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KIMBERLEY MINING TSX-V LISTING UPDATE

HIGHLIGHTS

- Leading North American Investment firms Haywood Securities Inc (Haywood) and Echelon Wealth Partners (Echelon) engaged as Co-Lead Managers for the TSX-V Listing of Kimberley Mining Limited (Kimberley Mining) (Proposed Transaction).
- Highly credentialed Toronto based director appointments to Kimberley Mining of Mr Justin Reid and Mr Paul Pint as Non-Executive Chairman and Non-Executive Director respectively.
- Metalicity has received strong endorsement from project stakeholders and some of the world's largest mining investors including Resource Capital Funds ("RCF"), China Minmetals ("Minmetals") and China Non-Ferrous Metals ("NFC") for the TSX-V listing of Kimberley Mining

Metalicity Limited (**ASX:MCT**) ("**MCT**" or "**Company**") is pleased to report that it has engaged Haywood Securities Inc. (Haywood) and Echelon Wealth Partners Inc (Echelon) to co-lead a syndicate of Investment Banks and Brokers for the TSX-V Listing of the Company's Admiral Bay Zinc Project, to be owned by the Metalicity's Vancouver based company Kimberley Mining Limited (Kimberley Mining) (Proposed Transaction).

Additionally, the Company is pleased to report the appointment to Kimberley Mining of Mr Justin Reid and Mr Paul Pint as Non-Executive Chairman and Non-Executive Director respectively. Mr Reid and Mr Pint will join Metalicity representatives Mr Mathew Longworth, Mr Justin Barton and Mr Matthew Gauci as Non-Executive Directors. The Company is finalising a short list of candidates for the roles of a Toronto based Chief Executive Officer and President (CEO and President) with outstanding candidates nominated by engaged fund managers and brokers having already emerged.

Following the completion of corporate structuring and shareholder approval for the transaction, Metalicity will effectively vend Admiral Bay into Kimberley Mining at a targeted valuation of A\$30,000,000 cash and shares and, subject to shareholder and regulatory approval, undertake an Initial Public Offering (IPO) to raise circa C\$30,000,000 (A\$31 million) to C\$40,000,000 (A\$41,000,000) and seek a listing on the TSX-V concurrently with the completion of the offering.

Metalicity Managing Director Matt Gauci said:

"The very strong market interest and now engagement of leading North American mining investment firms, appointment of a highly credible board and endorsement of project stakeholders, will best allow the progression of Admiral Bay in a market of higher valuations for base metals projects of Admiral Bay's scale.

"I am pleased to introduce Mr Reid and Mr Pint to the board of Kimberley Mining, both of whom bring significant experience in mining and capital markets to their respective roles. "

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BROKER SYNDICATE APPOINTED

As Co-Lead Managers Haywood and Echelon will act as financial advisors and agents in respect of capital markets and strategic advice related to listing of Kimberley Mining's common shares for trading on the TSX-V via an initial public offering ("IPO") or a reverse takeover transaction (an "RTO"), and completing a concurrent or associated financing for Kimberley Mining in the amount of circa C\$30,000,000 to C\$40,000,000, or such other amount as may be determined by Kimberley Mining, Haywood and Echelon.

Haywood and Echelon will act as Co-Lead managers and Joint Book Runners for a round of Seed Capital raising in the amount of approximately C\$2,000,000 while Haywood will act as Co-Lead Manager and Sole Book Runner for IPO financing of C\$30,000,000 (A\$31 million) to C\$40,000,000 (A\$41,000,000).

Founded in 1981, Haywood is a 100 per cent employee-owned investment dealer with more than 275 employees in its Canadian offices in Vancouver, Calgary and Toronto. Haywood is a member of the Toronto Stock Exchange, the TSX Venture Exchange, the Montreal Exchange (MEX), the Canadian National Stock Exchange (CNSX), the Canadian Investor Protection Fund (CIPF), and the Investment Industry Regulatory Organisation of Canada (IIROC). In addition, Haywood Securities (USA) Inc., a wholly owned subsidiary, is a broker-dealer registered to transact securities business in the United States and is a member of the Financial Industry Regulatory Authority (FINRA).

Most recent transactions undertaken by Haywood in the mining sector on the TSX-V include:

- Advised Orion Mine Finance Group on the sale to Osisko Gold Royalties Ltd of a high-quality precious metals portfolio of assets consisting of 74 royalties, streams and precious metal offtakes for total consideration of C\$1.125 billion.
- Advised Trevalli Mining Corporation on a C\$264 million private placement
- Advised Bluestone Resources on a C\$80,000,000 private placement
- Advised Copper Mountain Mining Corporation's acquisition of ASX-listed Altona Mining for A\$93,000,000 to form a major copper producer.
- Advised on the Minera Alamos and Corex Gold merger to create a leading C\$50,000,000 gold company

The syndicate will continue to be formed during the June Quarter and the company and its advisors have been approached by several global investment banks to join the syndicate, with the view of significant debt, equity hybrid instruments and or Merger and Acquisition opportunities to progress the project.

HIGHLY CREDENTIALLED APPOINTMENTS TO KIMBERLEY MINING BOARD

Metalicity Limited (**ASX:MCT**) (“**MCT**” or “**Company**”) is pleased to report the appointment to Kimberley Mining of Mr Justin Reid and Mr Paul Pint as Non-Executive Chairman and Non-Executive Director respectively. Mr Reid and Mr Pint will join Metalicity representatives Mr Mathew Longworth, Mr Justin Barton and Mr Matthew Gauci as Non-Executive Directors. The Company has also engaged Pinnacle Capital markets as Investor Relations advisor led by Spyros Karellas.

Mr Reid is a geologist and capital markets executive with over 20 years of experience focused exclusively in the mineral resource space. Mr Reid became a partner and senior mining analyst at Sprott/Cormark Securities in Toronto. He was then named Executive General Manager at Paladin Energy, where he was responsible for leading all merger and acquisition, corporate and market related activities. He is the former Managing Director Global Mining Sales at National Bank Financial, where he directed the firm’s sales and trading in the mining sector.

Mr Pint is a capital markets professional with over 25 years of experience. Mr. Pint began his capital markets career on the Institutional Equity team at CIBC World Markets, where he held various senior positions and was instrumental in building and developing their Private Placements and Small Cap Equity group. Over his career, he has held a number of senior positions at various financial institutions and boutique investment banks in Canada. Mr. Pint has been involved in over 500 global financings. Mr. Pint is a Chartered Professional Accountant and holds a Bachelor of Commerce degree from the University of Toronto.

Mr Karellas has over 27 years of experience in banking and financial advisory. He began his career with Canada Trust in 1989, and has worked for Midland Walwyn, Merrill Lynch and BMO Nesbitt Burns as a Financial Advisor managing investment portfolios for high net worth individuals, family trusts and private corporations. Most recently, Spyros worked as an institutional equity salesperson for a well known Toronto brokerage firm specializing in renewable energy, technology, oil, gas and mining. His account coverage focused on portfolio managers across Canada and Europe. Mr Karellas earned his Bachelor of Administrative Studies from York University, majoring in Accounting and Finance.

The Company is finalising a short list of candidates for the role of Toronto based Chief Executive Officer and President (CEO and President) with outstanding candidates nominated by engaged fund managers and brokers.

TSX-V LISTING OF KIMBERLEY MINING

The spin out Admiral Bay onto the TSX-V has the following benefits for Metalicity Shareholders:

- The Admiral Bay project is fundamentally undervalued in an absolute and relative sense
- The Company has received numerous reverse enquiries from North American investors
- The Enterprise Value Per Tonne (EV/T) of a peer group of base metals assets and companies (with ownership of Admiral Bay's scale) listed on the TSX-V is much higher than on the ASX
- Metalicity will retain a significant interest in Kimberley Mining following the listing on the TSX-V, retaining exposure to the upside without the associated risks and financial requirements
- The Kimberley Mining listing will provide the Projects with the capital requirements and a dedicated, experienced and highly credentialed team to allow the projects to progress
- Metalicity will execute a Technical Services Agreement with Kimberley Mining, delivering a consistent, local, experienced project development team, while a reduction in costs to Metalicity
- Metalicity will receive a significant cash component from the transaction and allow the company to focus on the exploration of its Yerrida Cobalt Project, and further M&A opportunities

Further details of the proposed transaction will be outlined in the Notice of Meeting to shareholders which will be distributed shortly.

Following the completion of corporate structuring and shareholder approval for the transaction, Metalicity will effectively vend Admiral Bay into Kimberley Mining at a targeted valuation of A\$30,000,000 cash and shares and, subject to shareholder and regulatory approval, undertake an Initial Public Offering (IPO) to raise circa \$30,000,000 to C\$40,000,000 and seek a listing on the TSX-V concurrently with the completion of the offering.

The strong market interest and now (1) engagement of leading North American mining investment firms, (2) appointment of a highly credible board and (3) endorsement of project stakeholders, will best allow the progression of Admiral Bay in a market of higher valuations for base metals projects of Admiral Bay's scale. The planned work includes a (1) Preliminary Economic Assessment (PEA), where the company will publish the project economics on Admiral Bay, (2) the next round of resource and exploration drilling (3) progressions of a Pre-Feasibility Study (PFS) and (4) pursuit of appropriate Merger and Acquisition opportunities.

ADMIRAL BAY ZINC PROJECT SUMMARY

- The Admiral Bay Zinc Project is 100% owned by Metalicity and is one of the world's largest zinc projects in development located in the world first jurisdiction of Western Australia
- The Mineral Resource Estimate (MRE) under JORC/NI-43101 currently stands at 170Mt at 7.5% ZnEq*
- The Scoping Study undertaken by SRK concluded the project to be technically feasible
- Memorandum of Understanding (MOU) for Offtake and Project Development have been signed with China Minmetals and China NFC, some of the world's largest zinc participants
- Metallurgical Testwork undertaken by China Minmetals confirmed the project to be a high quality international saleable product with high recoveries, low impurities and high concentrate grade
- Project studies undertaken by China NFC confirmed the project to be technically and economically positive with Engineering, Procurement, Construction (EPC) costing studies considered world class

PROCESS AND TIMETABLE

The broad process for effecting the listing of Kimberley Mining is:

- Metalicity completes corporate structuring including tax advice to affect a share sale of Admiral Bay to Kimberley Mining in the June Quarter 2018
- Metalicity shareholders to vote on approving the Proposed Transaction at an Extra-ordinary General Meeting (EGM) in the June Quarter 2018
- Kimberley Mining to appoint a CEO and President and additional Investment Banks to the syndicate in the June Quarter 2018
- Kimberley Mining will undertake a public offer, with Metalicity shareholders having a priority entitlement in the September Quarter 2018.

The above process, specifics and timetable is indicative only and subject to shareholder and regulatory approval, and finalisation of a sale and purchase agreement with Kimberley Mining.

ENQUIRIES

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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 large-scale Admiral Bay Zinc Project and the high-grade Napier Range Zinc Project, both located in the Kimberley region of Western 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.