

\$1 million Placement to Accelerate Yundamindra Gold Project

HIGHLIGHTS

- Firm commitments from sophisticated investors for a \$1.0 million Placement, including \$120,000 commitment from Directors.
- Funds to be used to accelerate exploration at the high grade Yundamindra Gold Project, following the Company's maiden drilling program that returned multiple impressive high-grade gold intersections.
- Recent exploration work undertaken by Metalicity has significantly heightened the prospectivity that the Yundamindra Gold Project could host a large gold deposit, outlined by:
 - Validation of a large portion of over 140 historical holes with intersections over 4 metres and grades above 2g/t Au, largely within the top 75 metres from surface;
 - Confirmation of mineralisation remaining open along strike and at depth at Landed at Last and Bonaparte prospects with wide scope for a potential shallow gold system that links 4 prospects together for ~2.5km of mineralised strike length; and
 - Identification of over 20kms of potentially mineralised structures that remain largely untested.
- Drilling anticipated to commence next week at Yundamindra, which will include the highly prospective Pennyweight Point prospect which has drill intersections including 8m @ 56.36 g/t Au from 44m (PV095)¹
- The Company also plans to consolidate its securities on a 10:1 basis and will seek approval as part of the shareholder meeting to approve the Placement.

Metalicity Limited (ASX:MCT) (**Metalicity** or **the Company**) is pleased to announce that it has received firm commitments for a placement of 500 million new fully paid ordinary shares (**Shares**) in the Company at an issue price of AU\$0.002 per Share, together with 2 for 3 free attaching options exercisable at \$0.0025 with a 18 month expiry (**Options**), to raise gross proceeds of \$1 million (**Placement**).

The placement will comprise of two tranches, comprising:

- A first tranche to raise ~\$0.42 million, within the Company's available placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A ("Tranche 1"); and
- A second tranche to ~\$0.58 million, subject to shareholder approval to be sought at a General Meeting to be held as soon as practicable ("Tranche 2").

The Company's Directors have agreed to invest up to a total of \$120,000 into Metalicity (**Director Placement**) in a further show of support and confidence in the direction of the Company. This is subject to shareholder approval and will form part of Tranche 2 Placement.

¹ Please refer to ASX Announcement "Metalicity Farms Into Eastern Goldfields Gold Projects" dated 6 May 2019.

In Tranche 1, a total of 186,736,482 Shares will be issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1 and a total of 23,476,688 Shares will be issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1A.

The Tranche 2 Placement will comprise the issue of a total of 289,786,830 Shares and 333,333,332 Options and will be completed subject to shareholder approval which is intended to be sought at the Company's General Meeting. Further details will be provided in the Notice of Meeting to be released shortly, including the resolutions to seek approval for a 10:1 consolidation of the Company's securities.

Funds raised from the Placement will be employed to accelerate the Yundamindra Gold Projects and for additional working capital.

Canaccord Genuity (Australia) Limited (**Canaccord**) is acting as the Lead Manager to the Placement, which has been strongly supported. Canaccord will receive a cash fee equal to 4% of the amount raised under the Placement, excluding the Director Placement. Subject to completion, Canaccord will receive a cash fee equal to 2% of the proceeds of the Placement, including the Director Placement. In addition, Canaccord will receive a total of 20,000,000 Options for acting as Lead manager to the Placement.

Commenting on the success of the Placement, Managing Director, Mr Barton, said:

"We are encouraged by the strong support for the Placement, and it is a testament to Canaccord and our continued investor backing, as the Company looks to embark on a significant step-change forward through the development of the Yundamindra Gold Project. The raising places the Company in a great position to enable us to immediately accelerate drilling at Yundamindra, following the Company's recent successful maiden drilling program, which returned impressive high-grade mineralised intercepts and validated significant historical results. We look forward to further success with the upcoming drilling program as the Company continues to expand the gold footprint and unlock the substantial potential value at Yundamindra."

Use of Funds to Accelerate Exploration at Yundamindra

The Placement will enable the Company to further accelerate and expand drilling and development of the Yundamindra Gold Project.

Yundamindra hosts high-grade, near surface mineralisation that remains open in all directions, with all significant deposits on Mining Leases and a number of under capacity mills and tier one gold projects with ~50km. The Project has hosted significant historical production of 74kt @19.3g/t AU for 45,000oz Au⁴, with over 20km of potentially mineralised structures at Yundamindra, with less than 20% having been drilled.

There are also ~140 significant intercepts from historical drilling at Yundamindra above 4 metres in width and with grade of at least 2g/t Au and at less than 100 meters depth. Given historical holes were all drilled between the 1980's and 2010, Metalicity has taken a measured approach to exploration activities by undertaking a campaign of confirmation drilling as well as extensional drilling. Metalicity's recently completed maiden drilling programme returned impressive gold mineralised intercepts that correlate with historical drilling intercepts, providing validation at the Landed at Last and Bonaparte prospects, and encouragement for further drilling and potential resource estimation.

In particular, the Company's recent RC drilling programme of 44 holes for ~3,000 metres at the Yundamindra Gold Project returned multiple significant high-grade gold intersections.

The Company will now look to expand on these results at Landed at Last and Bonaparte prospects.

Metalicity has also now received approvals to undertake its first drilling at the highly prospective Pennyweight Point prospect, which has previously returned multiple historical high-grade intercepts. Metalicity is currently mobilising the drill rig and anticipates commencing the next phase of drilling in the coming weeks.

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 a contractor 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.

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.