

9 October 2020

Mr Chris Hesford
Geologist, Listings Compliance (Perth)
ASX Compliance Pty Ltd
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By email: Chris.Hesford@asx.com.au

Dear Chris,

Company Update

Further to the Voluntary Suspension requested by Metalicity Limited (ASX: MCT) (“Metalicity” or “the Company”) on 2 October 2020 in relation to the Company’s inadvertent failure to lodge a cleansing notice, the Company has undertaken an investigation to determine if there are any more such historical administrative errors since the Company was reinstated to trading on 6 October 2015, following the Company’s compliance with Chapters 1 and 2 of the ASX Listing Rules. The Company has uncovered the following errors:

1. **Appendix 3B - 18 January 2016** 5,250,000 shares were issued on 15 January 2016 without a prospectus being lodged for the purposes of section 708A(11) of the *Corporations Act 2001* (Cth) (**Corporations Act**), on the exercise of options which had been earlier issued without a disclosure document.
2. **Appendix 3B - 18 February 2016** 1,250,000 shares were issued on 17 February 2016 without a prospectus being lodged for the purposes of section 708A(11) of the *Corporations Act*.
3. **Appendix 3B - 22 February 2016** 6,000,000 shares were issued on 22 February 2016 without a prospectus being lodged for the purposes of section 708A(11) of the *Corporations Act*, on the exercise of options which had been earlier issued without a disclosure document.
4. **Appendix 3B - 14 June 2016** 4,000,000 shares were issued on 13 June 2016 without a prospectus being lodged for the purposes of section 708A(11) of the *Corporations Act*, on the exercise of options which had been earlier issued without a disclosure document.
5. **Appendix 3B - 3 November 2016** 4,000,000 shares were issued on 3 November 2016 without a prospectus being lodged for the purposes of section 708A(11) of the *Corporations Act*, on the exercise of options which had been earlier issued without a disclosure document.
6. **Appendix 3B - 8 March 2017** 2,000,000 shares were issued on 8 March 2017 without a prospectus being lodged for the purposes of section 708A(11) of the *Corporations Act* or a valid cleansing notice for the purpose of section 708A(5)(e), on the exercise of options which had been earlier issued without a disclosure document.
7. **Appendix 3B - 9 March 2017** 1,000,000 shares were issued on 9 March 2017 without a prospectus being lodged for the purposes of section 708A(11) of the *Corporations Act* or a valid cleansing notice for the purpose of section 708A(5)(e), on the exercise of options which had been earlier issued without a disclosure document.
8. **Appendix 3B - 7 September 2017** 13,888,889 shares were issued on 7 September 2017 under a Share Purchase Plan (SPP) which purported to rely on the disclosure relief provided for under ASIC Class Order CO 09/425 however, a notice was not given for the purposes of section 708A(5)(e) of the *Corporations Act* prior to the offer.
9. **Appendix 3B - 15 January 2018** 1,000,000 shares were issued on 7 November 2017 without notice being given for the purposes of section 708A(5)(e) of the *Corporations Act*.
10. **Appendix 3B - 15 January 2018** 2,000,000 shares were issued on 15 January 2018 without a prospectus being lodged for the purposes of section 708A(11) of the *Corporations Act* or a valid

cleansing notice for the purpose of section 708A(5)(e), on the exercise of options which had been earlier issued without a disclosure document.

11. **Appendix 3B - 25 January 2018** 3,400,000 shares were issued on 25 January 2018 without a prospectus being lodged for the purposes of section 708A(11) of the Corporations Act or a valid cleansing notice for the purpose of section 708A(5)(e), on the exercise of options which had been earlier issued without a disclosure document.
12. **Appendix 3B - 14 February 2020** 2,027,777 shares were issued on 13 February 2020 without a prospectus being lodged for the purposes of section 708A(11) of the Corporations Act.
13. **Appendix 2A - 22 May 2020** 180,000,000 shares were issued on 22 May 2020 without a prospectus being lodged for the purposes of section 708A(11) of the Corporations Act.
14. **Appendix 2A - 16 Jul 2020** 4,498,096 shares were issued on 15 July 2020 without a prospectus being lodged for the purposes of section 708A(11) of the Corporations Act or a valid cleansing notice for the purpose of section 708A(5)(e), on the exercise of options which had been earlier issued without a disclosure document.
15. **Appendix 2A - 10 August 2020** 200,000 shares were issued on 10 August 2020 without a prospectus being lodged for the purposes of section 708A(11) of the Corporations Act or a valid cleansing notice for the purpose of section 708A(5)(e), on the exercise of options which had been earlier issued without a disclosure document.
16. **Appendix 3B - 7 September 2020** 208,333,333 shares were issued on 11 September 2020 without notice being given for the purposes of section 708A(5)(e) of the Corporations Act.
17. **Appendix 2A - 9 September 2020** 2,200,000 shares were issued on 8 September 2020 without notice being given for the purposes of section 708A(5)(e) of the Corporations Act, on the exercise of options which had been earlier issued without a disclosure document.

The Company will shortly apply to the Court for orders under section 1322 of the Corporations Act to:

- variously validate past offers for sale or sales of these securities; and
- as to the 8 and 11 September 2020 issues of securities (at items 16 and 17 above), extend time to lodge Cleansing Notices and deem those Cleansing Notices to be effective from the dates the securities were issued.

Until the Court has made such orders, persons who have purchased the securities under the issues detailed above (who may wish to sell) may, depending on the issue of securities, not be entitled to rely on previously advised cleansing documentation. The Company intends to shortly release a cleansing prospectus to remove any doubt for future offers of sale or sales of securities. The Company has advised ASIC and ASX of this oversight and of its intention to make the application to the Court.

It is anticipated that the Court application will be made this week and the Company will continue to advise the market accordingly. Any affected shareholder may wish to seek independent advice and/or contact the Company directly should they have any queries.

Remedial Steps

The Board regards these issues to be highly regrettable.

Subsequent to the above investigation the Metalicity Board has immediately begun implementing steps to ensure, insofar as possible, such issues do not arise again in the future. Metalicity will undertake a thorough review of compliance procedures led by the Board to ensure appropriate preventative steps are in place, and will introduce additional internal checks, to avoid future issues.



Yours faithfully,

Nick Day
Company Secretary

This Announcement is approved by Jason Livingstone, Managing Director & CEO of Metalicity Limited.

Enquiries

Investors

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