

16 October 2020

Mr Chris Hesford
Geologist, Listings Compliance (Perth)
ASX Compliance Pty Ltd
Level 40, Central Park, 152-158 St Georges Terrace Perth WA 6000
By email: Chris.Hesford@asx.com.au

Dear Chris,

Supreme Court Orders Granted

Further to the announcement on 13 October 2020, Metalicity Ltd (“the Company”) advises that earlier today the Application to the Supreme Court of Western Australia was heard and the Court has granted the Orders requested regarding the items listed below.

1. **Appendix 3B - 18 January 2016** 5,250,000 shares were issued on 15 January 2016 on the exercise of options that had not been issued under a disclosure document or with disclosure relief without a prospectus being lodged for the purposes of section 708A(11) of the *Corporations Act 2001* (Cth) (**Corporations Act**).
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 on the exercise of options that had not been issued under a disclosure document or with disclosure relief without a prospectus being lodged for the purposes of section 708A(11) of the *Corporations Act*.
4. **Appendix 3B - 14 June 2016** 4,000,000 shares were issued on 13 June 2016 on the exercise of options that had not been issued under a disclosure document or with disclosure relief without a prospectus being lodged for the purposes of section 708A(11) of the *Corporations Act*.
5. **Appendix 3B - 3 November 2016** 4,000,000 shares were issued on 3 November 2016 on the exercise of options that had not been issued under a disclosure document or with disclosure relief without notice being given for the purposes of section 708A(5)(e) of the *Corporations Act*.
6. **Appendix 3B - 8 March 2017** 2,000,000 shares were issued on 8 March 2017 on the exercise of options that had not been issued under a disclosure document or with disclosure relief without notice being given for the purposes of section 708A(5)(e) of the *Corporations Act*.
7. **Appendix 3B - 9 March 2017** 1,000,000 shares were issued on 9 March 2017 on the exercise of options that had not been issued under a disclosure document or with disclosure relief without notice being given for the purposes of section 708A(5)(e) of the *Corporations Act*.
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 on the exercise of options that had not been issued under a disclosure document or with disclosure relief without notice being given for the purposes of section 708A(5)(e) of the Corporations Act.
11. **Appendix 3B - 25 January 2018** 3,400,000 shares were issued on 25 January 2018 on the exercise of options that had not been issued under a disclosure document or with disclosure relief without notice being given for the purposes of section 708A(5)(e) of the Corporations Act.
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 on the issue of 1,333,333 shares previously issued without disclosure and the issue of 694,444 shares issued as consideration for tenements without disclosure.
13. **Appendix 2A - 22 May 2020** 180,000,000 shares were issued on 22 May 2020 as part of a placement 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 on the exercise of options that had not been issued under a disclosure document or with disclosure relief without notice being given for the purposes of section 708A(5)(e) of the Corporations Act.
15. **Appendix 2A - 10 August 2020** 200,000 shares were issued on 10 August 2020 on the exercise of options that had not been issued under a disclosure document or with disclosure relief without notice being given for the purposes of section 708A(5)(e) of the Corporations Act.
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 on the exercise of options that had not been issued under a disclosure document or with disclosure relief without a notice being given for the purposes of section 708A(5)(e) of the Corporations Act.

A copy of the Orders accompanies this announcement.

The effect of these Orders is that under section 1322 of the Corporations Act:

- the various past offers for sale or sales of the securities listed above have been validated; and
- as to the 8 and 11 September 2020 issues of securities (at items 16 and 17 above), the time to lodge Cleansing Notices and deem those Cleansing Notices to be effective from the dates the securities were issued has been extended.

In accordance with the Orders, the Company will also forward a copy of the Orders to each Shareholder involved.

Remedial Steps

As previously advised, the Board regards these issues to have been highly regrettable.

The Board has already begun implementing steps to ensure such issues do not arise again in the future. The Company will undertake a thorough review of compliance procedures led by the Board, to ensure appropriate preventative steps are in place and will introduce internal check lists and protocols to avoid future issues.

Commenting on the proceedings to date and looking forward, Metalicity Managing Director Mr Jason Livingstone said:

“We recognise that the suspension may have caused inconvenience to shareholders, which we sincerely regret. However, once we realised the error had occurred, we felt we had no option but to move swiftly to correct the situation. From the Board and I of Metalicity, we wholeheartedly apologise. However, through the hard work and diligence of the team, a full and incredibly thorough investigation was launched with the result given by the Supreme Court to grant relief on the matters above, for which I am very grateful.”

“But these proceedings have taken the spotlight from the Kookynie Gold Project. Rightly so; however, the fundamentals of the Kookynie Gold Project have not changed. We still have results pending from McTavish and Champion, with the final holes due from Leipold as well. The 21 geophysical anomalies have not changed and still represent a great opportunity for exploration success, and the fact we have continued field operations during this time is testament to the quality of the Project and our intention to explore and develop. I sincerely look forward to renewed governance functions to ensure that these issues never arise again, but mostly to getting back to the task at hand of exploration and development at the Kookynie Gold Project.”

Yours faithfully,

Nick Day
Company Secretary

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

Enquiries

Investors

Jason Livingstone
MD & CEO
+61 8 6500 0202
jlivingstone@metalicity.com.au

SCHEDULE 1



IN THE SUPREME COURT OF WESTERN AUSTRALIA

COR/123/2020

EX PARTE:
METALICITY LIMITED (ACN 086 839 992)

First Plaintiff

**ORDER OF JUSTICE HILL
MADE 16 October 2020**

UPON APPLICATION of the plaintiff by Originating Process dated 13 October 2020 AND UPON HEARING Mr A J Papamatheos and Ms C C Spencer of counsel for the plaintiff IT IS ORDERED that:

1. Pursuant to section 1322(4)(a) of the Corporations Act, it is declared that any offer for sale or sale of the quoted securities referred to in Annexure A to this originating process, during the period after their respective dates of issue to the date of issue of the next cleansing prospectus issued by the plaintiff (inclusive) is not invalid by reason of:
 - (a) the failure to issue a prospectus under section 708A(11) of the Corporations Act to exempt the sellers from the obligation of disclosure under the Corporations Act; and
 - (b) the sellers' consequent failure to comply with sections 707(3) and 727(1) of the Corporations Act.
2. Pursuant to section 1322(4)(d) of the Corporations Act, in respect of the 2,200,000 ordinary fully paid shares in the plaintiff, which were issued on 8 September 2020 (September Option Shares), the period of five business days referred to in section 708A(6)(a) of the Corporations Act be extended to the date of these orders.
3. Pursuant to section 1322(4)(a) of the Corporations Act, it is declared that the notice given to the Australian Securities Exchange Limited (ASX) on 9 October 2020 in respect of the September Option Shares within the period provided for in paragraph 2 above be deemed:
 - (a) to take effect as if it had been given to the ASX on 8 September 2020; and
 - (b) to have referred to section 708A(5)(e) of the Corporations Act (rather than 708(5)(e)).
4. Pursuant to section 1322(4)(a) of the Corporations Act, it is declared that any offer for sale or sale of the September Option Shares during the period after their issue to the date of these orders is not invalid by reason of:
 - (a) any failure of a notice under section 708A(5)(e) of the Corporations Act to exempt the sellers from the obligation of disclosure under the Corporations Act; and
 - (b) the sellers' consequent failure to comply with sections 707(3) and 727(1) of the Corporations Act.

5. Pursuant to section 1322(4)(d) of the Corporations Act, in respect of the 208,333,333 ordinary fully paid shares in the plaintiff, which were issued on 11 September 2020 ("the Placement Shares"), the period of five business days referred to in section 708A(6)(a) of the Corporations Act be extended to the date of these orders.
6. Pursuant to section 1322(4)(a) of the Corporations Act, it is declared that the notice given to the ASX on 9 October 2020 in respect of the Placement Shares within the period provided for in paragraph 5 above be deemed:
 - (a) to take effect as if it had been given to the ASX on 11 September 2020; and
 - (b) to have referred to section 708A(5)(e) of the Corporations Act (rather than 708(5)(e)).
7. Pursuant to section 1322(4)(a) of the Corporations Act, it is declared that any offer for sale or sale of the Placement Shares during the period after their issue to the date of these orders is not invalid by reason of:
 - (a) any failure of a notice under section 708A(5)(e) of the Corporations Act to exempt the sellers from the obligation of disclosure under the Corporations Act; and
 - (b) the sellers' consequent failure to comply with sections 707(3) and 727(1) of the Corporations Act.
8. A sealed copy of these orders is to be served on the Australian Securities and Investments Commission (ASIC) as soon as reasonably practicable and upon service of these orders on ASIC, ASIC is to include these orders on its database.
9. The plaintiff is to post or email a copy of these orders to each person to whom the securities referred to in orders 1 to 7 were issued and as soon as reasonably practicable the Plaintiff is to publish an announcement to ASX in which a copy of these orders is included.
10. For a period of 28 days from the date of publication of a copy of these orders on the ASX website, any person who claims to have suffered substantial injustice or is likely to suffer substantial injustice by the making of any or all of these orders has liberty to apply to vary or to discharge them within that period.
11. The plaintiff have liberty to apply for further orders.
12. There be no order as to costs.

BY THE COURT

THE HONOURABLE JUSTICE J HILL

Annexure A

No	Date of Issue	Number Issued – Fully Paid Ordinary Shares	Basis for issue	Date of next (cleansing) prospectus
1.	15 January 2016	5,250,000	Exercise of unquoted options	8 June 2016
2.	17 February 2016	1,250,000	Issue of consideration shares for services	8 June 2016
3.	22 February 2016	6,000,000	Exercise of unquoted options	8 June 2016
4.	13 June 2016	4,000,000	Exercise of unquoted options	20 June 2016
5.	3 November 2016	4,000,000	Exercise of unquoted options	19 February 2018
6.	8 March 2017	2,000,000	Exercise of unquoted options	19 February 2018
7.	9 March 2017	1,000,000	Exercise of unquoted options	19 February 2018
8.	7 September 2017	13,888,889	Share purchase plan	19 February 2018
9.	7 November 2017	1,000,000	Placement	19 February 2018
10.	15 January 2018	2,000,000	Exercise of unquoted options	19 February 2018
11.	25 January 2018	3,400,000	Exercise of unquoted options	19 February 2018
12.	13 February 2020	2,027,777	Placement and partial consideration for tenement acquisition	27 April 2020
13.	22 May 2020	180,000,000	Placement	9 October 2020
14.	15 July 2020	2,500,000	Exercise of unquoted options (class MCTOP12)	9 October 2020
15.	15 July 2020	471,429	Exercise of unquoted options (class MCTOP42)	9 October 2020
16.	15 July 2020	1,260,000	Exercise of unquoted options (class MCTOP43)	9 October 2020
17.	15 July 2020	266,667	Exercise of unquoted options (class MCTOP45)	9 October 2020
18.	10 August 2020	200,000	Exercise of unquoted options (class MCTOP43)	9 October 2020