

ASX RELEASE: 11th October 2022

Fieldwork Commences at the Mt Surprise Lithium Project

HIGHLIGHTS

- Metalicity has commenced its maiden exploration programme at the Mt Surprise Lithium Project.
- Initial exploration activities will focus on geological field mapping and rock chip sampling from prospective lithologies and key structural features.
- Metalicity recently secured the Mt Surprise Lithium Project, where historic rock chip samples returned 3.55% Li_2O , 125ppm tantalum, 0.25% caesium and 1.26% rubidium¹.
- Historic rock chip sampling at the Company's Mt Surprise Lithium Project also identified significant high-grade copper mineralisation at surface.
- *Of the 161 historical rock chip samples collected in 1988, the following were identified²:
 - 1 sample returned a copper grade above 25% Cu
 - 5 samples returned copper grades above 1% Cu
 - Also present were samples containing anomalous assay grades for other base metals and gold.
- Initial activities will focus on these areas that have produced historic results; however, Metalicity will aim to review the mineral prospectivity of the whole tenement to help generate lithium and other mineral targets for future programmes.

Metalicity Limited (ASX: MCT) ("Metalicity" or "Company") is excited to announce that the Company will undertake its first steps into exploring its newly acquired 100% owned Mt Surprise Lithium Project (EPM 28052) located circa 57km northeast of the town of Mt Surprise, 165 km west of the major centre of Cairns in North Queensland and is serviced by excellent infrastructure in the area with easy access (Figure 1). The Company's exploration team arrived on site over the weekend and have begun extensive fieldwork activities.

Commenting on the expanded drilling programme, Metalicity Managing Director, Justin Barton said:

"We are excited to get our feet on the ground and begin fieldwork activities following up the historical rock chips samples on the tenure, which showed that the Mt Surprise Project is highly prospective for Lithium (3.55% Li_2O), Copper (+25%Cu), other base metals and gold. This initial programme is also designed to target new pegmatites and potential lithium mineralization to assist with future targeted exploration programmes".

Fieldwork Programme

¹ ASX Announcement "Metalicity Secures Highly Prospective Lithium Project" dated 18 August 2022.

² Please refer ASX announcement dated 2 September 2022 "Historical Samples at the Mt Surprise Lithium Project Identify Significant Copper Mineralisation over 5km Strike

***Cautionary Note:** There has previously been only minor work done on lithium at the Project area to date. It has been further reported in the historical data that "a number of reasonable lithium results were obtained (> 1% Li) in the past"². However, these additional samples from the area are unable to be obtained and verified and only one sample has been documented with lithium at 3.55%. More exploration sampling is required to establish what is representative of the true extent and sample grade of the lithium mineralisation within the Project area.

The geology of the area is characterised by the Silurian-aged Blackman Gap Complex, a medium to coarse-grained biotite-muscovite granodiorite, granite and pegmatite which also hosts the Gingerella Site (Figure 1). The granite is overlain by various Carboniferous-aged volcanics including the Double Barrel andesite and tuff as well as the Gingerella rhyolites and ignimbrites.

Reconnaissance rock sampling was conducted by Monax in 2016 (See MOX announcement May 2016³) from an area identified as the Gingerella Site, which returned assay results outlined in the summary table below.

Site	Easting	Northing	Li ₂ O (%)	Ta (ppm)	Cs (ppm)	Rb (%)
Gingerella	252747	8039644	3.55	125.5	2560	1.23
MGA94 (Zone 55)						

The sampled outcrop is described as southeast of a quarry working the Double Barrel andesite but specifically along a red/pink altered contact of the underlying Blackman Granite and/or pegmatite (Figure 1; Hughes 2017 CR_99948⁴). Lithium minerals were described as lepidolite (lithium mica); however, the mineralogy was never confirmed.

High grade copper results from historic rock chip samples were also collected from several locations. Some of the more significant copper and gold results are shown below.

- **27.5% Cu**
- **6.73% Cu**
- **4.04% Cu**
- **3.67% Cu**
- **1.62% Cu**
- **1.32 g/t Au**
- **1.21 g/t Au**
- **1.11 g/t Au**

Copper appears to occur as malachite-azurite-fluorite mineralisation and occurs within 30cm wide quartz-stockworked or vein contacts between a rhyolite dyke and early Silurian granite of the Blackman Gap Complex. Many of these veins were exposed in historical costeans across a 1 - 1.5 kilometre long, north-south trending, quartz-fluorite vein system hosted by altered and greisenised granites (Dargalong Metamorphics) ^{5,6}. Historic gold samples were collected from gossanous epithermal quartz veins or structures hosted within granites from a number of locations across the tenement.

³ <https://www.asx.com.au/asxpdf/20160517/pdf/43797gzb3nxf3.pdf>. Monax Mining Limited (MOX) to Acquire Prospective Lithium Project (17 May 2016).

⁴ [CR 99948](#). Tenement EPM26053 Gingerella. Annual, Final & Relinquishment Reports 24th February, 2017. K. Hughes and J. Belcher. Department of Natural Resources, Mines and Energy, Queensland.

⁵ [CR 17571](#). 4633M (Whistler), 4634M (Sundown), Barwidgi Project, combined final report, area surrendered June 1988. Combined Final Report, area surrendered June 1988. R.G. Finch and C.A. Towsey. Department of Natural Resources, Mines and Energy, Queensland.

⁶ To access GSQ Open Data Portal System for public reports, please visit <https://geoscience.data.qld.gov.au/dataset> and use the search function quoting the GSQ Open Data Portal report Reference Number

This field programme will begin with a thorough field review of the Mt Surprise area including detailed mapping and collection of rock chip samples targeting new pegmatites and potential lithium mineralisation across the extensive land holding particularly along the prospective contact (Figure 1). It is important to note that many unspecified dykes have been interpreted by the Geological Survey of Queensland that will be investigated for pegmatites as part of the upcoming field programmes.



Figure 1 –Mt Surprise EPM 28052 field area - Gingerella Prospect.

Metality regards the Mt Surprise Project as prospective for lithium mineralisation and that the granites in the area are clearly fertile to produce LCT (Lithium-Caesium-Tantalum) pegmatites. Other lithium deposit styles such as rhyolite hosted deposits are also prospective given the Mt Surprise area contains similar host rocks within a volcanic caldera setting to the Rhyolite Ridge lithium deposit in USA.

The field programme will also take the opportunity to explore for base metals, including copper as well as gold mineralisation occurrences and prospectivity identified from the desktop historical review. Information collated from the desktop review will assist in accelerating exploration targets for further investigation over a large tenement area.



Figure 2 –Possible lepidolite alteration - Gingerella Prospect.

Samples will be transported to an analysis laboratory in Townsville testing for Lithium and other valuable minerals as well as other pathfinder/indicator elements. In addition, several samples will undergo mineralogical analysis to determine the minerals present.

This Announcement is approved by the Board of Metalicity Limited.

ENQUIRIES

Investors

Justin Barton
Managing Director
+61 8 6500 0202
jbarton@metalicity.com.au

Metalicity confirms that the Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of “exploration results” that all material assumptions and technical parameters underpinning the “exploration results” in the relevant announcements referenced apply and have not materially changed.

Competent Person Statement

Information in this report that relates to Exploration results and targets is based on, and fairly reflects, information compiled by Mr. Stephen Guy, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Guy is an employee of Metalicity Limited. Mr. Guy has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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. Guy consents to the inclusion of the data in the form and context in which it appears.

Forward Looking Statements

This announcement may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have reasonable basis. However, forward-looking statements:

(a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;

(b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such risks include, without limitation, resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which the Company operates or supplies or sells product to, and governmental regulation and judicial outcomes; and

(c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The words “believe”, “expect”, “anticipate”, “indicate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward-looking statements.

All forward-looking statements contained in this presentation are qualified by the foregoing cautionary statements. Recipients are cautioned that forward-looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

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