

Strategic Expansion at Bay Lake High Grade Cobalt Project

Cobalt and Lithium developer MetalsTech Limited (ASX: MTC) is pleased to announce it has acquired a strategic package of mineral claims that are contiguous with the Company's 100% owned Bay Lake High Grade Cobalt Project located in Ontario, Canada.

Highlights:

- Acquisition of West Cobalt and Van Chester Cobalt Projects – an additional 10 contiguous mineral claims increase the Company's landholding at Bay Lake within a highly prospective Ag-Co rich geological domain
- Recent exploration at Bay Lake also covered the newly acquired West Cobalt and Van Chester Cobalt Projects confirming excellent high grade cobalt potential
- Bay Lake is located 10km SSW of the Historic Cobalt 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"*)
- Acquisition of the Van Chester Cobalt Project includes mineral claims that are similarly host to historic exploration shafts and pits, including the Last Chance Prospect where historic sampling of surface "dump" material assayed **0.38% Co (equivalent to 3,800 ppm Co)**
- Work undertaken in 1910 on the Van Chester Cobalt Project identified two cobalt-bearing veins which were explored with a shallow 10m vertical shaft – **multiple cobalt-bearing veins have been identified across the Van Chester Cobalt Project**
- Historic work undertaken on the West Cobalt Project included an approximate 30m vertical shaft – a report from 1960 notes that within the surface dump pile, pieces of calcite with cobalt and chalcopyrite mineralisation were observed
- Results from recent exploration program at Bay Lake expected next week
- Results from recent airborne MAG and TDEM surveys at Bay Lake expected in the next two weeks



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Board of Directors

Executive Chairman - Russell Moran
Executive Director - Gino D'Anna
Non-Executive Director - Shane Uren
Non-Executive Director - Michael Velletta

Projects

Cancel	100% owned
Adina	100% owned
Terre Des Montagnes	100% owned
Wells-Lacourciere	100% owned
Kapiwak	100% owned
Sirmac-Clapier	100% owned
Bay Lake	100% owned



Commenting on the new acquisition, Executive Director Mr Gino D’Anna stated:

“We have expanded our strategic position near the exciting Township of Cobalt which we believe boasts excellent potential for new high grade cobalt discoveries. This region is a hive of activity with cobalt explorers from around the world competing for a position. Recent exploration activities at Bay Lake have been designed to prepare the project for drilling and this has been complemented with airborne MAG and TDEM survey. We are currently compiling and analysing the results of this program and expect to be in a position to make an announcement in this regard as early as next week.”

Summary of Acquisition Terms

The summary of the key acquisition terms for the West Cobalt and Van Chester Cobalt Projects is outlined below. Settlement of the acquisitions has already occurred:

	Van Chester Cobalt Project	West Cobalt Project
Cash Deposit (paid upon grant of mineral claims by MNDM)	CAD\$20,000 (paid)	CAD\$10,000 (paid)
Due Diligence Period	10 days (completed)	10 days (completed)
Cash Completion Payment	CAD\$20,000 (paid)	CAD\$10,000 (paid)
Shares Completion Payment (12 months escrow)	500,000 MTC shares (issued)	300,000 MTC shares (issued)
Vendor Net Smelter Royalty (50% of the NSR may be re-purchased by MTC for CAD\$300,000)	1.0% NSR (granted over the Van Chester Cobalt Project only – no other applicable mining royalties)	1.0% NSR (granted over the West Cobalt Project only – no other applicable mining royalties)
Vendors (unrelated vendors)	(i) Jean-Marc Gaudreau (ii) Todd Fielding (iii) Caamo Capital Corporation	(i) Jean-Marc Gaudreau (ii) Donald Fudge (iii) Jevin Werbes
MetalsTech takes 100% Ownership		

Table 1: Summary of Acquisition Terms – West Cobalt and Van Chester Cobalt Projects

Strategic Extension at Bay Lake Cobalt Project

The acquisition of the additional 10 strategic contiguous mineral claims will expand the Bay Lake High Grade Cobalt Project by an additional approximately 450 hectares. The total land holding at Bay Lake is now approximately 3,200 hectares, and is 100% owned by MetalsTech. Bay Lake is located 10km SSW of the Historic Cobalt 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 Cobalt One Limited (ASX: CO1), 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:

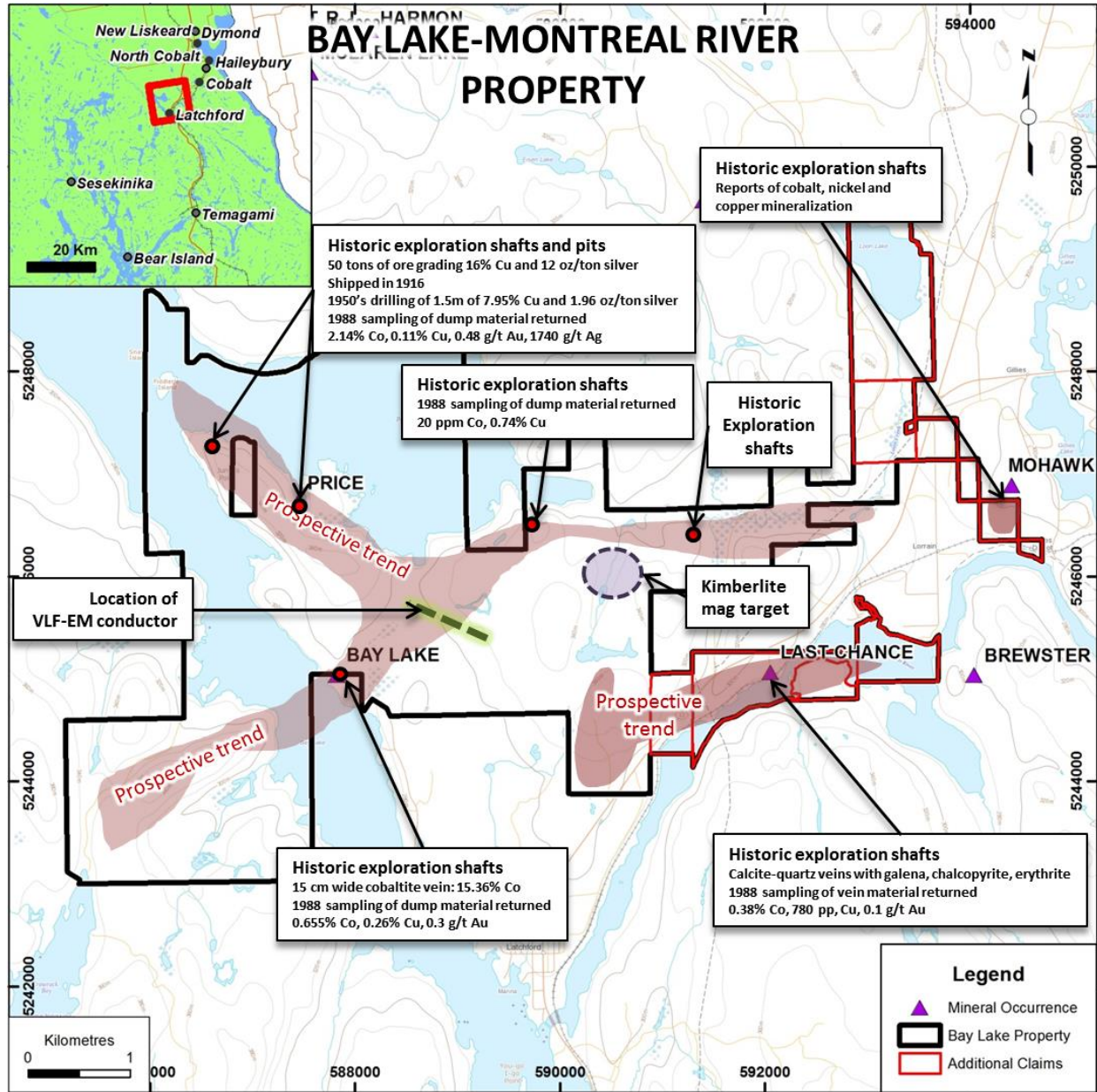


Figure 1: West Cobalt Project and Van Chester Cobalt Project Location Map

Bay Lake Location

The map below illustrates the location of Bay Lake:

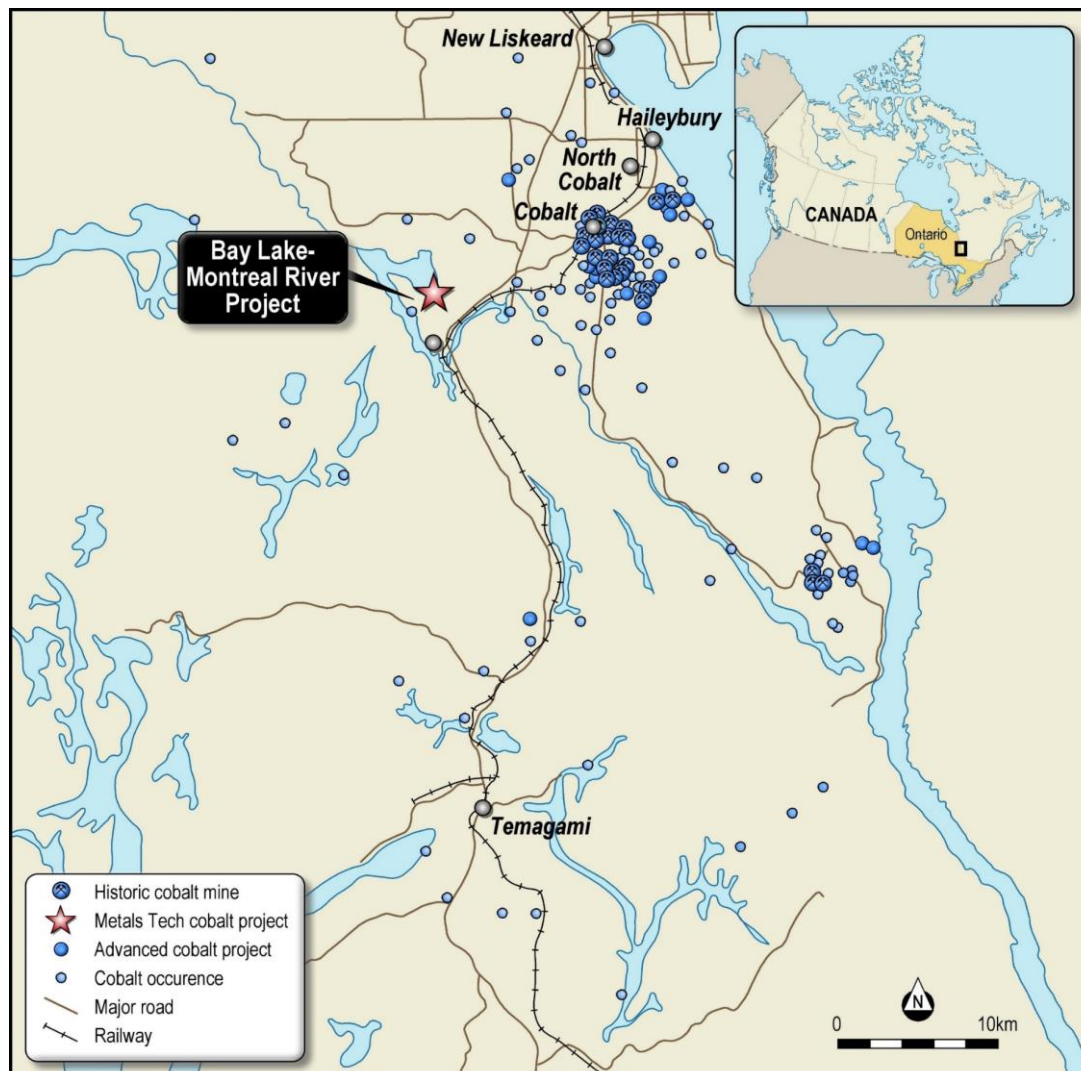


Figure 2: Bay Lake High Grade Cobalt Project Location

Geology and Exploration Strategy

The Bay Lake High Grade Cobalt Project is composed of principal ore veins, cross-veins, masses of mineralised Keewatin interflow rocks, and disseminated minerals in the Gowganda Formation, Coleman Member. Only the principal ore veins contain silver ore and they occur primarily in the Coleman Member. The veins also contain cobalt indicator minerals such as arsenides and native silver (principal metal veins). The arsenides, including nickel, cobalt, and iron varieties, occur as massive lenses and disseminated grains in the carbonate veins. Some massive lenses extend across the entire widths of the veins, others present as irregular bodies in the centres of the veins, and still others occur at the edges of the veins.



The distribution of cobalt indicator minerals from top to bottom of the veins are rich in the following elements (i) nickel, (ii) cobalt and (iii) iron. The veins can be classified as Ni-As, Ni-Co-As, Co-Fe-As and Fe-As. Silver grades exhibit a very different zonation implying that previous production has excluded multiple areas of cobalt mineralisation.

The Van Chester (Last Chance) Prospect

The Van Chester (Last Chance) Prospect is located at the south east end of the project and is one of the key areas where historical exploration work was completed.

This prospect was explored as early as 1910 with an exploration shaft by the Last Chance Mining Company. In 1953, Van Chester Mines Ltd. rehabilitated the shaft when the company saw silver, cobalt and nickel bearing minerals in the dump of the old shaft. A total of eight (8) diamond drill holes explored the veins in the area.

Born and Hitch (1990) summarises the prospect as such:

“Initial work began in 1910 with some shaft sinking on the property. Two cobalt-bearing veins and one chalcopyrite-bearing vein were explored by a 10 m (30 foot) vertical shaft. Calcite veins strike 085° and dip at angles which range from 80° at surface to about 58° at the bottom of the shaft. The veins are hosted in a fractured and sheared zone in the Nipissing diabase. Mineralisation consists of pyrite, chalcopyrite and erythrite.

The nearby Van Chester veins are located on the east shore of the Montreal River opposite the Last Chance occurrence. They were discovered in 1955. A shaft and several pits expose several east-trending and vertically oriented, mineralised calcite and quartz veins hosted in Nipissing diabase. In the No. 2 veins, erythrite and minor galena occur within pink calcite veins up to 5 cm (2 inches) wide. The nearby No. 3 vein consists of 60 cm (2 feet) wide quartz veins containing minor amounts of chalcopyrite with lesser sphalerite and galena.”

Born and Hitch collected one sample from a dump at the Last Chance vein and **0.38% Cobalt** was reported.

The West Cobalt Shafts

The West Cobalt project covers an area just south of the “Mohawk Prospect”. According to Thompson (1960), an approximately 30-metre deep shaft was sunk on a vein on claim 4284362, part of the West Cobalt Project. Located and identified in the surface dump pile, pieces of calcite with cobalt and chalcopyrite mineralisation was observed.

The northern claims of the West Cobalt Project have not seen any exploration, but are within the Nipissing Diabase.



The diagram below illustrates the historic exploration that was conducted at the West Cobalt claims held by MetalsTech:

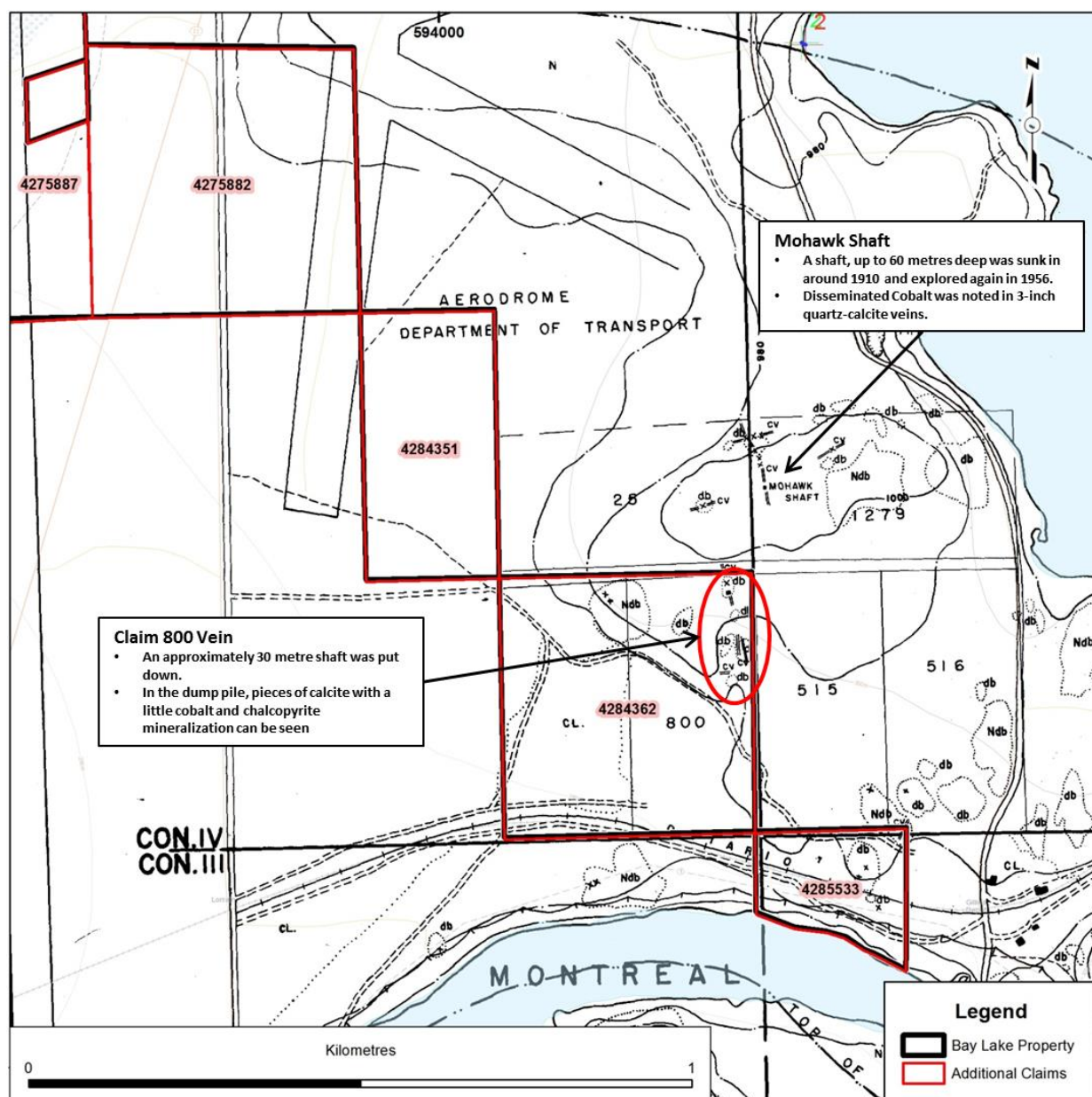


Figure 3: Historic Exploration Conducted at the West Cobalt Project

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 Van Chester (Last Chance) Prospect and the West Cobalt Shaft have been exposed to historic 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.

Van Chester Cobalt Project - Acquisition Terms

MetalsTech entered into a binding acquisition agreement with Jean-Marc Gaudreau, Todd Fielding and Caamo Capital Corporation (together, the **Vendors**), pursuant to which the Company has acquired a 100% interest in the Van Chester Cobalt Project on the following terms:

- CAD\$20,000 non-refundable deposit within 5 business days of the mineral claims being recorded as granted by the MNDM, Ontario (*completed*)
- MTC granted a 10-day exclusivity period to carry out legal, technical and commercial due diligence (*completed*)
- Following satisfactory due diligence, Completion Payments to the Vendors to acquire a 100% interest:
 - CAD\$20,000 cash (*completed*)
 - 500,000 fully paid ordinary MTC shares (12 months escrow) (*completed*)
- Vendors retain a 1.0% Net Smelter Royalty over the cobalt metal produced
- MTC retains the right to buy back half of the NSR for CAD\$300,000 - payable in any combination of cash or MTC shares at the 10-day VWAP

West Cobalt Project - Acquisition Terms

MetalsTech entered into a binding acquisition agreement with Jean-Marc Gaudreau, Donald Fudge and Jevin Werbes (together, the **Vendors**), pursuant to which the Company has acquired a 100% interest in the West Cobalt Project on the following terms:

- CAD\$10,000 non-refundable deposit within 5 business days of the mineral claims being recorded as granted by the MNDM, Ontario (*completed*)
- MTC granted a 10-day exclusivity period to carry out legal, technical and commercial due diligence (*completed*)
- Following satisfactory due diligence, Completion Payments to the Vendors to acquire a 100% interest:
 - CAD\$10,000 cash (*completed*)
 - 300,000 fully paid ordinary MTC shares (12 months escrow) (*completed*)
- Vendors retain a 1.0% Net Smelter Royalty over the cobalt metal produced
- MTC retains the right to buy back half of the NSR for CAD\$300,000 - payable in any combination of cash or MTC shares at the 10-day VWAP



Implications for Cobalt Targets

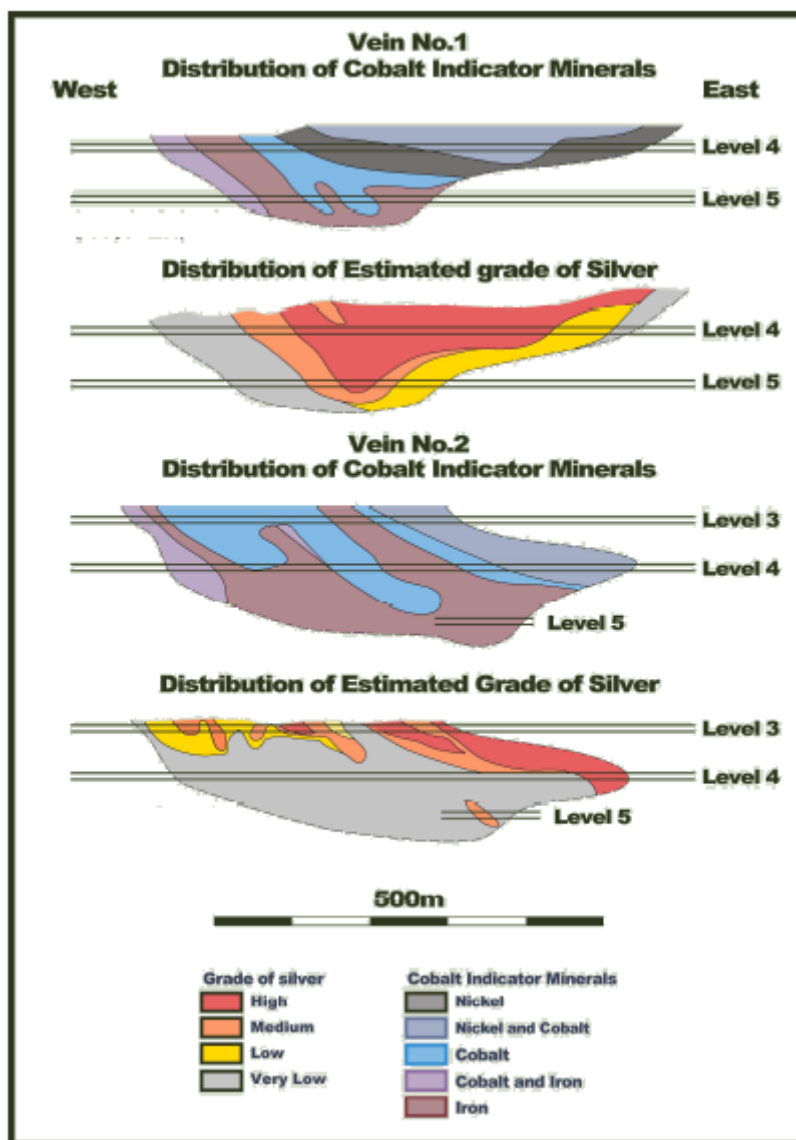


Figure 4: Idealsed long section of veins 1 and 2 showing separate zonation of silver and cobalt mineralisation

- Cobalt and silver mineralisation occurs in calcite veins in close association
- Cobalt indicator minerals are not correlated to silver grades – high grade zones cross cut indicator mineral zones
- Historical production targeting silver didn't focus on cobalt mineralisation – low grade silver zones likely to have Co-mineralisation in-situ
- Re-entry of the mine workings considered possible with establishment of drill platforms to follow rehabilitation
- Drill out of interpreted cobalt rich zones to follow

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

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 Geoscientists 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.



Appendix A - Bay Lake Project Geology Map

