

Metalicity to Commence Significant Step Out Drilling Programme

HIGHLIGHTS

- A combined Aircore and RC drilling programme is set to commence shortly at the Kookynie Gold Project for an initial circa 9,000m.
- A detailed review of previous drilling results and high-resolution aeromagnetic surveys has improved the understanding of the nature and location of structures that may control gold mineralization at the Project.
- The programme is designed to systematically test several exciting new targets and potential substantial extensions to known mineralization that has now been identified across a significant area.
- Previous significant results associated with north and northeast trending host structures require following up drilling as evidenced by neighboring Carnavale Resources Ltd's recent drill discovery (16m @ 20.92 g/t Au - See ASX CAV announcement 18 January 2022); which appears to include outlying extensions of the Leipold and McTavish structures.
- Initially drilling will test targets within the Leipold-McTavish-Champion gold mineralisation trend over a combined potential strike length of circa 3kms.

Metalicity Limited (ASX: MCT) ("**Metalicity**" or "**the Company**") is excited to announce that it will shortly commence a significant Aircore and RC drilling programme at the Leipold, McTavish and Champion prospects within the Kookynie Gold Project ("**Kookynie**"), located approximately 50km south of the WA Goldfields town of Leonora. This substantive step out drilling programme is designed to test significant extensions to known mineralization at these prospects following confirmation of potential extensions to these structures by Carnavale; and following the detailed review of previous drilling results and high-resolution aeromagnetics surveys.

Commenting on the drilling results and approved programmes of work, Metalicity Managing Director, Justin Barton said:

"This drill programme is the first of many steps in expanding our exploration strategy to materially extend known mineralization and discover new gold mineralisation in the Kookynie area. We know from what we have found to date that the area is heavily endowed, and it is a strategy that will assist Metalicity improve and accelerate target identification and testing. This methodical approach to evaluating the tenure we hold at the Kookynie Gold Project is integral to developing the pipeline of Prospects. We cannot become too blinkered with what we know and define. There has been some phenomenal work completed by others in the region, with outstanding results and we congratulate them. However, we note that much of this appears to be outlining extensions to structures predominantly on our ground and we need to leverage this to our advantage and that is exactly what we are doing by undertaking this substantial step out programme."

Exploration Targets in Significant Step-Out Drilling Programme

The proposed drilling programme will test for structurally controlled, near surface mineralisation anomalies within the regolith or weathered rock profile. Targets have been generated where host structures and areas of associated mineralisation can be confidently extrapolated (See Figures 1 and 2). An applied example of this method of target generation is Metalicity’s McTavish South target along a north striking structure between the defined McTavish deposit in the north and recent discoveries by Carnavale Resources (ASX: CAV)¹ to the south; where mineralisation trends are constrained to a certain extent by Metalicity’s tenement boundary (Figure 2). The combined potential strike length of the exploration programme targets within the Leipold-McTavish-Champion gold mineralisation trend is approximately 3000m.

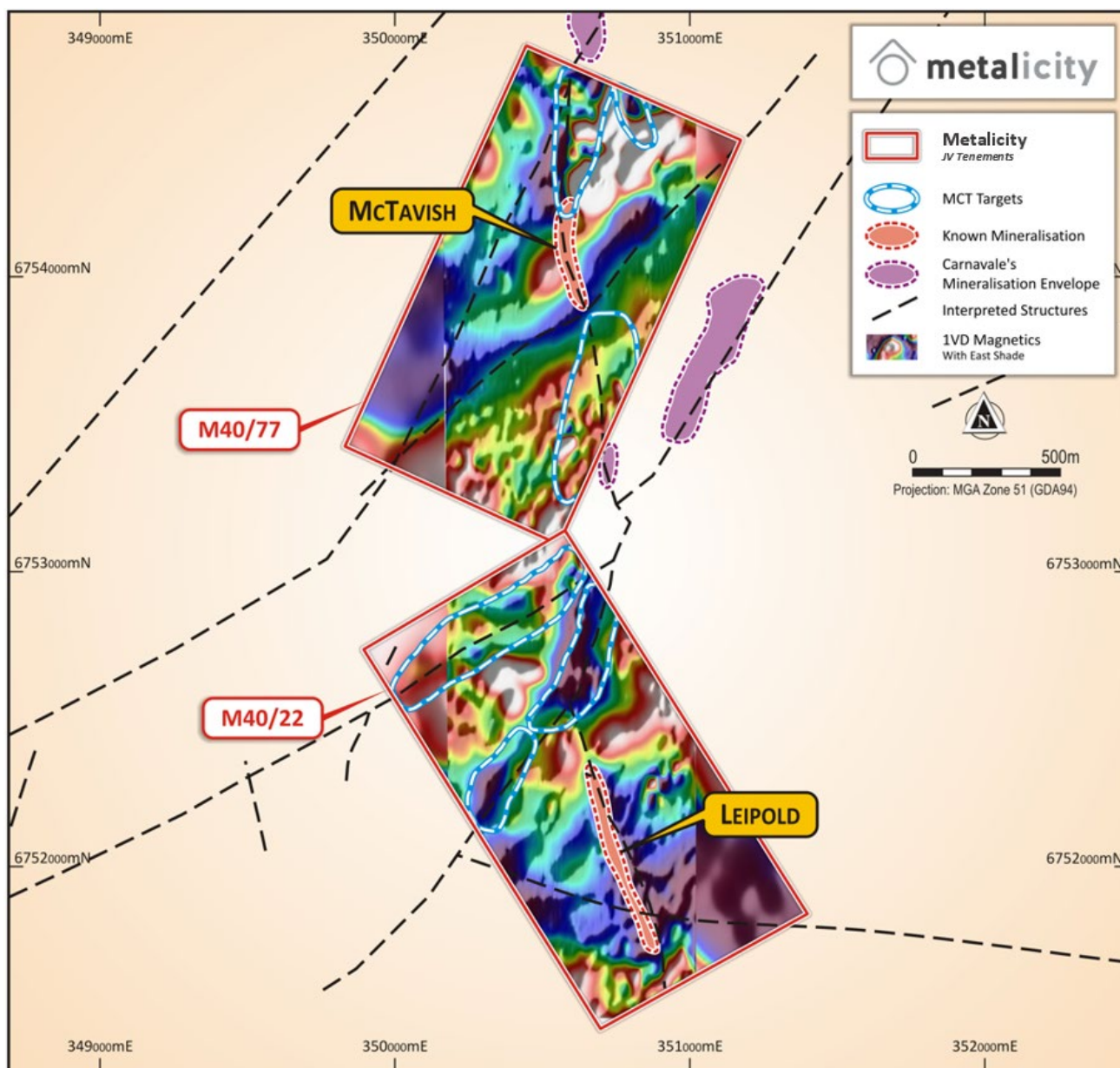


Figure 1. Leipold – McTavish Trend targets with competitor mineralisation envelopes (1VD Magnetics – drone survey draped over regional, with east shade) with structural interpretation.

¹ Referenced from Carnavale Resources Ltd RC drilling intersects Bonanza Gold at Kookynie Gold Project announcement Jan 2022

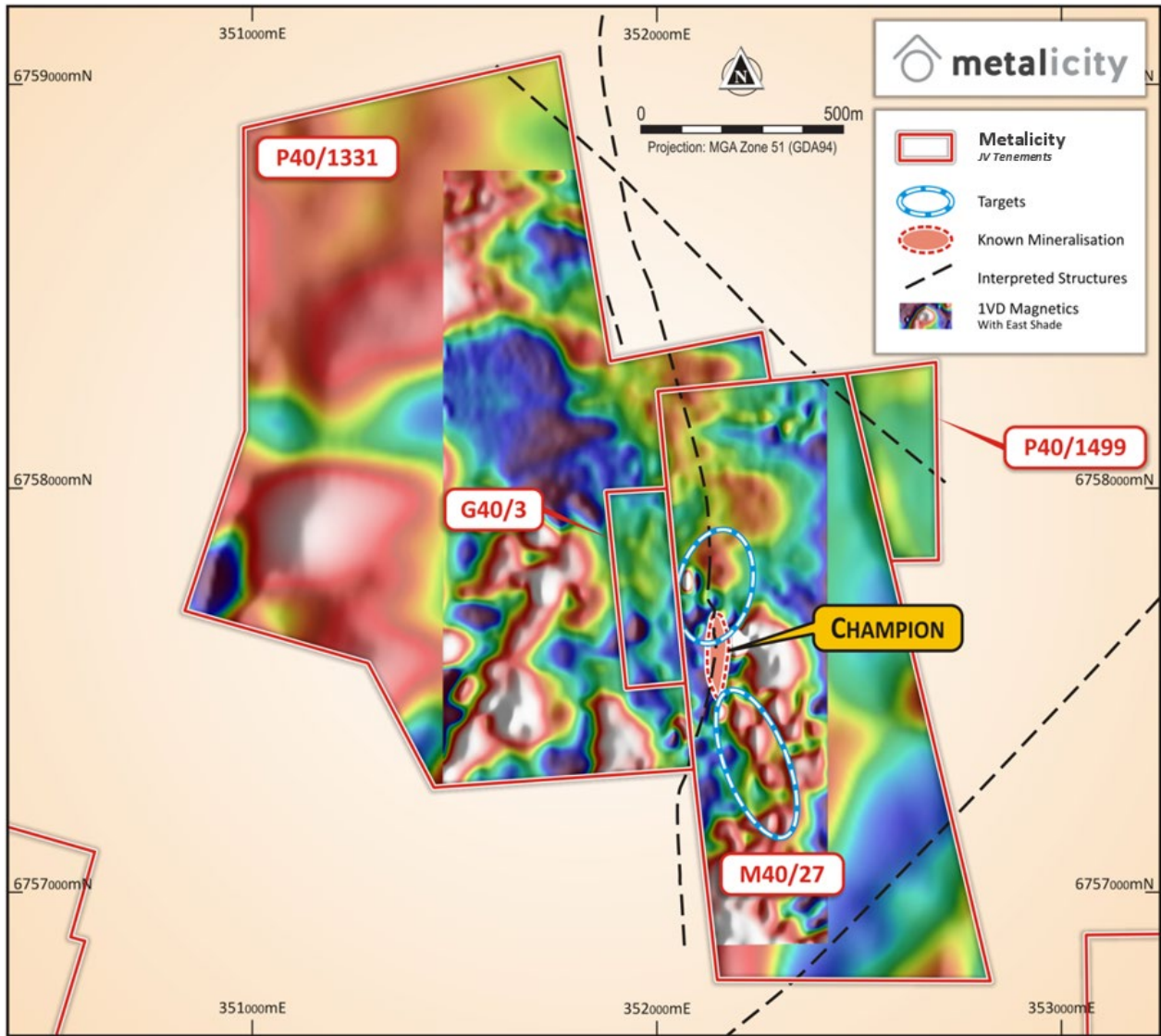


Figure 2. Champion Trend targets (1VD Magnetics – drone survey draped over regional, with east shade) with structural interpretation.

Kookynie Gold Project

Kookynie is located 60 kilometres south south-east from Leonora, Western Australia. It is host to nine, significant prospects; Champion, McTavish, Leipold, Altona, Mulga Plum, Wandin, Diamantina, Cosmopolitan and Cumberland. Diamantina, Cosmopolitan and Cumberland, which are known collectively as the DCC Trend (please refer to Figure 3 below).

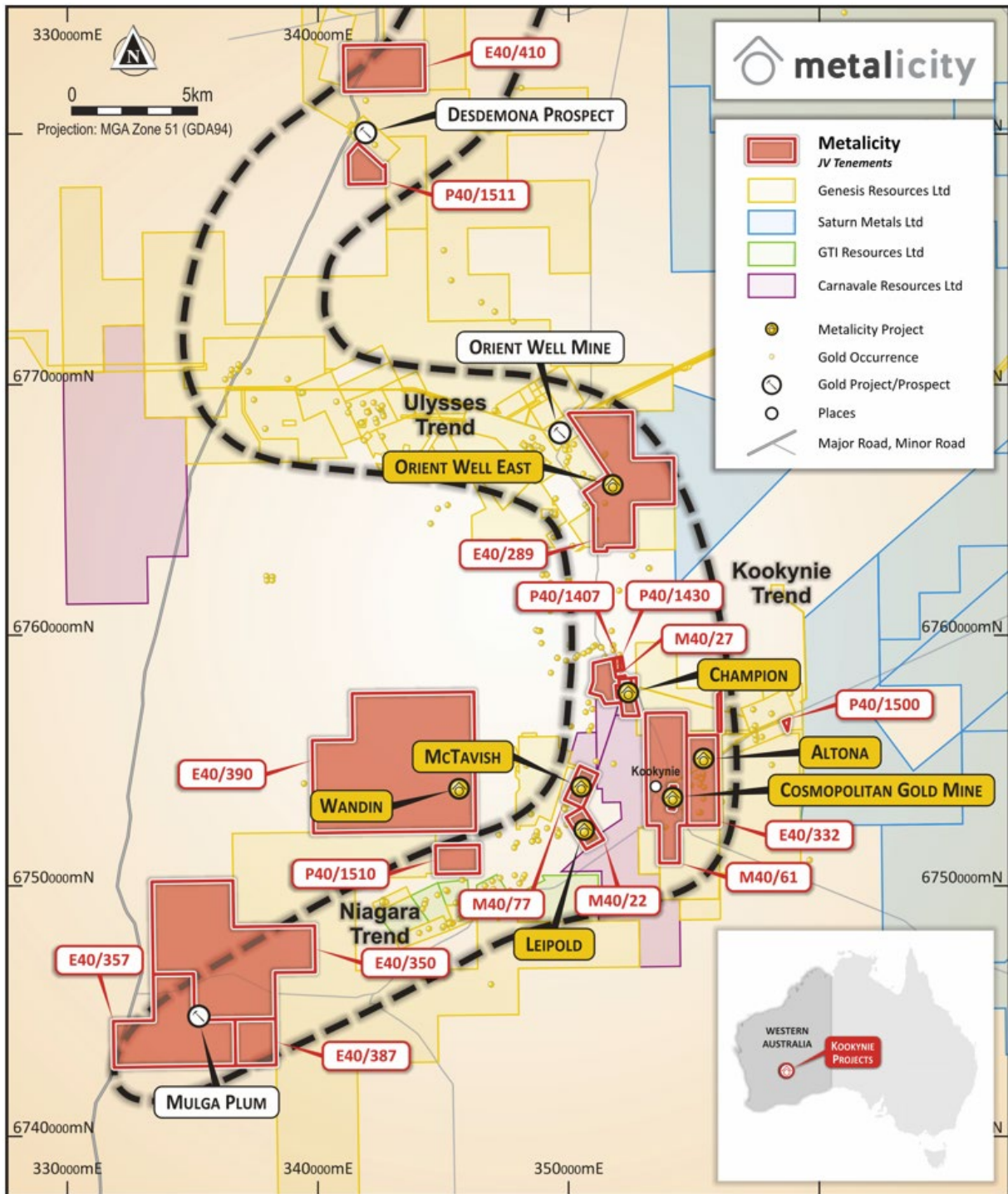


Figure 3 – Kookynie Prospect Locality Map with mineralised trends.

This Announcement is approved by the Board of Metalicity Limited.

ENQUIRIES

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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. Jason Livingstone, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Livingstone is an employee of Metalicity Limited. Mr. Livingstone 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. Livingstone consents to the inclusion of the data in the form and context in which it appears.

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.