwork programmes, which identified a significant copper trend with high grade rock chip samples of up to 11.65% Cu and 66.39 g/t Ag¹, Metalicity has taken the opportunity to secure additional exploration tenure adjacent to its Mt Surprise Project (EPM 28052).
- The tenure remains sparsely explored and is considered highly prospective for various minerals especially copper, with potential to extend the identified Copper trend at Mt Surprise to over 5km+.
- The Company eagerly awaits assay results of over 300 ultrafine soil samples at the Mt Surprise Project (EPM 28052), from its most recent field programme.

Metalicity Limited (ASX: MCT) (“MCT” or “Company”) is excited to announce that it has secured a third highly prospective exploration permit application, EPM 28653, consisting of approximately 35km² immediately adjacent to its Mt Surprise Project (EPM 28052) in North Queensland. The Project is located approximately 40km west of the town of Mt Surprise and will leverage off the infrastructure and exploration potential of the neighbouring Metalicity exploration permit (Figure 1).

The new exploration permit, EPM 28653, is sparsely explored and considered to be highly prospective in nature due to its location directly along strike from the Company’s recently identified copper trend at the Mt Surprise Project. Metalicity has taken the opportunity to acquire available tenure following recent positive exploration results from field reconnaissance, sampling and observations at the Company’s Mt Surprise Project. Once granted, the new exploration permit will significantly add to the area and prospectivity of the Company’s exploration tenure in this exciting and under explored region of North Queensland.

Commenting on the drilling results, Metalicity Managing Director, Justin Barton said:

“This tenement application will build on the exciting opportunities that are presenting from our Mt Surprise project. To potentially extend the increasing high grade copper trend to over 5km in length and significant width, is very exciting and the Company eagerly awaits the assay results of the recent soils sample to better understand the possible extensions of mineralisation and potential new anomalies.

“The three tenement areas the Company has now secured in North Queensland, remain sparsely explored but are considered highly prospective for Copper, Lithium, Silver, Gold and other base metals. With assay results expected early in the new year for the Mt Surprise Project, combined with the anticipated granting of the Georgetown Lithium tenements and the acquisition of this new tenure, we are extremely well positioned and excited to push ahead with these projects in 2023.”

¹ Please refer ASX announcement “High Grade Copper Results from Outcropping Gossan Rock Chips at Mt Surprise” dated 14th November 2022.

Overview of Tenure

Metalicity recently applied to the Queensland Department of Resources for an area of available ground located south of the exploration permit that hosts its Mt Surprise Project and have now received approval for a proposed exploration work program. The exploration permit, EPM 28653, is yet to be fully granted, similar to the Company's Georgetown Project tenure, but the Company is confident that this will occur in the first half of 2023.

EPM 28653 is situated on two intrusive granitic units of very similar age to those present in the adjoining tenure of EPM 28052 which hosts confirmed mineralised structures identified in previous field reconnaissance programs^{1,2}. Vein-hosted, copper mineralisation was initially identified from three historical workings in October 2022 with an additional vein and historic working identified to the west giving a potential width of vein hosted structures up to 650m.

The new tenure consists of 11 sub blocks or approximately 36 square kilometres

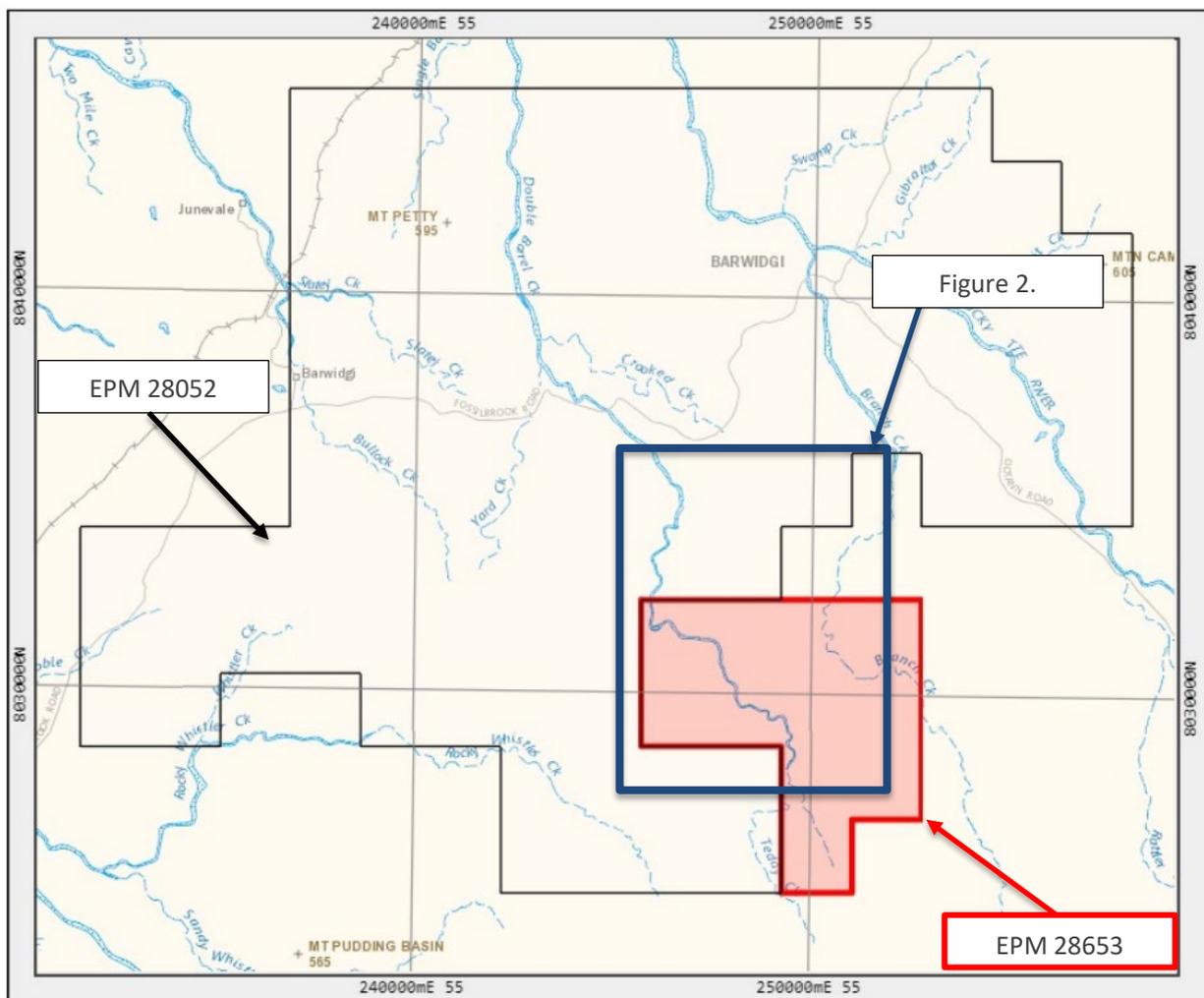


Figure 1 - Location of new application EPM 28653, adjacent to 100% held Metalicity EPM 28052. Inset for Figure 2 (below) highlighted blue.

¹ Please refer ASX announcement "High Grade Copper Results from Outcropping Gossan Rock Chips at Mt Surprise" dated 14th November 2022.

² Please refer ASX announcement "Soil Sampling Programme Completed at Mt Surprise Following up High Grade Rock Chips up to 11.65% Copper" dated 30th November 2022.

Exploration results from recent field reconnaissance programs at the Company's Mt Surprise Project combined with identified mineral occurrences within the GSQ Open Data Portal System, including a copper occurrence within the new exploration permit EPM 28653, indicate that the potential prospective area for copper mineralisation has a trend length of up to 5km with mineralisation currently open at depth and along strike (Figure 2). The potential width of the mineralisation target is 650 metres spanning the four identified historic copper excavations as a guide. Results from the November soil sampling program will assist in further defining the copper mineralisation and potentially expand upon it.

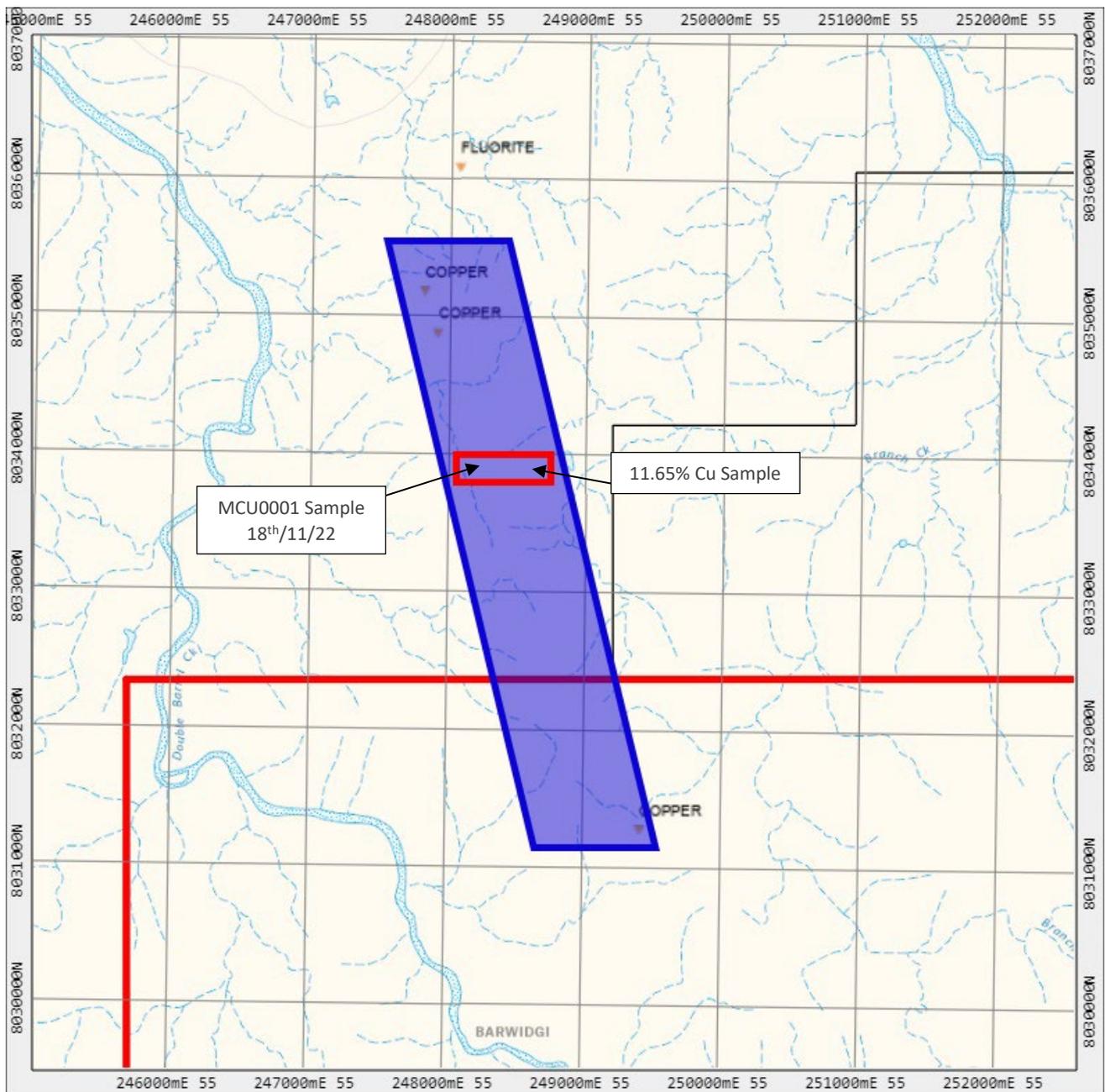


Figure 2 – Potential extent of copper mineralisation EPM 28052 and EPM 28653 of over 5km+. Area of identified copper mineralisation in red. Potential target size represented as blue polygon. Copper occurrences from GSQ Open Data Portal System.

This Announcement is approved by the Board of Metalicity Limited.

ENQUIRIES

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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 announcements 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. Stephen Guy, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Guy is an employee of Metalicity Limited. Mr. Guy 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. Guy consents to the inclusion of the data in the form and context in which it appears.

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.