

ASX RELEASE: 12 October 2023

Exploration to Ramp up at Kookynie Gold Project After Moving to 80% Interest

HIGHLIGHTS

- Exploration at the Kookynie Gold Project to be accelerated following recent execution of a term-sheet with our JV partner to increase Metalicity's (MCT) interest in the JV to 80%¹.
- MCT is looking forward to advancing development of the Kookynie and Yundamindra projects, upon approval by the JV Management Committee.
- MCT has drilled a number of exceptional holes at Kookynie including:
 - 5m @ 25.9g/t Au from 28m (McTavish)²
 - 6m @ 20.6g/t Au from 19m (McTavish)²
 - 2m @ 59.9g/t Au from 147m (Leipold)³
 - 4m @ 26.9g/t Au from 65m (Leipold)⁴
- Several greenfields and brownfields exploration targets have been reviewed and re-interpreted.
- Initial targets will include Wandin and Mulga Plum with scope to expand to other brownfields targets at Kookynie.
- Existing Programme of Works (POW) will be utilized where possible in conjunction with new POW applications for all planned drilling activities.

Metalicity Limited (ASX: MCT) ("MCT" or "the Company") is pleased to provide an update on exploration, targets and planned near term activities at the Kookynie Gold Project (Kookynie), located approximately 50km south of the WA Goldfields town of Leonora, in lieu of the recent positive outcome of negotiations with our Joint Venture partner, Nex Metals Exploration, which increases MCT's interest in the JV to 80%¹.

Upon obtaining appropriate approvals through the JV Management Committee, Metalicity aims to recommence more expansive exploration activities at several highly prospective greenfields and brownfields targets previously identified in 2022⁵. The planned exploration activities will initially focus on the underexplored, but highly prospective Mulga Plum and Wandin tenements that form part of the Kookynie project.

¹ Please refer to ASX Announcement "*Metalicity Moves to an 80% Interest in Kookynie and Yundamindra JV*" dated 29th September 2023 with Nex Metals Explorations Ltd, ASX:NME. As reported on 29 September 2023, Metalicity is moving to an 80% and controlling interest in both the Kookynie & Yundamindra Gold projects, subject to satisfaction of the conditions as set out in the announcement.

² Please refer to ASX Announcement "*McTavish Delivers Bonanza Grade Gold Results up to 91.2 g/t Au*" dated 8 July 2021

³ Please refer to ASX Announcement "*Assays up to 118 g/t Au from Leipold, Kookynie Gold Project*" dated 3 May 2021

⁴ Please refer to ASX Announcement "*Metalicity Reports Drill Hole Intercepts Up to 100g/t Au for the Kookynie Gold Project*" dated 15 September 2020.

⁵ Please refer to ASX Announcement "*Further Expansion of the Current Drilling Program to Test Wandin Highly Prospective Significant Structural Similarities Identified*" dated 22 April 2022.

Commenting on the exploration update, Metalicity Managing Director, Justin Barton said:

“We are excited to be recommencing more expansive JV activities at our highly prospective Kookynie project, whilst we continue to await the Wardens court ruling on our Yundamindra tenure. The Kookynie project has delivered some great exploration results over the last 4 years and we are excited to begin following up these targets and exploring new prospects at Mulga Plum and Wandin. We look forward to working with our JV partner to accelerate the development of this project.”

Exploration Update and Activities

Metalicity has reviewed and refined the exploration targets around the Wandin prospect at E40/390 as well as Mulga Plum of E40/350, E40/357 and E40/387 (Figures 3). These targets have never been drilled by the JV and the Company is excited to recommence on ground exploration at Kookynie to strategically explore the large tenement holding of E40/390 and possibly discover a new mineralised gold complex similar to the Niagara Mining Centre of significant gold endowment from historical extraction less than 5km to the south (Figure 3)².

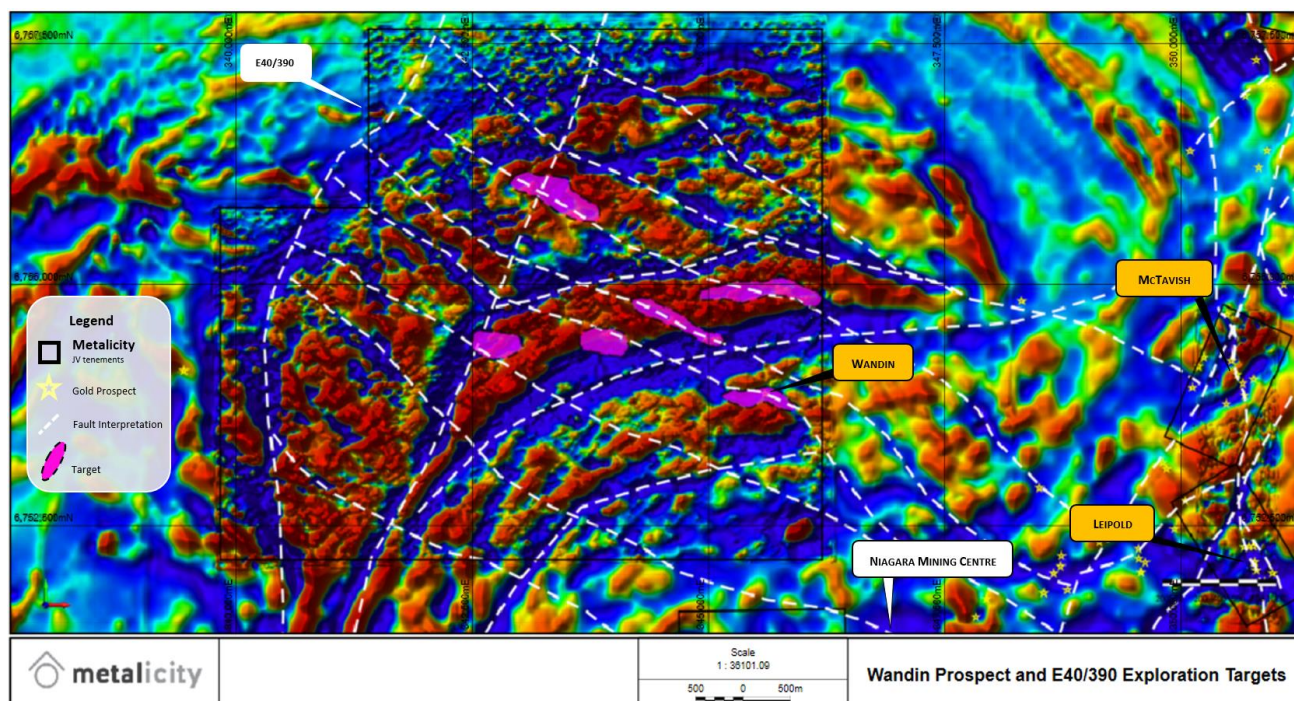


Figure 1. Wandin, E40/390 exploration targets. (Base map layer first vertical derivative of the reduced to the pole pseudocolour mapping)

Many gold deposits within the Niagara mining centre, as well as the greater Kookynie project area, are strongly associated with brittle structures such as faults or shears, whose orientation varies across the district. Many of the structures are visible in the magnetic data undertaken by the JV and appear to extend from known mineralized areas such as Niagara and Metalicity’s deposits of Leipold and McTavish (Figure 1 and 2). Kinks or offsets related to cross cutting features are an important control on potential ore shoot locations and orientations as well as exploration target generation². Exploration activities will include a combination of ultrafine low detection soil sampling, possible auger drilling and aircore or RC drilling where applicable. Programme of Work applications have been developed and are to be submitted to DMIRS in the near future.

Metalicity also aims to expand upon extents of recorded mineralisation from field mapping rock chip results and drilling at Mulga Plum and nearby targets. Exploration at Mulga Plum is an applied example of this method of target generation which aims to expand upon extents of observed mineralisation from field mapping and follow up drilling and rock chip results⁶.

Significant intercepts from drilling undertaken by Ardea Resources at Mulga Plum in early 2020 included⁶:

- AJAR0009 – 2 metres @ 8.84 g/t Au from 14 metres,
- AJAR0003 – 2 metres @ 2.96 g/t Au from 42 metres, &
- AJAR0011 – 6 metres @ 1.22 g/t Au from 10 metres.
- Rock chips from veins have hosted mineralisation of up to 17.1 g/t Au.

The expanded drilling programme will safely test for structurally controlled, near surface mineralisation anomalies and potential unexposed extensions where the orientation of host structures and areas of associated mineralisation can be confidently extrapolated under alluvial cover at Mulga Plum (Figure 2).

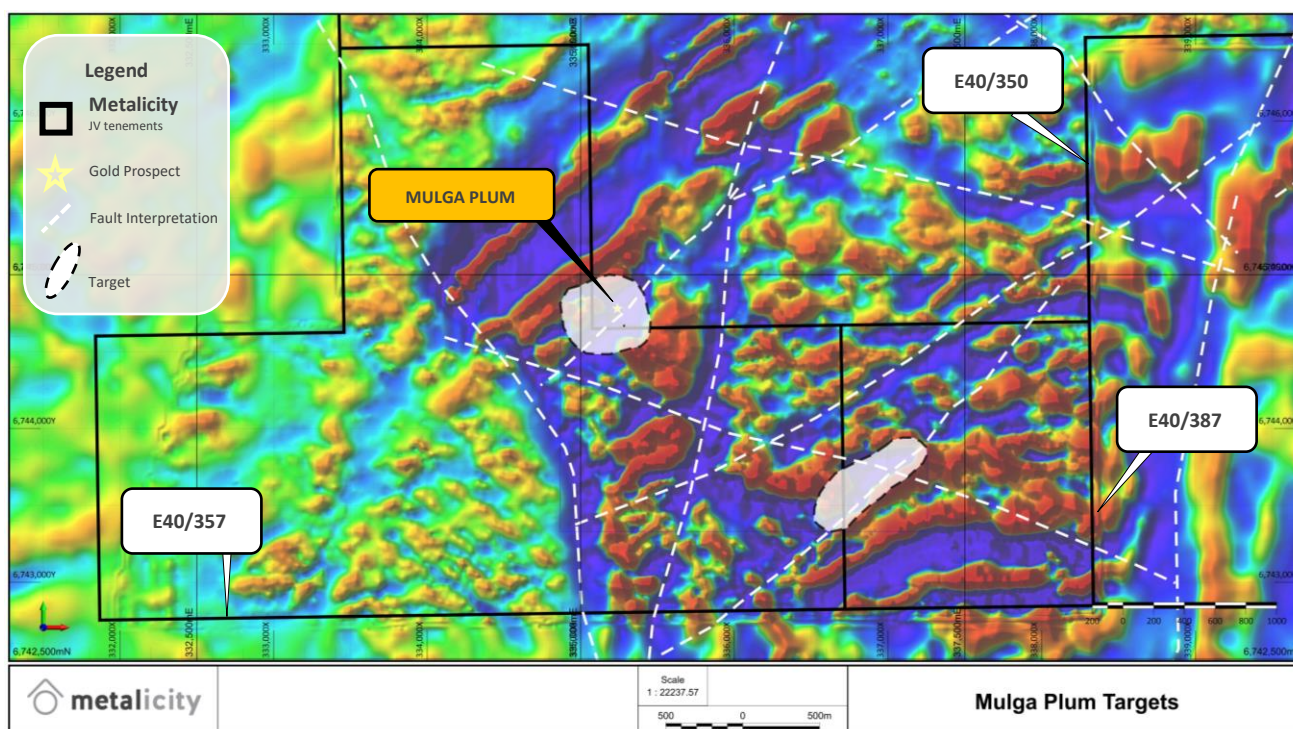


Figure 2. Mulga Plum exploration targets. (Base map layer first vertical derivative of the reduced to the pole pseudocolour mapping)

Metalicity will also begin planning follow up exploration activities for Leipold, McTavish and Champion, following successful drilling results in which it intercepted significant gold and identified several new targets⁷. Preliminary work will also commence on proposed exploration activities for the historical mining centres of

⁶ Please refer to ASX Announcement “Metalicity Continues To Consolidate The Area Around The Kookynie Gold Project” dated 23 November 2020.

⁷ Please refer to ASX Announcement “Widest Intersection to Date at Kookynie as Champion & McTavish Continue to Deliver Strong Gold Results” dated 13th December 2021, ASX Announcement “Bonanza Grades Intercepted in a New Gold Zone Identified 200m to the East of the Main Leipold Lode” dated 6th December 2021 and ASX Announcement “Drilling Extends Significant Gold Mineralisation along McTavish Trend by a Further 400 metres” dated 27th June 2022.

Diamantina-Cosmopolitan-Cumberland, known as the DCC trend, with the Cosmopolitan gold mine producing 360,000 ounces of gold rom discovery from 1895 to 1922.

Kookynie Gold Project

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

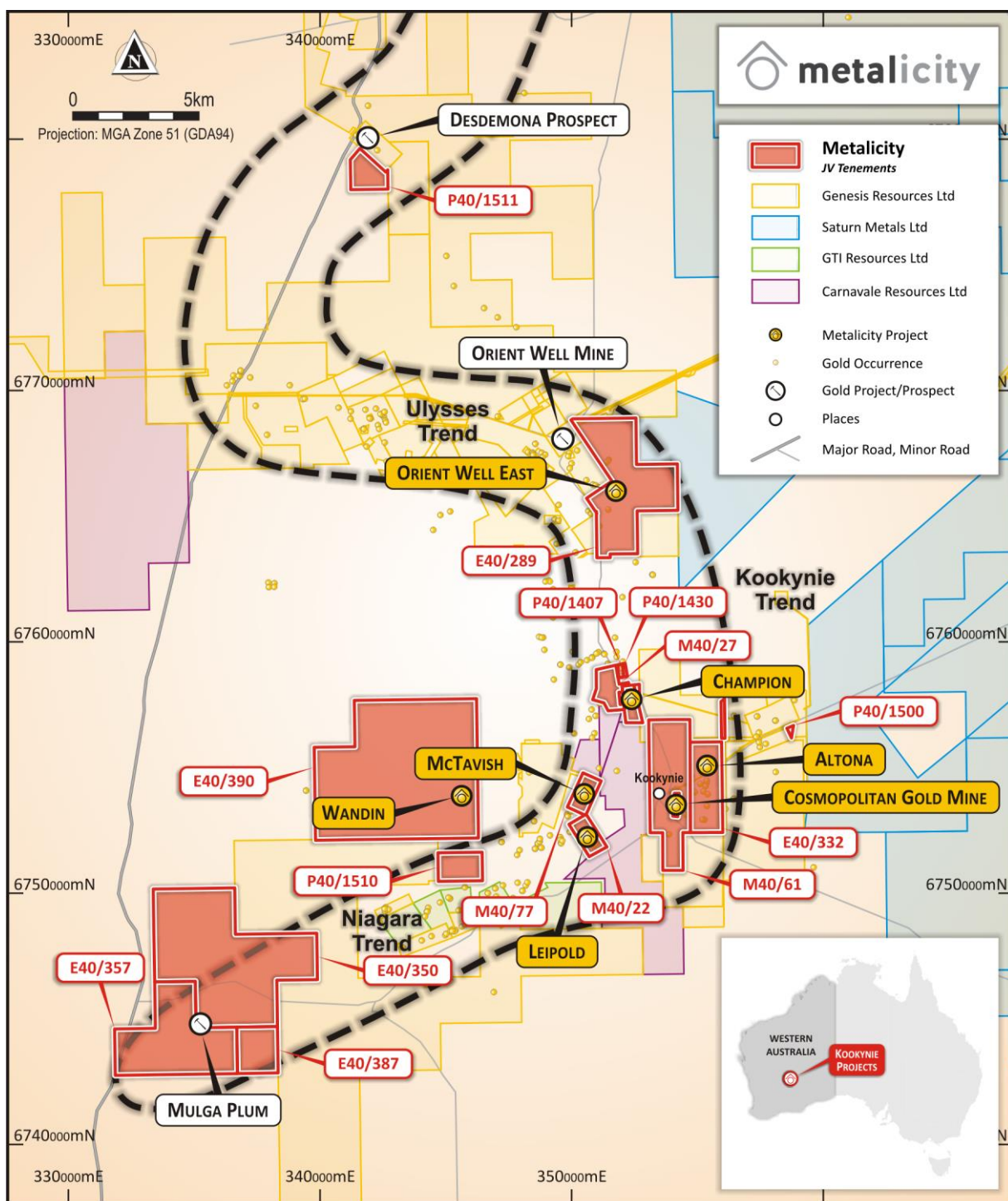


Figure 3 – Kookynie Prospect Locality Map with mineralised trends.

This Announcement is approved by the Board of Metalicity Limited.

ENQUIRIES

Investors

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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. 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.

Cautionary Statement Relating to the Niagara area Historical Production Data

The Production details for the Niagara area are referenced from publicly available data sources. The source and date of the production data reported has been reported in the Geological Survey of Western Australia records showing the development of the Niagara area. DMIRS digital records include open file Annual Reports and data pertaining to the exploration and development efforts of previous operators. The historical production data have not been reported in accordance with the JORC Code 2012. A Competent Person has not done sufficient work to disclose the historical production data in accordance with the JORC Code 2012. It is possible that following further evaluation and/or exploration work that the confidence in the prior reported production data may be reduced when reported under the JORC Code 2012. Nothing has come to the attention of the operator that causes it to question the accuracy or reliability of the historical production data.

Cautionary Statement Relating to Cosmopolitan Historical Production Data

The Production details for the Cosmopolitan Mine are referenced from publicly available data sources. The source and date of the production data reported has been referenced in the body of this announcement where production data has been reported. The historical production data have not been reported in accordance with the JORC Code 2012. A Competent Person has not done sufficient work to disclose the historical production data in accordance with the JORC Code 2012. It is possible that following further evaluation and/or exploration work that the confidence in the prior reported production data may be reduced when reported under the JORC Code 2012. Nothing has come to the attention of the operator that causes it to question the accuracy or reliability of the historical production data; An assessment of the additional exploration or evaluation work that is required to report the data in accordance with JORC Code 2012 will be undertaken as part of the Company’s development plan.

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.