

Date: 31 July 2023

June 2023 Quarterly Activities Report – Metalicity Limited

EXPLORATION ACTIVITIES

- Results from low detection level soil sampling in the November 2022 field program, indicate further copper and base metal mineralisation at Mt Surprise¹.
- Copper and Base Metal Mineralisation anomalies are open in multiple directions with the presence of pathfinder elements such as Molybdenum (Mo), Bismuth (Bi), Tungsten (W), Cobalt (Co) and Silver (Ag) potentially representative of larger mineralised systems.
- Multiple new high priority targets identified at the Mt Surprise Project following re-processing of geophysical datasets in conjunction with results from soil sampling and geochemical exploration work².
- Results from Kookynie field reconnaissance and soil sampling program in last quarter returned no significant results but have contributed towards forward planning for future exploration targets and activities.
- Exploration activities at the Kookynie and Yundamindra Gold projects continue on a reduced scale whilst the company seeks recovery of over \$1.8m of unpaid JV Cash Calls and associated costs from Nex Metals and conclusion of the Yundamindra plaintiff.

CORPORATE

- Final arguments in the Yundamindra plaintiff concluded in the Warden's Court on 10 July 2023, with the Judge reserving her decision. The Company awaits for findings to be handed down.
- Recovery of initial outstanding cash calls and associated costs of ~\$1.28m from our JV partner Nex Metals continues to progress through the Supreme Court. The next hearing is scheduled for early August 2023.
- The Company received a combined investment of \$540,000 cash from Directors as approved by shareholders on 5 May 2023.

Metalicity Limited (ASX: MCT) ("Metalicity" or "Company") is pleased to provide the Quarterly Activities Report for the period ending 30 June 2023.

Commenting on the Quarter, Metalicity Managing Director, Justin Barton said: *"Following conclusion of the wet season in Queensland, it was great to recommence exploration activities on our Mt Surprise and Georgetown projects. Our Mt Surprise project continues to provide encouraging results and we look forward to the results from last month's field program."*

¹ Please refer "Soil Sampling Confirms and Extends Significant Copper and Base Metal Mineralisation" dated 3 May 2023

² Please refer "Multiple New Priority Exploration Targets Identified at Mt Surprise" dated 15 May 2023

“Meanwhile, we continue to explore new opportunities and seek resolution of JV matters with Nex Metals whilst we await the findings of the Warden’s Court regarding the Yundamindra plaint hearing, which concluded on July 10.”

Mt Surprise and Georgetown Projects

In late 2022, Metalicity collected 317 fine fraction soil samples from several target areas identified through rock chip results, field observations and a review of historical exploration reporting. Low detection, fine fraction sampling and assay analysis is an excellent tool for identifying any anomalous mineralisation or mineralised trends that would possibly remain undetected using conventional sampling and assaying methods. The Mt Surprise Project includes large areas with minimal to no outcrop making them ideal for low detection soil sampling to identify any concealed anomalies.

Soil sample results at the Copper Cap anomaly clearly identified a roughly east west trending anomaly which widens and appears to extend towards the west (Figure 1)¹. This east-west orientation runs perpendicular to the veins which host copper mineralisation observed in historical excavations trend NNW to SSE which aligns with associated mobile multi-elements. The presence of pathfinder elements such as Molybdenum (Mo), Bismuth (Bi), Tungsten (W) and Cobalt (Co) may be representative of a larger copper mineralised system.

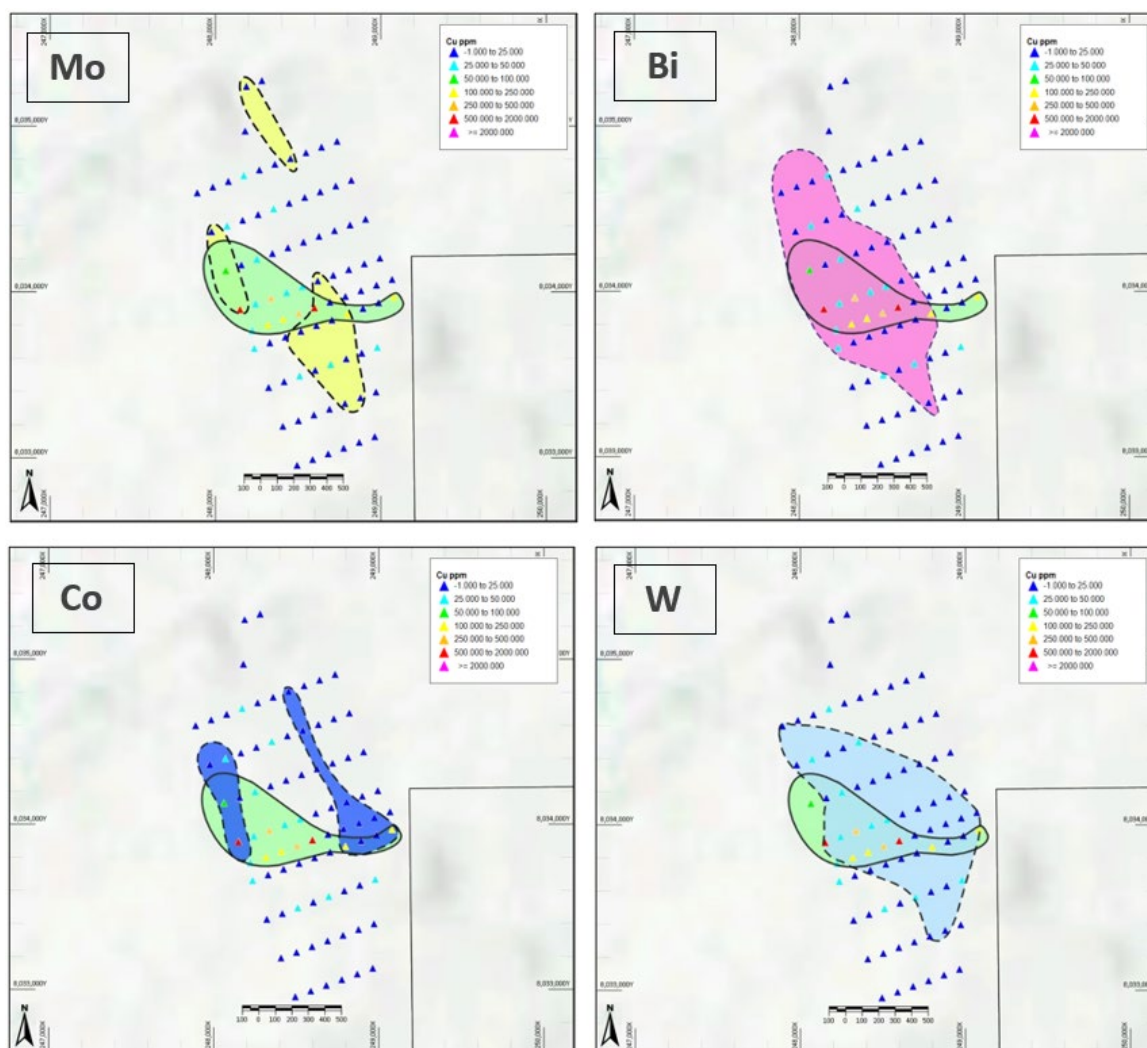


Figure 1. Copper Cap Prospect. Soil Sampling Plan showing Multi-Element Anomalies over copper soil sample results, Molybdenum (Mo), Bismuth (Bi), Cobalt (Co) and Tungsten (W).

¹ Please refer “Soil Sampling Confirms and Extends Significant Copper and Base Metal Mineralisation” dated 3 May 2023

Assay results from the Double Barrel base metal prospect sampling indicate a large base metal anomaly 1km in length and up to 650m and associated pathfinder multi-elements (Figure 2)¹. This anomaly was initially identified with rock chip samples from 50m of gossanous outcrop strongly associated with a rhyolitic dyke and represents an increase in target size and prospectivity³. Soil sampling indicates clearly that there is a strong correlation between the lead, zinc and silver anomalies when overlain with each other and the mapped rhyolitic dyke (Figure 2). Additionally, there are many rhyolitic dykes within the Mt Surprise Project area that may be associated with base metal or other mineralisation.

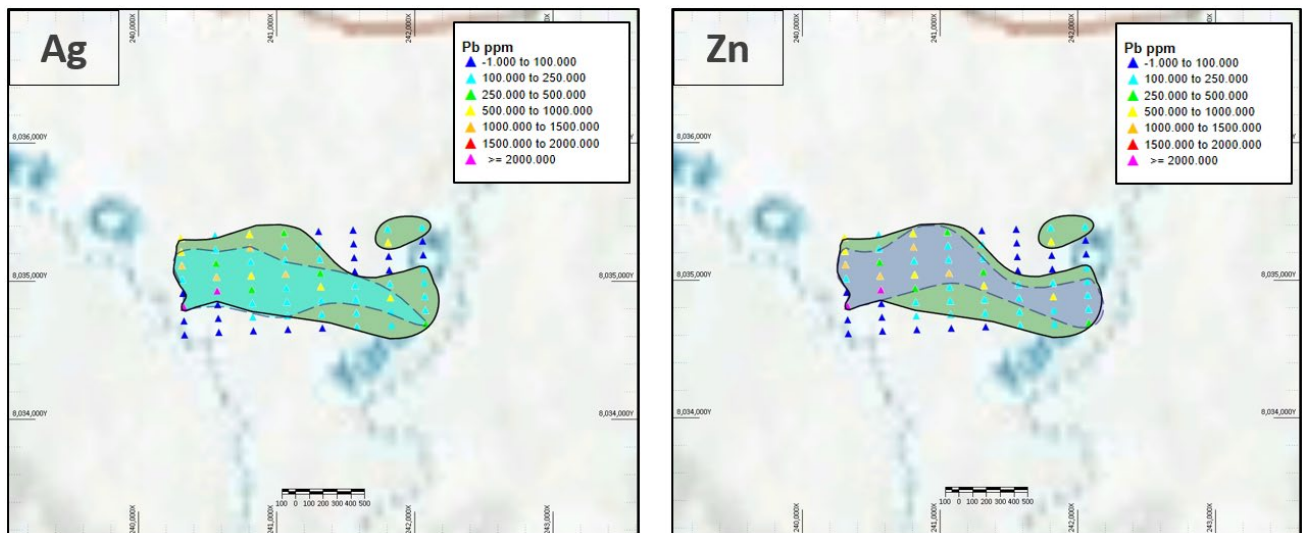


Figure 2. Double Barrel Prospect. Soil Sampling Plan showing Multi-Element Anomalies Silver (Ag), and Zinc (Zn).

During the June quarter, Metalicity engaged exploration consultants to review all available geophysical survey data over the Mt Surprise Project and surrounding areas and identified multiple new exploration targets (Figure 3). This work enhances the visualization of structural elements utilized over the Mt Surprise Project area to bring out more subtle features in the magnetically low relief basement areas and granites.

Results of reviewing geophysical survey data including aeromagnetic, radiometric and gravity data, generated new prospective targets, but also provided confirmation of mineralised trends associated with mineralisation at Metalicity's Copper Cap Prospect with a potential strike length over 4 km (Figure 3).

¹ Please refer "Soil Sampling Confirms and Extends Significant Copper and Base Metal Mineralisation" dated 3 May 2023

³ Please refer ASX announcement "High Grade Copper Results from Outcropping Gossan Rock Chips at Mt Surprise" dated 14 November 2022.

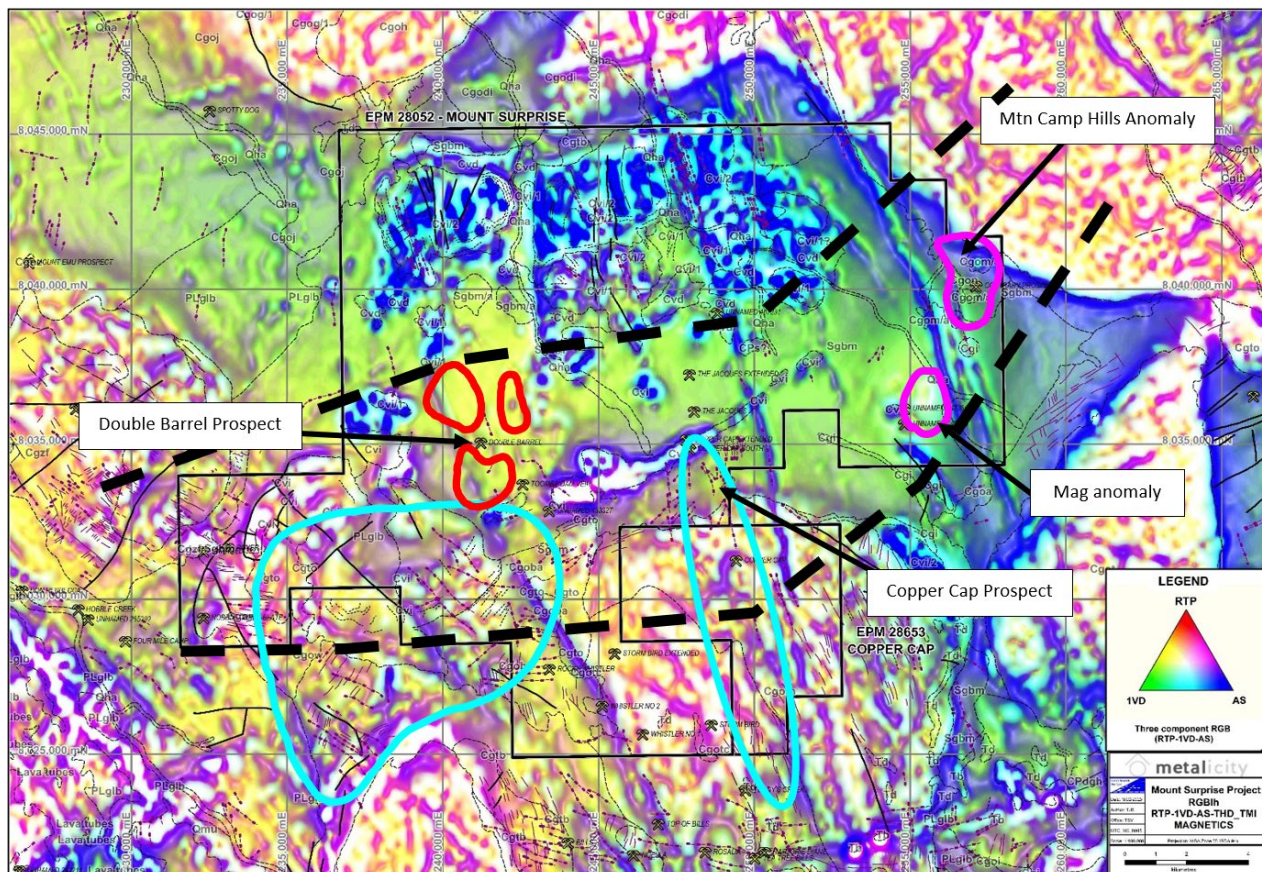


Figure 3. Magnetic Anomalies highlighted purple, radiometric anomalies highlighted red and gravity anomalies highlighted light blue. Central corridor of prospectivity as black dashed lines. Shaded Ternary RGBI Magnetic Image (RTP – 1VD – AS – THD) – Mt Surprise.

In June 2023, the Company undertook a field program to ground truth and test a number of exploration targets generated by the geophysical survey data review within the large central corridor of interest/prospectivity at the Mt Surprise Project area². An initial reconnaissance program was also carried out to Metalicity's Georgetown Project on EPM28121 which was granted in the current quarter. Results from this field program will be announced in the coming weeks.

The Mt Surprise Project consists of two granted exploration permits EPM28052 and EPM28653 covering a large area approximately 165km from the city of Cairns, Queensland and 57 km northeast of the town of Mt Surprise (Figure 4). The Georgetown Project is a large tenement area located 70km southwest of the Mt Surprise Project and both are serviced by excellent infrastructure in the area and easy access (Figure 4). The Mt Surprise Project is located within the highly prospective Georgetown Inlier of north Queensland hosting significant deposits such as Kidston gold mine 130km South.

² Please refer "Multiple New Priority Exploration Targets Identified at Mt Surprise" dated 15 May 2023

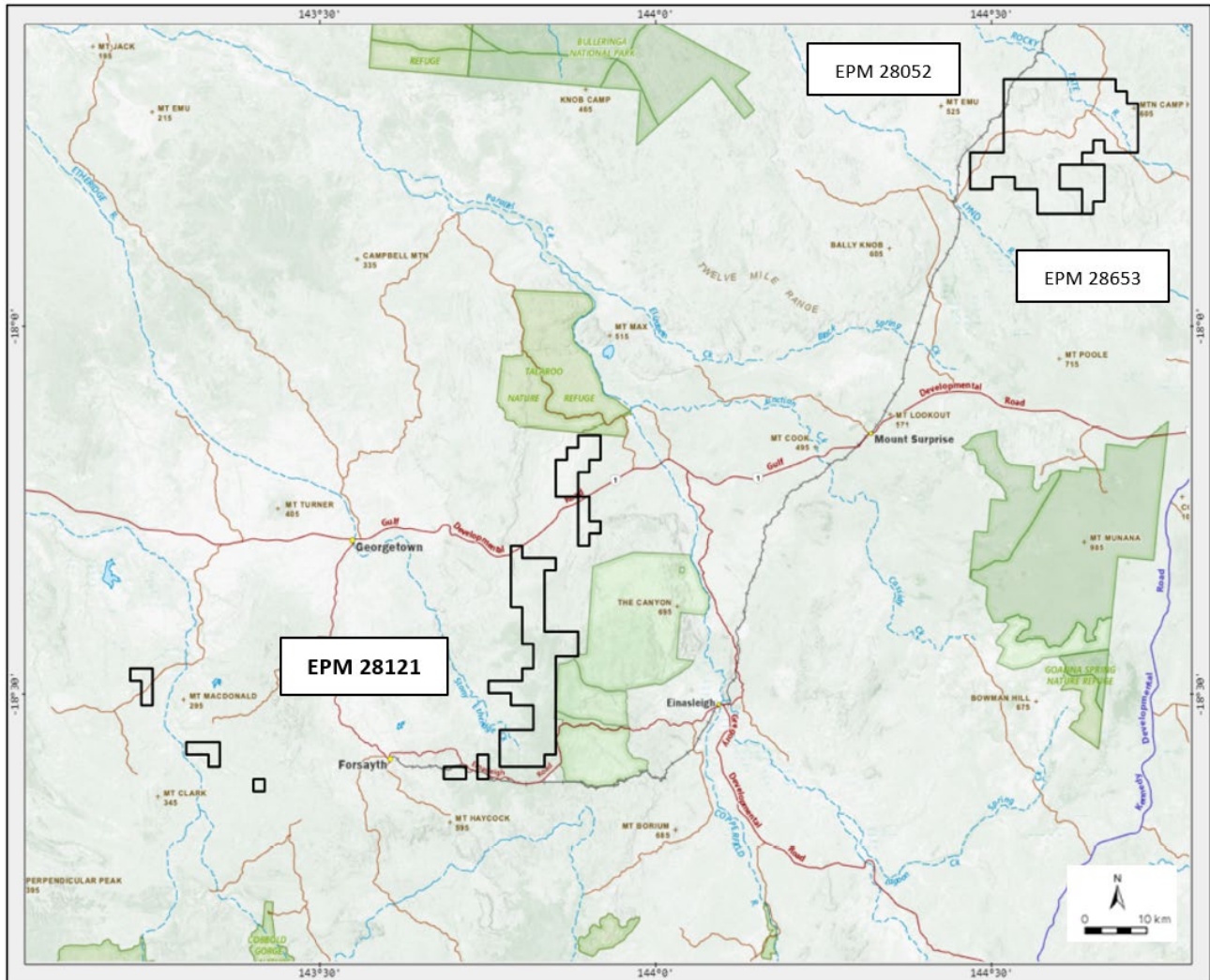


Figure 4. Granted Mt Surprise project exploration permits EPM 28052 and EPM 28653, Georgetown project EPM 28121 Locality Map.

Kookynie and Yundamindra Gold Projects

Metalicity has continued to actively develop the Kookynie and Yundamindra Gold Projects, located in the Goldfields district of Western Australia. These projects comprise the Kookynie & Yundamindra JV with Nex Metals Exploration Ltd (“Nex Metals”). The Kookynie Project, which is located approximately 60 km south of Leonora is host to seven large-producing historical mines: Champion, McTavish, Leipold, Altona, Diamantina, Cosmopolitan and Cumberland (Figure 5).

Assay results from a small soil sampling program completed in the March quarter did not yield any significant results but have contributed towards forward planning for future exploration targets and activities.

Metalicity is seeking to recommence detailed exploration and drilling at these projects as soon as possible following resolution of our JV matters with Nex Metals and the Wardens Court hearing regarding Yundamindra.

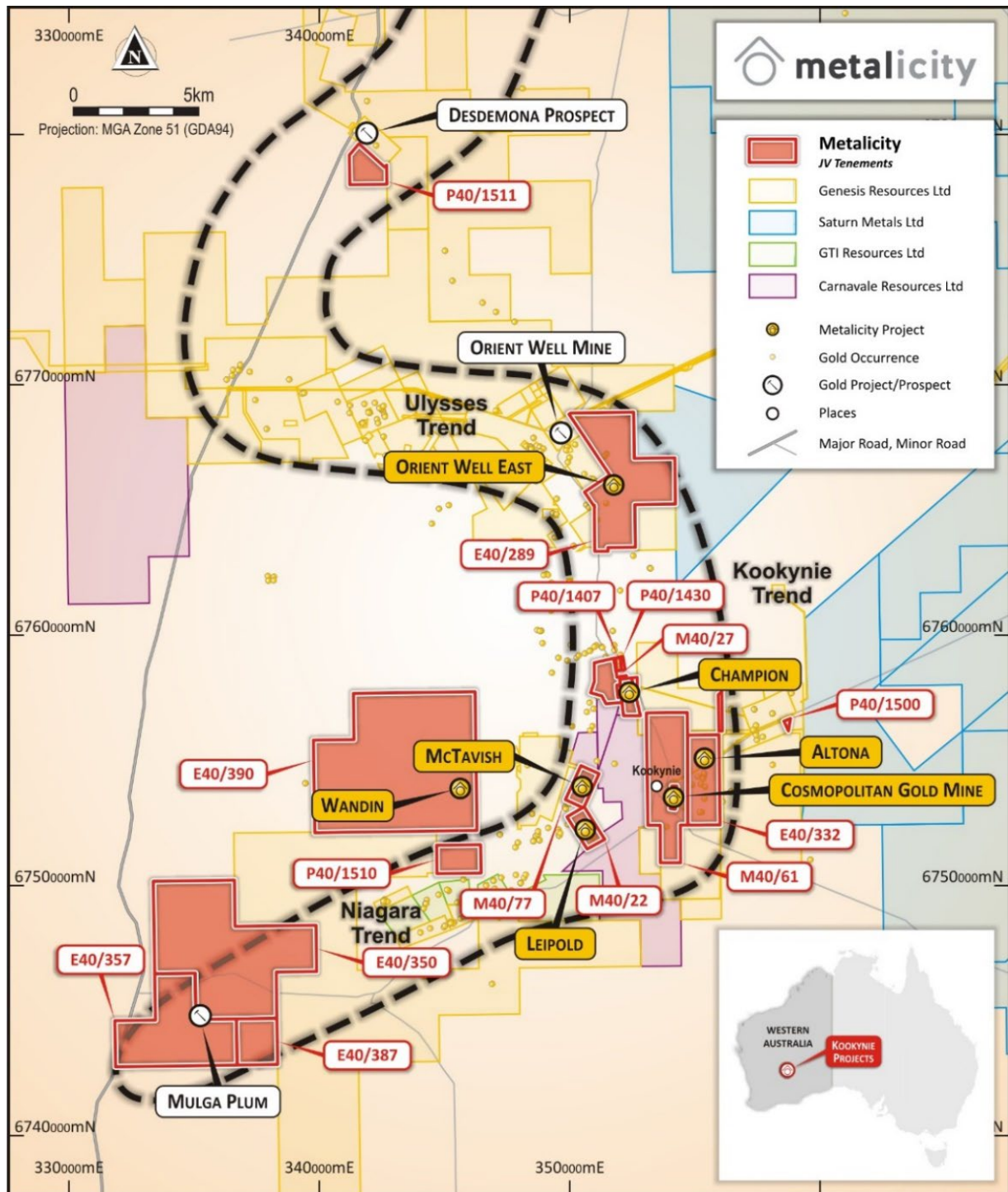


Figure 5. Kookynie Prospect Locality Map with mineralised trends.

Kimberley Mining Limited – Admiral Bay (circa 80.3% holding)

The Admiral Bay asset is on care and maintenance, whilst the Company continues to explore divestment opportunities.

Corporate and Financial

The Wardens Court hearing relating to the Yundamindra plaintiff made by MCA Nominees Pty Ltd against Nex Metals (lodged prior to MCT entering into the Farm-In and JV Agreement with Nex Metals) concluded on 10 July 2023. The judge reserved her decision and parties await the findings to be handed down.

Metalicity continues to seek recovery through the Supreme Court of unpaid cash calls and costs amounting to approximately ~\$1.8 million owed by our Joint Venture Partner Nex Metals. The next hearing is scheduled for early August 2023. The Company is seeking to resolve this matter as expediently as possible to enable it to continue its detailed exploration activities at these projects.

During the Quarter, Directors completed an investment of \$540,000 into Metalicity via a placement which was approved by shareholders on 5 May 2023. Non-Executive Director, Mr Roger Steinepreis completed \$500,000 of the total placement upon joining the board, representing a significant show of support for the Company and its prospects.

The Company had \$0.68 million cash on hand at 30 June 2023. Exploration expenditure during the quarter was ~\$260,000. Full details of exploration activities during the June quarter are contained within this report. Payments to related parties of the company and their associates during the quarter was ~\$26,000, representing Director Fees, PAYG and superannuation in accordance with the director remuneration packages. Directors continued to accrue a large portion of their salary during the June quarter.

51,546,468 ordinary shares were issued during the quarter to directors for payment in lieu of fees.

179,999,998 ordinary shares were issued during the quarter to directors as part of a private placement.

110,556,166 Class A unlisted options were issued during the quarter, with an exercise price of \$0.006, expiring in 3 years. 110,556,166 Class B unlisted options were issued during the quarter, with an exercise price of \$0.009, expiring in 3 years.

40,000,000 unlisted performance rights were issued during the quarter, 2,000,000 exercisable at \$0.01 expiring in 1 year and 2,000,000 exercisable at \$0.02 expiring in 2 years.

The 12,500,000 ordinary fully paid shares issued during the prior quarter as the initial consideration for EPM 28121 (Georgetown Project) were released from a 3 month voluntary escrow on 15 May 2023.

This Announcement is approved by the Board of Metalicity Limited.

ENQUIRIES

Investors

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

Information in this report that relates Exploration Results has been summarised from previous announcements, as referenced. 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.

Note

This Announcement is designed to also supplement for Nex Metals Explorations as it relates to our joint venture agreement as announced "*Metalicity Achieves Earn-In On The Kookynie & Yundamindra Gold Projects*" dated 20th May 2021 with Nex Metals Explorations Ltd, ASX:NME.

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.

The Company disclaims any intent or obligation to publicly update any forward-looking statements, whether as a result of new information, future events or results or otherwise.

Tenement Schedule

Please Note all Kookynie and Yundamindra Tenements will be 51% MCT and 49% Nex Metals as per ASX Announcement “Metalicity Achieves Earn-In On The Kookynie & Yundamindra Gold Projects” dated 20 May 2021 with Nex Metals Explorations Ltd, ASX:NME.

Tenement	Registered Holder	Shares Held	Plainted	Status	Area (ha)	Nature of Interest	Interest
Kookynie							
P40/1331	KYM Mining Limited	100/100	No	Live	161.2	Direct Holding	51% ¹
E40/390	KYM Mining Limited	100/100	No	Live	3,300.0	Direct Holding	51% ¹
E40/350	KYM Mining Limited	100/100	No	Live	2,394.0	Direct Holding	51% ¹
E40/357	KYM Mining Limited	100/100	No	Live	1,194.0	Direct Holding	51% ¹
P40/1407	KYM Mining Limited	100/100	No	Live	10.0	Direct Holding	51% ¹
P40/1430	KYM Mining Limited	100/100	No	Live	9.9	Direct Holding	51% ¹
P40/1510	Metalicity Limited	100/100	No	Live	185.0	Direct Holding	51% ¹
P40/1511	Metalicity Limited	100/100	No	Live	176.7	Direct Holding	51% ¹
E40/387	Metalicity Limited	100/100	No	Live	299.0	Direct Holding	51% ¹
G40/3	Nex Metals Explorations Limited	100/100	No	Live	7.2	Earnt In	51% ¹
L40/9	Nex Metals Explorations Limited	100/100	No	Live	1.0	Earnt In	51% ¹
E40/332	Nex Metals Explorations Limited	100/100	No	Live	600.0	Earnt In	51% ¹
M40/22	Nex Metals Explorations Limited	100/100	No	Live	121.7	Earnt In	51% ¹
M40/27	Nex Metals Explorations Limited	100/100	No	Live	85.5	Earnt In	51% ¹
M40/61	Nex Metals Explorations Limited	100/100	No	Live	832.7	Earnt In	51% ¹
M40/77	Nex Metals Explorations Limited	90,405/90,405	No	Live	119.2	Earnt In	51% ¹
P40/1499	Nex Metals Explorations Limited	100/100	No	Live	8.3	Earnt In	51% ¹
P40/1500	Nex Metals Explorations Limited	100/100	No	Live	5.9	Earnt In	51% ¹
P40/1501	Nex Metals Explorations Limited	100/100	No	Live	21.1	Earnt In	51% ¹
E40/289	Paris Enterprises Pty Ltd	100/100	No	Live	1,222.7	Earnt In	51% ¹
Kookynie Total Area (ha)					10,861.9		
Yundamindra							
L39/34	Nex Metals Explorations Limited	100/100	Yes	Live	1.0	Earnt In	51% ¹
L39/52	Nex Metals Explorations Limited	96/96	Yes	Live	1.0	Earnt In	51% ¹
L39/258	Nex Metals Explorations Limited	100/100	Yes	Live	3.2	Earnt In	51% ¹
M39/84	Nex Metals Explorations Limited	100/100	Yes	Live	378.0	Earnt In	51% ¹
M39/274	Nex Metals Explorations Limited	100/100	Yes	Live	230.0	Earnt In	51% ¹
M39/406	Nex Metals Explorations Limited	100/100	Yes	Live	124.0	Earnt In	51% ¹
M39/407	Nex Metals Explorations Limited	100/100	Yes	Live	896.0	Earnt In	51% ¹
M39/408	Nex Metals Explorations Limited	100/100	Yes	Live	785.0	Earnt In	51% ¹
M39/409	Nex Metals Explorations Limited	100/100	Yes	Live	966.0	Earnt In	51% ¹
M39/410	Nex Metals Explorations Limited	100/100	Yes	Live	978.0	Earnt In	51% ¹

M39/839	Nex Metals Explorations Limited	100/100	Yes	Live	7.3	Earnt In	51% ¹
M39/840	Nex Metals Explorations Limited	100/100	Yes	Live	9.7	Earnt In	51% ¹
P39/6126	Nex Metals Explorations Limited	100/100	No	Live	10.4	Earnt In	51% ¹
P39/6127	Nex Metals Explorations Limited	100/100	No	Live	5.6	Earnt In	51% ¹
E39/1773	Paddick Investments Pty Ltd	100/100	Yes	Live	903.0	Earnt In	51% ¹
E39/1774	Paddick Investments Pty Ltd	100/100	Yes	Live	2,517.0	Earnt In	51% ¹
Yundamindra Total Area (ha)					7,815.1		

Note 1: The Company holds a combined ~63.7% holding in these tenements.

Tenement	Registered Holder	Status	Area	Nature of Interest	Interest
Queensland Projects					
EPM 28052	Metalicity Energy Pty Ltd	Live	32,500 ha	MCT Beneficial owner	100%
EPM 28121	Astral Resources Pty Ltd	Live.	29,250 ha	MCT Beneficial owner	100%
EPM 28653	Metalicity Energy Pty Ltd	Live	3,575 ha	MCT Beneficial owner	100%

Tenement	Registered Holder	Status	Area	Nature of Interest	Interest
Admiral Bay					
E 04/1610	Kimberley Mining Australia Pty Ltd	Live	42 Blocks	Holding in Subsidiary	80.3%
M 04/244	Kimberley Mining Australia Pty Ltd	Live	796.4 ha	Holding in Subsidiary	80.3%
M 04/249	Kimberley Mining Australia Pty Ltd	Live	843.85 ha	Holding in Subsidiary	80.3%