ASX RELEASE: 9 AUGUST 2017

PLACEMENT AND EQUITY FUNDED DRILLING CONTRACT

Metalicity Limited **(ASX:MCT) ("MCT" or "Company")** is pleased to advise the Company has received firm commitments for A$1.5M (before costs) in an equity placement, comprising a A$1M share placement to sophisticated and professional investors and has signed an equity funded drilling contract up to A$0.5M.

The Company will complete a single tranche share placement of 27,777,777 fully paid ordinary shares to be issued at the price of 3.6c per share with a 1 for 2 free attaching option, which is exercisable at the price of 8c per share with a 3 year term. The placement will be issued under the Company's existing capacity under ASX LR7.1 (27,777,777 fully paid ordinary shares and 13,888,888 unlisted options).

The Company has also signed an equity funded drilling contract with Top Drill Pty Ltd to the value of up to $0.5M which equates to approximately 10,000m of drilling (where 50% of costs will be paid in company equity.) The equity component for each separate program will be subject to shareholder approval, priced at a 5-day VWAP at completion of each separate drilling program, and subject to 6 months voluntary escrow.

The share placement was well supported by new and existing investors and the funds will be used to accelerate and complete the following programs:

- Admiral Bay Zinc Project PFS Stage 1
- Napier Range Zinc Project Due Diligence
- RC Drilling its Cobalt & Lithium Projects

Additionally, and following numerous enquiries from shareholders, the Company is pleased to announce that it will offer existing shareholders the opportunity to participate in a Share Purchase Plan ("SPP") to raise additional funds for the advancement of the Company's projects, with a record date of the close of business Tuesday 8th August 2017.

The SPP will provide the opportunity for existing Metalicity shareholders to subscribe for new shares in the Company at the same price as the Placement price and further information will be provided shortly.

This announcement effectively ceases the voluntary suspension requested by the Company on 3 August 2017. The Company is not aware of any reason why the ASX would not allow trading in its securities to recommence immediately.

ENQUIRIES

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