

ASX RELEASE: 15 September 2020

Metalicity Reports Drill Hole Intercepts Up to 100 g/t Au for the Kookynie Gold Project

HIGHLIGHTS

- Assays from the Phase Two Drilling Programme have returned some of the best intersections to date at the Kookynie Gold project and continue to deliver spectacular, high grade drilling results, including:
 - LPRC0077 – 4 metres @ 26.91 g/t Au from 65 metres,
 - inc. 1 metre @ 100.77 g/t Au from 67 metres
 - LPRC0053 – 4 metres @ 17.29 g/t Au from 103 metres,
 - inc. 2 metres @ 28.79 g/t Au from 104 metres,
 - LPRC0051 – 8 metres @ 9.33 g/t Au from 97 metres,
 - inc. 1 metre @ 40.84 g/t Au from 104 metres,
 - LPRC0076 – 6 metres @ 6.82 g/t Au from 49 metres,
 - LPRC0050 – 7 metres @ 5.19 g/t Au from 76 metres,
 - LPRC0052 – 8 metres @ 4.49 g/t Au from 78 metres.
- The Company has completed 78 drill holes for 5,784 metres at Leipold, McTavish and Champion to date.
 - 40 drill holes have had assays received.
 - 16 holes already reported ASX announcement dated 25 August 2020
 - 24 drill holes discussed in this announcement.
 - A further 38 drill holes are pending at the Laboratory and due imminently.
- Next batch of assay results are due in late September with release as soon as possible.
- Drilling is scheduled to continue and highlights the high-grade nature of mineralisation at the Kookynie Gold Project.

Metalicity Limited (ASX: MCT) (“MCT” or “Company”) is pleased to announce the return of the second batch of assays from the Phase Two Drilling Programme at the Kookynie Gold Project² in the Eastern Goldfields, Western Australia, approximately 60 kilometres south southwest of Leonora.

The Company has received assays for 23 drill holes of the expanded drilling programme currently underway at the Kookynie Gold Project with some of the best intersections reported to date from drilling undertaken by Metalicity. One drill hole was from a failed hole that has since been redrilled with results pending. So far, the drilling has confirmed significant and extensive high-grade gold mineralisation at the Leipold Prospect that not only continues to the southern strike extents, but down dip as well. There are 38 drill holes remaining at the laboratory pending analysis, which is due in late September, with drilling scheduled to continue at an accelerated rate at the Kookynie Gold Project with plans to add a second to the programme shortly.

¹Please refer to ASX Announcement “Metalicity Continues to Deliver Excellent Drill Hole Results for the Kookynie Gold Project” dated 2nd July 2020

²Please refer to ASX Announcement “Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA” dated 6th May 2019 with Nex Metals Explorations Ltd, ASX:NME.

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Commenting on the drilling results, Metalicity Managing Director, Jason Livingstone said:

“With such spectacular results being returned from our work on a consistent basis, coupled with a further 21 targets defined from the drone magnetic survey, we are well funded and poised to significantly accelerate our exploration and development efforts at the Kookynie Gold Project. The recent assays are some of the best intersections drilled by Metalicity to date, and the rest of 2020 and beyond is shaping up to be an incredibly exciting time for the Company as we step up our work programmes to capitalise on these continued outstanding results.”

Assay & Drilling Discussion

The Kookynie Project is host to seven, significant prospects; Champion, McTavish, Leipold, Diamantina, Cosmopolitan and Cumberland (collectively known as the DCC Trend), and finally, the Altona Trend 1.5 kilometres east of the DCC Trend. The table below summarises the significant intercepts from the 23 returned drill holes – please note LPRC0048 was a failed hole and redrilled as LPRC0093. Assays were returned from LPRC0048, but the hole was terminated above the mineralised structure and reported no significant intercepts. The Company has pending results from thirty-eight (38) drill holes (14 from McTavish, 9 from Champion and 15 remaining from Leipold). These are expected in late September and will be reported in due course:

Prospect	Hole ID	Tenement	Hole Type	MGA 94 Zone 51 South			EOH	Dip	Azi	From (m)	To (m)	Down Hole Width (m)	Grade (Au g/t)	Comments
				Easting	Northing	RL								
Leipold	LPRC0050	M40/22	RC	350,836	6,752,042	431	96	-60	250	76	83	7	5.19	7 metres @ 5.19 g/t Au from 76 metres
	LPRC0051			350,860	6,752,052	430	114	-60	250	97	105	8	9.33	8 metres @ 9.33 g/t Au from 97 metres
				Including			Including			104	105	1	40.84	inc. 1 metre @ 40.84 g/t Au from 104 metres
	LPRC0052			350,847	6,752,004	430	96	-60	250	78	86	8	4.49	8 metres @ 4.49 g/t Au from 78 metres
	LPRC0053			350,876	6,752,015	430	114	-60	250	97	100	3	1.61	3 metres @ 1.61 g/t Au from 97 metres
										103	107	4	17.29	4 metres @ 17.29 g/t Au from 103 metres
				Including			104	106	2	28.79	inc. 2 metres @ 28.79 g/t Au from 104 metres			
	LPRC0054			350,709	6,752,336	430	60	-60	250	48	51	3	9.23	3 metres @ 9.23 g/t Au from 48 metres
	LPRC0056			350,817	6,751,874	431	30	-60	250	9	12	3	2.74	3 metres @ 2.74 g/t Au from 9 metres
	LPRC0058			350,832	6,751,881	431	66	-60	250	54	58	4	5.07	4 metres @ 5.07 g/t Au from 54 metres
	LPRC0066			350,892	6,751,776	431	72	-60	250	55	59	4	1.85	4 metres @ 1.85 g/t Au from 55 metres
	LPRC0076			350,725	6,752,299	430	66	-60	250	49	55	6	6.82	6 metres @ 6.82 g/t Au from 49 metres
										Including			52	54
	LPRC0077			350,744	6,752,307	430	84	-60	250	65	69	4	26.91	4 metres @ 26.91 g/t Au from 65 metres
Including			67							68	1	100.77	inc. 1 metre @ 100.77 g/t Au from 67 metres	
			430	84	-60	250	80	84	4	1.25	4 metres @ 1.25 g/t Au from 80 metres			
LPRC0078	350,743	6,752,263	430	78	-60	250	55	63	8	2.91	8 metres @ 2.91 g/t Au from 55 metres			

Table 1 – Significant Drill Hole Intercepts

Intercepts were calculated based on a sample returning an assay value of greater than 1 g/t Au over an interval greater than 1 metre, but not including any more than 1 metre of internal material that graded less than 1 g/t Au.

The Phase Two drilling programme is designed to significantly step out and continue to confirm the mineralisation observed in our previous drilling programmes, this is the methodical approach we have adopted in our efforts to develop JORC 2012 compliant mineral resource estimates in the future. The full intercept list for completed drill holes is available in Appendix Two along with the collar details for the drill holes discussed in this announcement. This programme is a significant step out to define the shallow and down dip mineralisation observed at the Leipold Prospect. Please refer to Figure 1 for Prospect and tenure locations within the greater Kookynie Gold Project:

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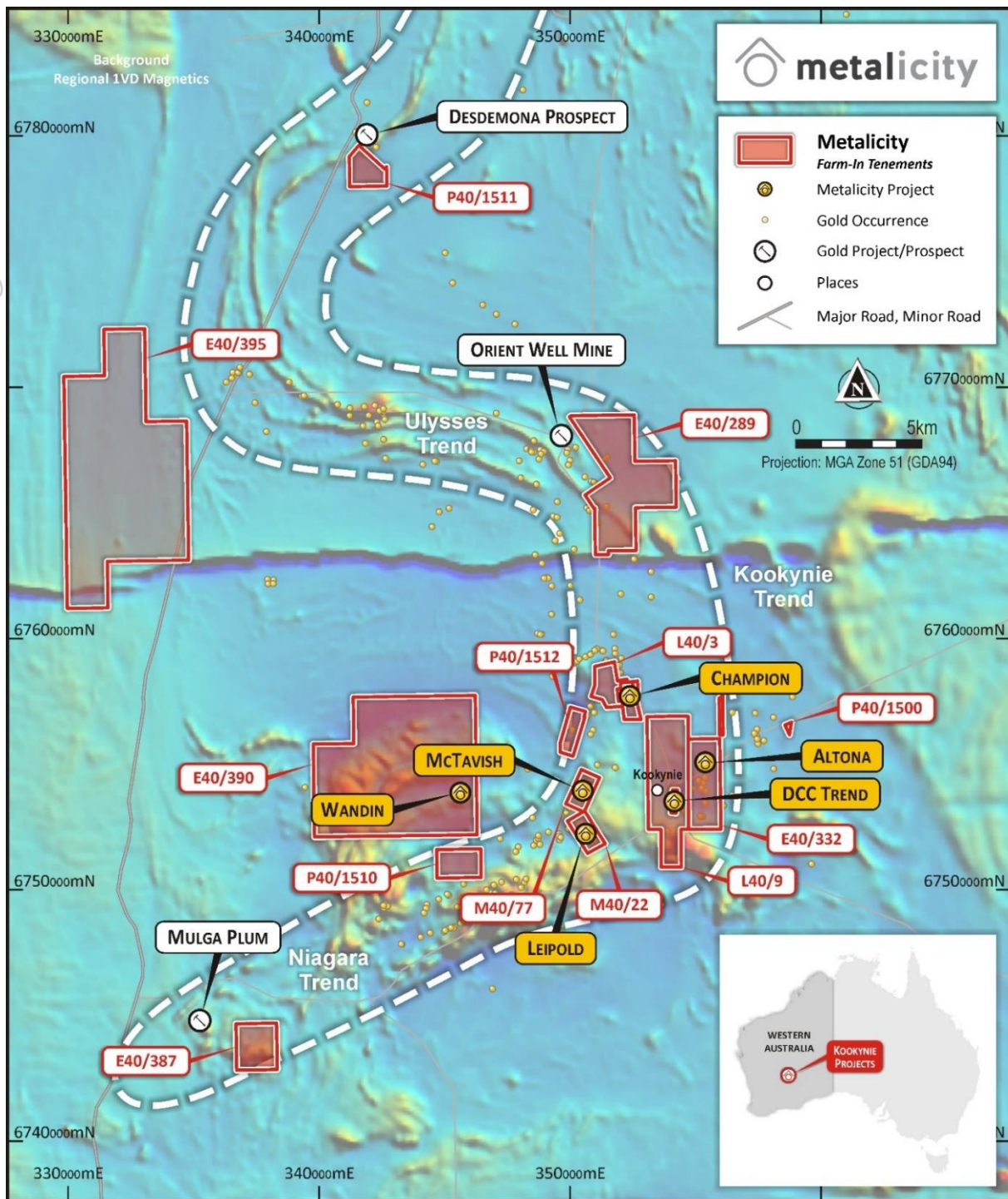


Figure 1 – Kookynie Prospect Locality Map with mineralised trends.

Drill Hole Plane of Vein Long Section

Below is a drill hole plane of vein long section, cross section and collar plot that illustrate the recent and planned drilling pierce points and discussion detailing the significance of the results to date at the Leipold Prospect. As noted earlier in this announcement, not all assays from the Phase Two drilling programme are available now, therefore, all assays received to date for an entire hole have been plotted on a long section to illustrate the strike extents of the mineralisation observed to date.

The Leipold Prospect

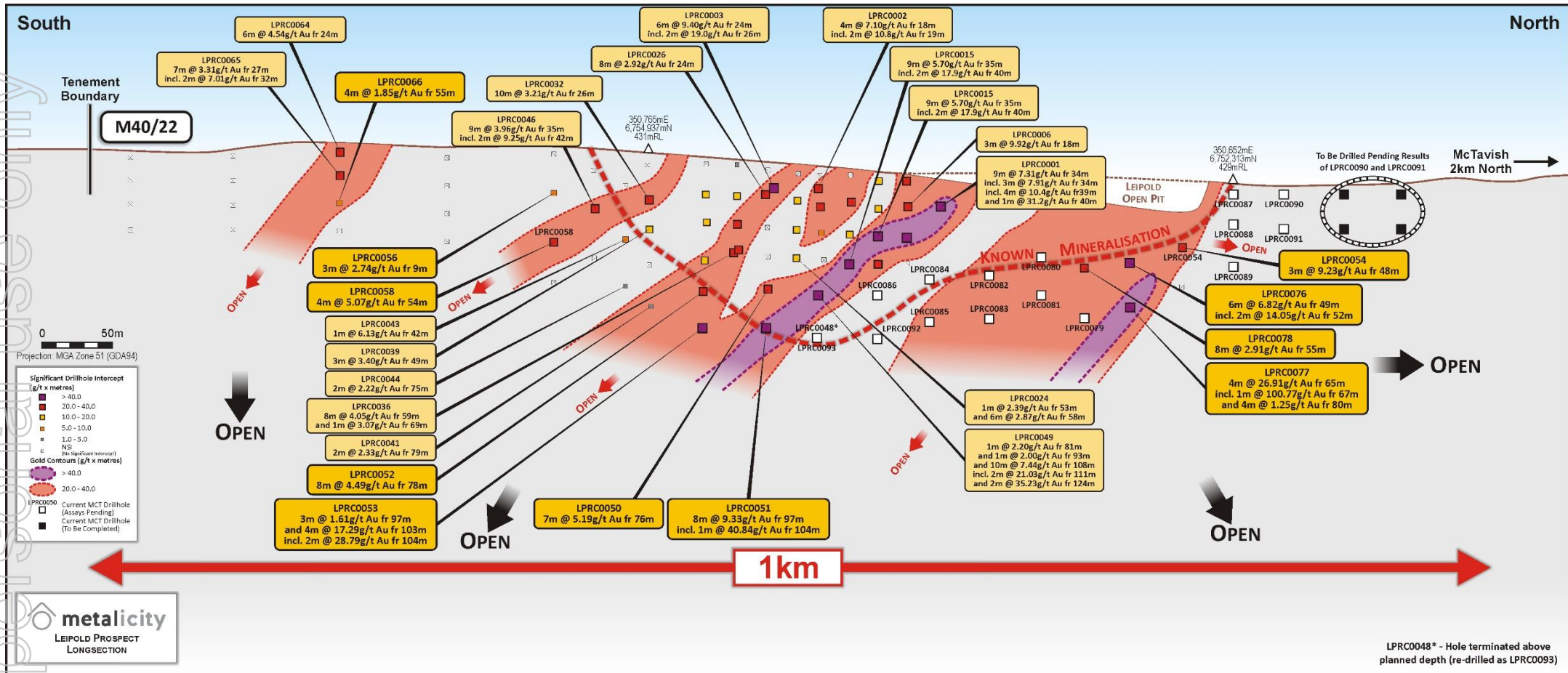


Figure 2 – Leipold Plane of Vein Section with recent drilling³.

³Please refer to ASX Announcement “Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project” dated 25 August 2020.

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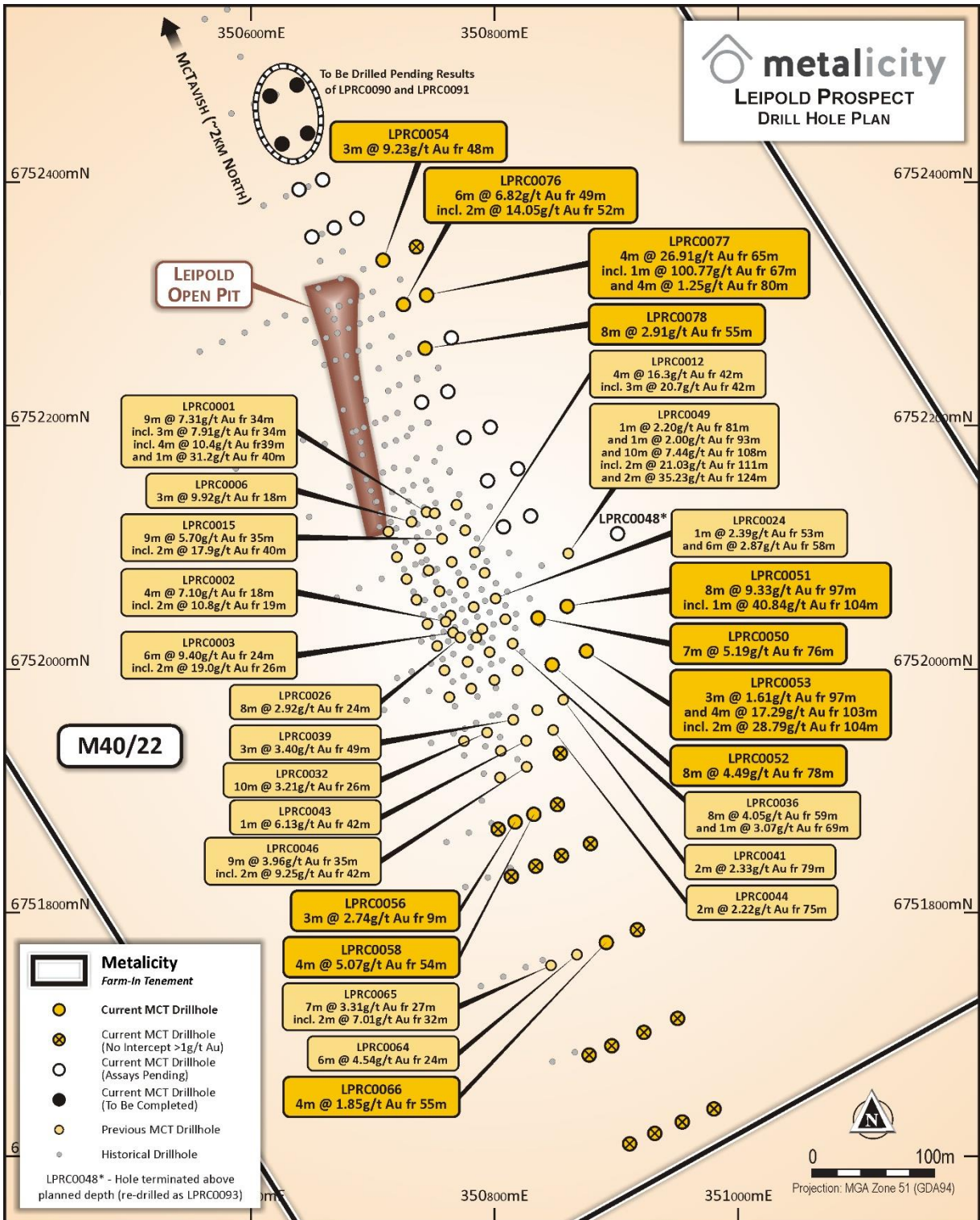


Figure 3 – Leipold Collar Plot of all drilling and mineralised trend³.

The Company has received assays for twenty-three (23) Reverse Circulation (RC) drill holes at the Leipold Prospect for a total of 1,728 metres in an area that is down dip and along strike from recent and historical drilling. We are pleased that the results have confirmed significant extensions, demonstrating the down dip and strike continuance of mineralisation beyond the previously defined limits. Note, LPRC0048 failed and was redrilled as LPRC0093 – LPRC0093 has results pending.

This is incredibly MCT exciting and continues to demonstrate very shallow mineralisation exists at the Leipold Prospect and the down dip extensions are showing the continuation of high-grade plunges. Table One illustrates all the available drill hole intercepts returned to date for the Leipold Prospect. Please note the Company has the balance of the samples at the laboratory due to be reported in late September 2020 and

drilling at the Kookynie Gold Project is scheduled to continue at an accelerated rate – pending drill rig availability.

Noteworthy is the consistent widths and relatively consistent grades observed at the Leipold Prospect in relation to the structural framework that hosts the mineralisation. The structural framework appears to be a general north south trending auriferous vein dipping moderately shallow towards the east, but with cross cutting south west trending cross structures with south easterly dips interacting and producing these plunging higher grading shoots. Therefore, with the exceptions of significantly wider mineralised intercepts, we are observing a general halo of mineralisation but with higher grading, southerly plunging shoots within the mineralised envelope. Whilst the Company has validated its structural interpretation through this drilling, the rationale behind the very high detailed drone magnetic survey is to allow for an efficient and high confidence interpretation of the 8 kilometres of strike the Kookynie Gold Project hosts from these known Prospects. Applying this learning to other targets within the Project will ensure that targets are evaluated efficiently, and work performed will be as effective as possible.

Plan Moving Forward & Pending Assays

With a significant parcel of the assays still pending – 38 drill holes in total (14 from McTavish, 9 from Champion and 15 remaining from Leipold), we are using this information derived from the RC drilling to plan further work at both Leipold, McTavish and Champion as these prospects move into the resource definition phase. With the results of the drone magnetic survey demonstrating a further 21 greenfield targets⁴, it is intended to expand the drilling programme to continue to evaluate Champion, Fortuna, Altona and to return to the Cosmopolitan Gold Mine area where 360,000 ounces was produced historically at a head grade of 15 g/t over the life of that mine between 1896 to 1922.

⁴Please refer to ASX Announcement “Drone Survey Demonstrates 21 Targets with Incredible Prospectivity for the Kookynie Gold Project” dated 2 September 2020.

Quality Control

The Company, as is normal during a drilling programme, implemented a quality assurance and control process (QAQC) whereby reconciliations with the drilled metre, the representative sample, and the actual sample bag that was submitted to the laboratory was rigorously controlled. Sampling and the designated analytical methods were also based on geology. That is interpreted mineralised zones were submitted for Screen Fire Assay whereas non mineralised interpreted zones were submitted for Fire Assay as a double check on the interpretation. The original cone split samples from the rig mounted cone splitter were submitted to the laboratory for analytical and QAQC investigations.

Furthermore, usual Industry Practice is to insert a standard (referred to as a CRM – Certified Reference Material that has a known grade within a specified confidence interval), a duplicate or a blank (whereby it is devoid of any mineralisation whatsoever) into the sampling regime to ensure, and on top of the laboratories own QAQC measures of 1 sample in every 20 is to represent one of these samples to ensure quality control.

The results returned by the laboratory where within the CRM stated acceptable standard deviation limits and the duplicity of the samples, given the nature of the mineralisation, were within acceptable limits.

Geology

The Kookynie Project area is in the Keith-Kilkenny Tectonic Zone within the north-northwest trending Archean-aged Malcolm greenstone belt. The Keith-Kilkenny Tectonic Zone is a triangular shaped area hosting a succession of Archean mafic-ultramafic igneous and meta-sedimentary rocks. Regional magnetic data indicates the Kookynie region is bounded to the west by the north-trending Mt George Shear, the Keith-Kilkenny Shear Zone to the east and the Mulliberry Granitoid Complex to the south.

There are several styles of gold mineralisation identified in the Kookynie region. The largest system discovered to date is the high-grade mineralisation mined at the Admiral/Butterfly area, Desdemona area and Kookynie (Niagara) areas. The gold mineralisation is associated with pyritic quartz veins hosted within north to northeast dipping structures cross-cutting 'favourable' lithologies which can also extend into

shears along geological contacts. Gold mineralisation at Kookynie tends to be preferentially concentrated in magnetite dominated granitic fractions of the overall granite plutons observed within the Kookynie area.

This Announcement is approved by Jason Livingstone, Managing Director & CEO 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 Exploration as it relates to our farm-in agreement as announced on the 6th May 2019 titled "*Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA*".

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.

Appendix One – JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Reverse circulation (RC) sampling was conducted by the offsideers on the drill rig and checked at the end of each rod (6 metres) to ensure that the sample ID's matched the interval that was intended to be represented by that sample ID. No issues were seen or noted by the Competent person during the entire drilling campaign. These samples are kept onsite in a secure location available for further analysis if required. • All RC samples were sieved and washed to ensure samples were taken from the appropriate intervals. The presence of quartz veining +- sulphide presence +- alteration was used to determine if a zone was interpreted to be mineralised. If the sample was deemed to be potentially mineralised, the samples were submitted for screen fire assay. If no mineralisation was observed, the sample was submitted for check using fire assay. • All samples were submitted for analysis, no compositing took place. • The quality of the sampling is industry standard and was completed with the utmost care to ensure that the material being sampled, can be traced back to the interval taken from the drill hole for both RC and diamond core. • OREAS standards of 60 gram charges of OREAS 22F (Au grade range of <1ppb Au – this is a blank), OREAS 251 (Au grade range of 0.498ppm Au to 0.510ppm Au), OREAS 219 (Au grade range of 0.753ppm Au to 0.768ppm Au) and OREAS 229b (Au grade range of 11.86ppm Au to 12.04ppm Au) were used in alternating and sporadic patterns at a ratio of 1 QAQC sample in 20 samples submitted. The material used to make these standards was sourced from a West Australian, Eastern Goldfields orogenic gold deposits.
Drilling techniques	<ul style="list-style-type: none"> • 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). 	<ul style="list-style-type: none"> • RC drilling used a bit size of 5 ¼ inch.
Drill sample recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> • RC drilling sample recovery was excellent. • No relationship was displayed between recovery and grade nor loss/gain of fine/course material.

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	<ul style="list-style-type: none"> • 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. 	
Logging	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • All recovered sample from RC has been geologically logged to a level where it would support an appropriate Mineral Resource Estimate, mining studies and metallurgical test work. • Logging was qualitative based on the 1 metre samples derived from the RC drilling.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation 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. 	<ul style="list-style-type: none"> • RC samples were cone split from the rig. • All RC samples were dry. All recoveries were >90%. • Duplicates or a CRM standard were inserted every 20 samples. • The Competent Person is of the opinion the sampling method is appropriate.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Fire assay has been selected for RC samples. The methodology employed in these analytical procedures are industry standard with appropriate checks and balances throughout their own processes. Selected intervals have been submitted for Screen Fire Analysis to understand the relationship between gold distribution and the influence of potential nuggety gold. • The analytical method employed is appropriate for the style of mineralisation and target commodity present. However, selected entire intercepts with a returned weighted average assay above 5 g/t Au will be selected and analysed using the screen fire method to provide a statistical comparison between the two analytical methods in high grade zones. This is to ensure the high-grade nature (nugget effect) is defined and articulated. • No geophysical tools, spectrometers, handheld XRF instruments were used. • A 1 in 20 standard or duplicate or blank was employed during this programme. QAQC analysis shows that the lab performed within the

		specifications of the QAQC protocols. The standards used were from OREAS and based on material sourced from with the Eastern Goldfields. Blanks were also sourced from OREAS as well.
Verification of sampling and assaying	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • No umpire analysis has been performed. • No twinned holes have been completed. • Data was collected on to standardised templates in the field and data entered at night. Cross checks were performed verifying field data • No adjustment to the available assay data has been made.
Location of data points	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Drill hole collars will be surveyed using a DGPS. • The RC holes were downhole surveyed using a “Champ Gyro multi-shot down hole survey camera”. • GDA94 Zone 51S was used, collars will be picked up by a qualified surveyor using a DGPS (Trimble S7). • The surveyed collar coordinates appear to be sufficient, however, better definition is required of the topography to allow for a JORC 2012 compliant estimation. • Appendix Two contains collar coordinates as drilled:
Data spacing and distribution	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • The data spacing is sufficient to establish a relatively high confidence in geological and grade continuity, however, peripheral data to support the drill holes requires further work to ensure compliance with JORC 2012 guidelines. • No sample compositing was applied beyond the calculation of down hole significant intercepts.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • All drilling was perpendicular to the main structure that hosts mineralisation. Secondary structures oblique to the main structure may have influence hanging and foot wall intercepts. • The author believes that the drilling orientation and the orientation of key mineralised structures has not introduced a bias.
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • The chain of supply from rig to the laboratory was overseen a contract geologist under the supervision of the Competent Person. At no stage has any person or entity outside of the Competent Person, the contract

		<p>geologist, the drilling contractor, and the assay laboratory came into contact with the samples.</p> <ul style="list-style-type: none"> • Samples dispatched to the laboratory were delivered to the laboratory by a contract geologist, no third-party courier used.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • No external audit of the results, beyond the laboratory internal QAQC measures, has taken place.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Please refer to the tenement column below to where the drill holes were completed. • Nex Metals Explorations Ltd holds the tenure in question. Metalicity is currently performing an earn in option as part of our farm in agreement (please refer to ASX Announcement “Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA” dated 6th May 2019) • No impediments exist to obtaining a license to operate over the listed tenure.
Exploration done by other parties	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> • Nex Metals Explorations Ltd have done a great job of collating the historical drilling completed over the previous 30 years. • The historical work completed requires further field verification via re-down hole surveying (if possible) of drill holes beyond 60 metres depth – it appears below this depth; hole deviation becomes a factor in establishing the location of mineralisation in 3D. Furthermore, collar pickups require verification. All laboratory certificates for the assays on file are collated, only recommendation is possibly more duplicate information in mineralised zones.
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> • Kookynie: <ul style="list-style-type: none"> • The project area is in the Keith-Kilkenny Tectonic Zone within the north-northwest trending Archean-aged Malcolm greenstone belt. The Keith-Kilkenny Tectonic Zone is a triangular shaped area hosting a succession of Archean mafic-ultramafic igneous and meta-sedimentary rocks. Regional magnetic data indicates the Kookynie region is bounded to the west by the north-trending Mt George Shear, the Keith-Kilkenny Shear Zone to the east and the Mulliberry Granitoid

		<p>Complex to the south.</p> <ul style="list-style-type: none"> There are several styles of gold mineralisation identified in the Kookynie region. The largest system discovered to date is the high-grade mineralisation mined at the Admiral/Butterfly area, Desdemona area and Niagara area. The gold mineralisation is associated with pyritic quartz veins hosted within north to northeast dipping structures cross-cutting 'favourable' lithologies which can also extend into shears along geological contacts. Gold mineralisation tends to be preferentially concentrated in differentiated dolerite sills associated with pyrite/carbonate/silica/sericite wall rock alteration.
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> easting and northing of the drill hole collar 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. 	<ul style="list-style-type: none"> For Kookynie (and Yundramindra), please refer to the Company's announcement dated 6th May 2019, "Metalicity Farms Into Prolific Kookynie & Yundamindra Gold Projects, WA", for all historical drill collar information, and selected significant intercepts. For the drilling performed and subject to this announcement, please see Appendix Two in this announcement.
Data aggregation methods	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All intercepts have been calculated using the weighted average method but are based on 1 metre samples from RC drilling. Specific intervals within an interval have been described as part of the overall intercept statement. Intercepts were calculated based on a sample returning an assay value of greater than 1 g/t Au over an interval greater than 1 metre, but not including any more than 1 metre of internal material that graded less than 1 g/t Au. Intervals were based on geology and no top cut off was applied. No metal equivalents are discussed or reported.
Relationship between mineralisation	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Given the shallow dipping nature (approximately -45° on average) of the mineralisation observed at Kookynie, the nominal drilling inclination of -60° lends to close to truth width intercepts.

<i>widths and intercept lengths</i>	<p><i>known, its nature should be reported.</i></p> <ul style="list-style-type: none"> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> However, cross cutting structures within the hanging wall and footwall are noted and may influence the results.
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> Please see main body of the announcement for the relevant figures.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> All results have been presented. Please refer to Appendix 2.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> The area has had significant historical production recorded and is accessible via the MINEDEX database. All stated mineral resources for the Kookynie (and Yundramindra) Projects are pre-JORC 2012. Considerable work around bulk density, QAQC, down hole surveys and metallurgy, coupled with the planned drilling will be required to ensure compliance with JORC 2012 guidelines.
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Metalicity intends to drill the known and extend the mineralised occurrences within the Kookynie and Yundramindra Projects. The Yundramindra Project is currently under the plaint process, however Metalicity believes that Nex Metals is well advanced in defending those claims. The drilling will be designed to validate historical drilling with a view to making maiden JORC 2012 Mineral Resource Estimate statements. Metalicity has made the aspirational statement of developing “significant resource and reserve base on which to commence a sustainable mining operation focusing on grade and margin”. Diagrams pertinent to the area’s in question are supplied in the body of this announcement.

Appendix Two – Drilling and Assay Information

Reverse Circulation Drilling and Assay Information

Collar & Intercept Information:

Prospect	Hole ID	Tenement	Hole Type	MGA 94 Zone 51 South						From (m)	To (m)	Down Hole Width (m)	Grade (Au g/t)	Comments			
				Easting	Northing	RL	EOH	Dip	Azi								
Leipold	LPRC0050	M40/22	RC	350,836	6,752,042	431	96	-60	250	76	83	7	5.19	7 metres @ 5.19 g/t Au from 76 metres			
	LPRC0051			350,860	6,752,052	430	114	-60	250	97	105	8	9.33	8 metres @ 9.33 g/t Au from 97 metres			
	LPRC0052			Including		Including		104	105	1	40.84	inc. 1 metre @ 40.84 g/t Au from 104 metres					
	LPRC0053			350,847	6,752,004	430	96	-60	250	78	86	8	4.49	8 metres @ 4.49 g/t Au from 78 metres			
	LPRC0053			350,876	6,752,015	430	114	-60	250	97	100	3	1.61	3 metres @ 1.61 g/t Au from 97 metres			
										103	107	4	17.29	4 metres @ 17.29 g/t Au from 103 metres			
	LPRC0053			350,876	6,752,015	430	114	-60	250	Including		104	106	2	28.79	inc. 2 metres @ 28.79 g/t Au from 104 metres	
										48	51	3	9.23	3 metres @ 9.23 g/t Au from 48 metres			
	LPRC0054			350,709	6,752,336	430	60	-60	250	No significant intercept							
	LPRC0055			350,736	6,752,347	430	78	-60	250	No significant intercept							
	LPRC0056			350,817	6,751,874	431	30	-60	250	9	12	3	2.74	3 metres @ 2.74 g/t Au from 9 metres			
	LPRC0057			350,803	6,751,869	431	36	-60	250	No significant intercept							
	LPRC0058			350,832	6,751,881	431	66	-60	250	54	58	4	5.07	4 metres @ 5.07 g/t Au from 54 metres			
	LPRC0059			350,852	6,751,889	431	72	-60	250	No significant intercept							
	LPRC0060			350,814	6,751,830	430	36	-60	250	No significant intercept							
	LPRC0061			350,834	6,751,838	431	48	-60	250	No significant intercept							
	LPRC0062			350,855	6,751,847	431	72	-60	250	No significant intercept							
	LPRC0063			350,879	6,751,857	431	84	-60	250	No significant intercept							
	LPRC0066			350,892	6,751,776	431	72	-60	250	55	59	4	1.85	4 metres @ 1.85 g/t Au from 55 metres			
	LPRC0067			350,917	6,751,786	430	84	-60	250	No significant intercept							
	LPRC0072			350,911	6,751,610	430	48	-60	250	No significant intercept							
	LPRC0073			350,932	6,751,619	430	54	-60	250	No significant intercept							
	LPRC0074			350,954	6,751,628	430	72	-60	250	No significant intercept							
	LPRC0075			350,980	6,751,639	430	84	-60	250	No significant intercept							
	LPRC0076			350,725	6,752,299	430	66	-60	250	49	55	6	6.82	6 metres @ 6.82 g/t Au from 49 metres			
										Including		52	54	2	14.05	inc. 2 metres @ 14.05 g/t Au from 52 metres	
	LPRC0077			350,744	6,752,307	430	84	-60	250	65	69	4	26.91	4 metres @ 26.91 g/t Au from 65 metres			
										Including		67	68	1	100.77	inc. 1 metre @ 100.77 g/t Au from 67 metres	
LPRC0078	350,743	6,752,263	430	78	-60	250	55	63	8	2.91	8 metres @ 2.91 g/t Au from 55 metres						

Note:

Duplicates and CRM analysis was not used in the calculation of the significant intercepts.

A hole listed with “no significant intercept” means that no sample returned a value over 1 g/t Au.