

ASX RELEASE: 13 MARCH 2018

## YERRIDA COBALT PROJECT DRILLING TO COMMENCE

### HIGHLIGHTS

- Exploration has commenced at the Company's 100% owned Yerrida Cobalt Project, including the identification of additional priority targets for a proposed 1,000m Diamond and/or RC Drill program.
- One high priority target area at K1, was identified from field mapping, rock chip sampling and the company's first pass 1,800m RC drill program to a depth of 150m, which successfully intersected a significant cobalt horizon or halo to regional base metal transportation
- This shallow, south-dipping, horizon of 8m to 12m thickness containing anomalous cobalt mineralisation, provides important support for the potential to find deeper high-grade mineralisation associated with deeper structures from the underlying "red bed" sandstones
- A further three targets at K2, K3 and K4 have been generated focussed on areas of interpreted NW-striking lineaments for possible fluid leakage as well as geological characteristics that are compatible to the geological setting of the prolific copper-cobalt deposits of the Central African Copperbelt
- The additional targets have been generated via a recent review of the entire Yerrida Basin by the pre-eminent Dr Dennis Gee and a review of previous work by copper-cobalt expert Dr Simon Dorling

Metalicity Limited (**ASX:MCT**) ("**MCT**" or "**Company**") is pleased to report new targets have been generated while further field work and an approximate 4 hole 1,000m Diamond and/or RC drilling program is set to commence at the Yerrida Cobalt Project, located in the Yerrida Basin, WA.

The company has developed an exploration model that has characteristics compatible to the geological setting of the prolific central African copper-cobalt belt with previous exploration by Metalicity demonstrating a geological setting considered amenable to hosting structural/stratigraphic-controlled copper-cobalt mineralisation and nickel-cobalt mineralisation.

Previous exploration by Metalicity identified a high priority target area over approximately 7km<sup>2</sup> which includes widespread surface geochemical anomalies including up to 6,400ppm Cobalt and 1,500ppm cobalt, while drilling intersected primary stratigraphic controls on mineralisation or a halo to regional base metal transport over a 8-12m thick zone containing anomalous cobalt at the K1 target (See ASX:MCT 14/11/17).

**Managing Director Matt Gauci commented:** "Recent drilling intersected stratabound intervals of geochemically anomalous copper and cobalt mineralisation which are interpreted to indicate primary stratigraphic controls on mineralisation or a halo to regional base metal transport. A deeper hole is planned to test the potential for high grade mineralisation associated with deeper structures from the underlying "red bed" sandstones at K1, while a further 3 regional targets have been generated associated with an interpreted NW-striking fault at K2-K4 for field work and drilling to test for leakage and cobalt mineralisation".

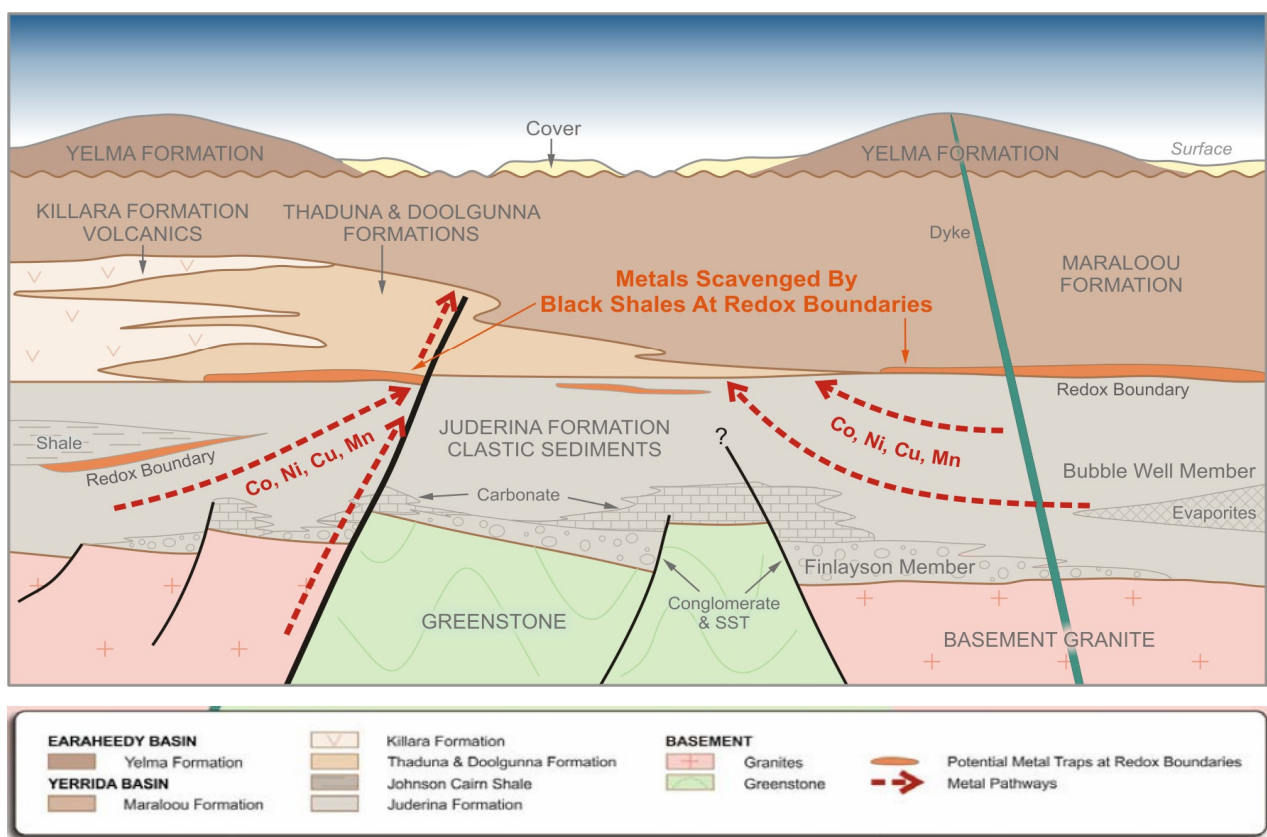
## Yerrida Cobalt Exploration Project

The Yerrida Cobalt Project (100% owned by Metalicity) is located in the Yerrida Basin, WA, which has a geological setting considered amenable to hosting structural/stratigraphic-controlled copper-cobalt mineralisation and potentially also nickel-cobalt mineralisation.

### Exploration Model

Based on a geological evaluation of the region, the Company has developed an exploration model that has characteristics compatible to the geological setting of the prolific copper-cobalt and nickel-cobalt deposits of the Central African Copperbelt (Figure 1), where new discoveries continue to be made based on advances in exploration concepts.

**Figure 1: Yerrida Cobalt conceptual mineralisation model**



Source: Metalicity

### Metalicity Previous Exploration

A first pass field mapping and rock chip sampling program by Metalicity including 65 samples within a 2km by 3.5km target zone, identified up to 1500ppm Co and >1% Zn in weathered near-surface rock chips across the target zone sampled (See ASX:MCT 21/7/17).

As previously discussed, some of these anomalous results were from samples associated with west-north-west striking breccia zones, which are interpreted to be related to deep-seated structures, and to represent part of a potential 'plumbing system' for metalliferous fluids upwards and southwards into suitable trap horizons, as illustrated in the Company's exploration model (Figure 1).

A first pass RC drilling program of 1,800m intersected sandstones of the Yelma Formation which unconformably overlay the Maraloo Formation. Holes were terminated within black shale at a predetermined depth. Locally, anomalous analytical results were associated with quartz veining, related to fractures and brecciation, was intersected.

The downhole quartz zones are possibly correlative with quartz float at surface, and related to the west-north-west trending breccia zones. Drill holes encountered a consistent near-surface cobalt base metal enrichment zone, interpreted to be a regolith enrichment zone, which may account for some of the anomalous results in surface samples.

More interestingly, an 8m to 12m thick, shallow south-dipping zone of anomalous base metal (400–500ppm Cu and 50–60ppm Co) was intersected in all drill holes. These values represent around 4x the Cu background and about 2x the Co background values (See ASX:MCT 14/11/17).

This anomalism is considered significant because in the Central African Copperbelt – the source of the exploration model – there are multiple mineralised horizons (associated with minor redox boundaries) found above the basal productive zone.

The Company’s focus is to target the base of the Maraloo Formation and the main transition zone from the underlying “red-bed” sandstones, which represents the primary target and most prospective setting for significant mineralisation.

#### Proposed RC and/or Diamond Drilling

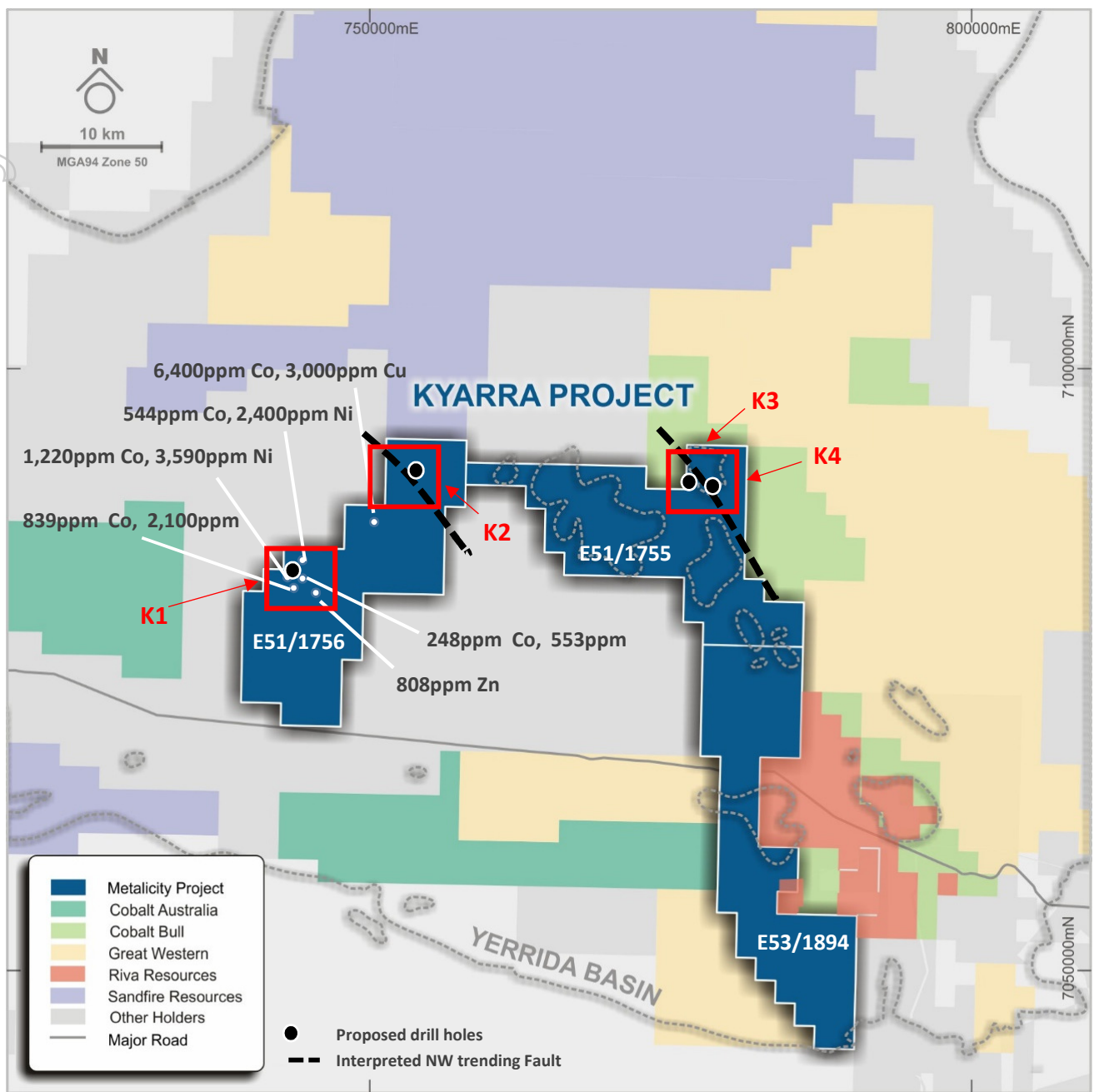
An exploration program including field work and an approximate 1,000m RC and/or diamond drilling program across 4 holes (K1-K4, Figure 2) is proposed to target several conceptual areas for mineralisation. The collar coordinates are given in Table 1. One drill hole at K1 has been designed to follow up the south dipping geochemically anomalous horizon to test any possible trend in the anomalous zone with depth. The proposed field work and drill holes at K2-K4 target areas of interpreted NW-striking lineaments for possible fluid leakage.

The drill holes have been designed as diamond drill holes for high quality geological interpretation however, deep RC holes may be warranted for these targets. A drilling contractor has been identified with final contract being negotiated and the company will keep the market informed as to when field work commences, and requisite approvals are received the rig arrives on site and drilling is underway.

**Table 1: Proposed drill coordinates in the Yerrida Basin**

<i>hole id</i>	<i>east</i>	<i>north</i>	<i>rl</i>	<i>depth</i>	<i>dip</i>	<i>azimuth</i>	<i>Comment</i>
MCDD_001	778704	7091017	550	200	-60	60	Targeting NW striking geophysical lineament; structural trap/channel target
MCDD_002	778102	7089962	550	200	-60	60	As above
MCDD_003	753661	7089991	550	200	-60	60	Geophysical structural target
MCDD_004	743732	7082585	550	200	-60	0	Down-dip stratigraphic target

Figure 2: Regional Location Map showing cobalt rich high priority target area



Source: Metalicity

## ENQUIRIES

### Investors

Matt Gauci  
Managing Director  
+61 8 9324 1053  
[mgauci@metalicity.com.au](mailto:mgauci@metalicity.com.au)

### Investor Relations

David Tasker/ Colin Jacoby  
Chapter One Advisors  
+61 433 112 936 / +61 439 980 359  
[david.tasker@lateral.com.au](mailto:david.tasker@lateral.com.au)  
[cjacoby@chapteroneadvisors.com.au](mailto:cjacoby@chapteroneadvisors.com.au)

### About Metalicity Limited

*Metalicity Limited is an Australian exploration company with a primary focus on the base metals sector and the development of a pipeline of zinc projects including the high-grade Napier Range Zinc Project and the large-scale Admiral Bay Zinc Project, both located in the north west of Australia. The Company's secondary focus is the lithium and cobalt sector with early stage exploration projects located in existing world class and/or emerging districts for lithium and cobalt. The Company is supported by a management team with significant collective experience in the resources sector as well as private equity, institutional and retail funds.*

### Competent Person Statement

*Information in this report that relates to Exploration results is based on, and fairly reflects, information compiled by Dr Simon Dorling, a Competent Person who is a Member of the Australian Institute of Geoscientists. At the time of compilation of this report, Dr Dorling was a consultant to Metalicity Ltd, employed by CSA Global Pty Ltd, independent mining industry consultants. Dr Dorling 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. Dr Dorling consents to the inclusion of the data in the form and context in which it appears.*

**For further information on previous exploration results by Metalicity see ASX:MCT 14/11/17 and ASX:MCT 21/7/17).**

For personal use only