

ASX RELEASE: 30 APRIL 2018

MARCH 2018 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Metalicity to pursue listing the Admiral Bay Zinc Project on the TSX-Venture Exchange, following reverse enquiries from North American investors and endorsement from project stakeholders, Resource Capital Funds (RCF), China Minmetals (Minmetals) and China Nonferrous Metals (NFC).
- Commencement of an RC drilling and field exploration program at the Company's 100% owned Yerrida Cobalt Project where the company is targeting structural/stratigraphic-controlled copper-cobalt and nickel -cobalt sulphide mineralization similar to the Central African Copperbelt
- Commencement of a field exploration program at the Company's 100% owned Pilgangoora North Lithium Project where new high priority targets have been identified and where the company is seeking extensions to the world class Pilgangoora Lithium deposit
- Completion of an Institutional Placement to predominantly North American Investors to raise a total of A\$2.3M at a 30% premium to the closing price on 16th February 2018

ADMIRAL BAY ZINC PROJECT TO SEEK LISTING ON THE TSX-V

During the quarter the Company resolved to pursue a strategy of listing the Admiral Bay Zinc Project ("Admiral Bay") in Canada, on the TSX Venture Exchange ("TSX-V"), and has received endorsement from project stakeholders and some of the world's largest mining investors including Resource Capital Funds ("RCF"), China Minmetals ("Minmetals") and China Nonferrous Metals (NFC).

During the course of the previous 6 months the Company has received numerous reverse enquiries from Canadian investment banks and fund managers concerning Admiral Bay, with the scale and quality of Admiral Bay being of particular interest. Further, the relative value ascribed to the asset by ASX investors is very attractive to those investment banks and fund managers.

This very strong market interest will best allow the progression of Admiral Bay through a Preliminary Economic Assessment (PEA), its next round of resource and exploration drilling, followed by completion of a Pre-Feasibility Study (PFS), and ultimately into production.

Metalicity will form 100% owned subsidiary in Vancouver, Canada, to be named Kimberley Mining Limited ("Kimberley Mining") and, pending shareholder approval, will effectively vend Admiral Bay into Kimberley Mining. Kimberley Mining would then undertake an initial public offering in Canada and seek a listing on the TSX-V concurrently with the completion of the offering.

The Company is now working through the pathway to the listing of Admiral Bay onto the TSX-V in conjunction with its advisors and will keep the market informed as to timing, process, capital structure, cash/share quantum to Metalicity, senior management, and a syndicate of brokers for the TSV-V listing.

COMMENCEMENT OF EXPLORATION AT THE YERRIDA COBLT PROJECT (100% MCT)

An RC drill rig and a field exploration team has commenced work at the 100% Metalicity owned Yerrida Cobalt Project, WA, which has a geological setting considered amenable to hosting structural/stratigraphic-controlled copper-cobalt and nickel -cobalt sulphide mineralization similar to the Central African Copperbelt.

The planned drill program is targeting deeper structures from the the shallow, south-dipping, zone of 8m to 12m cobalt horizon recently intersected which contains anomalous cobalt mineralisation and provides support for the potential to find high-grade copper-cobalt sulphide mineralisation associated with the underlying “red bed” sandstones of the Yerrida Basin.

Additionally, field exploration teams have commenced a work program including geological mapping and rock chip sampling using a 250m X 250m pattern over a radius of 1km, to generate further drill targets at K2 and K3 which have been recently generated within the Yerrida Basin (Figure 2).

Yerrida Cobalt Exploration Project Update

The Yerrida Cobalt Project is located in the Yerrida Basin, WA, which has a geological setting considered amenable to hosting structural/stratigraphic-controlled copper-cobalt mineralisation (and potentially also nickel-cobalt mineralisation).

Based on a geological evaluation of the region, the Company has developed an exploration model identifying characteristics compatible to the geological setting of the prolific copper-cobalt and nickel-cobalt deposits of the Central African Copperbelt (Figure 1), where new discoveries continue to be made based on advances in exploration concepts. Field work by Metalicity including 65 samples within a 2km by 3.5km target zone, identified up to 1500ppm Co and >1% Zn in weathered near-surface rock chips across the K1 target zone sampled (See ASX:MCT 21/07/17).

As previously discussed, some of these anomalous results were from samples associated with west-north-west striking breccia zones, which are interpreted to be related to deep-seated structures, and to represent part of a potential ‘plumbing system’ for metalliferous fluids upwards and southwards into suitable trap horizons, as illustrated in the Company’s exploration model (Figure 1).

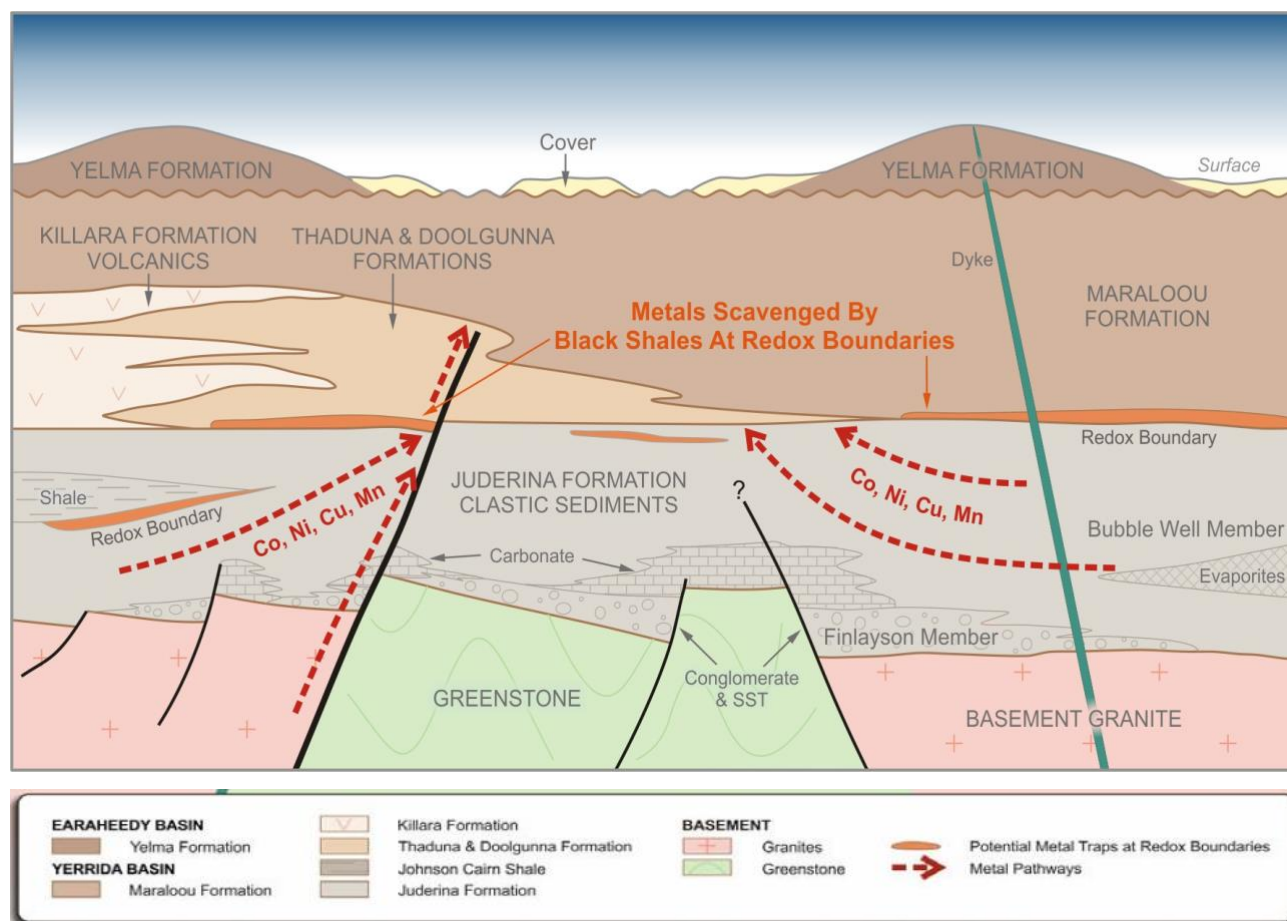
Recent drilling intersected sandstones of the Yelma Formation unconformably overlying Maraloo Formation black shales. Holes were terminated within black shale at a predetermined depth. Locally, anomalous analytical results were associated with quartz veining, related to fractures and brecciation, was intersected. The downhole quartz zones are possibly correlative with quartz float at surface, and related to the west-north-west trending breccia zones. Drill holes encountered a consistent near-surface base metal enrichment zone, interpreted to be a regolith enrichment zone, which may account for some of the anomalous results in surface samples.

More interestingly, an 8m to 12m thick, shallow south-dipping zone of anomalous base metal (400–500ppm Cu and 50–60ppm Co) was intersected in all drill holes. These values represent around 4x the Cu background and about 2x the Co background values (See ASX:MCT 14/11/17)).

This anomalism is considered significant because in the Central African Copperbelt – the source of the exploration model – there are multiple mineralised horizons (associated with minor redox boundaries) found above the basal productive zone.

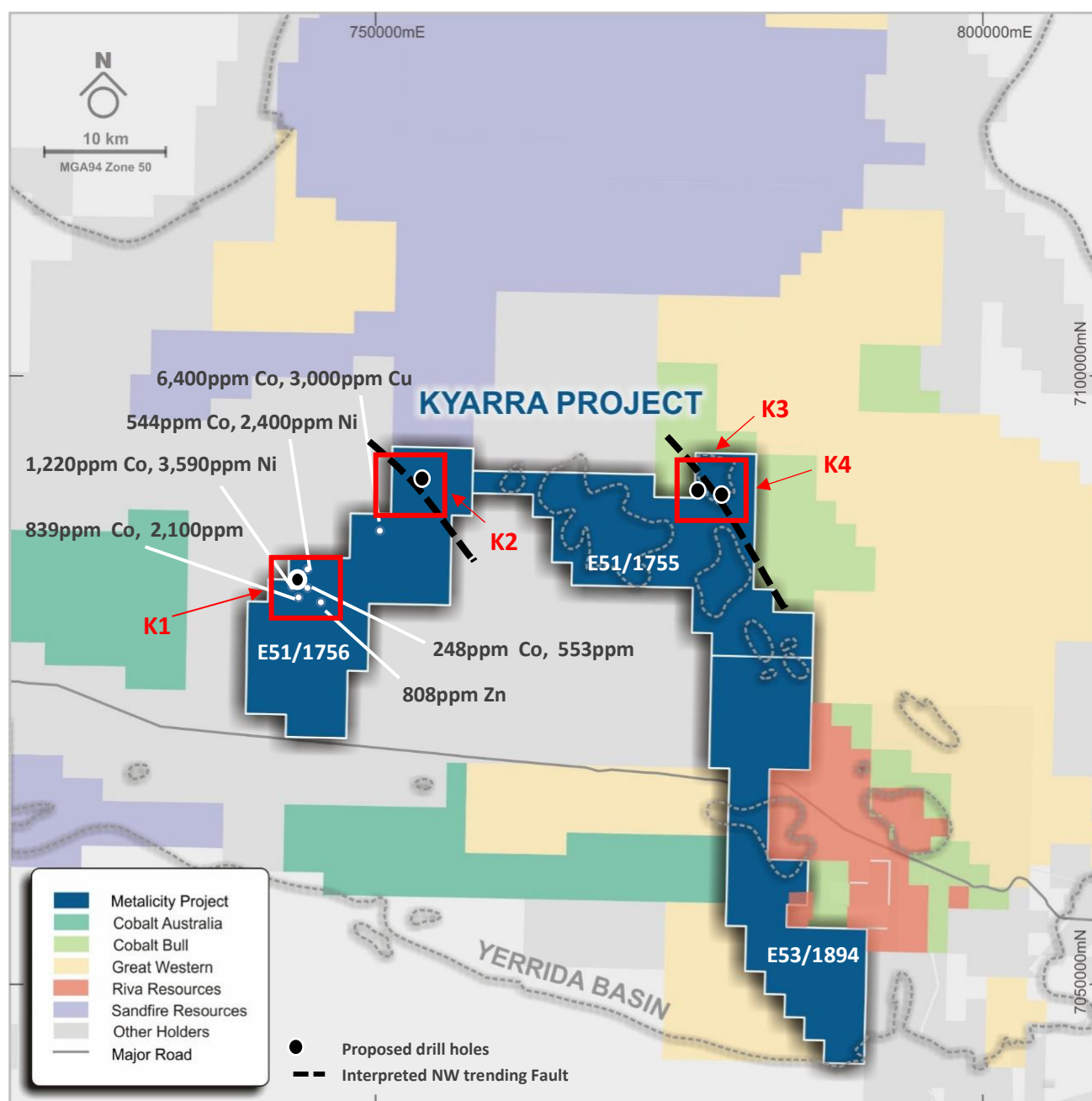
The Company will now focus its efforts to target the base of the Maraloo Formation and the main transition zone from the underlying “red-bed” sandstones, which represents the primary target and most prospective setting for significant mineralization across K1 and, pending geological mapping and sampling results, across K2, K3 and K4.

Figure 1: Kyarra Cobalt and base metals conceptual mineralisation model



Source: Metalicity

Figure 2: Regional Location Map showing cobalt rich high priority target area



Source: Metalicity

COMMENCEMENT OF EXPLORATION AT THE PILGANGOORA NORTH LITHIUM PROJECT (100% MCT)

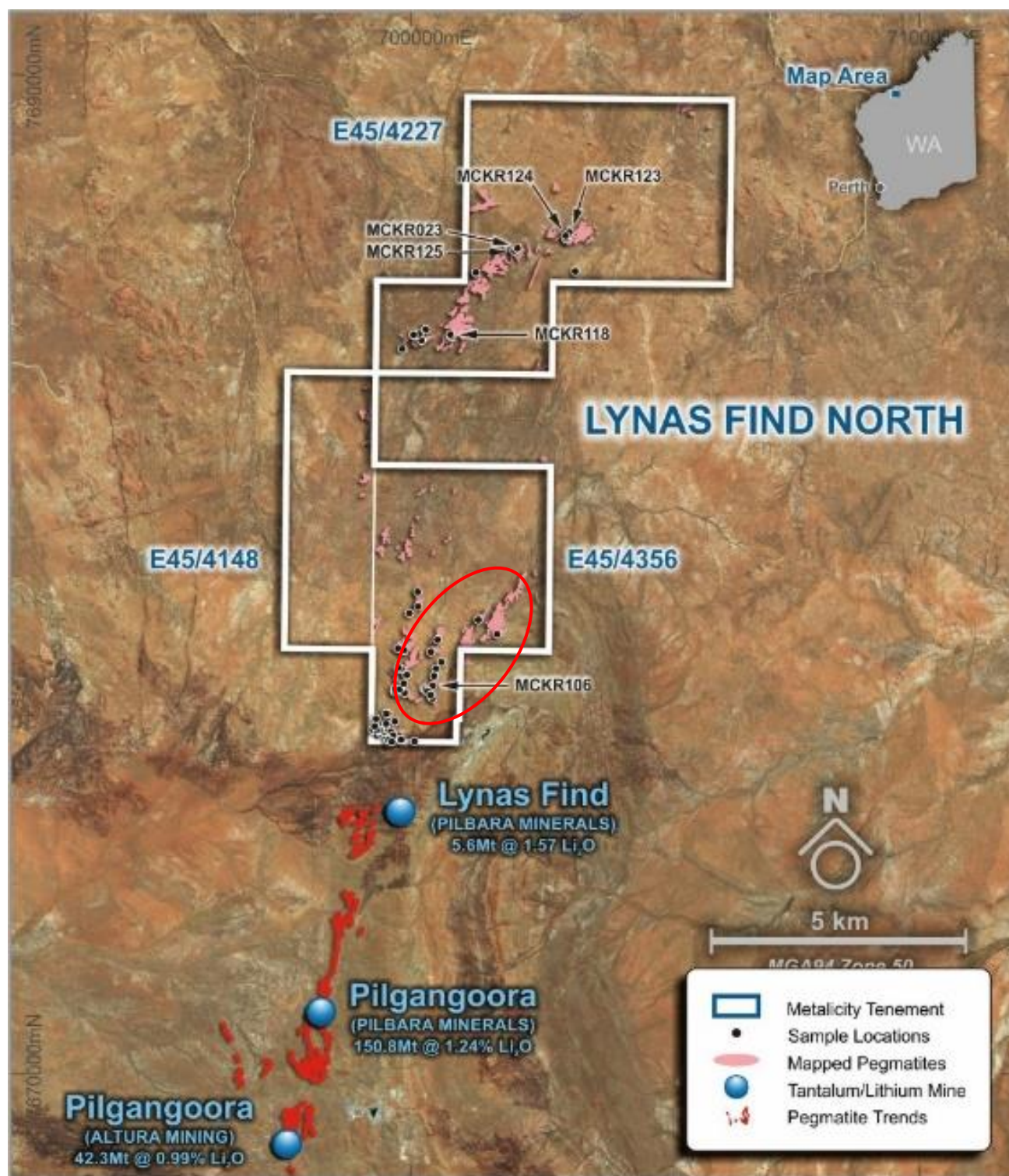
At the Pilgangoora North and Wodgina South Lithium projects, following the appointment of CSA Global to undertake a comprehensive review of the Company's lithium exploration projects in the Pilbara, new high priority targets have been prioritised and exploration has commenced with field teams mobilised to Pilgangoora North.

The Pilgangoora North project adjoins the world class Pilgangoora Deposit of Pilbara Minerals Limited (ASX:PLS) and was acquired from Fortescue Metals Group (ASX:FMG), a shareholder of Metalicity. Preliminary mapping, satellite imagery and rock ship sampling has defined a series of pegmatites over a 10km trend. The Wodgina South project was acquired by the company via systematic project generation, where preliminary mapping, satellite imagery and rock ship sampling has defined a series of pegmatites over a 5km trend.

The review by CSA Global included a comprehensive compilation and assessment of data sets not previously used. CSA Global concluded that the projects have not been systematically explored to date; however, they are considered prospective for lithium-bearing pegmatites. Systematic field mapping, rock sampling and geochemical analysis is required to define fertile granites and fractionation trends that could point towards further lithium-bearing pegmatite targets. Based on work done to date, and CSA Global's review of the regional setting, one higher priority target area has been selected for Pilgangoora North and for Wodgina South.

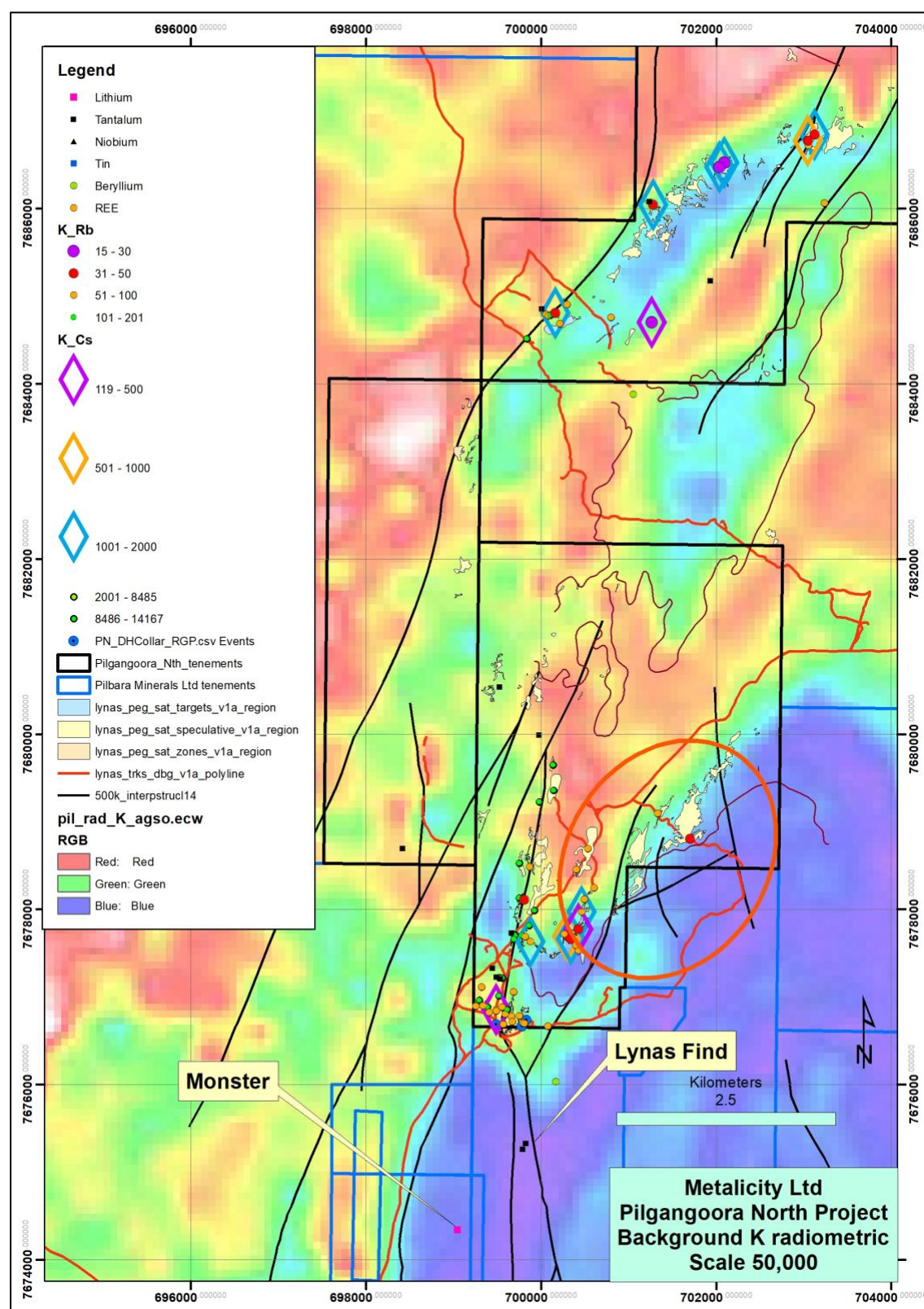
At Pilgangoora North the high priority target covers an area of approximately 4km X 2km (8km²), while the Wodgina South high priority target area covers 2km X 1km (2km²). Both targets have been selected based on the preliminary assessment of pegmatite sampling to date and evidence for higher fractionation in pegmatites in these area's. In addition, Geoscience Australia regional potassium the radiometric data indicates that the "Pilgangoora" greenstone belt possibly extends through the Pilgangoora North project, while the "Wodgina" greenstone belt is interpreted to extend through the Wodgina South project.

Figure 3: Pilgangoora North mapped pegmatites



Source: Metallcity

Figure 4: Pilgangoora North new target area



CORPORATE AND FINANCIAL

During the quarter the company completed a brokered private placement with Australian and North American institutional and sophisticated investors ("Private Placement") co-lead by Echelon Wealth Partners Inc. and Paradigm Capital Inc.

The Private Placement to raise A\$2.3M comprised 52.53M shares at A4.5c per share, with a 1 for 2 free attaching option exercisable at A8c and was strongly supported by key North American institutions. The Private Placement was completed by utilising the Company's existing capacity under ASX Listing Rules 7.1 (37,431,087 securities) and 7.1A (49,943,913 shares). Cash balance at the end of the Quarter was approximately \$2.66 million.

During the quarter the Company was named as the second defendant in proceedings filed in the Federal Court relating to the M-Cor modular hip system. The Company denies all liability. The Company continues to rely on the DOCA, which was effectuated on 23 November 2011, for its full force and effect. The DOCA was posted on the ASX on 20 July 2011.

As noted previously by PLD Corporation Limited (PLD), which changed its name to Metalicity Limited on the 23/7/15, PLD disposed of all of its business of designing, developing, engineering, manufacturing, marketing, selling and servicing the Equator+ and M-Cor product lines on 27 March 2009. Furthermore, all of PLD's subsidiaries, including trading subsidiaries, were excised from PLD and transferred into the Creditors' Trust established as part of the DOCA.

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 the world class Admiral Bay Zinc Project, and exploration of the Lennard Shelf Zinc Project, both located in the north west of Australia. The Company is currently undertaking a Pre-Feasibility Study (PFS) on Admiral Bay and preparing for an extensive drilling program at Lennard Shelf. The Company's secondary focus is the lithium and cobalt sector with the addition of several lithium and cobalt projects where early stage exploration has commenced. The Company is supported by a management team with significant collective experience in the resources sector as well as international private equity, institutional and retail funds.

Competent Person Statement

Metalicity confirms that it is not aware of any new information or data that materially affects the information

For further information that relates to exploration results, please refer to:

ASX:MCT 21/7/2017 "Outstanding Cobalt Results Drilling to Commence"

ASX:MCT 14/11/2017 "Significant Cobalt Intersections at Yerrida"

ASX:MCT 13/3/2018 "Yerrida Cobalt Drilling to Commence"

Competent Person Statement Regarding Napier Range Zinc Project

See Metalicity Announcement 30/10/17

Competent Person Statement Regarding Admiral Bay Project

See Metalicity ASX Announcement 19/04/2017.

Competent Person Statement Regarding Lithium Projects

See Metalicity ASX Announcement 28/04/2017

Competent Person Statement Regarding Cobalt Projects

See Metalicity ASX Announcements of 21/06/2017 and 21/07/2017