30th July 2020

QUARTERLY ACTIVITIES REPORT
Quarter Ended 30 June 2020

Metalsearch Limited ("**Metalsearch**" or "**the Company**") provides the following quarterly update and commentary for the June 2020 quarter.

HIGHLIGHTS

- Secures Exclusive Global Licence Agreement to produce Synthetic Zeolite
- Signs Synthetic Zeolite Research Agreement
- Zeolite Mineral Processing Technology progresses to Patent Cooperation Treaty (PCT) stage of Intellectual Property Protection
- Early Market Interest obtained from Chalco Shandong Co., Ltd. one of the world's largest manufacturers of Type 4A Zeolite
- Board Restructure and Executive Appointment

SYNTHETIC ZEOLITE MINERAL PROCESSING TECHNOLOGY

On the 7th April 2020, the Company announce it had secured an exclusive worldwide licence from UniQuest, the technology transfer company of The University of Queensland (UQ) for the manufacturing (synthesising) of zeolites (Technology).

UQ's School of Chemical Engineering Associate Professor James Vaughan and Dr Hong (Marco) Peng developed the novel approach to the synthesis of adsorption materials (zeolites) from kaolin and clay minerals (suitable for mine tails/residues) which forms the core Technology. The UQ synthetic zeolite mineral processing technology has the potential to significantly reduce the cost of manufacturing synthetic zeolites. UQ has demonstrated the following under lab scale conditions for the formation of certain synthetic zeolites:

- Up to 70% reduction in energy in the thermal activation stage;
- Up to 80% reduction in production time in subsequent zeolite precipitation steps.

On the 7th May 2020, the Company announced it had executed the research agreement ("Research Agreement") with UQ for the continued research and development of the patent-pending mineral processing Technology.

The initial phase of the Research Agreement will focus on studies to expand the understanding of processes which will fast-track design and planning of the pilot plant. The program will work in unison with pilot plant development, construction and commissioning. The final stage will revolve around product sample generation and enhancing technical marketability of zeolite samples, in conjunction with experimental research on applications for different zeolites.

The IP has been exclusively licensed by the Company from UniQuest, which is the technology transfer company of UQ. UniQuest filed a provisional patent application for the Technology in June 2019. On the 21st May 2020, the Company announced that UniQuest has filed under the

Patent Cooperation Treaty to protect and commercialise the intellectual property associated with mineral processing technology for the manufacturing (synthesising) of zeolites.
The Patent Cooperation Treaty ("PCT") enables UniQuest to seek patent protection internationally for the novel mineral processing technology that has been licensed to the Company. By filing PCT, an applicant can subsequently seek patent protection in over 150 countries. Further to this, in June 2020 a patent application was lodged in Taiwan.

During the quarter the Company engaged The China Australia Trade and Investment Council ("CATIC") to undertake a mainland China synthetic zeolite manufacturer and end user research program to secure global industry participant collaboration and set an early marketing foundation to support commercialisation of its novel and proprietary mineral processing technology for the manufacturing (synthesising) of zeolites.

CATIC enlisted a team of expert consultants to reach out across mainland China and represent the Company's zeolite mineral processing Technology. The objective of the Program was to identify and introduce potential cooperation partners in China to Metalsearch for future commercial engagement.

On the 9th June the Company announced that the first stage of its mainland China manufacturer and end user research program ("the Program") had resulted in the Company receiving the first sample and "Sample Statement" letter from China's largest synthetic zeolite manufacturer, one of the world's largest manufacturers of Type 4A synthetic zeolite[1], Chalco Shandong Co., Ltd.

The Company has sought to engage global synthetic zeolite industry participants early in the commercialisation cycle and this initial result reflects our intention to leverage UQ's work into building a foundation to enhance future commercial discussions.

Synthetic Zeolites

Synthetic zeolites are manufactured aluminosilicate minerals with a sponge-like structure (frameworks), made up of tiny pores that make them useful as catalysts or ultrafine filters. They are commonly known as molecular sieves and can be designed to selectively adsorb molecules or ions.

Applications include:

- Separation and purification ie water treatment
- Detergent builder (water softener)
- Cracking processes ie Petroleum industry
- Pharmaceutical industry
- Agricultural industry ie soil conditioning and animal feed supplements

The selectivity properties of different synthetic zeolites enable them to be effective in wastewater treatment applications, water filters and as ion exchangers in many everyday dishwashing and laundry detergents, assisting to remove calcium and magnesium and thereby softening water so they work more effectively.

The 2019 global synthetic zeolite market was estimated at USD $5.58 billion[2].

[1] http://www.chalcochem.com/about-us
[2] Verified Market Research Report "Global Synthetic Zeolite Market Size & Forecast to 2026"

ABERCORN PROJECT

The Abercorn Project comprises 4 contiguous Exploration Permits for Mineral ("EPM") for a total of 50 sub-blocks, these are EPM 26837 comprising 33 sub-blocks, EPM 26903 comprising 4 sub-blocks, EPM 19081 comprising one sub-block and EPM 27427 comprising 12 sub-blocks (Figure 4).

The Abercorn Project is situated approximately 135km south of the deep-water port of Gladstone and 125km west of the deep-water port of Bundaberg in Central Queensland. Both major ports are connected to the Abercorn Project by sealed roads. The Burnett highway bisects the property (Figure 5).

Aircore Drilling Program

During the December quarter 2019, the Company completed a 62-hole Aircore drilling program on the Abercorn Project.

A total of 62 holes were drilled, with depths ranging from 23 metres to 51 metres, for an average depth of 38 metres and a total of 2,358 metres drilled (Figure 1). The total number of holes drilled within the project is now 86 for a total of 3,172m. Five holes, ABAC 25 to 29 were drilled at a Satellite Target some 2 kilometres southwest of the main Abercorn Project.

During the previous March quarter, results had been received and reported in respect to 28 holes. (*refer ASX announcements dated 31 March 2020, 19 February 2020 and 12 February 2020)*.

During the quarter, results of the final 34 holes have been received (*refer ASX announcement dated 23 April 2020*)

Kaolinite along with zones of illite and smectite bearing clays were intersected in all drill holes. At the Abercorn Project ore grade zones of kaolinite-quartz were intersected in 51 of the 57 holes drilled. The highest-grade intersection was 23m @ 32.1% Al_2O_3 in hole ABAC 64. The thickest intersection was 37m @ 28.6% Al_2O_3 within hole ABAC 80.

Many of the +30% Al_2O_3 intersections are in a central section of the Abercorn Project. This section 550m by 400m in size is characterized by 12 holes with + 30% alumina, ABAC 44, 46-49, 63-69 and 81. These holes have a weighted average of 16m @30.8% Al_2O_3 with 39.76% -20µm and 7.68% very fine silty quartz.

The -20µm screened fractions commonly contain 5 to 20% fine quartz silt. If this silt fraction quartz can be commercially removed, the grade of the final product will be well in excess of 30% Al_2O_3. Similarly, the grade of the deeper clays will also be improved by removal of this silt fraction quartz. The results indicate that the better-quality surficial kaolinite zone is located in the central to western sections of the Abercorn Project and this resource is open to the west of the current drilling (Figure 1).

Satellite Target (Figure 3, Table 3)

Five holes, ABAC 25 to 29, were drilled at a satellite target approximately 2km southwest of the main Abercorn Project. Drill hole ABAC 25 was drilled in the vicinity of a 2007 exploratory hole CK03. These holes were drilled on 3 sections with a nominal spacing of 100 metres.

The kaolin ore grade intersections are presented on Table 3 and the full geochemistry in the Appendix. The weighted average of depth and grade of the -20µm fraction for these holes is 15m @ 30.51% Al_2O_3. This high-quality kaolinite zone is open in all directions. The excellent results from these holes have confirmed this area will make a significant contribution to the resource extension.

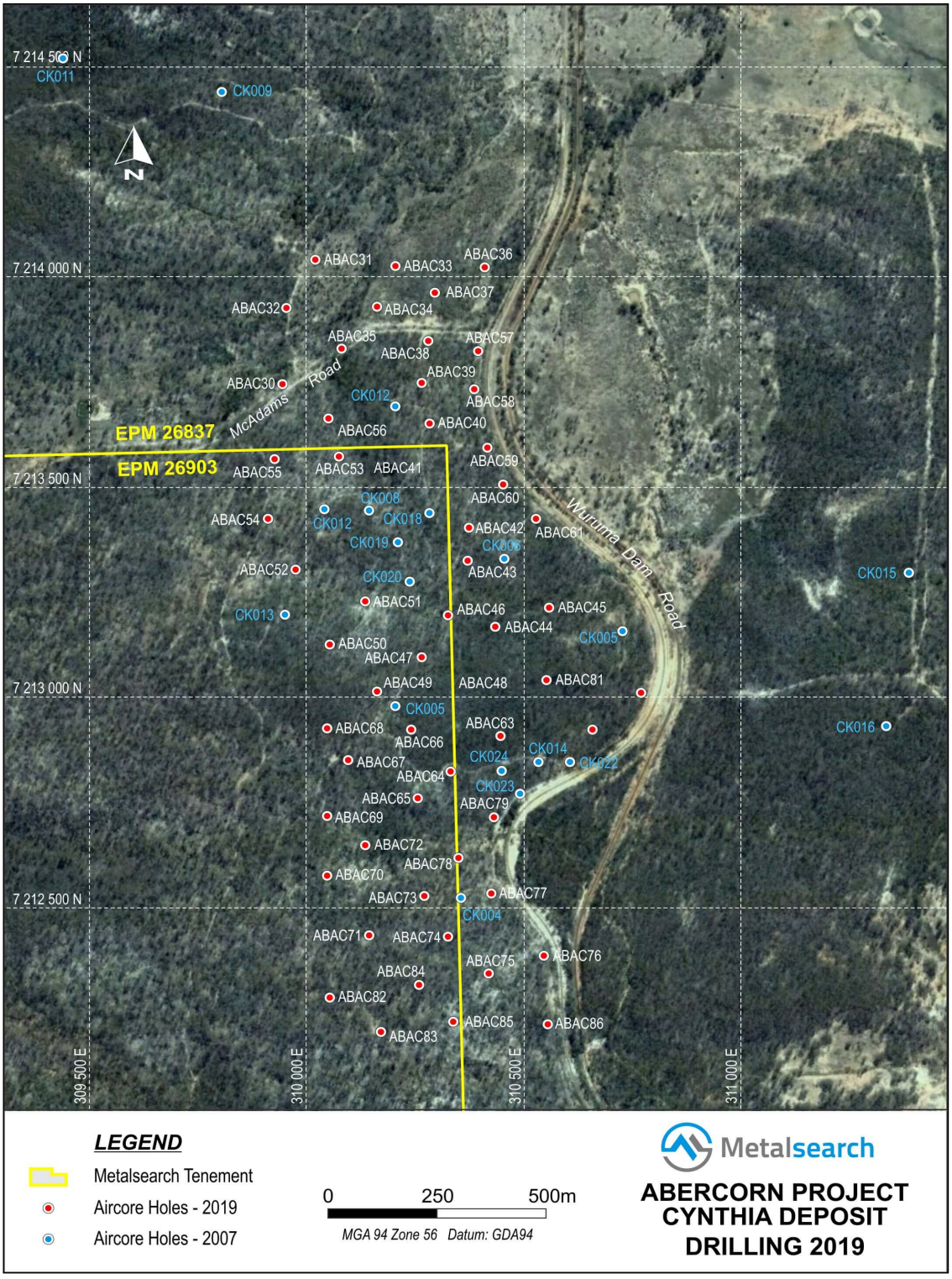

Figure 1: Metalsearch Abercorn Project – Abercorn Project – Drilling 2019

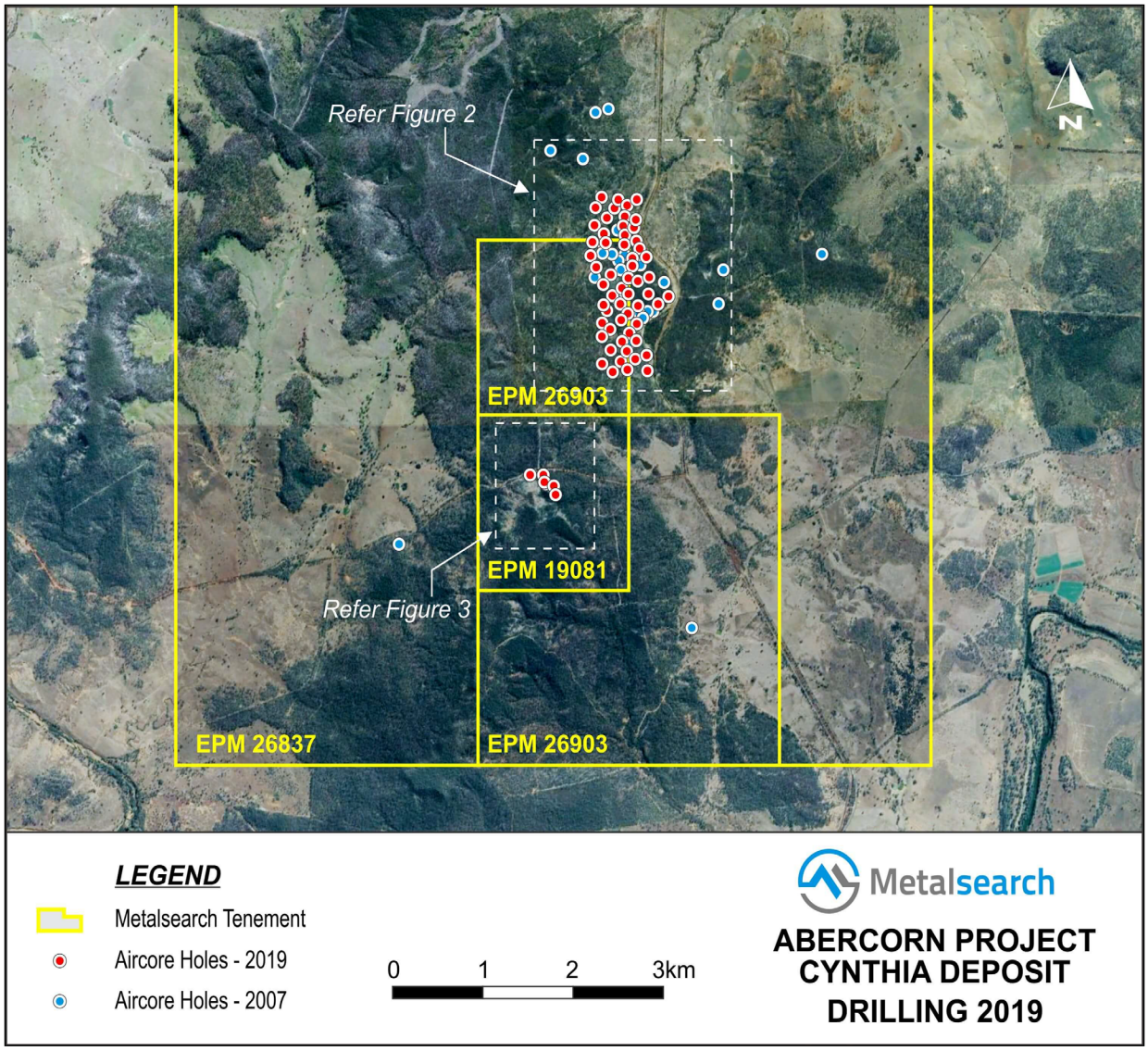

Figure 2: Metalsearch Abercorn Project - Drilling 2019

Figure3: Metalsearch Abercorn Project – Southwest Satellite Target – Drilling 2019

Competent Person Statement

Statements contained in this announcement relating to historical exploration results, and current exploration results are based on, and fairly represents, information and supporting documentation prepared by Mr Graham Rolfe BSc, MSc, FAIG, RPGeo, who is a member of the Australian Institute of Geoscientists (AIG), Member No 5850. Mr Rolfe is a part-time consultant to the Company and has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Rolfe consents to the use of this information in this announcement in the form and context in which it appears.

Maiden Indicated and Inferred JORC Resource

Subsequent to the end of the quarter, the Company announced a Maiden Indicated and Inferred JORC 2012 Compliant Resource at the 100% owned Abercorn Project: (*refer ASX announcement dated 06 July 2020*)

- Total Maiden Resource for the Abercorn Project area is 39.06Mt yielding 36.8% -20µm grading 28.6% Al_2O_3 & 1.18% K_2O, using a cut-off grade of 26% Al_2O_3
- A high-grade section within the Project area called the Railcut Prospect contains 14Mt yielding 38% -20µm fraction grading 30.26% Al2O3 & 0.89% K_2O, using a cut-off grade of +29% Al_2O_3
- A second high-grade section within the Project area called The Area 3 Prospect contains 1.66 Mt yielding 30.9% -20µm fraction grading 30.7% Al_2O_3 & 0.83% K_2O

Highlights

- Circa 60% of the Mineral Resource is classified as Indicated
- The resource remains open in all directions with less than circa 10% of the Project area being drilled, leaving potential for the resource to be significantly upgraded
- The Abercorn Project has demonstrated it contains significant scale and a very consistent, high quality grade of mineralisation
- The resource runs from surface, contains little to no overburden and low impurities
- The Project is located close to existing infrastructure including, main sealed highway adjacent to the Project area, mains power on site, large water supply within the EPM and close to two deep water ports, both connected to the Abercorn Project by sealed roads

Summary

The Mineral Resources are reported in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 (JORC Code) and the ASX Listing Rules. The supporting information for the release of Mineral Resources is set out in the appendix of ASX announcement dated 06 July 2020.

The total Abercorn Project of + 26% Al_2O_3 cut-off grade:

Indicated Resource - 22.2 M Tonnes with 37.0% -20µm fraction grading 29.1% Al_2O_3 & 1.13% K_2O
Inferred Resource - 15.2 M Tonnes with 36.3% -20µm fraction grading 27.9% Al_2O_3 & 1.25% K_2O
Total Resource - 37.4 M Tonnes with 36.8% -20µm fraction grading 28.6% Al_2O_3 & 1.18% K_2O

The Railcut Prospect high grade block +29% Al_2O_3 cut-off grade:

Indicated Resource - 11.2 M Tonnes with 38.8% -20µm fraction grading 30.3% Al_2O_3 & 0.9% K_2O
Inferred Resource - 1.2 M Tonnes with 40.9% -20µm fraction grading 29.3% Al_2O_3 & 0.99% K_2O
Total Resource - 12.4 M Tonnes with 39% -20µm fraction grading 30.2% Al_2O_3 & 0.9% K_2O.

The Area 3 Prospect

The +29% Al_2O_3 cut-off grade block has the Resource:

Inferred Resource – 1.66 M Tonnes with 30.9% -20µm fraction grading 30.7% Al_2O_3 & 0.83% K_2O

The total for the Railcut and Area 3 Prospects, with a 29% Al_2O_3 cut-off grade is 14 million tonnes with 38% -20µm fraction grading 30.26% Al_2O_3 and 0.89% K_2O

Competent Person Statement

Statements contained in the ASX announcement dated 6th July 2020 that relates to the Mineral Resource estimate for the Railcut and Number 3 Prospects, Abercorn Prospect is based on information prepared by Mr Graham Rolfe BSc, MSc, FAIG, RPGeo, who is a member of the Australian Institute of Geoscientists (AIG), Member No 5850. Mr. Rolfe is a part-time consultant to the Company and has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr. Rolfe consents to the use of this information in this announcement in the form and context in which it appears.

The Resource Estimation of the Railcut and Number 3 Prospects, Abercorn Project was prepared by Angelina Phipson BSc, MSc, who is a member of the Australian Institute of Mining and Metallurgy (AusIMM), Member No 205479. Ms. Phipson is a part-time consultant to the Company and has sufficient experience in resource estimation using geostatistical methods and has performed resource estimation in bauxite minerals which are relevant to the style of mineralization and type of deposit under consideration and to the activity undertaken to qualify as Competent Person as defined in the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC) Code 2012'. Ms. Phipson consents to the inclusion in this announcement in the form and context in which it appears.

Next Steps – Abercorn Project

Based on the Maiden Resource, the Company is undertaking a kaolin marketability and testing program, which includes:

- Specialised mineralogy testing, to be completed by the University of Queensland
- ISO brightness and particle fineness testing; and
- Assessment of end user product requirements

CORPORATE

During to the quarter, the Company restructured the Board and appointed a Chief Operating Officer.

Mr Robert Downey resigned as Chairman, remaining on as a non-executive director and Mr Keong Chan assumed the role as Chairman. Mr Jeremy Read resigned as a director of the Company. The Company also announced the appointment of experienced senior commercial banking executive, Mr Peter Zardo, to head up the commercialisation and operations of the Company as Chief Operating Officer.

Subsequent to the end of the quarter, the Company further restructured the Board and Executive. Mr Keong Chan resigned as Chairman and from the board, and Ms Sylvia Tulloch joined the board and assumed the role as Chair.

The Company also announced Chief Operating Officer, Mr Peter Zardo, would join the board as Managing Director.

Appointment of the new Chair

Ms Sylvia Tulloch is a materials scientist and brings with her many years' experience in establishment and management of high technology businesses, with a particular interest in the commercialisation process, mineral technologies and the cleantech sector. Ms Tulloch is an investor in, and Director of many startup companies, has founded and taken 2 companies to ASX listing and held government advisory positions in the start-up, renewable energy, and manufacturing sectors. She holds a (BSc) Bachelor of Science and (MSc) Masters in Materials Science - Ceramics, from the University of New South Wales.

Ms Tulloch was founding Managing Director of Dyesol Limited, a company established to commercialise the R&D into 3rd generation solar technology, which had been undertaken by the Australian team since 1995. Dyesol listed on the ASX in 2005, and during her tenure took the market capitalisation of Dyesol from $10 million to over $200 million. Ms Tulloch offers the board a deep understanding of materials science (with expertise in zeolites) and intellectual property licensing know-how, combined with hands-on R&D experience that will support the Managing Director drive the Company's accelerated commercialisation of its patent-pending zeolite mineral processing technology and aid in progressing the development of the Company's Abercorn Project.

Capital Raising

Subsequent to the end of the quarter, The Company completed a $1,657,500 capital raising ("Placement") and issued 127,500,000 new ordinary shares at an issue price of $0.013c.

Proceeds of the Placement will primarily be applied to:

- Accelerating commercialisation of the University of Queensland ("UQ") developed mineral processing technology
- Further expand research opportunities to enhance and develop diverse commercial applications of the Technology
- Progressing the Abercorn Project's (kaolin) industrial mineral marketability program

The Placement was facilitated through the Company's existing placement capacities under ASX Listing Rule 7.1 and 7.1A through the issue of 11,576,000 and 115,924,000 shares respectively and did not require shareholder approval.

KRAAIPAN PROJECT, BOTSWANA

Kraaipan Gold-Nickel-Copper-PGM Project

Metalsearch's 100% owned Kraaipan Gold-Nickel-Copper-PGM Project comprises Prospecting Licence, PL232/2016 and covers approximately 50 kilometre strike extent of the Kraaipan Greenstone Belt in southern Botswana. The Kraaipan Project is part of the larger NNW trending Amalia-Kraaipan-Greenstone-Terrane ('AKGT') of the Kaapvaal Craton. The AKGT in Botswana is directly along strike from significant gold deposits, as well as adjacent to significant PGM deposits, across the border in South Africa.

Kraaipan West Gold-Nickel-Copper-PGM Project

The Kraaipan West Project covers an approximately 15-kilometer-long stretch of the Amalia-Kraaipan Greenstone Terrane (AKGT) in southern Botswana. The Kraaipan West Project comprises Prospecting Licenses, PL064/2017 and PL065/2017, which are 584 km^2 and 446km^2 in area, respectively.

The Company has determined not to renew the Kraaipan West Project tenements.

No on-ground work was undertaken during the quarter.

The Company is looking to bring a partner into the Kraaipan Gold-Nickel-Copper-PGM project to continue testing a number of gold and nickel-copper targets which have been generated by Metalsearch from historical data sets. The Company is in preliminary discussion with a number of parties.

Appendix 5B – Quarterly Cash Flow Report

The cash position of the Company at 30th June 2020 was $1.566 million.

Details of mining exploration activities
Details of exploration activities during the quarter are set out above.

Exploration expenditure for the quarter comprised Abercorn drilling program (including evaluation) $350,000; Abercorn rents, rates and miscellaneous expenses $3,000; and Kraaipan rents, rates and miscellaneous expenses $6,000.

Other associated costs included payment of the licence fee for the exclusive worldwide licence from UniQuest, for the manufacturing (synthesising) of zeolites $150,000 and R&D costs associated with the Company's High Purity Alumina processing technology $50,000.

Details of mining production and development activities
No production and development activities were undertaken during the quarter.

Details of related party payments

The aggregate amount of payments to related parties and their associates included in the current quarter Cash flows from operating activities were $73,000, comprising Directors fees and consulting fees of $56,000 and legal fees of $17,000.

This Announcement has been approved by the Board.

- End –

For further information please visit www.metalsearch.com.au or contact:

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The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcements and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Figure 4 – Project Tenement Location

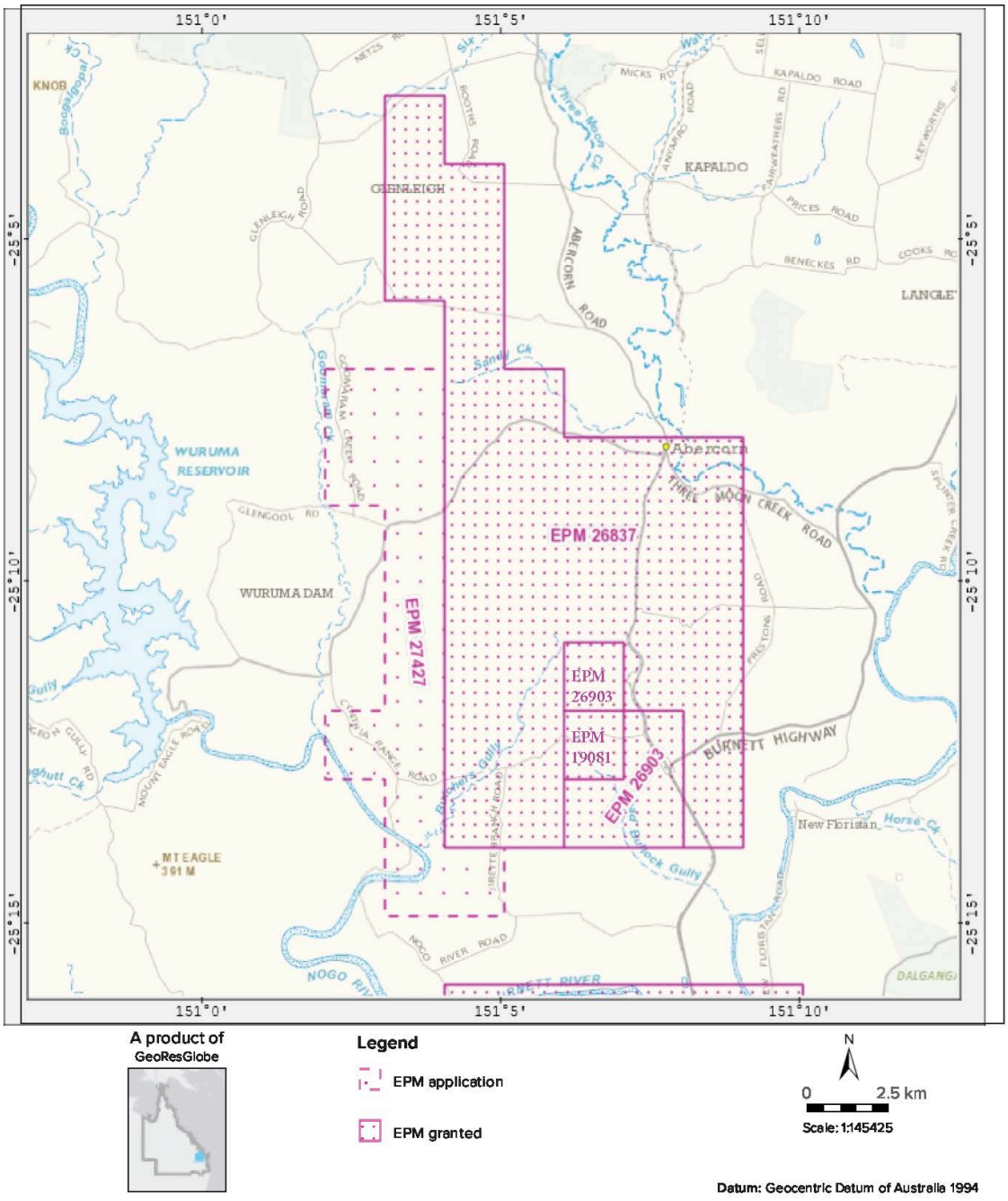
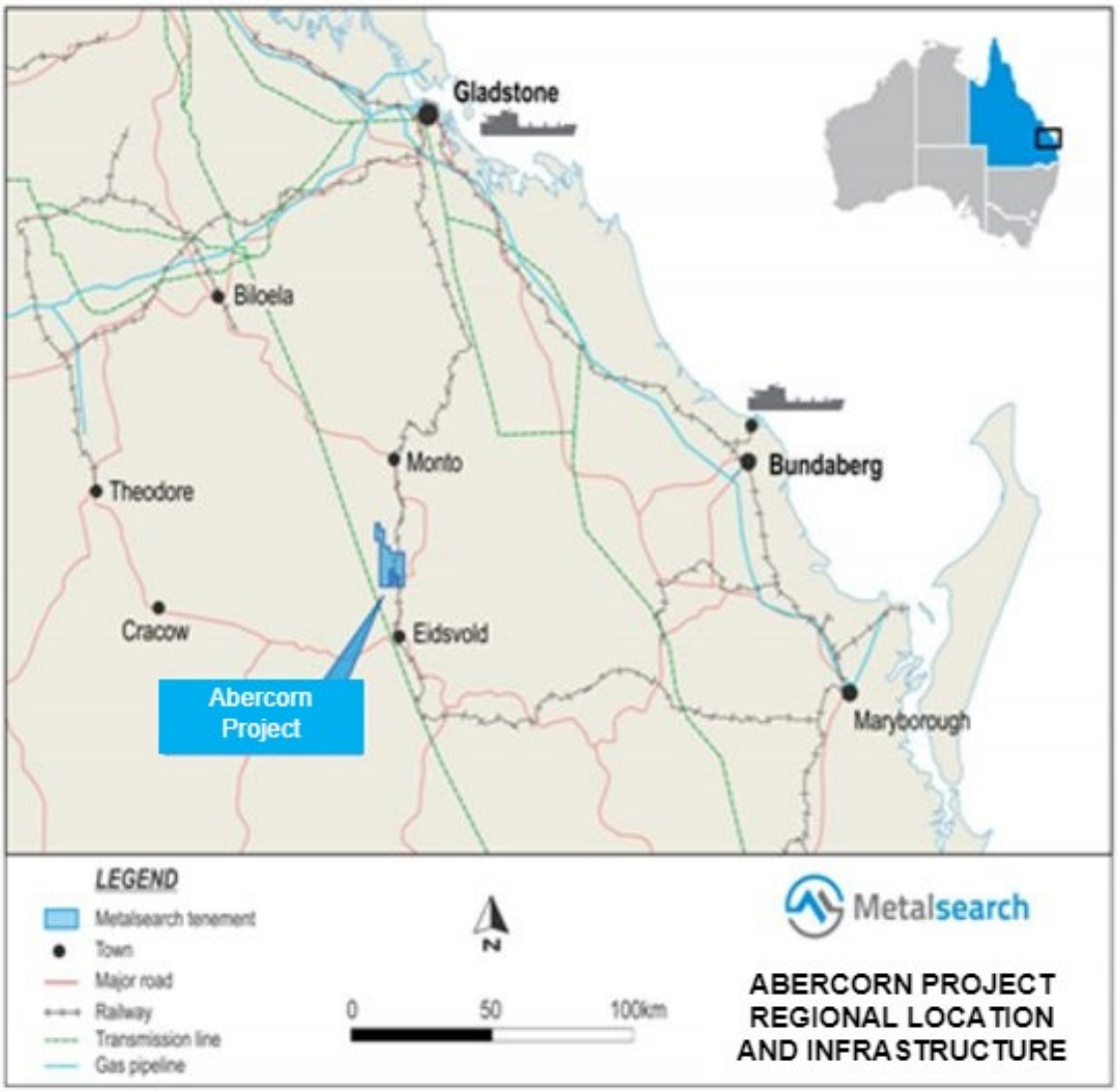


Figure 5 – Project Location and Infrastructure



Tenement Information as required by Listing Rule 5.3.3

The following is a table setting out the information as required by ASX Listing Rule 5.3.3, namely:

1. Mining tenements held at the end of the Quarter and their location;
2. Mining tenements disposed during the Quarter and location;
3. Beneficial percentage interests held in farm-in or farm-out agreements at end of Quarter; and
4. Beneficial percentage interests held in farm-in or farm-out agreements acquired or disposed of during the Quarter.

Location	Tenement	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest at end of quarter (%)
Australia	EPM 19081	100%	Nil	Nil	100%
Australia	EPM 26837	100%	Nil	Nil	100%
Australia	EPM 26903	100%	Nil	Nil	100%
Australia	EPM 27427	100%	Nil	Nil	100%
Botswana	PL232/2016	100%	Nil	Nil	100%
Botswana	PL064/2017	100%	Nil	Nil	100%
Botswana	PL065/2017	100%	Nil	Nil	100%