ASX Release
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METALSTECH
Resourcing a cleaner greener future

Significant Exploration Target at the Cancet Lithium Project

MetalsTech (**MTC** or the **Company**) is pleased to announce that an Exploration Target of between **15Mt and 25Mt at a grade range between 1.0% to 2.0% Li_2O and 100ppm to 250ppm Ta_2O_5** has been independently defined at its flagship 100% owned Cancet Lithium Project, located in Quebec, Canada.

The Exploration Target was formulated following an independent review of the Company's exploration results including diamond core drilling, assays, field mapping, trenching, rock and channel sampling, magnetic survey and LiDAR survey. The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Highlights

- Exploration Target of **15Mt to 25Mt @ 1.0% to 2.0% Li_2O and 100ppm to 250 ppm Ta_2O_5**, comparing favourably with peer hard-rock resources 16Mt @ 1.1% Li_2O (Mt Cattlin, Galaxy Resources), 18.9Mt @ 1.18% Li_2O (Bald Hill, Tawana Resources) and 23Mt @ 1.2% Li_2O (James Bay, Galaxy Resources)
- Planning and permitting is currently underway for the commencement of the next phase of drilling at Cancet – **drilling expected to commence January 2018**
- The next phase of drilling to support a maiden JORC Resource, Scoping Study and ongoing offtake discussions with end-users**,** including pending major shareholder Wuxi Baichuan Chemical Co Ltd
- Simple DMS processing potential with high lithium deportment ratios from low relative mass feed indicating potential for a **low CAPEX and OPEX operation at Cancet**
- Cancet spodumene concentrate is a **coarse-grained product** at a grind size of 10mm and is highly desirable by potential offtake customers
- Cancet is located adjacent to **key infrastructure** and mining services including power, water, gas and road
- Laboratory assays expected in the next 2 weeks with modal estimates to be released shortly
- Agreement being finalised for the **expansion of the Company's landholding** within the broader Cancet project area

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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

Commenting on the Exploration Target, Executive Director Mr Gino D'Anna stated:

"Cancet clearly has potential to deliver a world-class lithium deposit with shallow high-grade mineralisation. Drill core metallurgical test work has confirmed a primary spodumene deposit and identified a way forward to produce a high value, low impurity spodumene concentrate which can be readily upgraded to lithium carbonate and hydroxide for use in the lithium ion battery market. Our recent agreement with Wuxi Baichuan Chemical Industrial Co Ltd to take a 10% stake will allow us to accelerate development plans. In addition to further drilling at Cancet, we are looking to commence maiden drilling at Adina, which has the potential to join Cancet in a much larger corporate strategy, anchored by growing ties with potential strategic partners and end-users who want to lock down stable long-term supply."

Cancet Exploration Target

An Exploration Target at the Cancet Lithium Project has been estimated in the range of **15Mt to 25Mt @ 1.0% to 2.0% Li_2O and 100ppm to 250 ppm Ta_2O_5**. Hard-rock deposits which are currently under development host resources ranging from 16Mt @ 1.1% Li_2O (Mt Cattlin, Galaxy Resources), 18.9Mt @ 1.18% Li_2O (Bald Hill, Tawana Resources) and 23Mt @ 1.2% Li_2O (James Bay, Galaxy Resources).

The Company notes that this Exploration Target is reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves (2012 Edition). The potential quantity and grade of this Exploration Target is therefore conceptual in nature. There has been insufficient work to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Cancet pegmatite deposit outcrops extensively at surface. The Company has defined a 1.2km mineralised strike on the main pegmatite, and has recently discovered an additional pegmatite outcrop 1.0km east of the main drilling zone. The body remains open along strike and recent drilling suggests that strike extensions may continue beneath shallow soil cover, with potential for linkage between the main drilling zone and the newly discovered pegmatite outcrop.

This style of deposit typically displays excellent continuity at depth and the Company is confident that significant depth extensions will be defined through future drilling programs.

Significant exploration potential extends both within the broader Cancet area, and outside the Company's owned tenure. A number of potential prospects have already been defined for further evaluation. While the Company is excited about the potential for additional discoveries in these areas, these prospects are not included in the current Exploration Target estimate.

The magnetic survey recently completed by the Company shows potential for both the doubling of length of the mineralised strike at Cancet and the possibility of a parallel structure to the north. In addition, there remains the possibility of an extension to the east at the recently discovered pegmatite outcrop. The new zone to the east also holds potential to be drilled both on strike and at depth to provide tonnage beyond the presently stated Exploration Target.

Exploration drilling targeting these newly defined areas would follow the planned resource drilling programs at Cancet. The Company expects that the current Exploration Target may be revised upwards with exploration success at these locations.

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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 Persons Declaration

The information in this announcement that relates to exploration results is based on information compiled by or under the supervision of Stewart A. Jackson (PhD, P Geo). Dr. Jackson is the principal of SAJ Associates and a member of the Association of Professional Geoscientists of Ontario. Dr. Jackson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking 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. Dr. Jackson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *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.*	Diamond drilling completed to date. Core samples collected based on lithology Samples submitted for assay typically weigh 2-3 kg. Continuous sampling of half-core ensures the samples are representative over the interval being sampled. To be as representative as practical, drilling was conducted as perpendicular as practical to the indicated strike of the main mineralised pegmatite bodies as mapped on the surface. True widths of mineralization is not known. Samples were of saw-cut half-core and samples approximately 1 m in length providing for sufficient mass (1-3kgs) to be adequately representative of the interval being sampled. QAQC included the insertion of quartz blanks, quarter-core duplicates, and pulp duplicates. All diamond holes were NQ. Holes were geologically logged, measured, cut, and sampled on site. Half-core samples for NQ were submitted to Activation Laboratories in Ontario and analysed using 4 Acid ICP-OES techniques for elements including lithium. Tantalum was analysed by XRF
Drilling techniques	• *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).*	NQ diamond drilling was completed. Oriented core drilling was not completed. Downhole surveying was conducted using a gyro based system. Hole depths averaged ~100 m over the 40 holes completed with a max depth of 220 m.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	Industry standard geotech was completed on all holes. Core recovery was recorded in percent. Sample recovery was between 98 and 100% for mineralised intercepts in most NQ holes. No material bias has been identified.
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	NQ core was logged and cut according to geological boundaries, with ~1 m intervals targeted for individual samples. Features such as rock type, modal mineralogy, rock textures, alteration were recorded. Geological logging information was recorded directly onto hard-copy sheets, and later transferred to an Excel spread sheet. The core will be stored near the project area for future reference. RQD, fractures, core strength and weathering were also measured for every 3 metres of core. Logging has been primarily quantitative. All core has been

Criteria	JORC Code explanation	Commentary
		photographed. The logging database contains lithological data for all intervals in all holes in the database.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Half NQ core was sampled for analysis, with half NQ core left in the box for reference. Quality Assurance and Quality Control utilised standard industry practice, using certified reference materials, field blanks, quarter-core duplicates, and pulp duplicates in addition to the standard internal laboratory QAQC. Acceptable QAQC results were obtained for all data reported herein QAQC insert samples as per above. Half-core samples ensure sufficient representative nature of interval being sampled. Samples sizes are sufficient and industry standard.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	Assay and laboratory procedures have been selected following a review of techniques provided by internationally certified laboratories. Samples are submitted for multi-element ICP analysis by Activation Laboratories, which is applicable for high-grade lithium analysis A “total” 4-Acid digestion is used, followed by ICP-OES analysis. Li is reported by the lab and converted to Li2O for reporting using a factor of 2.153 No handheld instruments were used for analysis Coarse quartz material is submitted at a rate of approximately 5%. Comparison of results with standards indicate sufficient quality in data. No external laboratory checks have been used but are planned Two different grades of certified reference material (CRM) for lithium mineralisation were inserted, as well as field duplicates, and blanks. The CRM’s submitted represented a weakly mineralised pegmatite (AMIS 0342), and a moderate to high grade lithium mineralised pegmatite (AMIS 0343). Quality Assurance and Quality Control utilised standard industry practice, using prepared standards, field blanks (approximately 0.4 kg), duplicates sampled in the field and pulp duplicates at the lab. 807 samples, including QAQC inserts, from phase one were sent to Activation Laboratories in total to date. Pulp duplicates and quarter-core field duplicates generally indicate good repeatability of samples. Assay results of CRMs have been satisfactory, demonstrating acceptable levels of accuracy and precision.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Independent verification was carried out by a consultant to the Company, Dahrouge Geological Consulting Ltd. (DGC). Hard copy field logs are entered into and validated on an electronic Excel database, both of which are stored at the MTC Perth office. Data verification is carried out by the Senior Geologist on site. Diamond core drilled was photographed on site and then sent to the Activation Laboratories, Ontario. Geological logging and sampling took place on-site. No assays have been adjusted. A factor of 2.153 has been applied to the reported Li assays so to report as Li2O.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	All drill-hole locations were located using a GR5 Topcon RTK GPS, which has an accuracy of +/- 5mm vertical and +/-10mm horizontal. Down hole surveying of drill holes was conducted using a Reflex Gyroscope. The grid system used is NAD83, zone 18N. Topographic control as per RTK unit discussed above.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	Drill spacing between holes is generally between 40 and 60 m on section, and generally 40 to 80m between sections, depending on site accessibility. No assessment has been made regarding the current drill hole location and intersections with respect to resources or reserve estimation. No sample compositing has been completed.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	The orientation of drilling was designed to intersect pegmatites perpendicular to the dominant geometry. True width of intersections is not known as orientation and strike of mineralized body is not well constrained. As per above. Industry standard drilling practices were carried out to maximize the representativeness of the drill holes.
Sample security	• *The measures taken to ensure sample security.*	MTC contract geologists and field assistant conducted all sampling and subsequent storage in field. Samples were then delivered via road freight to Activation Laboratories in Ontario.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No external audit of the database has been completed, apart for the consulting geologists acting on behalf of the company. Drill hole sample data is verified at time of entry into excel as well as when assays are linked.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	MetalsTech has the right to acquire 100% of the Cancet lithium project pursuant to a binding acquisition agreement. There are no other material issues affecting the tenements. Upon the completion of the obligations pursuant to the legal agreements, MetalsTech will own 100% of the lithium projects and ownership of the individual CDC claims will be transferred to MetalsTech. All tenements are in good standing and have been legally validated by a Quebec lawyer specialising in the field.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	No modern exploration for lithium has been conducted outside of the drilling being done by MTC. Government mapping records multiple lithium bearing pegmatites within the project areas with only regional data available beyond this.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The mineralization encountered at the Cancet project is typical of a Lithium-Cesium-Tantalum (LCT) type of pegmatite. The pegmatite body is oriented sub-parallel to the general strike of the host rocks. The host rocks are composed of Archean Lac Guyer greenstone rocks, which include mafic and ultramafic rocks interlayered with horizons of metasedimentary and felsic volcanic rocks.

Drill hole Information	• *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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *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.*
		See tables and / or appendices attached to this report.

Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Length weighted averages used for exploration results are reported in Table A. Maximum 2 to 4 m internal dilution, depending on cut-off used for reporting, which is deemed to be appropriate for this style of mineralisation and stage of exploration. Cutting of high grades was not applied in the reporting of intercepts. The short length of high grade samples have been highlighted so as to demonstrate the, at times, coarse-grained nature of spodumene mineralization. In some cases, sample intervals contain 70 to 80 per cent visual estimates of spodumene. Aggregation issues are not considered material at this stage of project definition. No metal equivalent values

Criteria	JORC Code explanation	Commentary
		were used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	Previous releases have provided the downhole lengths of pegmatite width, which is clearly stated. True widths are not known. The geometry of the mineralized zone and host pegmatite body are not well constrained.
Diagrams	• *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.*	See diagrams (if any) attached to this report.
Balanced reporting	• *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.*	Results for all assay results received are summarized in Appendix A attached to the body of this report.
Other substantive exploration data	• *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.*	Metallurgical testwork is ongoing at NAGROM Laboratories in Perth; an update will be provided shortly. Preliminary surface mapping of the main pegmatite exposures has been carried out, with further surface mapping to continue in the coming weeks. All meaningful and material exploration data has been reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further drilling (Phase II) will be conducted to test step-out and depth extensions to the currently known mineralised pegmatites, and to infill some areas of the known body to increase the confidence in support of a planned resource estimate. Detailed geochemistry to determine trends of known mineralised zones and to delineate high grade trends within the mineralized pegmatite. Further detailed surface mapping to uncover possible strike extensions. Property-scale mapping and prospecting will also be completed in order to uncover any mineralized pegmatites in a parallel structure or much further along strike.