

ASX RELEASE: 7 November 2019

NEW TENEMENTS PEGGED IN PROLIFIC KOOKYNIE AREA FRASER RANGE NORTH & WARBURTON TENEMENTS GRANTED

HIGHLIGHTS

- **Four tenements pegged within the prolific Kookynie Area.**
 - Totals an extra 496ha to the overall ~4,300ha under Metalicity control, and lies along strike from known, extensive mineralisation.
- **Grant of the Fraser Range North Project.**
 - Prospective for Nickel-Copper sulphide mineralisation.
- **Grant of part of the Warburton Project.**
 - Extensive copper mineralisation observed at surface.
- **Native Title Access Agreement progressing well with the Traditional Owners.**

Metalicity Limited (ASX: MCT) (“MCT” or “Company”) is pleased to announce the Company has acquired, through tenement applications, a further four (4) prospecting and exploration tenements in the Kookynie Area in the WA Goldfields region.

Furthermore, the Company has received notification the Fraser Range North and two of the three Warburton tenements have now been granted.

Managing Director and CEO, Jason Livingstone commented;

“I am absolutely delighted we were able to peg and apply for this incredibly strategic and prospective tenure within the Kookynie Area. We are making great strides towards consolidation of the Kookynie and Yundamindra Gold Projects through farm-ins and joint ventures, coupled with opportunistic pegging of ground to ensure that value is created for Metalicity Shareholders.

“With part of the Warburton and the Fraser Range North Projects being converted to live tenure, I look forward to working with the Traditional Owners to ensure access agreements are fair and equitable for all.

“Metalicity is growing a pipeline of Projects headed by our Kookynie and Yundamindra farm-in agreements with incredibly prospective greenfields acquisitions.”

Kookynie Gold Project

Through careful monitoring of competitor tenure in both the Kookynie and Yundamindra areas, Metalicity moved to ensure applications over expiring tenure were executed as per DMIRS guidelines. Metalicity notes that there are competing applications over the three prospecting licences at the time of expiry.

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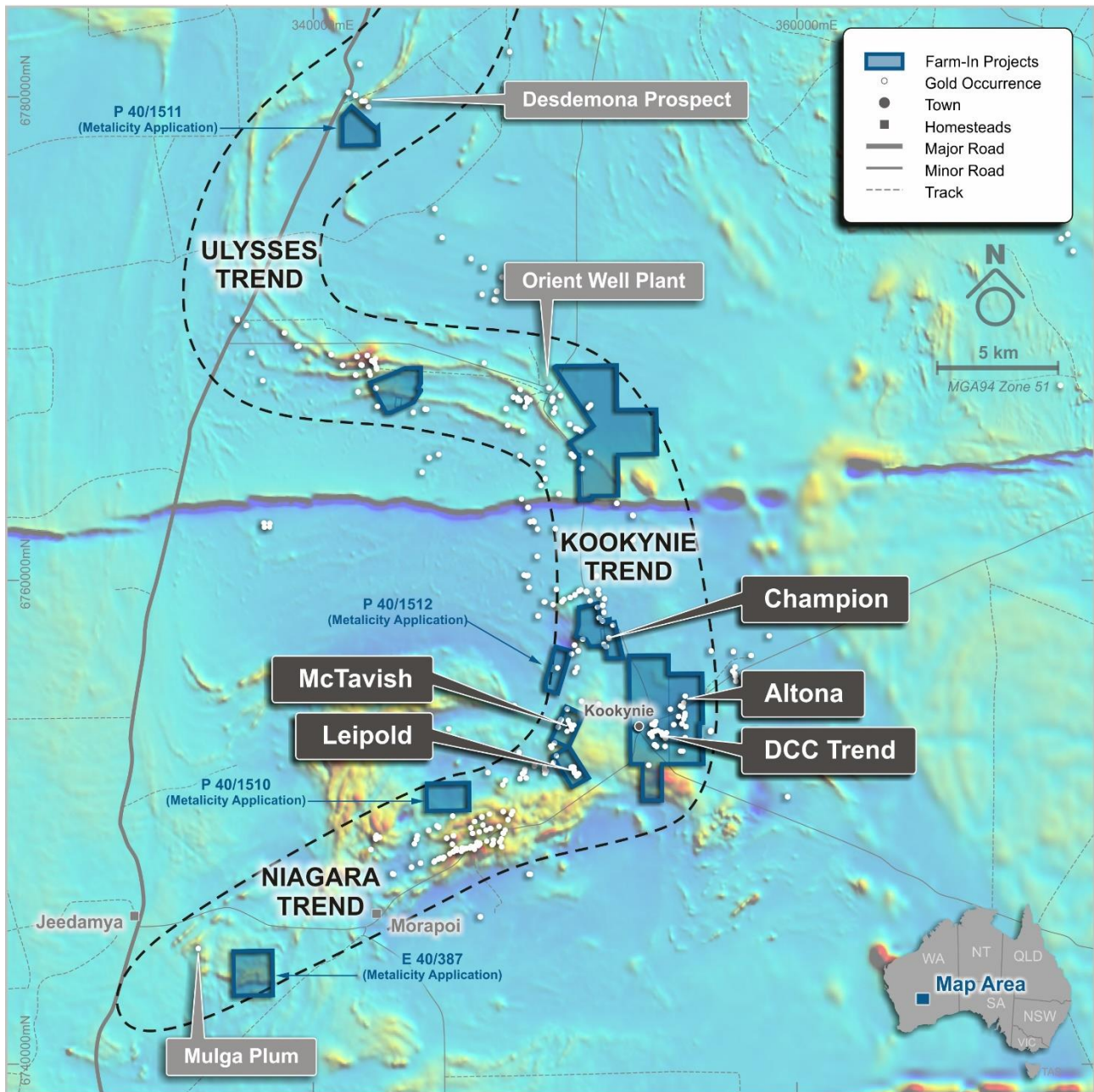


Figure 1 – Kookynie Area Updated Tenement Map.
Underlying Image – Sourced from DMIRS GeoView.WA, “Magnetic Anomaly”.

Application P40/1510 & E40/389:

P40/1510 was pegged in the early hours of Friday 18th October 2019, after the scheduled expiry of the underlying tenement at 11:59pm Thursday 17th October 2019. While there is a competing application over this area, Metalicity is of the belief that, based on its application, the Company is well poised to acquire this ground.

E40/389 consists of a single graticular block that was vacant. On 29th October 2019, Metalicity applied for this ground. There are no competing applications.

P40/1510 and E40/389 are situated within the Niagara Trend in the Kookynie District which has historically produced circa 75,000 ounces of gold (Source: MINEDEX, 2019). The regional geophysical surveys publicly available for this area demonstrate a clear anomaly continuation that hosts significant mineralisation in the area. Coupled with little to no modern exploratory work, this indicates the acquired areas are significantly under-explored and hold fantastic potential to host further gold mineralisation.

Application P40/1511:

Situated immediately south of the Desdemona area, which historically has produced circa 30,000 ounces of gold. P40/1511 was pegged in the early hours of Friday 18th October 2019, after the scheduled expiry of the underlying tenement at 11:59pm Thursday 17th October 2019. While there is a competing application over this area, Metalicity is of the belief that, based on its application, the Company is well poised to acquire this ground.

Similarly, with P40/1510 and E40/389, the regional geophysical surveys demonstrate a clear anomaly continuation that hosts significant mineralisation from the Desdemona area. While the application lies approx. 30 kilometres north north-west of our focused Kookynie area, based on the structural continuation from known and prolific mineralisation at Desdemona the Company decided to take the opportunity to acquire the tenement.

Application P40/1512:

P40/1512 lies approx. 2.5 kilometres north of the Company's McTavish Prospect which has produced significant drill hole intercepts of 4 metres at 6.4 g/t Au from 67 metres including 1 metre at 15.47 g/t Au from 67 metres (please refer to ASX Announcement titled "*Metalicity Confirms Mineralisation*" dated 31st July 2019).

Metalicity has identified a structural corridor tracking north from the Leipold/McTavish trend that encompasses P40/1512 and potentially hosts the demonstrated mineralisation. Metalicity believes, through reviewing the historical data available for this area, that this trend is significantly underexplored and presents an incredible opportunity for discovery.

Warburton E69/3680, E69/3681 & E69/3682:

Two of the three tenements (E69/3681 and E69/3682) have been approved and are now allocated "live" by the West Australian Department of Mines, Industry Regulation & Safety (DMIRS) as of the 16th October 2019.

E69/3680 is still being processed by DMIRS and is subject to an objection by the Traditional Owners while E69/3681 and E69/3682 remain subject to negotiating and agreeing to an access agreement with the Traditional Owners.

All three tenements are within an Aboriginal Reserve, Ngaanyatjarra Lands, and Metalicity looks forward to continuing working with the Traditional Owners in good faith to reach a resolution that is best for all parties concerned.

As previously announced on the 26th February 2019, the Warburton Project is a large sediment-hosted Copper bearing horizon spanning approximately 80 km within the Bentley subgroup. The entire Warburton Project encompasses approximately 1,200km² of this highly prospective area as detailed in the table below:

Tenement ID	No. of blocks	Area km ²	Grant Date	Status
E69/3680	101	312	-	Pending
E69/3681	163	503	16/10/2019	Live
E69/3682	145	447	16/10/2019	Live
Total	409	1,262		

Table 1: Warburton Project Tenement Details.

Previous exploration within the Warburton area extends back to the 1960's with a major exploration campaign conducted by WMC from 1966 to 1971. During this time, WMC identified some 200 copper mineral occurrences and geochemically anomalous soils over a significant strike length, hosted in a range of mid-Proterozoic sedimentary and volcanic rocks of the Bentley Subgroup.

Subsequent operators have only conducted interpretative work with the exception being Rubicon Resources who held the ground from 2008 to 2012 where a range of exploratory methods were utilised including the drill testing of several targets.

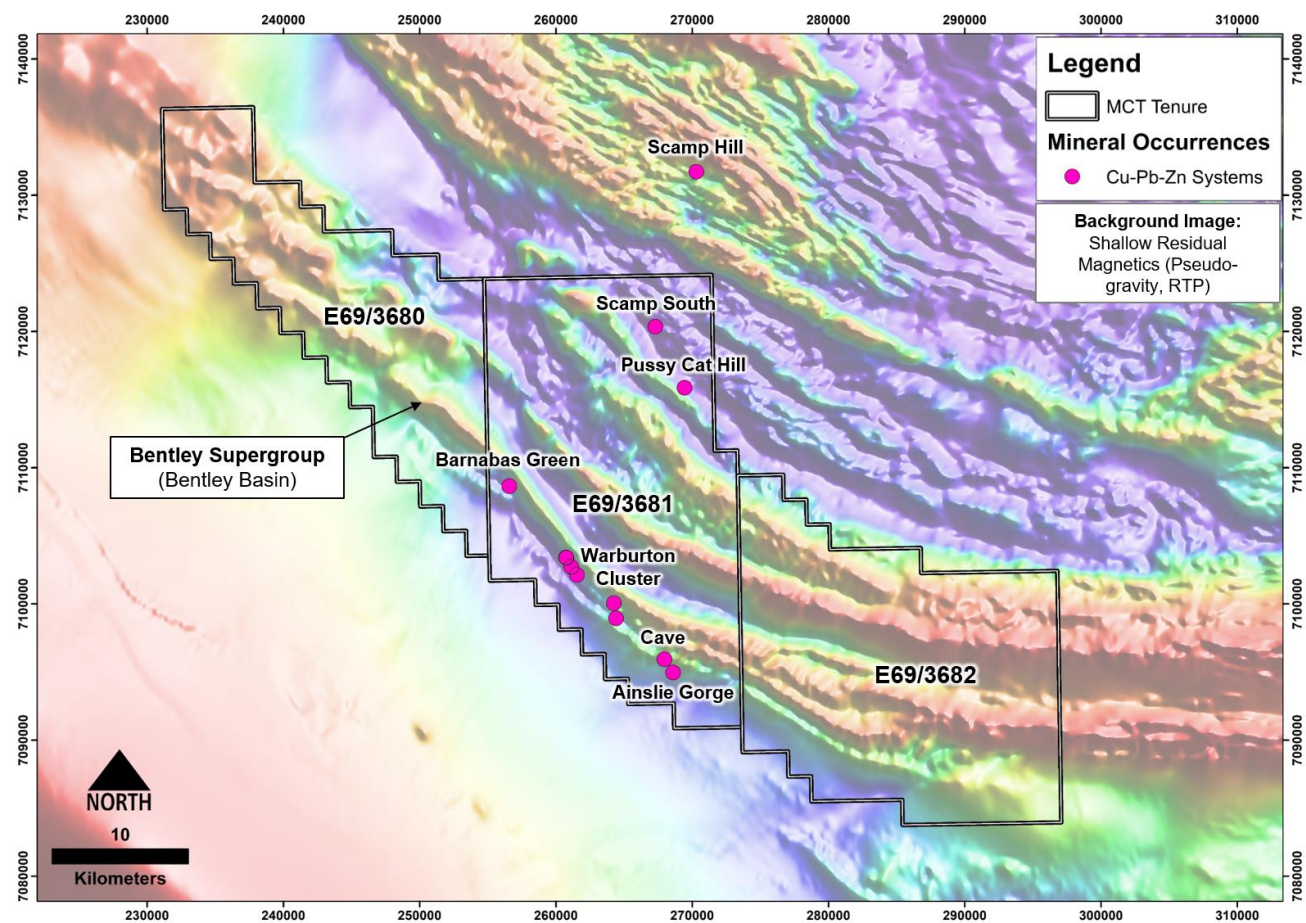


Figure 2: Warburton Residual magnetics with known Prospects and tenure applications.

Below are examples of two types of the observed Warburton copper mineralisation that exist within the tenure held by the Company.



Photograph 1: Cross-fracture style mineralisation; b – conglomerate hosted copper mineralisation (after Daniels, 1974 sourced from Rubicon Resources Final Report, March 2012 WAMEX Report No. A93164)

The Company believes with modern geophysical and geochemical methods coupled with post data collection processing capabilities and examples of cropped out mineralisation within the project area (detailed above), the Warburton Project offers a unique opportunity to refine and add to the datasets collected to date to generate highly prospective drill targets with a high probability of exploration success.

Fraser Range North E69/3676 & E69/3677

As described above, the Fraser Range North Project has been approved and are now “live” by the West Australian Department of Mines, Industry Regulation & Safety (DMIRS) on the 10th October 2019. Both tenements are subject to negotiating and agreeing to an access agreement with the Traditional Owners.

The Fraser Range North Project is hosted within the “Western Transition Zone” of the Fraser Front, which contain metasediments, gneisses and metavolcanics, it also contains intermediate to basic-ultra basic intrusives. Potential mineralisation is interpreted to be fractionated mafic intrusives hosting magmatic style nickel copper mineralisation.

The Fraser Range North Project encompasses approximately 220km² of this highly prospective area as detailed in the table below:

Tenement ID	No. of blocks	Area km²	Grant Date	Status
E69/3676	49	148	10/10/2019	Live
E69/3677	24	72	10/10/2019	Live
Total	73	220		

As previously announced on the 28th February 2019 and 3rd May 2019:

Metalicity’s work in 2019 with petrographic, analytical and geophysical modelling has confirmed the presence of a significant anomalous, layered mafic intrusives at the Fraser Range North Projects.

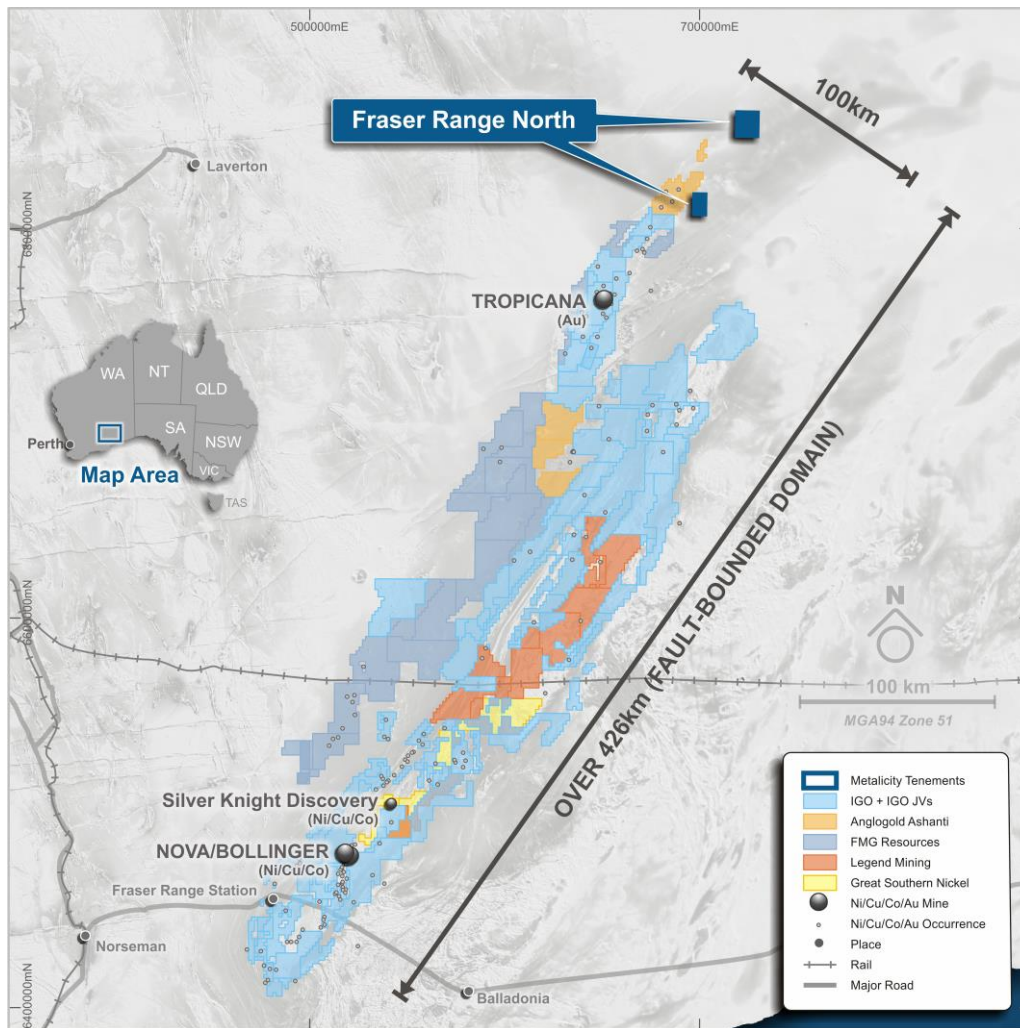


Figure 3 – Fraser Range North Locality Map.

The Company had reviewed diamond core from historic exploration, N3-1 and N1-1, which were drilled by Kennecott Explorations (Australia) Ltd within the project areas during the 1980's and noted traces of chalcopyrite, and a rock unit (layered mafic intrusives) prospective for Fraser Range-style nickel-copper sulphides (See ASX Announcement dated 28th February 2019).

Polished thin sections were taken from both N3-1 and N1-1 drill holes to understand the mineralogy of specific fractions within the layered mafic units, coupled with qualifying the sulphide mineralogy present. The results were interrogated using historical petrographic work conducted by Kennecott Explorations (Australia) Ltd. and confirmed the presence of chalcopyrite, specifically concentrating on the basal sections of what is interpreted to be the base of the layered mafic units.

Furthermore, a total of 39 samples (4 from N1-1 on E69/3676 and 35 from N3-1 on E69/3677) were taken and submitted to Intertek Genalysis for "Nickel Sulphide Collection Fire Assay" and the "Comprehensive lithogeochemical characterisation package" to determine a 73 element/compound suite. The lithogeochemical investigations successfully identified fractionated mafic intrusion containing copper values of up to 0.04%. While the test work has returned sub-economic grade intercepts, the Company is very excited by the results which have demonstrated the presence of anomalous mineralisation in an area which was not originally targeting Fraser Range style nickel-copper and has received no further modern base metals exploration. The discovery is also made in a region which has delivered globally significant nickel-copper projects, such as the Nova-Bollinger mine and the Silver Knight deposit.

Whilst the core sampling work illustrates that the geological model of an anomalous layered mafic intrusion is present, geophysical modelling was conducted to understand the architecture of the coincident magnetic and gravity anomalies.

The first process applied to the two Project areas were reprocessing the publicly available gravity data to understand the structural framework of the region and where the tenements sit. Various structural detection algorithms were run and illustrated that both E69/3676 and E69/3677 host ground where deep seated structures/gravity ridges represent regional conduits for potential mineralisation. However, the 3D magnetic inversion techniques applied were revealing given this process models the magnetic bodies that produce the anomalism.

Figures 4 and 5 show the modelled magnetic data that involves finding a 3D distribution of susceptibility that best fits the data observed at surface. The Kennecott drill holes also recorded and tabulated magnetic susceptibility measurements, therefore a correlation with the regional magnetic data and the Kennecott drilling was possible in our 3D modelling.

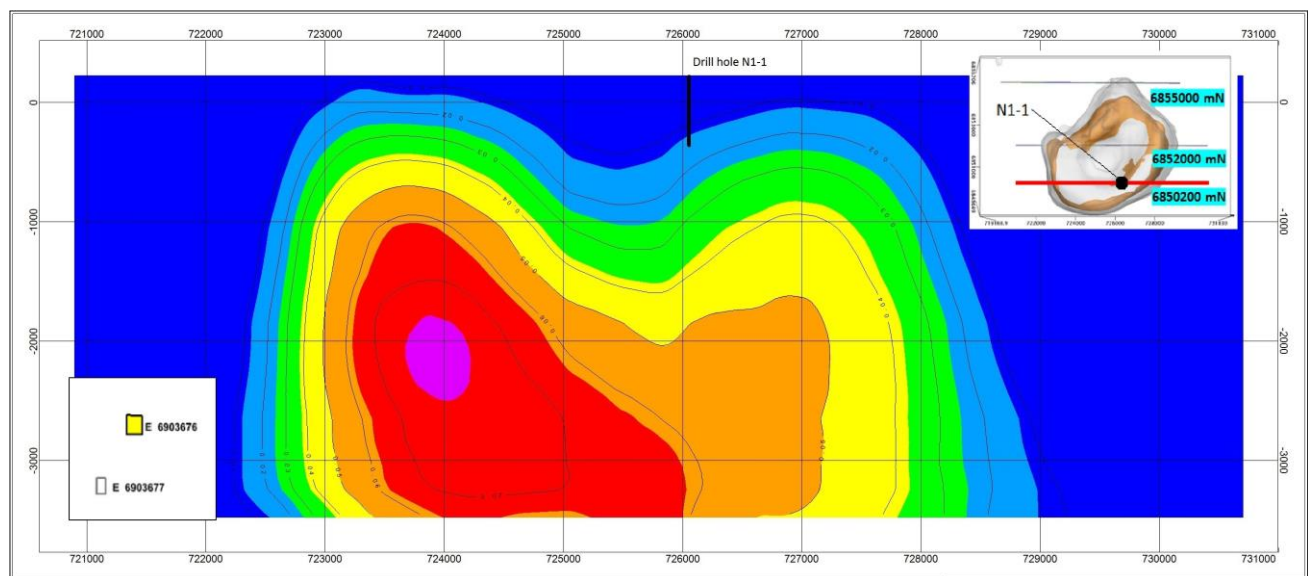


Figure 4 – E69/3677 Magnetic Inversion Cross Section with Kennecott Drill Hole Annotated.

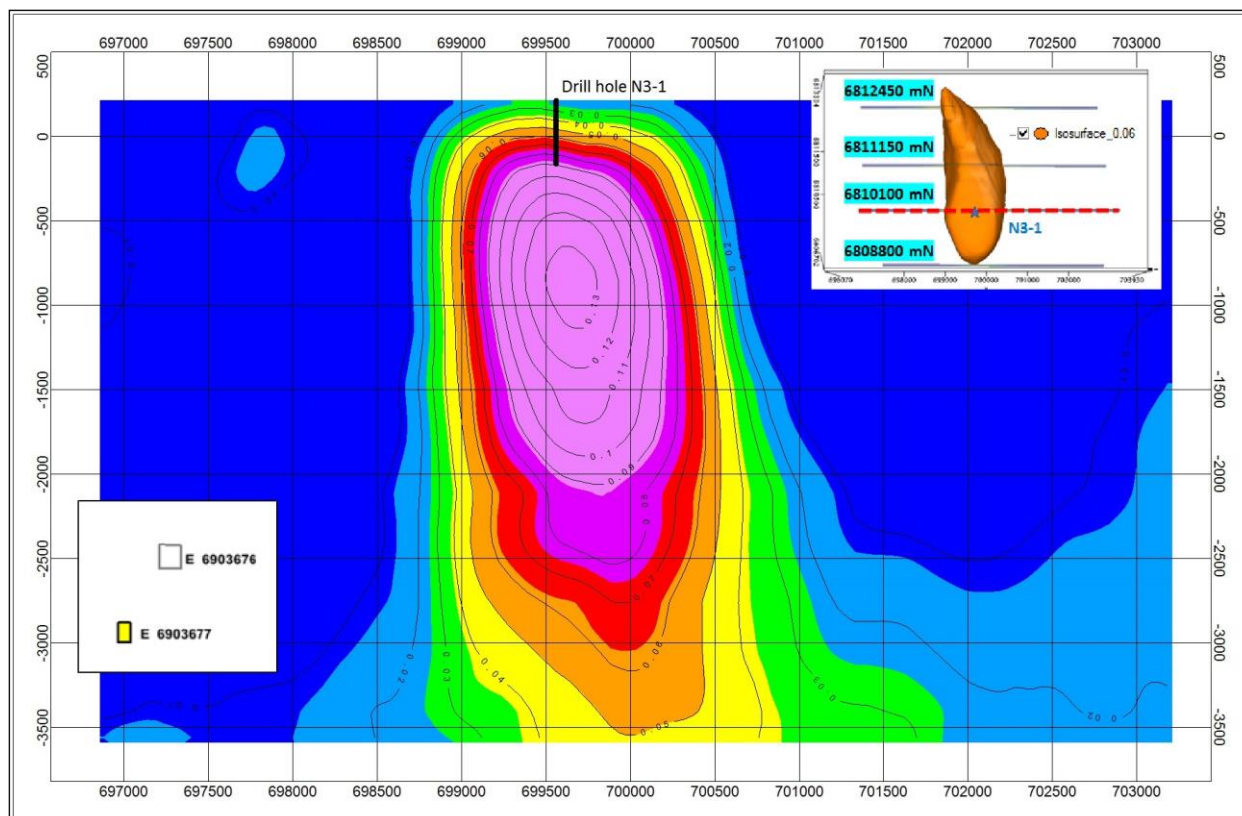


Figure 5 – E69/3676 Magnetic Inversion Cross Section with Kennecott Drill Hole Annotated.

From the figures above and the annotated drill holes completed in the early 1980's, the magnetic anomalies have not been intersected adequately to explain the geophysical anomalism in the area. Therefore, the potential for large accumulations of Copper and or Nickel sulphides remains untested.

Based on the Company's updated understanding of the Project, a ground, moving loop electro-magnetic (EM) survey represents an ideal approach to further develop prospective drilling targets, which can be rapidly executed upon working with the Traditional Owners in negotiating an access agreement to allow Metalicity to perform exploratory work.

Summary

While Metalicity's focus remains on the Kookynie and Yundamindra Gold Projects, the Company is striving to create value through the development of a pipeline of Projects within the gold and base metal space.

The Kookynie area especially has been subject to fractured ownership over a very long period. The Company, through well-structured farm-in/joint venture arrangements and being highly cognisant of competitor activities in the region, is making great head way into re-consolidating the Kookynie area to ensure exploration is not hampered by arbitrary tenement boundaries.

Coupled with the grant of two exceptionally prospective nickel-copper and copper projects in proven, well-endowed provinces of the Fraser Range and Musgraves, this further illustrates Metalicity's drive to develop a well credentialed pipeline of Projects to generate value for the Company.

ENQUIRIES

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