

ASX RELEASE: 6 December 2021

## Bonanza Grades Intercepted in a New Gold Zone Identified 200m to the East of the Main Leipold Lode

### RC Drilling Results

- New gold zone identified ~200 metres east of the 1km long Leipold lode sitting outside the Leipold mineralised zone subject to Mineral Resource work.
- RC Drilling in the new zone returned:
  - LPRD0002 - 10 metres @ 8.34 g/t Au from 64 metres including:
    - 1 metre @ 77.4 g/t Au from 74 metres; and
  - LPRD0005 - 3 metres @ 3.05 g/t Au from 73 metres including:
    - 1 metre @ 5.3 g/t Au from 74 metres.
- These significant new assays indicate a possible new parallel lode to the main Leipold Lode and demonstrate that the Leipold area is still very prospective for further high-grade mineralisation.
- Final assays from recent RC drilling at the Leipold Prospect at the Kookynie Gold Project<sup>1</sup> have been returned delivering consistent grades over good widths close to surface. Significant intercepts from Leipold include:
  - LPRC0135 - 3 metres @ 5.86 g/t Au from 38 metres including:
    - 1 metre @ 12.25 g/t Au from 39 metres; and
  - LPRC0137 - 5 metres @ 2.69 g/t Au from 82 metres including:
    - 1 metre @ 10.27 g/t Au from 82 metres.
- Diamond drilling assay results, including those that appear to have extended the main Leipold Lode 150m down dip, are still pending.
- The Company also recently announced that the offer for NME is now unconditional, and encourages all NME shareholders to accept the Offer ahead of the Closing Date (unless extended) of 5:00pm (Perth time) on 15 December 2021.<sup>3</sup>

Metalicity Limited (ASX: MCT) ("MCT" or "Company") is pleased to announce the RC drilling results from the Leipold Prospect at the Kookynie Gold Project<sup>1</sup> in the Eastern Goldfields, Western Australia, approximately 60 kilometres south southwest of Leonora.

<sup>1</sup>Please refer to ASX Announcement "Metalicity Achieves Earn-In On The Kookynie & Yundamindra Gold Projects" dated 20<sup>th</sup> May 2021 with Nex Metals Explorations Ltd, ASX:NME. **As announced by both the Company and NME on 20 May 2021, Metalicity now has a 51% and controlling interest in both the Kookynie & Yundamindra Gold projects.**

<sup>2</sup>Please refer to ASX Announcements "First Diamond Hole at Leipold May Extend Mineralisation at Depth" dated 17/11/2021 and "Second Diamond Hole at Leipold May Extend Mineralisation a Further 100m" dated 23/11/2021.

<sup>3</sup>Please refer to ASX Announcement "Metalicity Bid For Nex Metals Now Unconditional" dated 3 December 2021.

## Commenting on the drilling results, Metalicity CEO, Justin Barton said:

*“These are spectacular results, and the identification of an outlying bonanza intercept further adds to the excitement of this prospect. This adds up to a very exciting picture of significant potential to grow laterally, as well as along strike and down dip at Leipold, with significant mineralisation at depth encountered from the core of the diamond drilling for which we eagerly await assays.*

*This is also potentially a step change for the initial Mineral Resource Estimate. This all bodes incredibly well for the Project and further highlights the commercial sense for the two companies with an interest in the project to merge to truly maximise its value. We therefore encourage all NME shareholders to accept the offer ahead of the closing date to help to further unlock this potential.”*

## Leipold Assay Results

The results illustrated below continue to define and expand the mineralisation observed at Leipold, which given the nature of the mineralisation and the drilling angle, are very close to true widths for the mineralisation observed. These are very encouraging results at Leipold, especially for the pending Mineral Resource Estimate which has had a material change for the upcoming estimation and will be included. Furthermore, the Leipold prospect results to date are mostly near surface and remain open at depth, highlighting the increased potential of this prospect.

Table 1 below details the significant intercepts recently received from the RC drilling component of the drilling programme. **Please note the Company has not received any assays for the diamond core to date, only RC samples have been returned and discussed.**

Hole ID	Tenement	Hole Type	MGA94_Z51S			EOH	Dip	Azi	From (m)	To (m)	Down Hole Width (m)	Grade (Au g/t)	Comments
			Easting	Northing	RL								
LPRC0132	M40/22	RC	350,818	6,752,011	432	76	-60	250	67	72	5	1.27	5 metres @ 1.27 g/t Au from 67 metres
LPRC0133	M40/22	RC	350,786	6,752,039	432	64	-60	250	45	47	2	3.54	2 metres @ 3.54 g/t Au from 45 metres
LPRC0134	M40/22	RC	350,751	6,752,101	432	68	-60	250	64	68	4	1.48	4 metres @ 1.48 g/t Au from 64 metres
LPRC0135	M40/22	RC	350,737	6,752,150	432	70	-60	250	38	41	3	5.86	<b>3 metres @ 5.86 g/t Au from 38 metres inc. 1 metre @ 12.25 g/t Au from 39 metres</b>
LPRC0136	M40/22	RC	350,820	6,751,948	432	70	-60	250	No significant intercept				
LPRC0137	M40/22	RC	350,843	6,751,993	432	94	-60	250	82	87	5	2.69	<b>5 metres @ 2.69 g/t Au from 82 metres inc. 1 metre @ 10.27 g/t Au from 82 metres</b>
LPRD0001	M40/22	RC/DD	350,825	6,752,136	432	120	-60	250	-	-	-	No assays yet	Pre-collar is drilled to a depth of 82 metres, diamond tail will be ~38 metres
LPRD0002	M40/22	RC/DD	351,007	6,752,051	432	225.1	-60	250	64	74	10	8.34 (in RC pre-collar)	Observed mineralisation in core reported 17/11/2021, however, pre-collar returned - <b>10 metres @ 8.34 g/t Au from 64 metres inc. 1 metre @ 77.4 g/t Au from 74 metres</b>
LPRD0003	M40/22	RC/DD	351,077	6,752,020	432	309.4	-80	250	-	-	-	No core assays yet	Observed mineralisation reported 23/11/2021
LPRD0004	M40/22	RC/DD	350,934	6,752,053	432	180	-60	250	-	-	-	No core assays yet	Core pending
LPRD0005	M40/22	RC/DD	350,919	6,752,094	432	171.3	-60	250	-	-	-	No core assays yet	Please see core tray images in this announcement - pre-collar returned <b>3 metres @ 3.05 g/t Au from 73 metres inc. 1 metre @ 5.3 g/t Au from 74 metres</b>

**Table 1 – Leipold Prospect Anomalous Drill Hole Intercepts.**

**Note:** Duplicates and CRM analysis was not used in the calculation of the significant intercepts. A hole listed with “no significant anomalism” means that no sample run returned a value to trigger reporting.

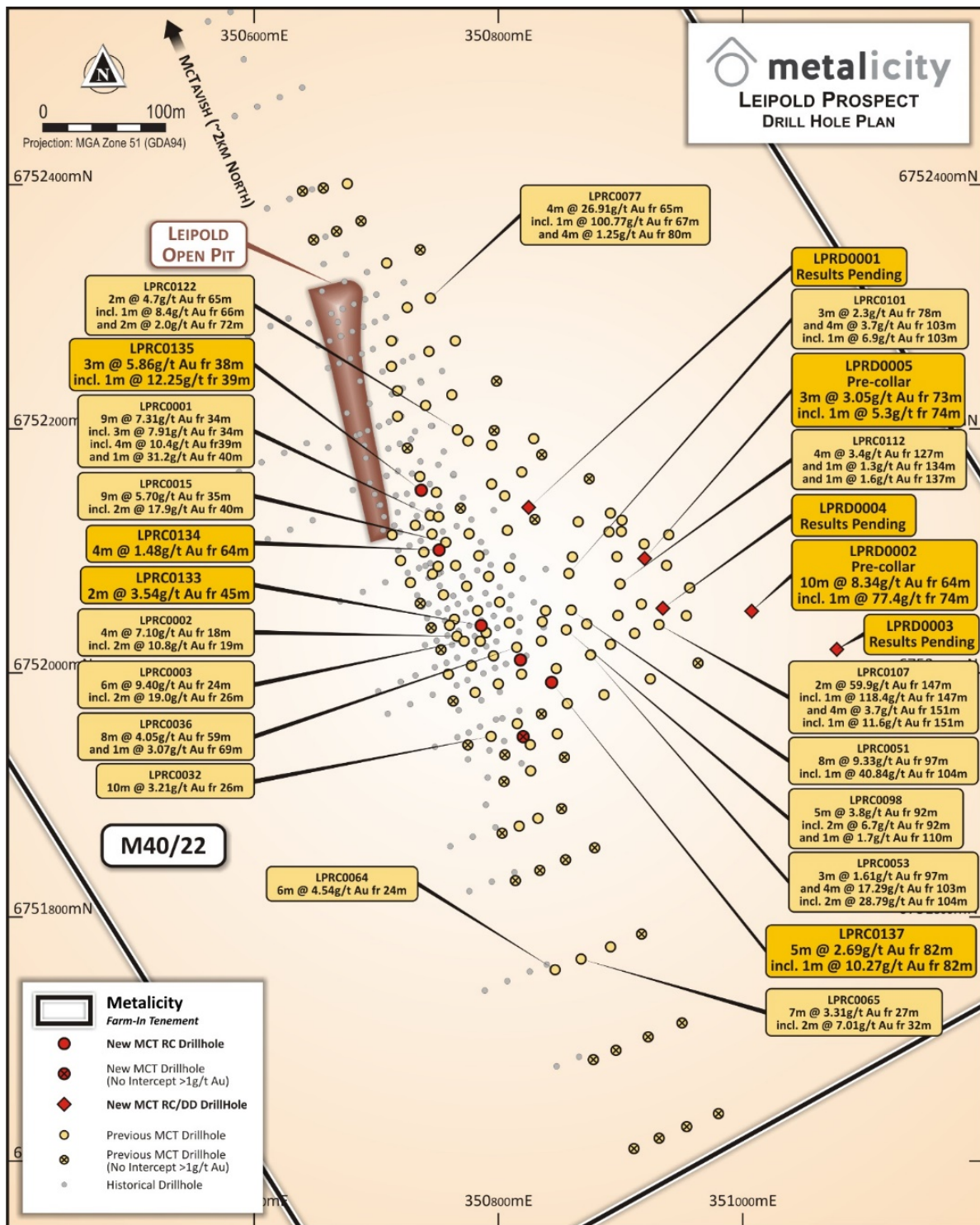
The intercepts above were calculated based on a sample returning an assay value of greater than 0.5 g/t Au over an interval greater than 2 metres, but not including any more than 2 metres of internal material that graded less than 0.5 g/t Au. Intervals were based on geology and no top cut off was applied.

The Company regards the results for LPRC0132 to LPRC00137 (except for LPRC0136) to be typical, moderate grading intercepts that will assist in initial metallurgical test work and confirmation of zones within the Leipold mineralisation envelope.

However, the results within the RC pre-collar for LPRD0002 and LPRD0005 are exceptional. Ten metres at 8.34 g/t Au over a width that also includes 1 metre at 77.4 g/t Au, demonstrates a very consistent and wide

mineralised intercept. This, coupled with the results in LPRD0005 RC pre-collar of 3 metres at 3.05 g/t Au, indicate a very prospective highly mineralised new gold area east of the Main Leipold Lode. It should be noted, these were not assays from the core drilling, these were assays from samples taken in the RC pre-collar. The results sit a considerable distance - circa 200 metres east of the hanging wall of the Leipold lode. The Company believes the results to date warrant further work to test the dimensions of these intercepts and how they may potentially contribute towards the Mineral Resource Estimate on a possible separate lode.

The two figures below (Figure 1 – Leipold Prospect Drill Collars Plan Layout with recent drilling, and Figure 2 – Leipold Prospect Plane of Vein Section with recent drilling) detail the locations of the drill holes discussed in this announcement. From the plan schematic, you can see the collar points for LPRD0002 and LPRD0005 are a considerable distance from the main Leipold mineralised lode and may represent a new lode at the Leipold prospect. Follow up drilling is planned for the new year within this area to develop an understanding of the dimensions applicable to these very significant intercepts in this new location:



**Figure 1 – Leipold Prospect Drill Collars Plan Layout with recent drilling\*.**

For Figure 1 Drilling Results:\*Please refer to ASX Announcements: Metalicity Continues to Deliver Impressive Drill Hole Results for the Kookynie Gold Project, dated 22nd December 2020, Metalicity Continues to Deliver Fantastic Drill Hole Results for the Kookynie Gold Project dated 1st October 2020, Metalicity Reports Drill Hole Intercepts Up to 100 g/t Au for the Kookynie Gold Project dated 15th September 2020, Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project dated 25th August 2020, Metalicity Delivers More Outstanding Drill Hole Results for the Kookynie Gold Project. Phase Two Drilling to Commence Imminently dated 10th July 2020, Metalicity Continues to Deliver Excellent Drill Hole Results for the Kookynie Gold Project dated 2nd July 2020, Metalicity Continues to Deliver Spectacular Drill Hole Results for the Kookynie Gold Project dated 25th June 2020, Metalicity Reports Drill Hole Intercepts Up To 80 g/t Au, Additional Tenement Acquisition for Kookynie dated 21st January 2020, First Diamond Hole at Leipold extend mineralisation at depth dated 17 November 2021 & Second Diamond hole at Leipold May Extend Mineralisation down dip a further 100m dated 23 November 2021 .



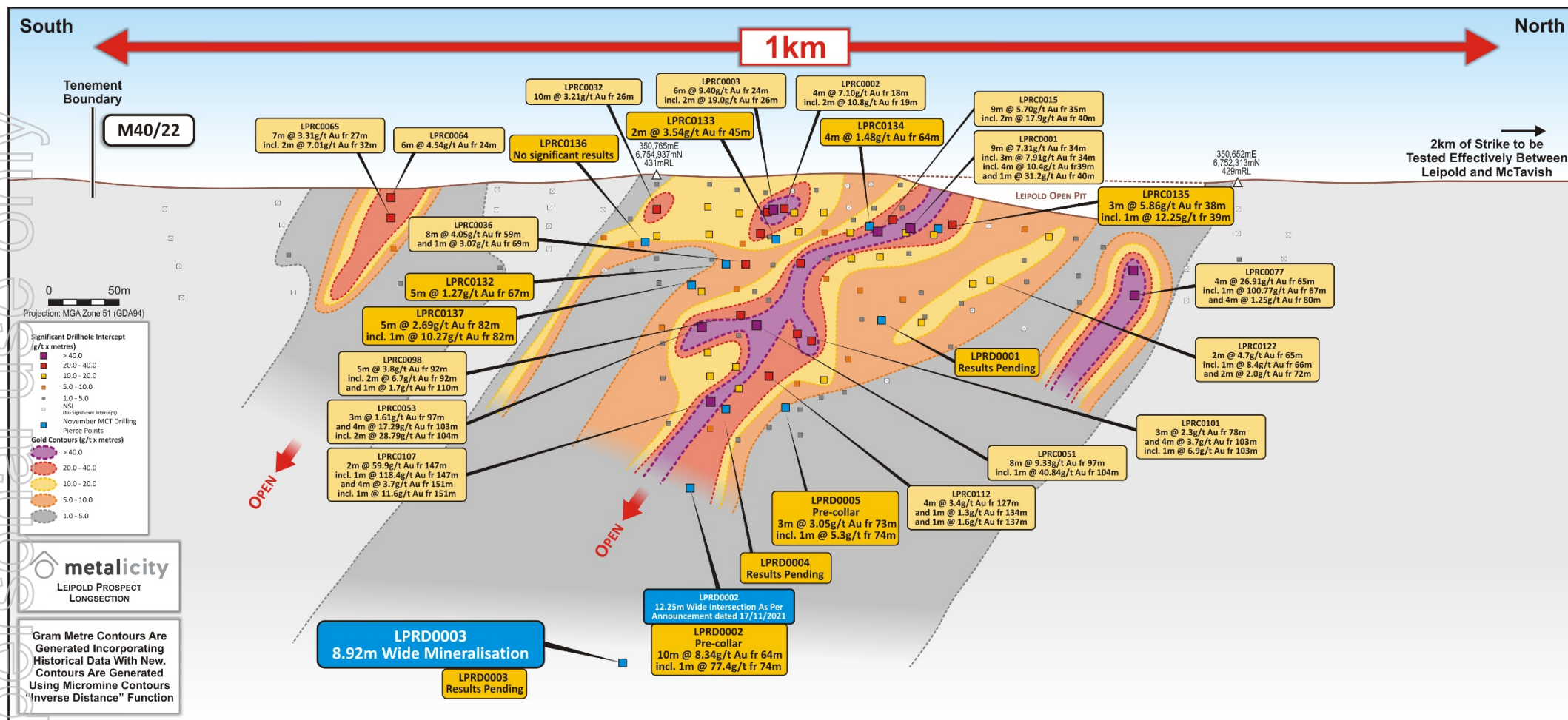
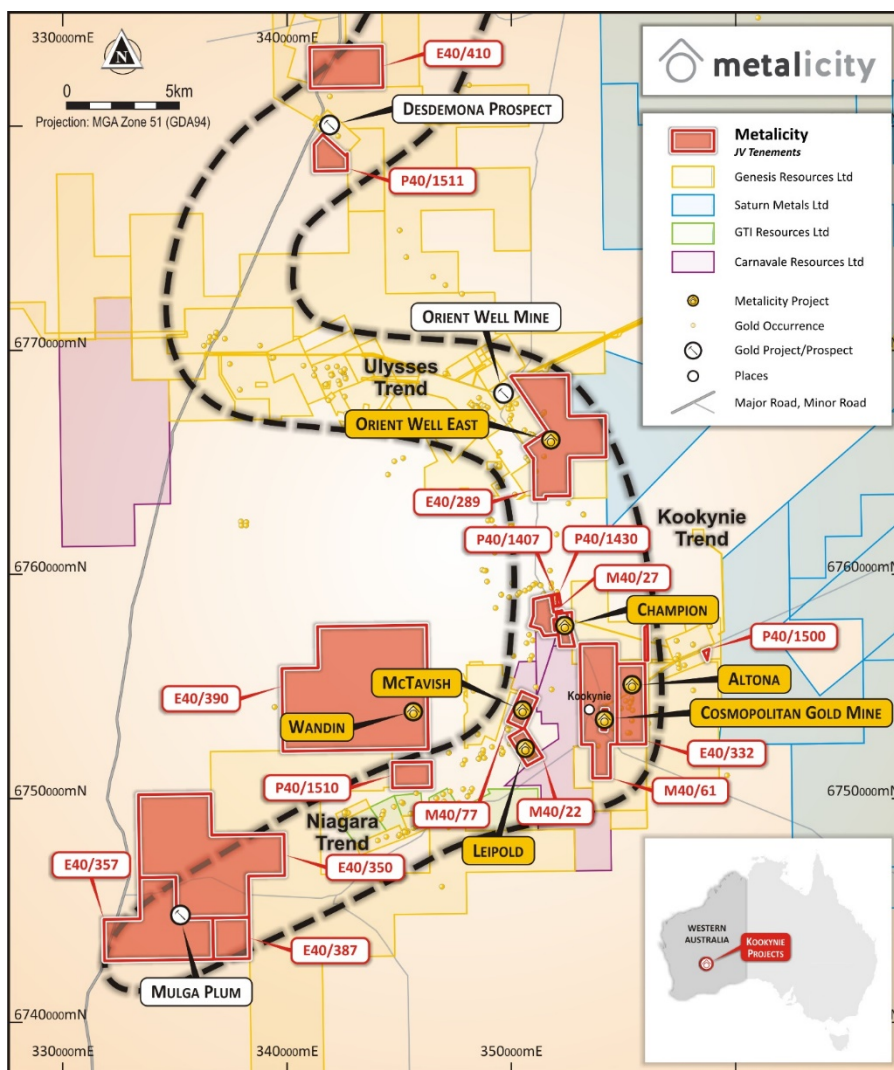


Figure 2 – Leipold Prospect Plane of Vein Section with recent drilling\*.

## Next Steps

With the disclosure of the RC results in this announcement, and the diamond core progressing well, the Mineral Resource Estimate will be revised in accordance with these new results. The density measurements from the core are being completed at the time of this disclosure and will form the basis for the tonnage aspect of the Mineral Resource Estimate. The Company expects these to be completed by early December with the metallurgical test work also expected to be finalised by mid-December 2021 as well.

Therefore, the Company is working towards developing a follow up drilling programme on these peripheral high-grade results and finalisation of the Mineral Resource Estimate.



**Figure 3 – Kookynie Prospect Locality Map with mineralised trends.**

Kookynie is located 60 kilometres south south-east from Leonora in Western Australia and is host to nine significant prospects: Champion, McTavish, Leopold, Altona, Mulga Plum, Wandin, Diamantina, Cosmopolitan and Cumberland. Diamantina, Cosmopolitan and Cumberland are known collectively as the DCC Trend, please refer to Figure 3 above.

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. 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 Explorations as it relates to our joint venture agreement as announced “*Metalicity Achieves Earn-In On The Kookynie & Yundamindra Gold Projects*” dated 20th May 2021 with Nex Metals Explorations Ltd, ASX:NME.

### 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"> <li>• <i>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.</i></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Selected samples were submitted for analysis, no compositing took place. Sampling was based on geological observations</li> <li>• 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.</li> <li>• OREAS standards of 60 gram charges of OREAS 22F (Au grade range of &lt;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</li> </ul>



		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.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <li>• <i>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).</i></li> </ul>	<ul style="list-style-type: none"> <li>• RC drilling used a bit size of 5 ¼ inch.</li> </ul>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• RC drilling sample recovery was excellent.</li> <li>• No relationship was displayed between recovery and grade nor loss/gain of fine/course material.</li> </ul>
<i>Logging</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Logging was qualitative based on the 1 metre samples derived from the RC drilling.</li> <li>• Logging was qualitative based on geological boundaries observed.</li> </ul>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation</i></li> </ul>	<ul style="list-style-type: none"> <li>• RC samples were cone split from the rig.</li> <li>• All RC samples were dry. All recoveries were &gt;90%.</li> <li>• Duplicates or a CRM standard were inserted every 20 samples.</li> <li>• The Competent Person is of the opinion the sampling method is</li> </ul>

	<p>technique.</p> <ul style="list-style-type: none"> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<p>appropriate.</p> <ul style="list-style-type: none"> <li>•</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• No geophysical tools, spectrometers, handheld XRF instruments were used.</li> <li>• 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.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No umpire analysis has been performed.</li> <li>• No twinned holes have been completed. However, drill holes</li> </ul>

	<ul style="list-style-type: none"> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<p>have been collared near previously drilled holes but on different orientations.</p> <ul style="list-style-type: none"> <li>• Data was collected on to standardised templates in the field and data entered at night. Cross checks were performed verifying field data.</li> <li>• No adjustment to the available assay data has been made.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drill hole collars will be surveyed using a DGPS.</li> <li>• The RC holes were downhole surveyed using a “Champ Gyro multi-shot down hole survey camera”.</li> <li>• GDA94 Zone 51S was used, collars will be picked up by a qualified surveyor using a DGPS (Trimble S7).</li> <li>• The surveyed collar coordinates appear to be sufficient, however, better definition is required of the topography to allow for a JORC 2012 compliant estimation.</li> <li>• Collar coordinates are captured in Table 1 in the announcement.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• No sample compositing was applied beyond the calculation of down hole significant intercepts.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Most of the drilling has been perpendicular to the main structure that hosts mineralisation. Secondary structures oblique to the main structure may have influence hanging and foot wall intercepts.</li> <li>• The author believes that the drilling orientation and the orientation of key mineralised structures has not introduced a bias.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure</i></li> </ul>	<ul style="list-style-type: none"> <li>• The chain of supply from rig to</li> </ul>

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

## Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The drilling occurred on M40/22. Metalicity holds 51% with NME holding 49% with Metalicity having achieved the milestone earn in. Please refer to announcement “Metalicity Achieves Earn-In On The Kookynie &amp; Yundamindra Gold Projects” dated 20th May 2021.</li> <li>• No impediments exist to obtaining a license to operate over the listed tenure at the time of reporting.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Metalicity Ltd has completed a review of historical data and made numerous corrections to previously supplied data from the JV partner at the beginning of the Farm In.</li> <li>• The Kookynie Area been subjected to many phases of Exploration commencing with the discovery of gold in 1897 at the Cosmopolitan Gold Mine. Extensive work by Western Mining Corporation between 1934 to 1937 with Aerial Geological and Geophysical Survey of Northern Australia (AGGNSA) between 1937 to 1940. Then with WMC at 1966 and 1986, ASARCO between</li> </ul>



		<p>1974 to 1975, Square Gold and Minerals in 1981, CRA between 1982 and 1983, and Money Mining in 1992. Between 1993 and 2008, FMR and since 2008 it has been held between A&amp;C Mining and Nex Metals Explorations.</p> <ul style="list-style-type: none"> <li>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.</li> </ul>
Geology	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>Kookynie: <ul style="list-style-type: none"> <li>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 Complex to the south.</li> <li>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</li> </ul> </li> </ul>

		<p>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.</p>
Drill hole Information	<ul style="list-style-type: none"> <li>• 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"> <li>○ easting and northing of the drill hole collar</li> <li>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> </ul> </li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• All discussion points are captured within the announcement above.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• The assumptions used for any</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Intercepts were calculated based on a sample returning an assay value of greater than 0.5 g/t Au over an interval greater than 2 metres, but not including any more than 2 metre of internal material that graded less than 0.5 g/t Au. Intervals were based on geology and no top cut off</li> </ul>

	<i>reporting of metal equivalent values should be clearly stated.</i>	<p>was applied.</p> <ul style="list-style-type: none"> <li>• No metal equivalents are discussed or reported.</li> </ul>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• However, cross cutting structures within the hanging wall and footwall are noted and may influence the results.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• Please see main body of the announcement for the relevant figures.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• All results have been presented.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• The area has had significant historical production recorded and is accessible via the MINEDEX database.</li> <li>• 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.</li> </ul>

<i>Further work</i>	<ul style="list-style-type: none"><li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li><li>• <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></li></ul>	<ul style="list-style-type: none"><li>• 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”.</li><li>• Diagrams pertinent to the area’s in question are supplied in the body of this announcement.</li></ul>
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