ASX RELEASE: 23 AUGUST 2017

EXTENSIVE ZINC EXPLORATION TARGETS AT EMANUEL RANGE

- **First pass desktop targeting identifies priority exploration targets at the Emanuel Range Zinc Project.**
- **Extensive 30km strike of largely untested prospective major faults with the potential of hosting additional high grade zinc deposits similar to the nearby Pillara (23.3Mt @ 10.1% Zn+Pb), Cadjebut (3.2Mt @ 18.4% Zn+Pb) and Kapok (2.8Mt @ 17.5% Zn+Pb) deposits.**
- **Multiple indicators including historic drill intercepts, outcropping gossans, geophysical anomalies and stratigraphic and structural settings identified.**
- **Located along strike from large tonnage high grade zinc projects including Cadjebut, Pillara and Kapok.**
- **Appointment of Lennard Shelf experts to assist Metalicity with technical evaluations and to generate further high priority exploration targets.**
- **Due diligence ongoing at the Napier Range and Emanuel Range Zinc Projects during the option period.**

Metalicity Limited **(ASX:MCT) ("MCT"** or **"Company")** is pleased to advise that first pass desktop studies have been completed on the Emanuel Range Zinc Project located in the Kimberley Region, WA, as part of the Company's current due diligence process (See ASX: MCT 27/7/17, Figure 1). While a comprehensive database of historic work has not yet been compiled, a first pass analysis has highlighted exploration target areas in favourable structural and stratigraphic locations, supported by drill intercepts, surface gossans and dolomite alteration fronts.

The Emanuel Range Zinc Project consists of one exploration tenement and two tenement applications in close proximity to the Pillara, Kapok, Cadjebut and Goongewa Mines, in the Emanuel Range of the Kimberley Region, WA (Figure 1). All of the tenements in this project cover the prospective stratigraphy and structural positions, in very close proximity to existing deposits or former mines. For example, E04/2453 is located less than 2km from the Pillara deposit, the largest Zinc deposit yet discovered in the Lennard Shelf.

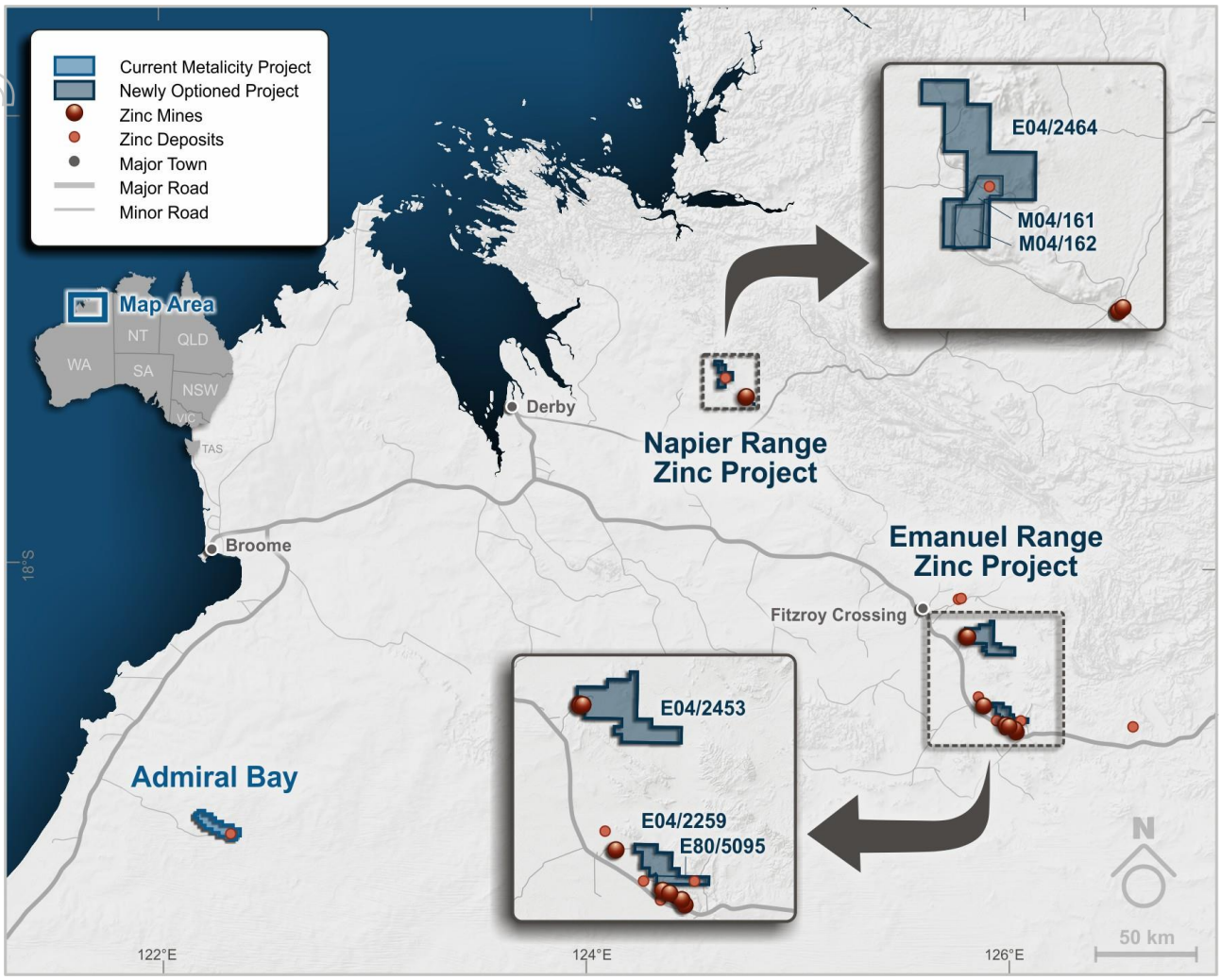
The Emanuel Range is part of a Late Devonian (370 million years old) limestone reef complex that formed along the southwest margin of the Kimberley block, currently extending for over 300 km from the Kimberley coast near Derby to the south of Halls Creek. The limestones are host to a world-class zinc-lead-silver mining district where several rich deposits have been mined (for example, Cadjebut, Pillara, Kapok).

At Pillara East, several targets exist within a zone of northeast striking faults which can be traced southwest to the Pillara Zinc Mine (Figure 2). Historic drill intercepts in this area include 24m at 2.6% Zn, and 5m @ 3% Zn (Figure 2, Table 1). Towards the southeast, there are several sub-parallel, northwest-striking, shallow buried reef- and basement high bounding faults that mimic the geological settings of the known deposits and are largely untested. A comprehensive target generation study completed by previous operators over the area has been reviewed and the targets are ready to be drill tested upon grant of E04/2453 (Figure 2).

At Kapok North, two main target areas have been identified. A ~3.5km long area defined by surface gossans, geochemistry and induced polarisation geophysics at Gindi Gossan; and an untested >5km long dolomite front identified in ASTER remote sensing (Figure 3). Mineralisation in the Cadjebut/Kapok district commonly occurs at or near the dolomite front, within localised structural and stratigraphic traps.

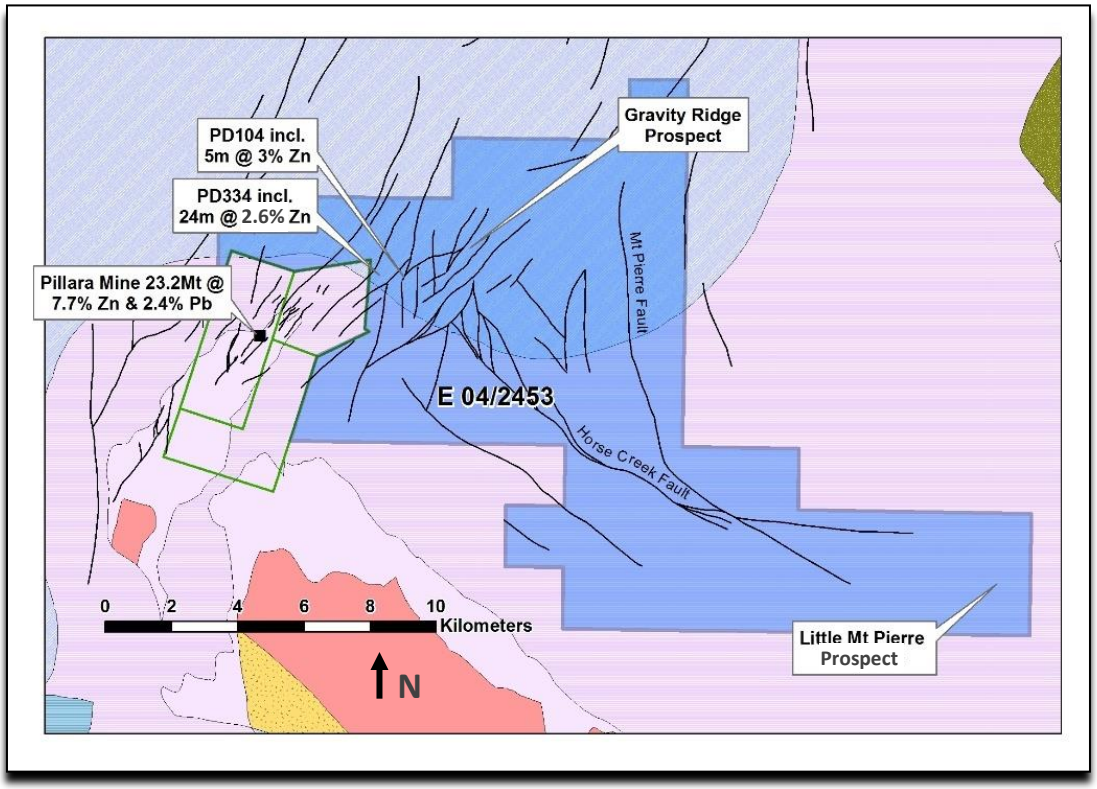
The Kapok North targets are drill ready and located on granted tenure (E04/2259). Further targets will become available upon grant of E04/2453 (Pillara East) and E80/5095 (Kapok North), Figure 1, Figure 3.

Figure 1: Location of the Option Agreement Tenements including the Emanuel Range tenements.



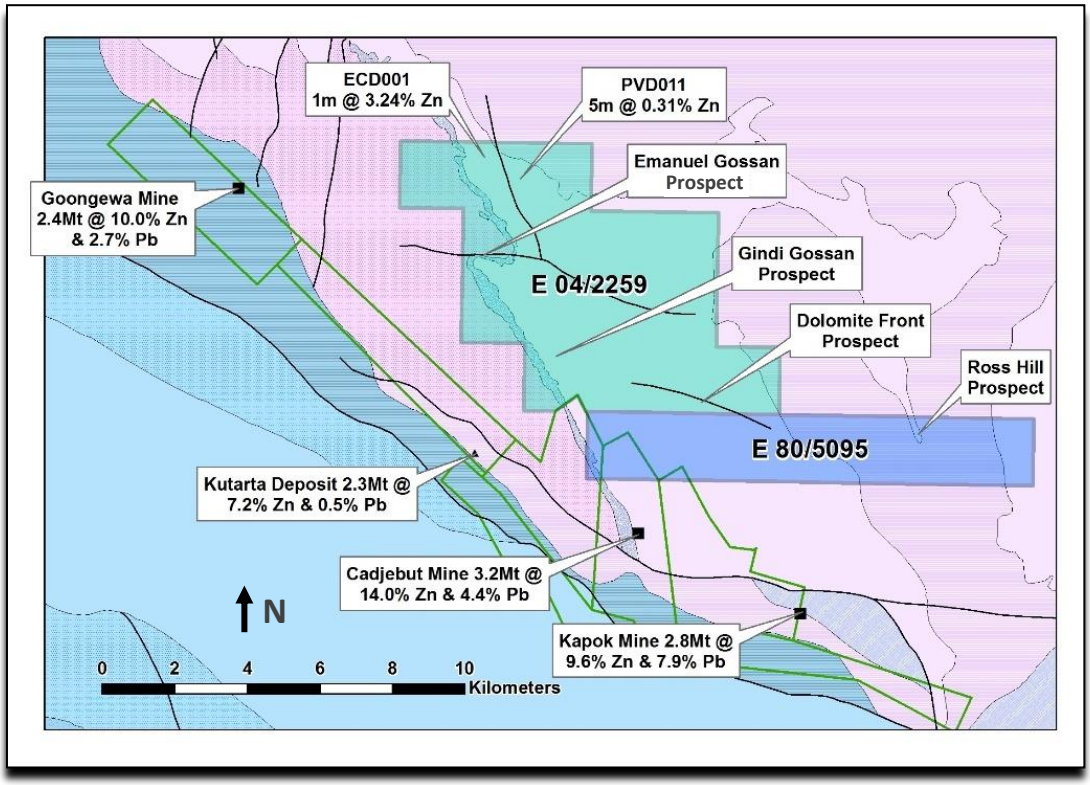
Sources: Metalicity/Minedex

Figure 2: Emanuel Range Zinc Project – Pillara East prospects over regional geology



Source: Metalicity/WAMEX

Figure 3: Emanuel Range Zinc Project – Kapok North prospects over regional geology



Source: Metalicity/WAMEX

Table 1: Emanuel Range Zinc Project – Selected historic drilling results

A Report Number	Hole ID	Type	Easting MGAZ51	Northing MGAZ51	Azi (°)	Dip (°)	Max. Depth (m)	Length (m)	From (m)	To (m)	Zn %	Comments
9002	PD104	Diamond	798097	7973702	0	-90	549.7	5	203	208	2.95	Originally local grid.
9002	PD104	Diamond	798097	7973702	0	-90	549.7	1	391	392	6.5	<1° deviation in DH surveys
15317	PD334	Diamond	797342	7973751	0	-90	794	24	630	654	2.59	Originally local grid.
15317	PD334X	Diamond	797342	7973751	0	-90	794	9	631	640	1.62	Wedge off main hole
23615	ECD001	Diamond	808375	7938560	0	-90	155	1	54	55	3.24	Originally local grid.
33589	PVD011	Diamond	809360	7937950	0	-90	141	5	120	125	0.31	Originally AMG66.

Source: WAMEX open file reports

ENQUIRIES

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About Metalicity Limited

Metalicity Limited is an Australian mining exploration company with a primary focus on base metals sector and the development of the world class Admiral Bay Zinc Project, located in the north west of Australia. The company is currently undertaking a Pre-Feasibility study on Admiral Bay. The Company's secondary focus is the rare metals sector where early stage exploration has commenced. The Company is supported by a management team with 300+ years collective experience in the resources sector and strong shareholder base of institutional and sophisticated investors.

Competent Person Statement – Exploration Results and Exploration Target Range

Information in this report that relates to Exploration results has been reviewed by Dr. Simon Dorling, who is a member of the Australian Institute of Geoscientists. Dr. Dorling is a full-time employee of CSA Global, a consultant to Metalicity, and has sufficient experience 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. Dr. Dorling consents to the inclusion of the data in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report template

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Samples were taken from diamond drill core. Either as fillet samples over 5m intervals or as half core samples where a visual estimation was made by the geologist of >1% Pb+Zn
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drill holes, typically HQ rotary collars with NQ core to end of hole, except PD334 which was HQ to 654m followed by NQ to EOH at 794m
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and result* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Drill sample recovery not always recorded in historic reporting, but in all cases where it was recorded was 95-100%. Poor recovery over a particular interval was typically only evidenced by a lack of assay data
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Detailed geological descriptions are recorded for all drill holes.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, and whether sampled wet or dry.* • *For all sample types, nature, quality and appropriateness of sample prep. technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples were taken from diamond drill core. Either as fillet samples over 5m intervals or as half core samples where a visual estimation was made by the geologist of >1% Pb+Zn
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Samples were analysed by laboratories in Perth including Analabs and Amdel. Samples were crushed then pulverised to 200 microns, then subjected to a 4-acid digest and AAS for Zn, Pb, Ag, Cd, and Cu. Blanks, standards, laboratory repeats and check assays were undertaken at varying frequencies.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Copies of company reports to the relevant Mines Department were reviewed as the primary data sources (A9002, A15317, A23615, A33589) • Validation of sample point locations in ArcGIS did not identify any inconsistent locations. • For historic data, no information is available on how data was originally recorded. Original paper drill logs for the diamond drill holes and associated pre-collars are reproduced in most of the historic reports.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• No information is available on the surveying method used to locate the drill hole collars and it is presumed these were laid out on a local measured grid. • Down-hole surveys utilising an unknown technique are recorded on the drill logs with a maximum deviation of 6°.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Historic data locations are based on the original exploration program grids with initial drilling on approximately 1km centres subsequently infilled as results warranted.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The orientation of any potential mineralisation and drilling/sampling is unknown at this stage.
Sample security	• *The measures taken to ensure sample security.*	• No information is available as to historic sample security.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Audits and reviews were not undertaken, apart from the QAQC checks outlined above.

Section 2 – Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Historic results were reported on tenements that are now dead, but the locations are now covered by tenements held by other parties as either granted or pending exploration tenure, and are being evaluated by the Company. The current tenement status is outlined in the main body text and figures and in the previous Metalicity ASX release of 27/07/2017.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration work within the tenement area has consisted of extensive programs of regional mapping, soil sampling, geophysics and drilling by various parties primarily exploring for base metals since the 1970's
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Company is targeting Mississippi Valley Type lead-zinc deposits.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar*	• See tabulation of the drill hole information above in Table 1.

Criteria	JORC Code explanation	Commentary
	○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Simple averaging of results over the reported interval was undertaken.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Historic intercept lengths are reported as down-hole lengths. • There is not enough information to determine true widths, however the geological assessment of typically shallowly dipping units in the area suggests it is reasonable to assume that down hole widths closely approximate true widths.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to the main body of the announcement for figures depicting drilling locations and assay results.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Selected assay results relevant to the area of interest have been reported to highlight the exploration potential of the area, and specific exploration target areas.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Some relevant geological observations are presented in the main body text. • No additional testwork has been undertaken to date.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further analysis of historical geological data available in open file reports will be undertaken to assist drill targeting.