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BATTERY METALS EXPLORATION ACCELERATED

HIGHLIGHTS

- Metalicity is stepping up its focus on battery metals (lithium, cobalt, graphite) exploration within its extensive and highly prospective landholding in WA
- Exploration has been completed at the Pilgangoora North Lithium Project including mapping and sampling and Yerrida Cobalt Project including mapping, sampling and drill testing
- New drill targets generated and drill testing existing targets with assays and evaluation due shortly
- To date, projects have been the subject of only limited systematic exploration including geological database compilation, mapping, sampling and limited drill testing to less than 5% of targets
- CSA Global planning and implementing a systematic exploration program across all projects as well as leading a project generation program targeting new battery metal projects
- Strong support from shareholder and battery metals company Shanghai Metals with whom the Company also has a MOU in place for offtake, project development and financing

Metalicity Limited **(ASX:MCT) ("MCT"** or **"Company")** is pleased to report the Company is stepping up its focus on battery metals exploration within its extensive and highly prospective landholding in WA, following its agreement to the terms of the sale and purchase of its base metal (zinc) projects (See ASX:MCT 29/05/18).

Exploration programs have recently been completed across the Company's Pilbara Lithium and Yerrida Cobalt projects with the purpose of generating new drill targets and drill testing existing targets. Assay results and evaluation is due shortly.

Concurrently, Metalicity has commenced a battery metals project generation program in WA from the company's extensive geological database compiled over the past 2 years and is currently evaluating a pipeline of additional battery metals exploration opportunities with an update on this program due shortly.

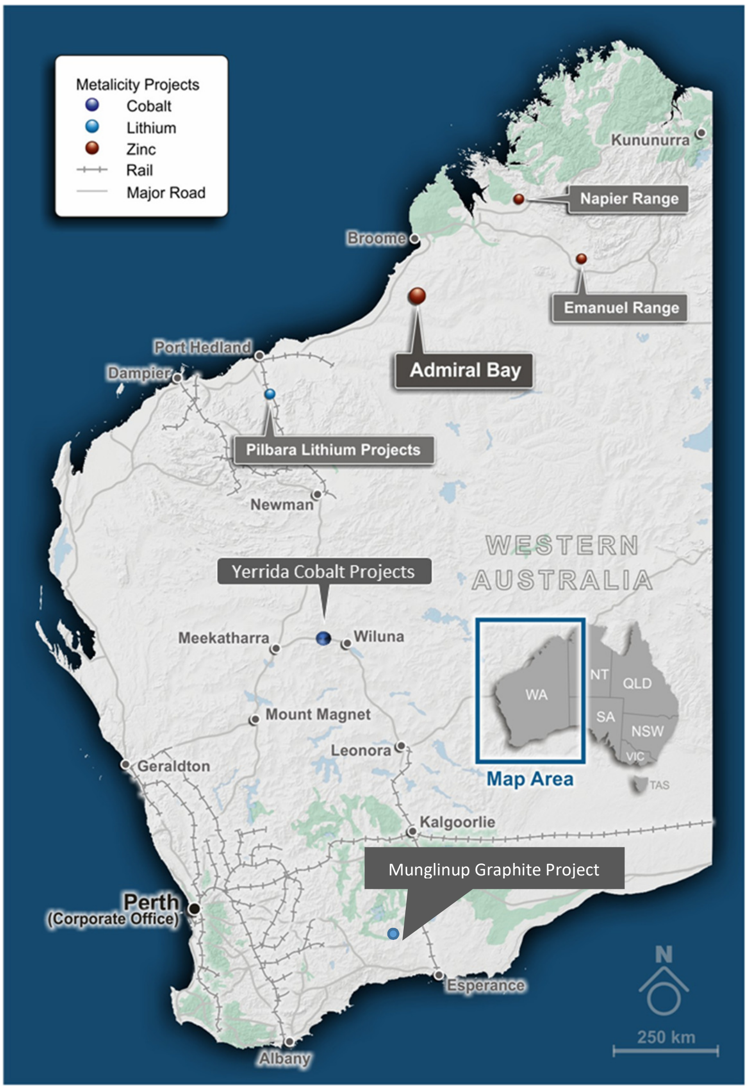
For clarification, the Napier Range Zinc project has been included in the agreement to the terms for the sale and purchase of the base metal (zinc) projects, hence the previously announced drilling has been deferred.

Metalicity Managing Director Matt Gauci said:

"We are pleased with the terms for the sale agreement of our base metals projects, with the Company planned to be well-funded and still leveraged for additional upside at Admiral Bay. We are strategically refocussing the company to deliver value from our highly prospective and underexplored battery metals projects.

"Exploration programs have recently been completed with the purpose of generating new drill targets for a more systematic exploration program. The company is concurrently evaluating a pipeline of new additional battery metal opportunities with strong support from battery metals company Shanghai Metals."

BATTERY METALS PROJECT LOCATIONS



Metalicity has reached an agreement with Kimberley Mining Limited (to be listed on the TSX-V) on the terms for the sale and purchase of its base metal (zinc) projects, targeting the receipt of C$32.5M cash/shares to Metalicity over the next 24 months

The Pilbara Lithium Project covers an area of of ~152km^2 of tenements in the world class Pilgangoora Lithium district, where a 25km strike of pegmatites and 4 high priority targets have been identified for systematic mapping, sampling and drilling

The Yerrida Cobalt Project covers an area of 210km^2 of tenements in the emerging Yerrida Copper-Cobalt Basin, where a 7km strike of cobalt and 4 high priority targets have been identified for systematic mapping, sampling and drilling

The Munglinup North Graphite Project covers an area of 42km^2 of tenements in the world class munglinup graphite district, where a 1.5km target of graphite mineralisation has been identified for systematic drilling.

YERRIDA COBALT PROJECT UPDATE

At the 100% owned Yerrida Cobalt Project, located near Meekatharra WA, the company has developed an exploration model that has characteristics compatible to the Central Africa Copperbelt – a high grade and prolific copper-cobalt and nickel-cobalt geological setting. The program included a 250m RC drill hole to test deeper structures at the K1 target as well as a mapping and rock chip sampling program at the K2, K3 and K4 targets with assays and evaluation due shortly.

At the K1 target mapping and rock chip sampling previously identified high grade and widespread cobalt anomalies (up to 6,400ppm Co, 3,000ppm Cu, 3,590ppm Ni) across an approximate 7km^2 area, while an 1,800m first pass drill program intersected a shallow south dipping cobalt horizon of 8m to 12m from 35m which contains anomalous mineralisation associated with high-grade sulphides interpreted to be associated with deeper structures from underlying "red bed" sandstones, being an ideal setting for high grade copper-cobalt and or nickel-cobalt mineralisation.

At the K2, K3 and K4 targets field exploration teams completed a work program including field mapping and rock chip sampling, using a 250m X 250m pattern over a radius of 1km to generate additional targets with planning underway to drill test these targets (See ASX:MCT 26/04/2018).

PILBARA LITHIUM PROJECT UPDATE

At the 100% owned Pilbara Lithium Project, located in the Pilgangoora District, WA, new targets were identified from a comprehensive review of the company's Pilgangoora North and Wodgina South tenements. At Pilgangoora North, targets PN1, PN2 and PN3, were prioritised and field teams mobilised to undertake more detailed mapping and closer spaced sampling at the PN1 target.

The Company is planning similar detailed mapping and closer spaced sampling at the PN2 and PN3 targets within Pilgangoora North, as well as a systematic exploration program at the Company's 100% owned Wodgina South Project at W1, W2 and W3 project areas. Assays and evaluation of the program recently completed at PN1 are due shortly (see ASX:MCT 14/12/2017).

MUNGLINUP GRAPHITE PROJECT UPDATE

The Munglinup North Project is located 20km north of the Munglinup Graphite deposit (owned by Mineral Commodities Limited ASX:MRC) one of the worlds highest grade graphite deposits. Previous limited assaying for graphite from shallow drilling on E70/550 intersected 12m at 7.4% carbon, including 4m at 10.33% carbon, from 20m beneath the surface. The project tenements are located across and adjacent to the boundary of the Yilgarn Craton and the Albany Fraser Belt.

Recent interpretation and modelling undertaken on data from three previously flown airborne electromagnetic surveys acquired by the Company, has highlighted seven anomalies considered highly prospective for graphite mineralisation. The G1 target has the highest conductivity modelled and corresponds to the strongest conductivity in the Conductivity Depth Inversion (CDI), and known graphite mineralisation from previous drilling. The modelled conductivity of 480mS/m is of similar tenure to the Munglinup Graphite deposit located further to the south. The G1 target extends over 1.5km and the company is preparing a first pass drilling program to test for further high grade graphite mineralisation (See ASX:MCT 17/03/2016).

BATTERY METALS PROJECT GENERATION

Since January 2016, the Company has compiled a significant database of exploration, development and mining opportunities in the lithium, cobalt and graphite space in Western Australia, Africa and South America, and continues to evaluate and negotiate on, opportunities that are considered suitable for project generation and acquisition to create shareholder value for Metalicity.

BATTERY METALS FINANCING AND MOU WITH SHANGHAI METALS

On the 6th June 2016 the Company completed a placement of shares comprising ~9.5% of the Company's expanded capital at the time to, and signed an MOU with, China New United Shanghai Metal Resources Co, Ltd ("Shanghai Metals"). Shanghai Metals is a top 5 shareholder of Metalicity. The MOU plans to jointly fund, develop and acquire lithium, cobalt and graphite projects in Western Australia and internationally.

Shanghai Metals are an emerging battery metals participant whose strategy is to build on its interests in the battery metals value chain and views Metalicity's exploration and business development strategy as an important step in achieving this goal. Shanghai Metals are a key member of the China Battery Association http://www.itdcw.com (See ASX:MCT 06/06/2016).

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About Metalicity Limited

Metalicity Limited is an Australian exploration company with a primary focus on the battery metals sector (lithium, cobalt and graphite) with exploration projects located in existing world class and/or emerging districts for lithium, cobalt and graphite in Western Australia. The Company is also progressing a TSX-V Initial Public Offering ("IPO) of its base metal projects and has recently agreed to the terms of the sale and purchase of these projects. Metalicity is well supported by a management team with significant collective experience in the resources sector, as well as private equity, institutional, strategic and retail funds.

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

ASX:MCT 26/04/2018 *"Yerrida Cobalt Exploration Commences"* **Metalicity confirms that it is not aware of any new information or data that materially affects the information.**

ASX:MCT 14/12/2017 "*New Lithium Targets at Pilgangoora North*" **Metalicity confirms that it is not aware of any new information or data that materially affects the information.**

ASX:MCT 17/03/2016 "High Priority Graphite Targets Identified" **Metalicity confirms that it is not aware of any new information or data that materially affects the information.**