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ADMIRAL BAY STRIKE EXTENDED TO 130KM

- ▶ **Acquisition of additional tenements to cover the prospective strike length of 130km at Admiral Bay**
- ▶ **Review of historic drill holes highlights extensive mineralisation 3km along strike of current project area**
- ▶ **Substantiates recent study work conducted by global MVT zinc-lead expert, Dr David Leach**
- ▶ **New district wide mineralisation potential now targeted, comparable in scale to the Mt Isa district**
- ▶ **Mineral Resource Update and Scoping Study remains targeted for completion by mid-2016**

Metalicity Limited (“Metalicity” or “the Company”) advises that it has submitted six new exploration licence applications (E04/2443-2448) surrounding its existing Admiral Bay Zinc Project tenure.

These applications cover an area of 3,300km² along a total strike length of approximately 130km of the Admiral Bay Fault zone in the central Canning Basin (Figure 1). This brings the total size of Metalicity’s tenement package over the Admiral Bay project area to 3,678km², including two mining leases (M04/244 and M04/249) that cover the existing mineral resource estimate (111.3Mt 5.7% ZnEq, for 6.34Mt of contained ZnEq) for Admiral Bay.

These applications follow recent geological study work conducted by Dr David Leach, a globally recognised expert in Mississippi Valley Type (MVT) zinc-lead deposits. This work has highlighted the potential for district wide mineralisation based on regional Canning Basin faults that act as major “plumbing systems” bringing mineralising fluids from basement rocks in contact with sediment packages that act as hosts for zinc and lead mineralisation. The host horizons for base metal mineralisation in the Canning Basin have similar characteristics to petroleum reservoir traps. Metalicity is reviewing existing work of previous petroleum exploration companies to gain a rapid understanding of the potential trap sites for zinc and lead mineralisation along an extended 130km strike length of the Admiral Bay Fault zone. Metalicity believe there is potential for multiple Admiral Bay size mineral resources along the Admiral Bay Fault zone and has moved quickly to secure this ground.

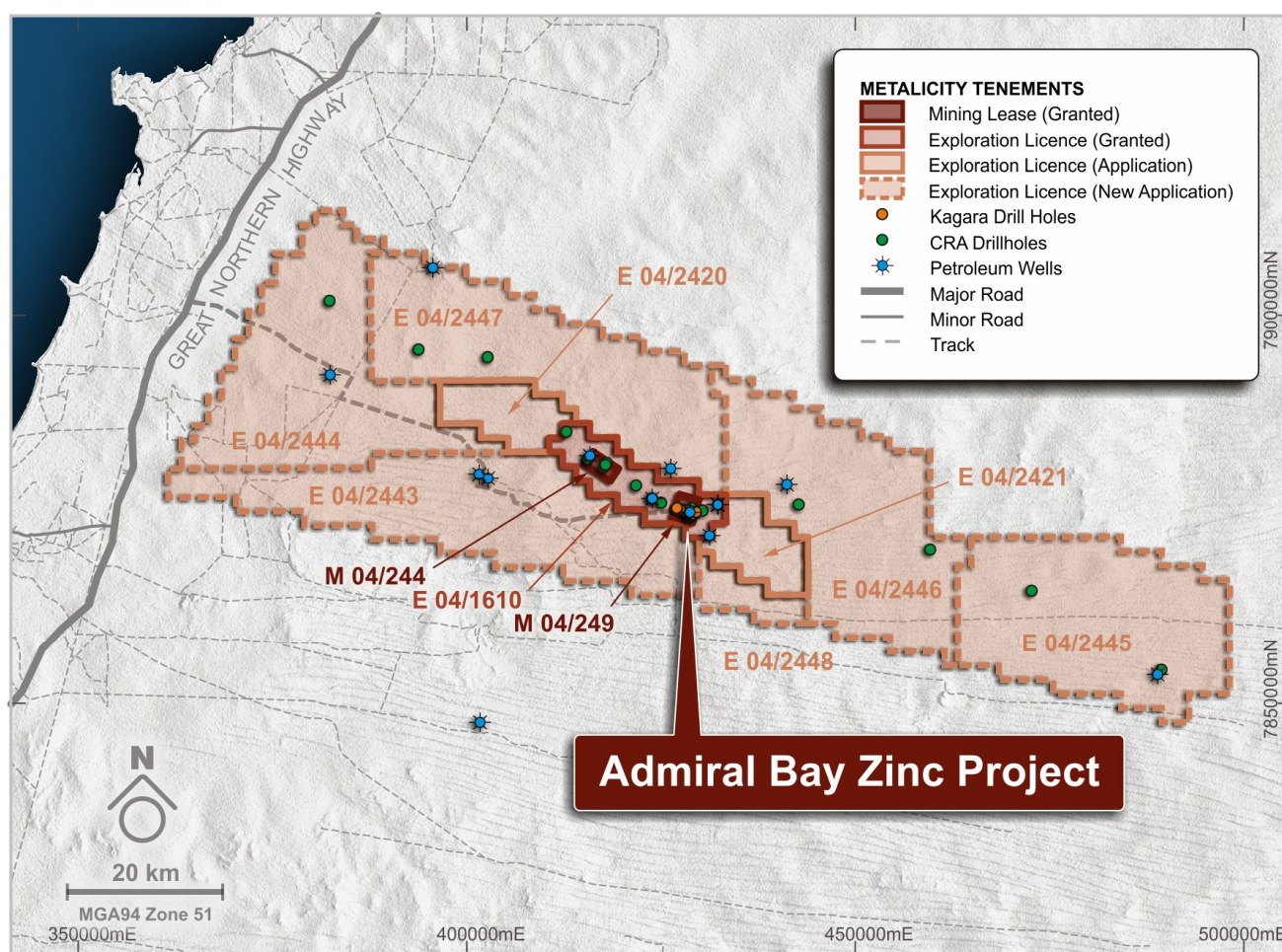
Technical studies are currently underway involving additional core sampling from existing drilling and review of previous petroleum well information to quantify the increased potential recognised from Metalicity’s recent technical review. For example, recent evaluation of Leo1, a petroleum well drilled in 1988 to the south of Admiral Bay highlights zinc and lead mineralisation 3km south of the main resource. In addition, assessment of drill cuttings in Leo1 that intersected basement rocks beneath Canning Basin sediments, highlighted pyrite and provide strong geological encouragement that the Admiral Bay mineralising system is not just large but massive. Mineralisation in Leo1 extends the confirmed mineralised strike of the Admiral Bay system to in excess of 21km.

The regional gravity survey over Admiral Bay (Figure 2) highlights the extent of the Admiral Bay Fault Zone and validates earlier regional exploration drilling by CRAE (now Rio Tinto Exploration) in the late 1980s.

The MRE and Scoping Study on the Admiral Bay project remains targeted for completion by mid-2016. Work continues on the potential application of a new and enhanced geological model to the current mineral resource estimate.

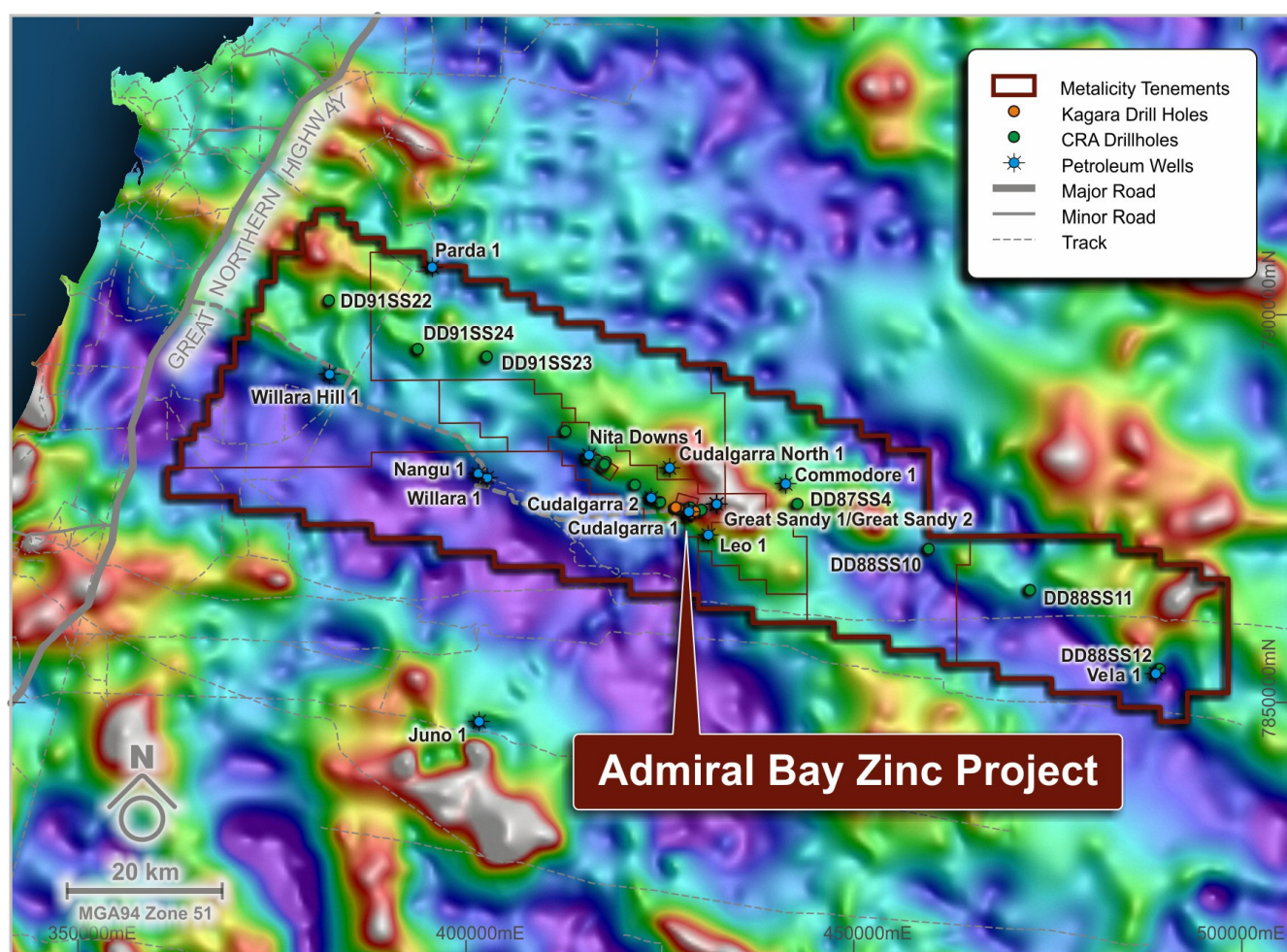
Metalicity’s Managing Director, Matt Gauci commented “A review of historical regional drill hole data and intensive study work with global MVT experts substantiates Metalicity’s view that the Admiral Bay Zinc Project is a district wide base metal opportunity. Once granted these tenements will be 100% owned by MCT and unencumbered.”

Figure 1: New exploration licence applications at Admiral Bay



Source: Metalicity

Figure 2: Publicly available Regional Gravity Survey



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Competent Person Statement

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The Information contained in this announcement has been presented in accordance with the JORC Code and references to "Measured, Indicated and Inferred Resources" are to those terms as defined in the JORC Code.

The information in this report that relates to Geology and Exploration Results is based, and fairly reflects, information compiled by Mr Michael Hannington, who is a Member of the Australian Institute of Geoscientists. Mr Hannington is a fulltime employee of Metalicity. Mr Hannington has sufficient experience which 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 in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hannington consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

All parties have consented to the inclusion of their work for the purposes of this announcement. The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty. Any economic decisions which might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risks.