ASX Release
31 July 2017

June 2017 Quarterly Activities Report

MetalsTech Limited (ASX: MTC) is pleased to report its exploration activities on its 100%-owned Bay Lake High Grade Cobalt Project in Ontario and its 100% owned Cancet High Grade Lithium Project in Quebec, Canada for the quarter ended 30 June 2017.

Commenting on the quarterly activities, Executive Chairman Mr Russell Moran stated:

"In the short five months since our ASX listing we have achieved outstanding exploration success at our high grade lithium and cobalt projects in Canada, where it is our vision to become a North American supplier of choice for the booming battery minerals sector. At Cancet, we have discovered a very high grade lithium deposit close to surface. The host pegmatite is open in all directions and metallurgical testing has demonstrated that if we can grow tonnage through follow up drilling, Cancet has the potential to deliver a low cost world class operation. At Bay Lake, we are hopeful of converting exceptionally high historical cobalt assays into a viable development opportunity that can ultimately deliver a primary high grade cobalt mine. The next twelve months will be a transformative period for both the company and the battery minerals sector and we look forward to delivering on our vision."

Highlights

- Spodumene rich pegmatite intersections confirmed from surface at Cancet Lithium Project
- Exceptional near surface drill intersection assays at Cancet including:
  - **18m @ 3.14% Li_2O** (MTC17-015 from 8m depth)
  - **11.46m @ 3.23% Li_2O** (MTC17-021 from 15m depth)
  - **8.15m @ 3.44% Li2O** (MTC17-022 from 6m depth)
  - **4.00m @ 4.72% Li2O** (MTC17-022 from 9m depth)
  - **6.25m @ 3.58% Li2O** (MTC17-020 from 30m depth)
- Strategic acquisition of an additional 11 contiguous mineral claims to increase the Company's landholding at the Bay Lake Cobalt Project four-fold to now total 2,744 hectares:
  - **in-vein sampling has returned assays of 15.36% Co and surface "dump" pile sampling has returned assays of 2.14% Co**
- Initial metallurgical test work on outcrop sample confirmed high grade spodumene in the mineralised pegmatite body at the Cancet Lithium Project:
  - concentrate grade of **6.24% Li_2O** produced from 10m crush - indicating that Cancet produces a coarse grain premium concentrate that is preferred by offtake partners

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Board of Directors
Executive Chairman - Russell Moran
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Non-Executive Director - Shane Uren
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Projects

Cancet	100% owned
Adina	100% owned
Terre Des Montagnes	100% owned
Wells-Lacoucier	100% owned
Kapiwak	100% owned
Sirmac-Clapier	100% owned
Bay Lake	100% owned

- simple DMS processing route – indicating lower CAPEX and OPEX opportunity

- Field exploration program completed at Bay Lake Cobalt Project – designed to better define the cobalt mineralisation and drill target identification
- $1 million share placement to institutional investors to accelerate exploration and development at both the Bay Lake Cobalt Project and the Cancet Lithium Project
- Representative split drill core metallurgical test-work program provided exceptional results:
  - concentrate produced with a grade of **6.4% Li_2O** from a 10mm crush using DMS at an SG2.8 with recovery of up to 91% of the lithium from 19% of the DMS mass
  - coarse grain premium concentrate - preferred by offtake partners

Cancet Phase I Drilling – a High Grade Deposit at Surface

During the quarter, the Company completed its Phase I diamond drilling campaign at the Cancet Lithium Project. A total of 40 diamond drill holes were completed for 3,037m.

Drilling confirmed heavily spodumene mineralised pegmatite in multiple drill holes starting at surface suggesting the existence of a high grade deposit with simple open cut mining potential.

Exceptional near surface drill assay results from the Phase I diamond drilling campaign included:

- MTC17-015 assayed **18.00m @ 3.71% Li_2O and 301 ppm Ta_2O_5** from 8m depth including:
  - **5.00m @ 4.10% Li_2O and 114 ppm Ta_2O_5** from 12m; and
  - **8.00m @ 3.59% Li_2O and 489 ppm Ta_2O_5** from 18m
- MTC17-002 assayed **5.08m @ 2.67% Li_2O and 323 ppm Ta_2O_5** from 9m depth; including:
  - 2.08m @ 4.78% Li_2O and 614 ppm Ta_2O_5 from 12m
- MTC17-021 – **21.46 m @ 2.24% Li_2O and 310 ppm Ta_2O_5** from 5 m depth, including:
  - **11.46 m @ 3.23% Li_2O** (15.00 m to 26.46 m); or
  - 3.01 m @ 4.82% Li_2O (16.99 m to 20.00 m); and
  - a sample high of **6.61% Li_2O** at 18 m depth
- MTC17-022 – **17.00 m @ 2.06% Li_2O and 327 ppm Ta_2O_5** from 6 m depth, including:
  - **8.15 m @ 3.44% Li_2O and 558 ppm Ta_2O_5** (6.00 to 14.15 m); or
  - 4.00 m @ 4.72% Li_2O (9.02 m to 13.02 m); and
  - a sample high of **5.55% Li_2O** at 10 m depth
- MTC17-013 – **15.88 m @ 1.82% Li_2O and 171 ppm Ta_2O_5** from 18.12 m depth, including:
  - 5.00 m @ 2.88% Li_2O and 126 ppm Ta_2O_5 (25.00 m to 30.00 m); and
  - a sample high of **4.61% Li_2O** at 25 m depth

- MTC17-020 – **6.25 m @ 3.58% Li_2O and 332 ppm Ta_2O_5**
- MTC17-025 – **11.02 m @ 2.93% Li_2O and 317 ppm Ta_2O_5**
- MTC17-014 – **10.00 m @ 2.67% Li_2O and 333 ppm Ta_2O_5** from 21 m depth, including a sample high of **5.92% Li_2O** at 27 m depth
- MTC17-040 – 5.00 m @ 2.56% Li_2O and 92 ppm Ta_2O_5

For further information refer to ASX announcements dated 9 May 2017 and 30 June 2017.

The host pegmatite body is open in all directions with a total defined strike length of ~ 1.2 km. In addition to very high lithium grades, significant tantalum mineralisation continued to be intersected. Drill hole MTC17-010 returned 444 ppm Ta_2O_5 over 34 m including a peak sample assay of 970 ppm Ta_2O_5. The zonation of the lithium and tantalum within the mineralised body at Cancet is not yet well-understood, with geological modelling ongoing to further define the relationship.

A LIDAR and orthophoto survey was recently been completed at Cancet. The survey provided high-accuracy topographic control to assist with geologic and resource modelling, as well as support regional prospecting work and the Phase II drill program.

Metallurgical Testing – Outcrop Sampling Confirms a Battery Grade Opportunity

During the quarter, the Company received metallurgical test results from an outcrop sample that was produced from Cancet. This metallurgical profiling has confirmed that Cancet hosts a spodumene rich lithium pegmatite. Test results have thus far demonstrated the delivery of a battery grade spodumene concentrate through simple DMS processing, which suggests potential for a very low CAPEX and OPEX operation compared to peers.

Outcrop sample results demonstrate that Cancet can produce a coarse grain premium spodumene concentrate, which is preferred by offtake partners and suggests that the product suite will meet and exceed grade requirements for the battery market.

Highlights:

- Initial metallurgical test work on 5kg outcrop sample confirms high grade spodumene in the pegmatite ore body at Cancet
- Concentrate grade of **6.24% Li_2O** produced from 10mm crush indicating simple low cost DMS gravity separation will recover 77% of the lithium in 13% of the mass:
    - Dense Media Separation (DMS) removed 80% of the mass feed at 2.7SG indicating very high recovery at a coarse crush size
    - Simple processing could mean significantly lower CAPEX and OPEX against peers as well as shorter commissioning time
    - Coarse grain premium concentrate

- Initial mineralogy / metallurgical profiling suggests product suite will meet and exceed grade requirements for battery market
- Metallurgical test work compares favourably against advanced projects in Western Australia including Tawana Resources – Bald Hill project

Preliminary Metallurgical Testing

A 5kg sample of mineralised pegmatite from the Cancet Lithium Project was subjected to metallurgical analysis to generate an indicative profile. Testing was completed at NAGROM Laboratories in Perth under the supervision of Mr Noel O'Brien, Trinol Pty Ltd and Primero.

The sample was sourced from a pegmatite outcrop exhibiting visual spodumene crystal formations within the drill target zone, which the Company channel sampled during a pre-drilling site visit in early March 2017. The sample was sent directly to NAGROM, where indicative mineralogy profiling and metallurgical testing was carried out:

- Crushing to 10mm for analysis and density profiling by Heavy Liquid Separation (HLS) after screening fines at 1mm
- The content of the 2.95 sinks fractions were examined by XRD mineralogy to determine the dominant lithium mineral

NAGROM reported the following results:

SG Fraction	Mass Yield %	Assay % Li_2O	Lithium Deportment	Mineralogy
3.0 sink	10.17%	6.48	62.4%	67% spodumene, 9% mica
3.0 float	2.91%	5.39	14.9%	44% spodumene, 6% mica
2.95 float	0.96%	4.48	4.1%	
2.9 float	3.17%	3.37	10.1%	
2.8 float	3.09%	1.73	5.1%	
2.7 float	60.45%	0.05	3.0%	
2.6 float	19.17%	0.03	0.5%	
2.5 float	0.08%	0.19	0.0%	

Table 1: HLS beneficiation on -10+1mm (1.20% Li_2O outcrop sample)

In summary, using a 2.95 sink, a **mass yield of 13%** was obtained at a **concentrate grade of 6.24% Li_2O** with an associated **lithium deportment of 77%**, which is well above the benchmark grade of 6% Li_2O required to meet the battery market. This result was achieved at a crush size of 10mm from a sample with a head grade of 1.20% Li_2O, which the Company considers is underestimating the high-grade nature of the pegmatite at Cancet having now completed Phase I drilling.

With such strong results from a relatively low head grade sample, there may be significant upside in both mass yields and concentrate grades. The opportunity to adopt a simple processing strategy is significant as it can ultimately lead to a considerably lower CAPEX and lower OPEX compared to peer operations, for a comparable output.

Also of significance is the results of the 2.7 floats which indicate that as much as 80% of the mass fed to the DMS only contains 3.5% of the lithium and could be sent directly to residue. **This would result in a significant CAPEX and OPEX saving in the processing plant compared to other operations.**

Peer Comparison

For comparative purposes, the HLS results have been benchmarked against other lithium results.

Tawana Resources (ASX:TAW) recently reported excellent metallurgical test results for its Bald Hill Project in Western Australia *(see ASX announcement "Excellent Results from Large Scale Metallurgical Test Work" dated 16 March 2017)*:

Fraction	Mass Yield	Assay % Li_2O	Lithium Deportment
Primary Concentrate	16.5%	6.43	76.4%
Secondary Concentrate (middling product)	16.1%	1.95	17.1%
Waste	67.4%	0.14	6.5%

Table 2: Weighted HLS beneficiation on -10+5.6mm and -5.6+1mm (1.41% Li_2O composite sample)

With a comparable testing regime, Tawana achieved a **mass yield of 16.5%** producing a comparable **6.43 % Li_2O concentrate** with an associated **lithium deportment of 76%** at a crush size of 10mm from a composite feed with a head grade of 1.41% Li_2O.

Tawana recently secured a binding offtake agreement for their **6% spodumene concentrate at US$880/t FOB** Esperance *(see ASX announcement "Lithium Offtake Agreement and Prepayment" dated 26 April 2017)*.

Metallurgical Testing – Drill Core Sampling Generates Exceptional Results

During the quarter, the Company received the results of the initial metallurgical test-work program on representative split drill core from the Phase I drilling campaign completed at Cancet.

Highlights:

- Heavy Liquid Separation (HLS) tests on composites crushed to 10mm and 5.6mm showed that Dense Media Separation (DMS) at SG 2.8 could recover 89% to 91% of the lithium at a grade of >6.4% Li_2O in 19% of the DMS mass or 16.6% of the overall feed mass.
    - These results show a very high recovery at a coarse crush size is achievable.

- Simple processing could mean significantly lower CAPEX and OPEX against peers as well as shorter commissioning time
- Coarse grain premium concentrate – preferred by offtake partners

- A High Grade Composite (**2.35% Li_2O**) produced a concentrate grade of **6.41% Li_2O from 10mm crush** indicating simple low cost DMS gravity separation at SG 2.8 will recover **97% of the lithium in 35% of the DMS mass**
- A Mid Grade Composite (**1.54% Li_2O**) produced a concentrate grade of **6.12% Li_2O from 10mm crush** indicating DMS gravity separation at SG 2.8 will recover **95% of the lithium in 24% of the DMS mass**
- The Low Grade Composite (**1.06% Li_2O**) produced a concentrate grade of **5.90% Li_2O from 10mm** crush indicating DMS gravity separation at SG 2.8 will recover **92% of the lithium in 16% of the DMS mass**
- Cancet hosts a clean pegmatite with low iron oxide in assayed drill samples (0.5% to 0.8% Fe_2O_3) – producing a high purity coarse grain premium spodumene concentrate:
  - Low to Moderate iron oxide content in concentrate < less than 1.5% Fe_2O_3, which will be lowered by magnetic separation.
- Initial results suggest product suite will meet and exceed grade requirements for battery market
- Cancet metallurgical test-work compares favourably against other advanced lithium projects
- Final representative metallurgical testing results for composite split drill core will be available within the next three weeks and will underpin offtake and strategic partner discussions

Preliminary Metallurgical Testing

A 100kg sample produced from Cancet was subjected to metallurgical analysis to generate a representative profile. Testing was completed at NAGROM Laboratories in Perth under the supervision of Mr Noel O'Brien, Trinol Pty Ltd and Primero.

Samples were sourced from split drill core from the Phase I drilling campaign that was recently completed at Cancet where hole selection was guided by the requirement to ensure that the metallurgical testing would provide a representative view of the deposit.

The samples were sent directly to NAGROM, where metallurgical testing was carried out, which involved crushing to 10mm for analysis and density profiling by Heavy Liquid Separation (HLS) after screening fines at 1mm.

Using the batched samples, three different composites were created, being a High Grade (HG) feed, a Mid Grade (MG) feed and a Low Grade (LG) feed, to ensure that the metallurgical profiling presented a representative view of the deposit.

NAGROM reported the following results:

HG Composite

SG Fraction	Mass Yield %	Assay % Li_2O	Lithium Deportment	Assay % Fe_2O_3
3.0 sink	29.89%	6.84%	86.68%	1.38%
3.0 float	2.73%	5.28%	6.10%	1.45%
2.95 float	0.92%	4.46%	1.75%	1.60%
2.9 float	2.18%	2.91%	2.69%	2.39%
2.8 float	3.89%	1.20%	2.00%	2.38%
2.7 float	45.00%	0.038%	0.73%	0.16%
2.6 float	15.32%	0.007%	0.05%	0.03%
2.5 float	0.07%	0.43%	0.01%	2.59%

Table 3: HLS beneficiation on -10+1mm (HG Composite), 2.35% Li_2O head grade

Commentary

Using a 2.8 SG sink, a mass yield of 35.72% was obtained at a concentrate grade of 6.41% Li_2O with an associated lithium deportment of 97.22%, which is well above the benchmark grade of 6% Li_2O required to meet the battery market. This result was achieved at a crush size of 10mm from a sample with a head grade of 2.35% Li_2O.

Also of significance is the results of the 2.8 SG floats which indicate that as much as 65% of the mass fed to the DMS only contains 2.8% of the lithium and could be sent directly to residue.

MG Composite

SG Fraction	Mass Yield %	Assay % Li_2O	Lithium Deportment	Assay % Fe_2O_3
3.0 sink	18.74%	6.76%	82.46%	1.43%
3.0 float	1.79%	5.15%	5.98%	1.50%
2.95 float	0.80%	3.90%	2.04%	2.07%
2.9 float	2.46%	2.72%	4.36%	2.17%
2.8 float	5.02%	1.13%	3.68%	4.41%
2.7 float	54.37%	0.04%	1.45%	0.20%
2.6 float	16.62%	0.002%	0.02%	0.06%
2.5 float	0.20%	0.06%	0.01%	0.70%

Table 4: HLS beneficiation on -10+1mm (MG Composite), 1.54% Li_2O head grade

Commentary

Using a 2.8 SG sink, a mass yield of 23.79% was obtained at a concentrate grade of 6.12% Li_2O with an associated lithium deportment of 94.84%, which is well above the benchmark grade of 6% Li_2O required to meet the battery market. This result was achieved at a crush size of 10mm from a sample with a head grade of 1.54% Li_2O.

Also of significance is the results of the 2.8 SG floats which indicate that as much as 76% of the mass fed to the DMS only contains 4.2% of the lithium and could be sent directly to residue.

LG Composite

SG Fraction	Mass Yield %	Assay % Li_2O	Lithium Deportment	Assay % Fe_2O_3
3.0 sink	11.55%	6.82%	74.41%	1.69%
3.0 float	1.91%	5.08%	9.19%	1.40%
2.95 float	0.84%	4.40%	3.50%	1.32%
2.9 float	2.22%	2.40%	5.02%	2.09%
2.8 float	5.37%	1.02%	5.17%	3.20%
2.7 float	63.11%	0.04%	2.50%	0.37%
2.6 float	14.83%	0.009%	0.13%	0.08%
2.5 float	0.16%	0.49%	0.07%	3.04%

Table 5: HLS beneficiation on -10+1mm (LG Composite), 1.06% Li_2O head grade

Commentary

Using a 2.8 SG sink, a **mass yield of 16.52%** was obtained at a **concentrate grade of 5.90% Li_2O** with an associated **lithium deportment of 92.121%**, which compares favourably with the benchmark grade of 6% Li_2O required to meet the battery market. This result was achieved at a crush size of 10mm from a sample with a head grade of 1.06% Li_2O.

This grade could readily be raised above 6.0% by operating at a slightly higher density of 2.9.

Also of significance is the results of the 2.8 SG floats which indicate that as much as 83% of the mass fed to the DMS only contains 7.9% of the lithium and could be sent directly to residue.

With such strong results achieved across each of the three composite samples, there is potential to adopt a simple processing strategy which could ultimately lead to a considerably lower CAPEX and lower OPEX compared to peer operations, for a comparable output.

Strategic Expansion of the Bay Lake High Grade Cobalt Project

During the quarter, the Company entered into a binding acquisition agreement to acquire a significant package of mineral claims that are contiguous with the Company's 100% owned Bay Lake High Grade Cobalt Project located in Ontario.

Highlights:

- Proposed acquisition of 11 contiguous mineral claims increases the Company's landholding at Bay Lake **four-fold** to 2,744 hectares within a highly prospective Ag-Co rich geological domain
- Proposed acquisition is in keeping with the Company's strategy to focus on strategic commodities for the battery market, including cobalt and lithium
- Bay Lake is located 10km SSW of the Historic Silver Mining Camp of Cobalt Township and has assayed up to **15.36% Co in cobalt-rich veins** *(refer to ASX announcement dated 16 March 2017 and titled "MetalsTech to Acquire Two High Grade Cobalt Projects")*
- The proposed acquisition includes mineral claims that are similarly host to historic exploration shafts and pits, including the Price Prospect where historic sampling of surface "dump" material assayed **2.14% Co, 0.11% Cu, 0.48 g/t Au and 1,740 g/t Ag**

Bay Lake Extension

The proposed acquisition will extend the Bay Lake Project four fold, by an additional 2,072 hectares. Bay Lake is located 10km SSW of the Historic Silver Mining Camp in the Cobalt Township on the eastern shore of Bay Lake in Coleman Township, Ontario, Canada.

The new mineral claims are located approximately 5km NNW of Equator Resources Limited (ASX: EQU), the owner of the Cobalt Camp Project where historical assays have reported cobalt grades up to 12.3% Co (range 0.42% Co to 12.3% Co - average of 5.84% Co) along strike in the same geological structure (refer to ASX announcement dated 28 November 2016 titled "High Grade Cobalt Project Acquisition, Canada").

The map below illustrates the location of the new mineral claims, relative to the Company's existing Bay Lake mineral claims, relevant to the prospective cobalt rich trends:

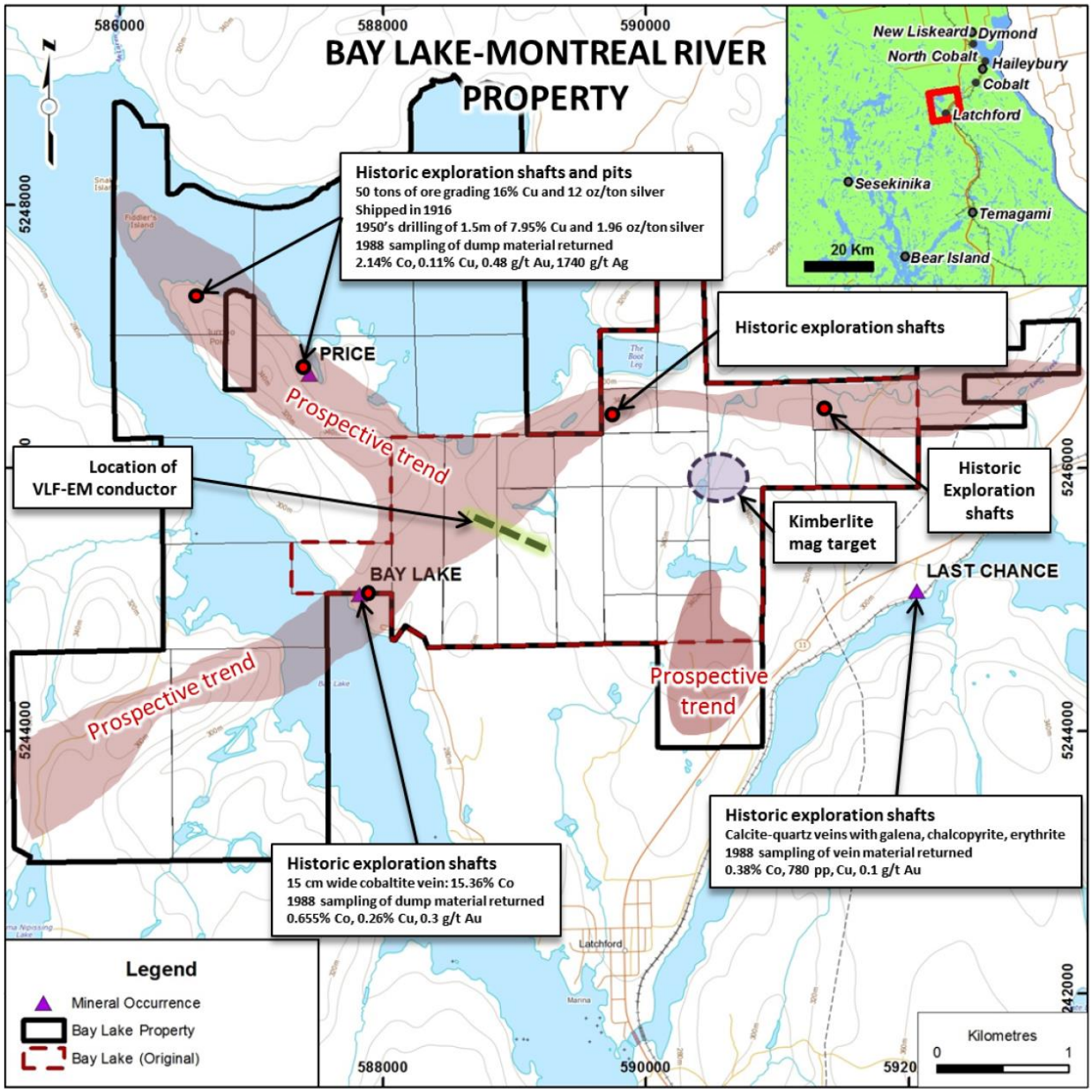

Figure 1: Bay Lake Extension Map

The Bay Lake Prospect

The Bay Lake Prospect is located at the south west end of the project and is the area where historical exploration work was completed. In 1913, the Bay Lake and Montreal River Mining Company constructed six (6) exploration shafts targeting the Nipissing diabase and completed an extensive stripping campaign of the Nipissing diabase-Lorrain sediment contact, at the Bay Lake Prospect.

From 1923 - 1934 Nipissing Mining Company Ltd, trenched and stripped a portion of the Bay Lake Prospect area and completed an unquantifiable amount of subsequent underground development. In 1951, Sadler and La Pierre completed 30m of shaft sinking and 30m of drifting on the 27m level. This drifting exposed a 15cm wide cobaltite-rich vein. Sub-surface rock samples taken from this cobaltite-rich

vein on the 27m level produced assays including 15.36% Co, 15.29% Co, 14.31% Co and 15.27% Co *(source: geological notes by R. Thompson, 1951, Resident Geologists' Files, Township of Cobalt)*. The relevant coordinates for the sub-surface rock samples is noted as Map Sheet 19 and Claim Block 004 *(*refer to ASX announcement dated 16 March 2017 and titled *"MetalsTech to Acquire Two High Grade Cobalt Projects")*.

A surface grab sample of dump material at the Bay Lake Prospect (often referred to as "muck" which was left on surface during the silver mining and separation process) with disseminated pyrite, chalcopyrite, malachite and erythrite conducted in 1988 yielded assay values of 2600ppm Cu, 6550 ppm Co, 305 ppb Au and 920 ppm Ni *(source: Geoscience Laboratories Section, Ontario Geological Survey, Toronto)*. The relevant coordinates for the sub-surface rock samples is noted as Map Sheet 19 and Claim Block 004 *(*refer to ASX announcement dated 16 March 2017 and titled *"MetalsTech to Acquire Two High Grade Cobalt Projects")*.

The Price Prospect

The Price Prospect is located at the north-western portion of the project, at the tip of Jumbo Point. The Price Prospect was first discovered in 1912 and subsequent surface exploration consisted of at least ten (10) exploration pits and shafts. A shipment of 50 tons of ore grading 1,696 Cu ppm and 12 ounces (340g) per ton Ag was shipped in 1916.

During 1952-59 J. Price initiated mineral exploration on the south shore of Portage Bay east of Jumbo Point. One diamond-drill hole was completed in Nipissing diabase to a total depth of 37 m (122 feet). Notes by R. Thomson (source: Resident Geologist's files, Cobalt) indicate that a chalcopyrite vein exists with an approximate width of 1.5 m (5 feet) exposed in underground workings dating from 1929. The assay results from the single drill hole returned 7.95% Cu and 1.96 ounces Ag per ton (source: Resident Geologist's office, Cobalt).

The next period of local activity was in 1970 by Guardian Mines Limited on what was known as the Sutherland claims. A very low frequency electromagnetic (VLF-EM) ground survey delineated a number of small conductors as well as a large number of small fluctuations. The large conductors were interpreted to represent a possible mineralised fault zone whereas the smaller fluctuations might be vein conductors. A magnetic survey outlined 7 magnetic anomalies.

In 1982, Agnico-Eagle Mines Limited began exploration on a group of claims in the vicinity of Fiddler's and Snake islands on Portage Bay. The claims covered an anomaly detected by a VLF geophysical survey. A single diamond-drill hole totalling 248 m (815 feet) was completed to test the geophysical anomaly. The hole intersected the Nipissing diabase, however the results were not followed up and additional drilling was not undertaken.

Summary

Historical reports indicate substantial cobalt grades in silver ore however the project's cobalt potential remains untested – cobalt was used as a tracer for silver mineralisation but not targeted in its own right.

Both the Bay Lake Prospect and the Price Prospect have been exposed to substantial existing underground mine workings related to past operations. The Company believes re-entry following rehabilitation of existing adits will open up a significant amount of strike length of known structures for modern cobalt focused exploration and production. In the project area, several Calcite veins occur within the lowest part of a Nipissing diabase sill near the contact with arkoses of the Lorrain Formation.

Field Exploration Program at High Grade Bay Lake Cobalt Project

During the quarter, the Company mobilised a geological field crew to its 100% owned High Grade Bay Lake Cobalt Project to complete a field exploration program.

The field program was designed to re-sample the historical exploration shafts, pits and trenches as well as sample other outcropping areas that sit within the highly prospective Nippising Diabase. The geologists located the historic Bay Lake Prospect and the historic Price Prospect and completed the re-sampling of surface "dump" pile material.

The Company is targeting to commence a Phase I drill program at Bay Lake during late August 2017.

Highlights:

- Geological field crew mobilised to Bay Lake to undertake mapping and sampling of exploration shafts within the project area as well as historical exploration trenches and pits
- Maiden exploration field program will define the potential high grade cobalt mineralisation within the project and form the foundation for drill target identification
- Bay Lake is located 10km SSW of the Historic Cobalt Mining Camp of Cobalt Township and has historically assayed up to **15.36% Co in cobalt-rich veins** *(refer to ASX announcement dated 16 March 2017 and titled "MetalsTech to Acquire Two High Grade Cobalt Projects")*
- The Company significantly expanded the Bay Lake project through tenement acquisitions, including strategic mineral claims that are similarly host to exploration shafts and pits, including the Price Prospect where historic sampling of surface "dump" material historically assayed **2.14% Co, 0.11% Cu, 0.48 g/t Au and 1,740 g/t Ag** *(refer to ASX announcement dated 16 May 2017 and titled "MetalsTech Expands High Grade Bay Lake Cobalt Project")*
- Field exploration will be complemented with an Airborne Geophysical survey as part of the Phase II exploration campaign as a pre-cursor to drilling to better define the structural geology of the project

Commencement of Field Exploration Campaign

Bay Lake hosts several prospective trends where high-grade silver-cobalt vein-style mineralisation has been sampled historically. Several historic exploration shafts and pits, dating from 1916, are present along this trend, with a sample collected in 1988, from the Northwest corner of the Property, returning 2.14% Co, 0.11% Cu, 0.48 g/t Au, and 1,740 g/t Ag.

Drilling in this area from the 1950's returned 1.5 m grading 7.95% Cu and 1.96 oz/ton Ag, with a 50-ton bulk sample grading 16% Cu and 12 oz/ton Ag collected from the same area in 1916. The Property has seen little exploration since the late 1980s.

The Company mobilised a field crew from Dahrouge Geological Consulting Ltd to site for a two-week ground exploration program. The primary objective of the program was to confirm the historic high-grade silver-cobalt mineralisation documented on the Property from the existing shafts and pits dating from the early 1900s. In addition, reconnaissance mapping and sampling will be completed along several prospective trends within the Property as a precursor to maiden diamond drilling. The Company is also undertaking an Airborne Geophysical survey prior to drilling commencement.

The images below show cobalt bloom (also known as Erythrite) and a historical exploration shaft which were identified in the area and is typical of the Bay Lake area:

Image 1 (above): Cobalt bloom at Bay Lake, noted by the pink colouration on the rock sample.

Image 2 (right): Historical Exploration Shaft at Bay Lake.

Access to Bay Lake is excellent and is supported by a system of forestry service roads and provincially maintained recreational service roads. The images below identify the typical road networks that support access to Bay Lake.

Image 3 and 4: Typical access roads in and around the Bay Lake High Grade Cobalt Project

Airborne Geophysical Program Commenced at Bay Lake

An airborne geophysical program commenced in July at Bay Lake. The Airborne Magnetic (MAG) and Time-Domain Electromagnetic (TDEM) survey will complement ground-based prospecting designed to identify cobalt mineralisation targets for drill testing.

A total of 882 line-km will be flown with drill target planning to occur concurrently. The airborne magnetic and TDEM survey will support the recent field exploration program as the company continues to define the cobalt mineralised zones and prepare for the maiden drilling campaign.

Initial results from the airborne geophysical program are expected by mid August 2017.

Placement to Accelerate Cobalt and Lithium Development

MetalsTech successfully completed a share placement to sophisticated and institutional investors to accelerate exploration and development at the Company's 100%-owned Bay Lake Cobalt Project and its 100% owned Cancet Lithium Project.

The Company raised $1 million (before costs) at an issue price of A$0.185 per ordinary share, via the issue of 5,405,405 fully paid ordinary shares. The Placement represents minimal dilution to the previous capital structure (~7%) and new funds will allow the Company to accelerate development at Bay Lake and Cancet.

The placement successfully broadened the pool of supportive investors and secured like-minded shareholders that believe in the strategy for the Company's high grade cobalt and lithium assets in Canada.

Following completion of the Placement and allotment of the new fully paid ordinary shares, the Company has 81,653,405 fully paid ordinary shares on issue.

Bay Lake Cobalt Project – Upcoming Value Catalysts

- Results from the recent exploration program expected early August 2017
- Airborne surveys commenced with initial results expected mid August 2017
- Phase I drilling planned to commence during early September and continue during winter
- The company is also evaluating additional cobalt opportunities around Bay Lake and in close proximity to the Town of Cobalt, Ontario (Canada)

Cancet Lithium Project – Upcoming Value Catalysts

- Field exploration to commence in late July 2017 with a focus on continuing to extend the mineralised pegmatite strike, and channel sampling and mapping of complementary mineralised structures.
- Phase II drilling to follow completion of the field program with a focus on building tonnage of the high grade deposit which starts at surface
- Final representative drill core metallurgical and mineralogy testing expected in August 2017
- The completion of representative product profiling will help advance offtake and strategic partner discussion

ENDS

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Caution Regarding Forward-Looking Information

This document contains forward-looking statements concerning MetalsTech. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based on the company's beliefs, opinions and estimates of MetalsTech as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Competent Person Statement

Bay Lake Cobalt Project

The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Neil McCallum, PGeo, is a Competent Person who is a Professional Geologist registered with the Association of Professional Geologists of Ontario, in Canada. Mr. Neil McCallum, PGeo, is an employee of Dahrouge Geological Consulting Ltd. (Dahrouge). Dahrouge Geological Consulting Ltd. and all competent persons are independent from the issuer of this statement, MetalsTech Limited. Mr. Neil McCallum has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Neil McCallum consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Mr. Neil McCallum has reviewed the historical exploration results that are contained in this announcement and has validated the source of the historical information. Mr. Neil McCallum is satisfied with its inclusion in the form and context in which it appears in this announcement.

Cancet Lithium Project

The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves, as applicable, is based on information compiled by Mr. Darren L. Smith, P. Geol., a Competent Person who is a Professional Geologist registered with L'Ordre des géologues du Québec, in Canada. Mr. Darren L. Smith, P.Geol, is an employee of Dahrouge Geological Consulting Ltd. (Dahrouge). Dahrouge Geological Consulting Ltd. and all competent persons are independent from the issuer of this statement, MetalsTech Limited. Mr. Darren L. Smith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Darren L Smith consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Metallurgical Testing

The information in this announcement that relates to metallurgy and metallurgical test work has been reviewed by Mr Noel O'Brien, FAusIMM, MBA, B. Met Eng. Mr O'Brien is not an employee of MetalsTech, but is employed as a contract consultant. Mr O'Brien is a Fellow of the Australasian Institute of Mining and Metallurgy, and he has sufficient experience with the style of processing response and type of deposit under consideration, and to the activities undertaken, to qualify as a competent person as defined in the 2012 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code). Mr O'Brien consents to the inclusion in this report of the contained technical information in the form and context as it appears. Mr O'Brien meets the requirements to act as a Qualified Person.