

ASX RELEASE: 26 April 2019

MARCH 2019 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Refocussed exploration strategy identifying highly-prospective copper, gold and base metals projects in WA
- Three project applications acquired in the Paterson Province
- Two nickel-copper projects acquired in northern Fraser Range
- Advanced data modelling identifying targets within Paterson Province and adding value to Admiral Bay project
- Progress made on sale of zinc assets via spinout to the TSX-V, with Kimberley Mining (KML) transaction (Metalicity to retain ~40% of KML)

Metalicity Limited (ASX: MCT) (“MCT” or “Company”) is pleased to provide a quarterly activities report to shareholders for the period ending 31 March 2019, which saw the Company execute a series of acquisitions in-line with its refocussed exploration and development strategy.

The Company has acquired three projects in the Paterson Province in Western Australia’s Pilbara region, in addition to two projects in the Western Australia’s prolific Fraser Range, located in the Goldfields-Esperance region.

Commenting on the recent activities, Metalicity Chief Executive Officer Mat Longworth said:

“It is very pleasing to see Metalicity build its asset base in Western Australia with some very prospective copper project additions further strengthening our portfolio of base metal assets.

“The Paterson Province and Fraser Range are renowned exploration provinces and provides the Company with a strong opportunity to unlock a major deposit within a stable and supportive mining jurisdiction.

“The Company has been through a period of transition and is now emerging as a highly attractive prospector with a clear value proposition.

“The Company holds 81.1% of the very large and prospective Admiral Bay zinc project through its’ subsidiary Kimberley Mining Limited which is progressing toward listing on the TSXV pending market conditions”.



Figure One – Metalicity Project Locations.

PATERSON PROVINCE PROJECTS

Throughout the period, Metalicity generated approximately 3,000km² of new Project Area Applications, building on the 2,166 km² of Exploration License Agreements (ELAs) acquired in the previous quarter.

The ELAs lie within a prolific copper corridor which hosts major deposits, such as Newcrest's Telfer copper-gold mine, as well as new discoveries by Rio Tinto and Greatland Gold.

The Warburton Project accounts for 1,200km² of ELAs within the Province and contains a large sediment-hosted or sedimentary-exhalative copper horizon spanning approximately 80km.

Metalicity views Warburton as a Priority One Target for copper mineralisation, particularly given its historical exploration results. Western Metals Corp (WMC) identified approximately 200 copper occurrences and soil sampling anomalies over a significant strike length, throughout 1966 to 1971.

The Company believes that with modern geophysical and geochemical methods, coupled with historical data collection processing the Warburton Project offers a unique opportunity with an increased probability of exploration success.

The two other projects acquired in the Paterson Province consist of Paterson South and Pandora.

Paterson South comprises ~1,200km² of exploration tenure and hosts several strong discrete magnetic anomalies which are coincident with basement highs and gravity ridges. Metalicity believes these geophysical anomalies show similarities to known mineralisation intersected at Greatland Gold's large-scale Haverion Prospect and require further inspection.

The Pandora Project is described as a large cluster of magnetic highs on the northern side of a major crustal-scale gravity ridge with known local Ni-Cu-PGE-Au mineralisation. The Pandora Prospect has been drilled by Cassini Resources in 2013 and while sub-economic grades were returned, the Company believes, given our interrogation of the available datasets, that the work carried out was not optimised for the target styles and a more relevant work program needs to be adopted.

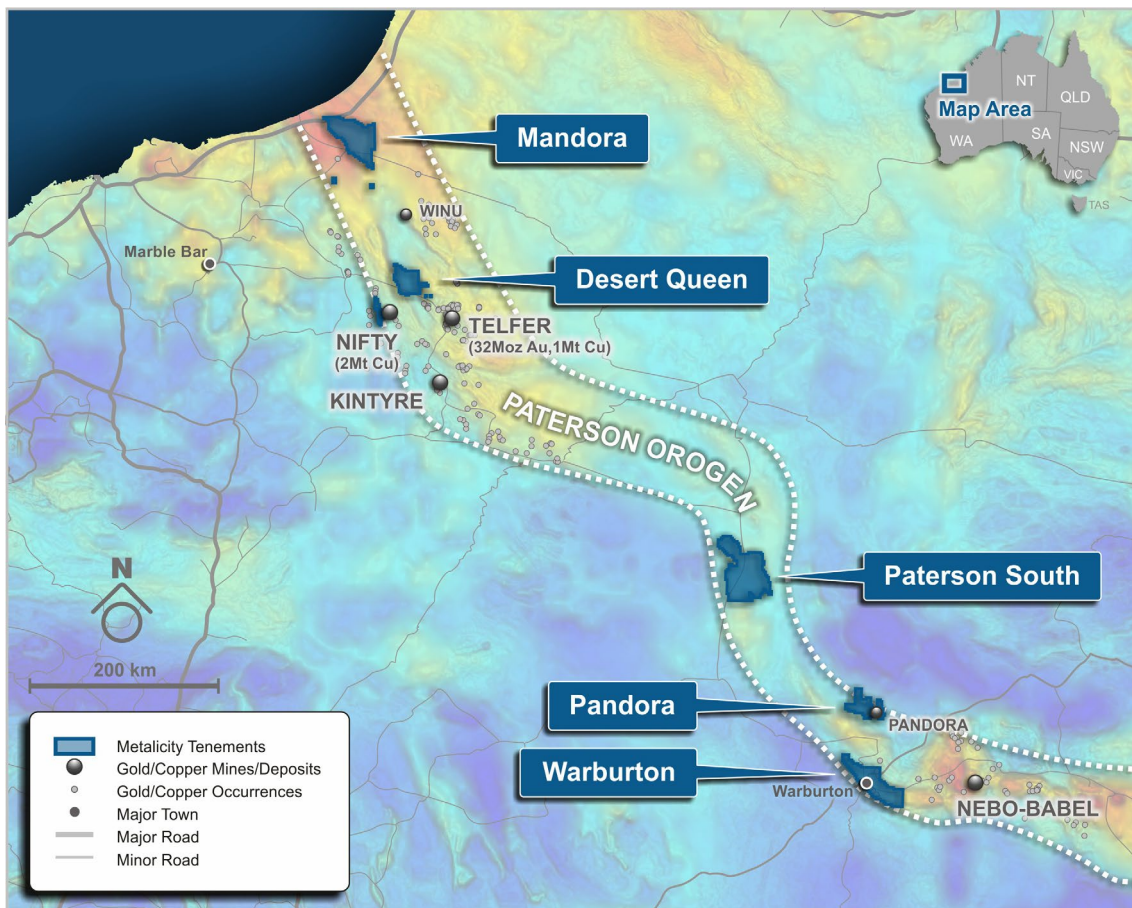


Figure Two – Paterson – Musgrave Project Locations.

The Company's projects within the Paterson Province have been further developed by a comprehensive review of the region's geology, which confirms its ELAs contain prospective locations for copper and base metal mineralisation.

The review, which was conducted by the Company's consultants Corporate Geoscience Group (CGSG), assessed the geological makeup of the North West Paterson Orogen to identify structural controls, as well as depths of surface cover over potential mineralised areas.

The Company's consultants utilised highly-advanced geophysical filtering and algorithm driven structure detection modelling to assess publicly available data sets, which include magnetics, gravity, Airborne Electro Magnetism and Shuttle Radar Topography Mission (SRTM) DEM data.

The data sets incorporated data from the Geological Survey of Western Australia's 2017 SEEBASE project, which covers the Canning Basin and adjacent Paterson Province. While the SEEBASE interpretation project was primarily developed for the oil and gas industry, the Company's consultants used technology to manipulate the data and gain a new understanding of the Province for metals prospecting.

Among the key insights from the report, Metalicity has identified that its Mandora Project straddles the Samphire graben and is bounded by deep crustal faults on the eastern Waukarlycarly fault and western Camel-Tabletop. While the central graben has very deep cover, shallower cover is interpreted adjacent to the bounding faults.

The potential shallower cover at Mandora is likely to translate to cheaper, faster and more effective exploration activities.

The Desert Queen project has also been identified as an area of significance, with the tenement similarly straddling the Waukarlycarly embayment – a southern extension of the Samphire graben. The southern extension of the Camel-Tabletop fault zone cover is again interpreted to be shallower to the east and west of the embayment.

FRASER RANGE PROJECTS

Following a full review of the Albany-Fraser Province Metalicity has significantly expanded its footprint in the region with a further two Project Area Applications made in the northern extension of the Range.

The Fraser Range is a prolific nickel-copper sulphide region, hosting the large-scale Nova-Bollinger mine as well as the recently unveiled Silver Knight deposit.

Metalicity's project applications were identified following an inspection of historic diamond drilling by Kennecott Explorations in 1980, which was targeting Olympic Dam-style mineralisation. Kennecott conducted an exploration campaign which encountered mafic intrusive anomalies, but concluded that the area was not considered prospective for Olympic Dam type deposits.

Metalicity has since revisited diamond core from N3-1 a 363-metre drill hole and N1-1 a 635-metre drill hole and identified the presence chalcopyrite in a fractionated mafic sequence, which is a rock formation prospective for nickel copper sulphides.

The Company has resampled the core and submitted samples for analysis and mineralogical determinations which is currently underway.

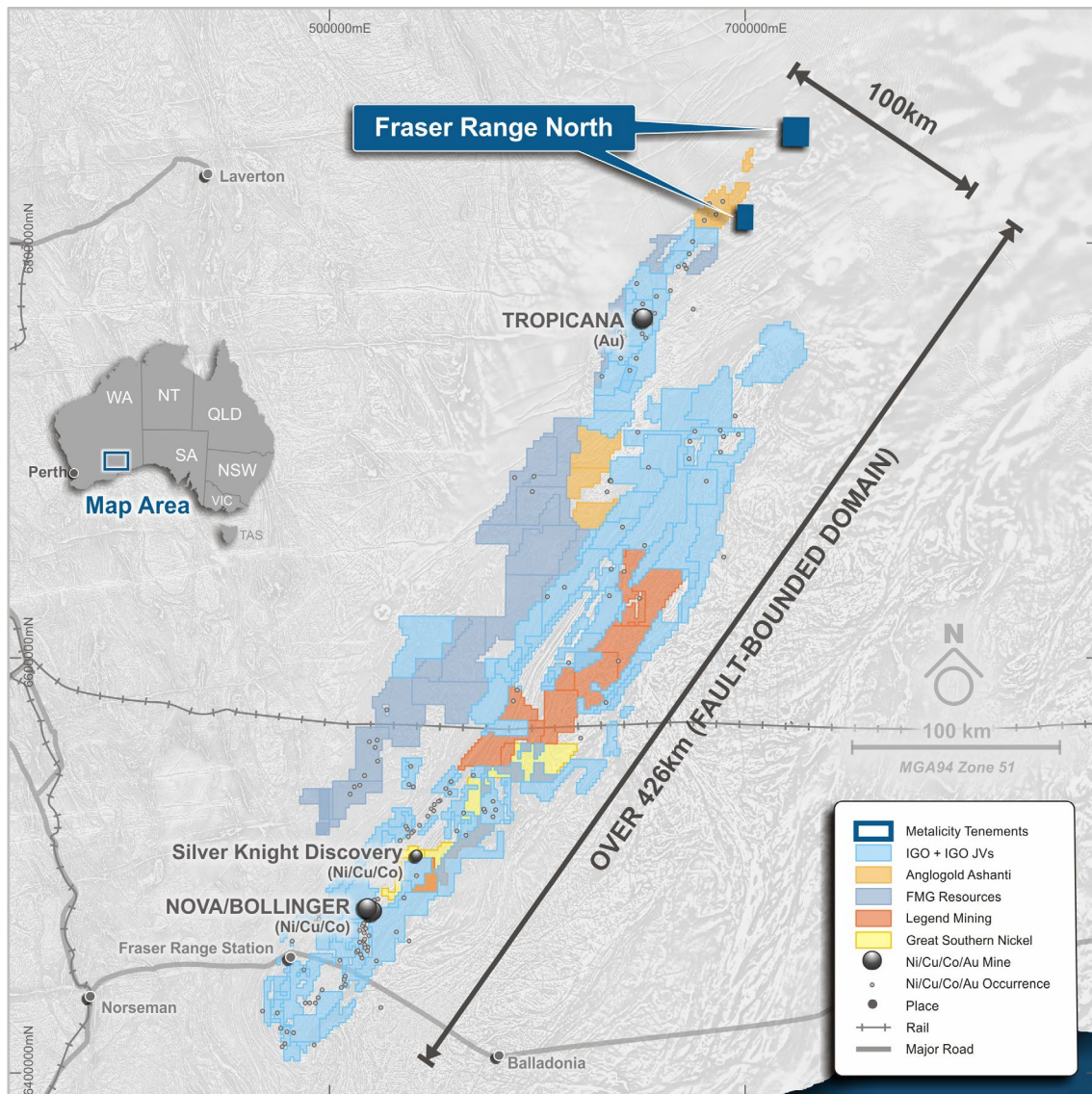


Figure Three – Fraser Range North Project Location.

ADMIRAL BAY PROPOSED TSX-V LISTING

Metalicity continues to progress the spinout of its Admiral Bay project and other zinc assets, with the intention of listing these assets in Canada on the TSX-Venture Exchange under the company Kimberley Mining (KML).

To date, the company has completed the sale of the project to its Canadian subsidiary, Kimberley Mining Limited (KML) and received the first cash payment related to the transaction of C\$500,000.

KML has completed a C\$2M seed capital raising and appointed a syndicate of brokers to assist with the IPO.

While worldwide market conditions remain uncondusive to mining Initial Public Offerings, particularly in the Canadian market, KML nevertheless remains ready to proceed as markets improve.

The Company's technical management continues to work with KML to advance the Admiral Bay project during the IPO process to add further value to the project.

Metalicity has completed a further interpretation of the SEEBASE Data covering Admiral Bay, with the results highlighting a significant basement high immediately to the south east of the mineral resource.

The basement high holds the potential to form a shallow dome structure representing a mineralisation trap that could hold shallower mineralisation than current estimates.

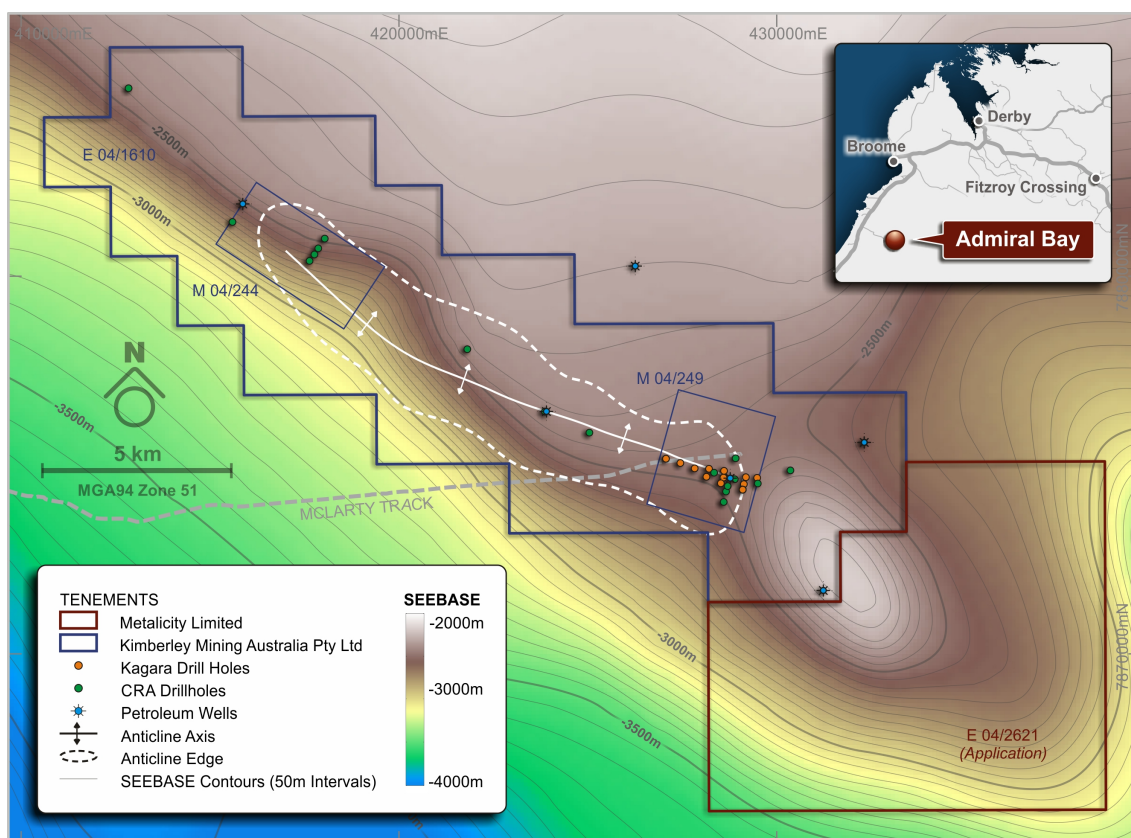


Figure Four – Admiral Bay Project with SEEBASE background.

The Company postulates these trap sites pose valid drill targets for enhanced mineralisation and is considering a Falcon® Plus survey. The survey incorporates an airborne exploration technology which is quick to execute and is non-ground disturbing. Such a survey is subject funding within Kimberley Mining Limited.

FINANCIAL

Cash balance at the end of the quarter was approximately **\$1.1 million**.

LEADERSHIP TRANSITION

Founding Managing Director Matt Gauci informed the Board of his desire to focus on other opportunities and the Company has since appointed Mr. Mathew (Mat) Longworth as Chief Executive Officer and Mr. Jason Livingstone as General Manager Exploration.

Mr Longworth is a very experienced geologist and mining executive having held Exploration Manager, COO, MD and CEO roles with Heron Resources. He has also served as General Manager of a national Mining Consulting firm, and as an Independent Mining Consultant with a small fund's management firm.

In addition to strong technical skills, Mr Longworth brings over 20 years' board experience and is currently non-executive chairman of an unlisted company, Greenfields Exploration.

Mr Livingstone is a well credentialed geologist and mining executive with 20 years' experience in Australia and internationally. His commodity experience includes gold, copper, nickel, lead, zinc, iron ore and more recently graphite and vanadium.

Competent Person Statement

The information in this report that relates to Exploration results is based on information compiled by Mathew Longworth, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Longworth is a Director of the Company. Mr Longworth has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the type of activity being undertaken 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 Longworth consents to the inclusion in the report of the information in this announcement in the form and context in which it appears.

Tenement ID	Map Reference Name	Project Name	Percentage interest
E15/1611	MADOONIA DOWNS	Madoonia Downs	100
E74/0550	MUNGLINUP NORTH	Munglinup North	100
E04/2621	THUNDER RIDGE	Admiral Bay	100
E45/5368	DESERT QUEEN	Desert Queen	100
E45/5369	DESERT QUEEN	Desert Queen	100
E45/5370	MANDORA BEACH	Mandora	100
E45/5371	MANDORA BEACH	Mandora	100
E45/5372	MANDORA BEACH	Mandora	100
E45/5373	MANDORA BEACH	Mandora	100
E45/5375	DESERT QUEEN (WEST)	Desert Queen	100
E45/5376	DESERT QUEEN	Desert Queen	100
E45/5377	DESERT QUEEN	Desert Queen	100
E45/5378	MANDORA BEACH (WEST)	Mandora	100
E69/3654	GIBSON DESERT NORTH	Paterson South	100
E69/3657	GIBSON DESERT NORTH	Paterson South	100
E69/3669	MCDOUGALL KNOLL	Paterson South	100
E69/3670	MCDOUGALL KNOLL	Paterson South	100
E69/3676	YOWALGA	Fraser Range North	100
E69/3677	NARIE POINT	Fraser Range North	100
E69/3680	PUSSY CAT HILL	Warburton	100
E69/3681	PUSSY CAT HILL	Warburton	100
E69/3682	PUSSY CAT HILL	Warburton	100
E69/3683	TABLE POINT	Pandora	100
E69/3684	TABLE POINT	Pandora	100
M04/249	ADMIRAL BAY	Admiral Bay	81.1
M04/244	ADMIRAL BAY	Admiral Bay	81.1
E04/1610	ADMIRAL BAY	Admiral Bay	81.1
E04/2453	Emmanuel Range	Emmanuel Range	81.1
E04/2259	Emmanuel Range	Emmanuel Range	81.1
E80/5095	Emmanuel Range	Emmanuel Range	81.1
E04/2464	Napier Range	Napier Range	81.1
M04/161	Napier Range	Napier Range	81.1
M04/162	Napier Range	Napier Range	81.1
G04/20	Napier Range	Napier Range	81.1