ASX Release
8 August 2018

Exploration Update – Canadian Cobalt & Lithium Projects

MetalsTech Limited (ASX: MTC) (the **Company** or **MTC**) is pleased to provide the following update in respect of its wholly owned cobalt and lithium projects located in Ontario and Quebec respectively, Canada.

Highlights

COBALT – ONTARIO

- Dominant and strategic 150 km² ground holding in the Cobalt Province of Ontario
- 5,000m diamond core drilling program across three projects fully funded
- Drilling contractors appointed for Rusty Lake (**RL**), Bay Lake (**BL**) and Bay Lake North (**BLN**) projects
- BLN is fully permitted with diamond drilling scheduled to commence in mid-to-late August followed by the commencement of drilling at the RL and BL projects, once final permits are received
- Drill program locations confirmed, orientation surveys being finalised
- Planning permits for drilling submitted in June for RL and BL, approvals pending and imminent
- Geological mapping/geophysics confirms surface cobalt mineralisation at all projects
- Excellent existing road access and project logistics

Rusty Lake Mine

- Surface outcropping mineralisation; old workings identified over strike over a length of 1.5 km
- Geological mapping and drill hole location positioning complete
- Initial 2,000 - 3,000m diamond drilling campaign finalised – awaiting permit to proceed
- Correlation between geophysics and (surface) mineralised zones

Bay Lake North

- Reconnaissance and surface mapping complete with three "walk up" drill targets identified
- Soil samples and rock chip samples collected with assays expected this month
- Initial 1,000 - 1,500m diamond drilling campaign scheduled at *Sixth Sense* and *Basic Instinct* prospects within BLN

Bay Lake

- Drill hole location selected – awaiting permits to proceed
- Initial 1,000 - 1,500m diamond drilling campaign at *Vanchester, Memento* and *Inception* prospects within BL

LITHIUM – QUEBEC

- Minimum expenditure commitments met, and assessment reports submitted for all lithium projects - claims in 'good standing'
- DRA Global engaged to complete a concept study for Cancet to assess the magnitude of further exploration work required to take the project to a stand-alone development opportunity
- Aero-magnetic surveys recently completed at Lac Rocher, Gladman, Kapiwak and Sirmac-West projects as a precursor to defining further exploration programs
- OTV survey and regional mapping program to commence at Cancet in August as a precursor to further exploration

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Projects

Cancet (Li)	100% owned
Adina (Li)	100% owned
Terre Des Montagnes (Li)	100% owned
Wells-Lacourciere (Li)	100% owned
Kapiwak (Li)	100% owned
Sirmac-Clapier (Li)	100% owned
Bay Lake (Co)	100% owned
Rusty Lake (Co)	100% owned

Cancet

- Downhole geophysics scheduled for known lithium mineralisation orientation and extension analysis
- Desktop concept study commenced to outline project advancement strategy
- Completion of field program commencing in August will underpin the next major drilling program
- Detailed data room updated to support project level sell-down discussions

Adina

- Detailed data room updated to support project level sell-down discussions
- Investigating potential joint venture or farm-out opportunities

Strategic Tenure: Terra Des Montagne

- Completion of a large aero-magnetic survey on the 13,074 Ha property this year
- Adjacent to tenure owned by Nemaska Lithium (TSX.V.NMX) which contains the Whabouchi Spodumene Mine with an NI 43-101 Compliant Resource of 44Mt @ 1.46% Li_2O (Source: www.nemaskalithium.com)

Strategic Tenure: Sirmac-Clapier

- Completion of an aero-magnetic survey on the 1,931 Ha property this year
- Adjacent to the Sirmac deposit owned by Vision Lithium (TSX.V.VLI), which includes Nemaska Lithium as a 19.99% cornerstone shareholder and lithium marketing partner

Strategic Tenure: Kapiwak

- Completion of an aero-magnetic survey on the 6,382 Ha property this year
- Adjacent to the James Bay Deposit owned by Galaxy Resources (ASX.GXY) which boasts a JORC Indicated Resource of 40.3Mt @ 1.40% Li_2O (Source: www.galaxylithium.com)

Project Pipeline: Gladman, Lac Rocher and Sirmac-West Projects

- Aero-magnetic surveys have been used to define the next stages of ground mapping and prospecting programs at each of the three projects

SUMMARY OF DEVELOPMENT ETHOS

- MTC is focused on applying the majority of its cash at bank towards drilling at its cobalt assets due to the 'high impact' and relatively low cost of exploration
- Cancet is our most advanced lithium project and we have commenced a concept study as well as planned further exploration during August to define the appropriate development strategy
- While MTC owns a very valuable and prospective portfolio of lithium projects, including projects that are located adjacent to some of the world's most exciting hard rock lithium developments, the Company strongly believes that due to the comparatively higher cost of exploration at these projects (relative to exploration costs at our cobalt projects), MTC will achieve a greater return on shareholder equity in the long term by securing non-dilutionary project level investment to take these projects forward

COBALT PROJECTS UPDATE – ONTARIO

Through a series of strategic acquisitions and investments, MTC has secured a dominant landholding in the Cobalt region across three key projects (inclusive of the pending acquisition at BLN). Bay Lake, Bay Lake North and the formerly producing Rusty Lake mine make up an area of approximately 15,600 Ha (156 km^2) (see figure 1 below).

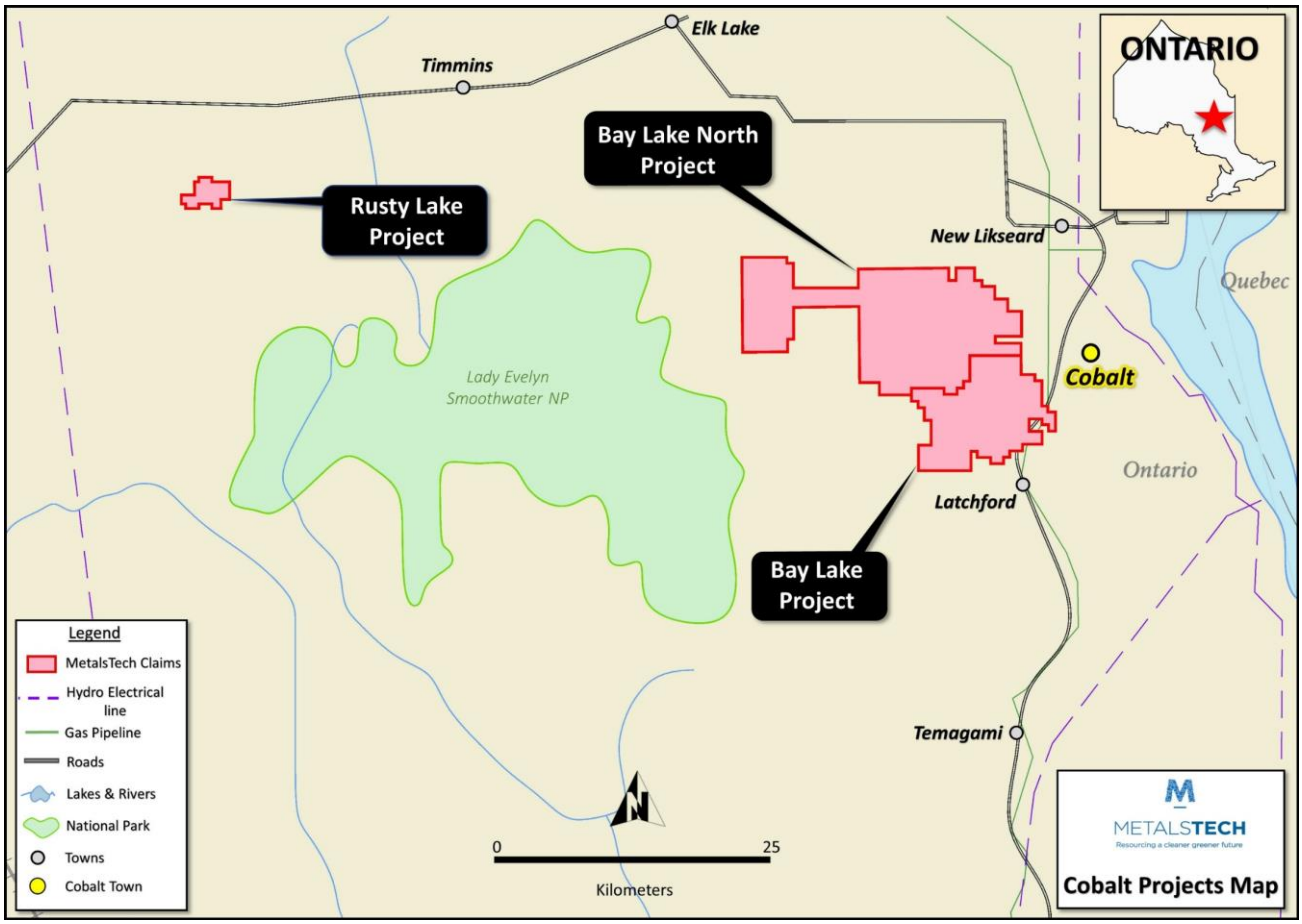

Figure 1: Location of MTC's cobalt projects in Ontario, Canada

The Company has recently entered into an acquisition agreement to secure a significant and contiguous ground holding in the area around the township of Cobalt, an area which is regionally significant due to the proliferation of historical mines (primarily silver and cobalt) (see Figure 2).

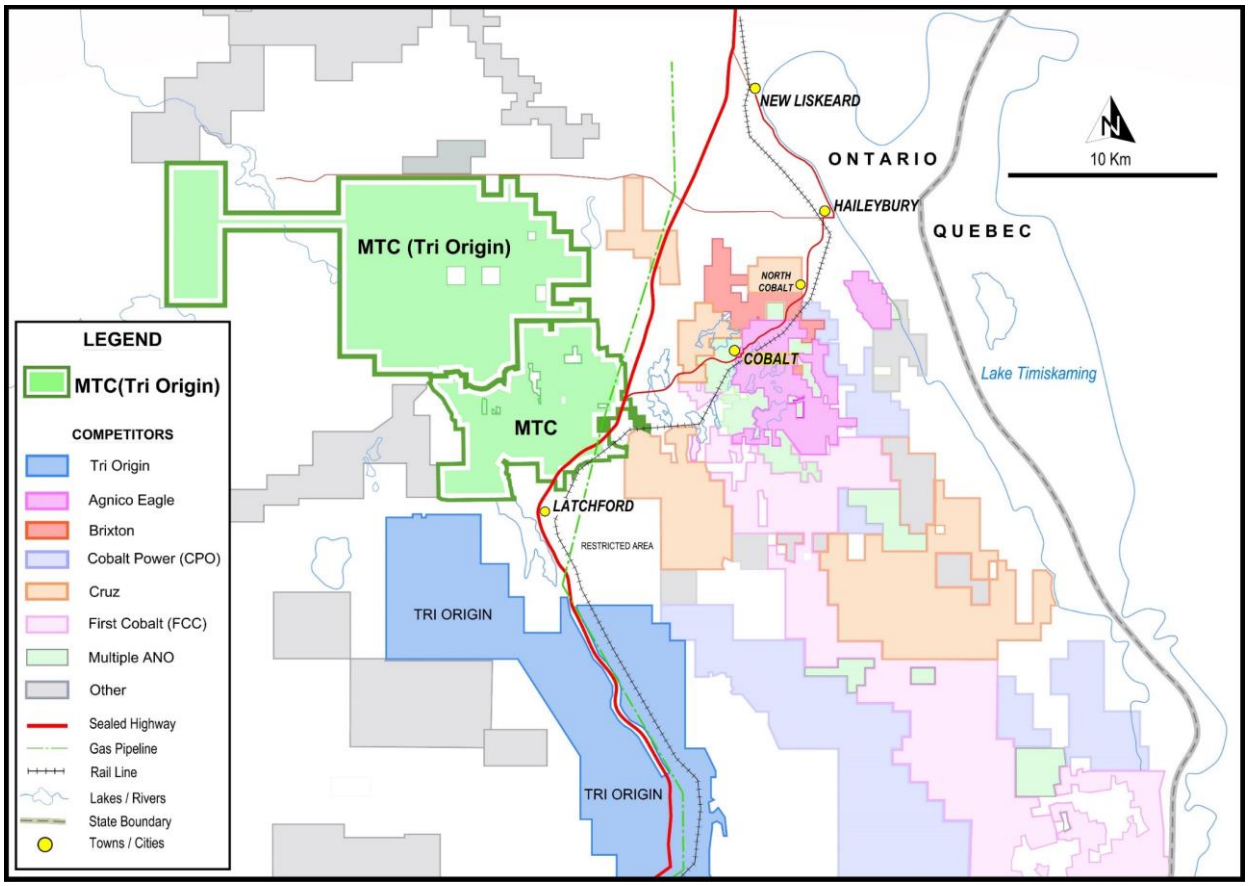

Figure 2: Regional overview of MTC and selected cobalt explorers in Cobalt Ontario (including BLN)

For the past several months the Company's geological and technical team has been systematically appraising the three cobalt projects and conducting due diligence on potential new opportunities.

Work completed to date includes ground geophysical orientation survey, geochemical sampling programs, reconnaissance sampling programs of historically mapped metal occurrences, prospect scale geological mapping and soil sampling and the engagement of industry experts to interpret the accumulated data.

The culmination of this work has resulted in the identification of specific drill hole locations at all three projects (Rusty Lake Mine (RL), Bay Lake (BL), Bay Lake North (BLN).

5,000m of diamond drilling across RL, BL and BLN has been planned to test the cobalt dominant mineralisation that is visible in outcrops at all three projects.

Permits to drill have been granted for two of the three 'walk up drill targets' at BLN and final permits are in process for the third target (as well as several other targets recently identified).Permits to allow drilling at RL and BL are anticipated to be received imminently, which will allow the Company to continue its cobalt exploration focus. The drilling budget will be spread over the three projects, with initially 2,500m proposed to be drilling at the contiguous BL and BLN projects and the balance to be drilled at RL.

The target mineralisation at all project locations is typically narrow at surface (less than 1.5m wide), vertically dipping (ideal for underground mining methods), exhibits cobalt dominant mineralisation which is likely to be associated with other metalliferous elements (such as silver, copper, nickel) evidenced in the samples assayed to date. The exploration strategy will not only test the extent of the surface mineralisation tracing it along strike, but will also test the thickness of the mineralisation at depth.

Rusty Lake Project

The Rusty Lake Mine has demonstrated production of both silver and cobalt, from historical mining records (see Figure 3).

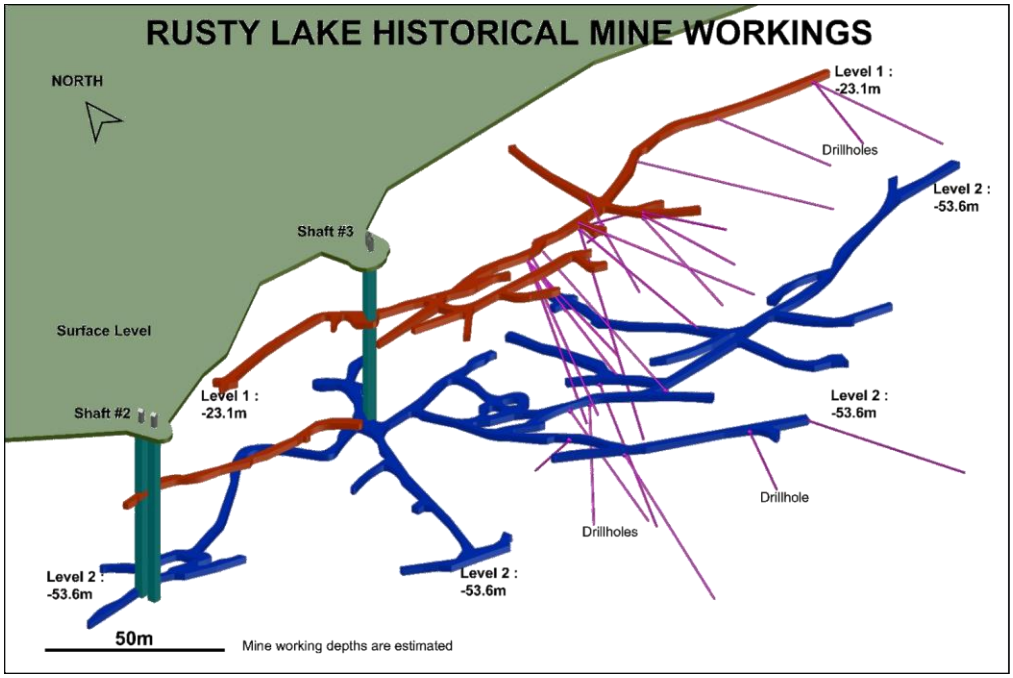

Figure 3: Mine Workings at Rusty Lake Mine – Illustrative purposes only, based on historical reports

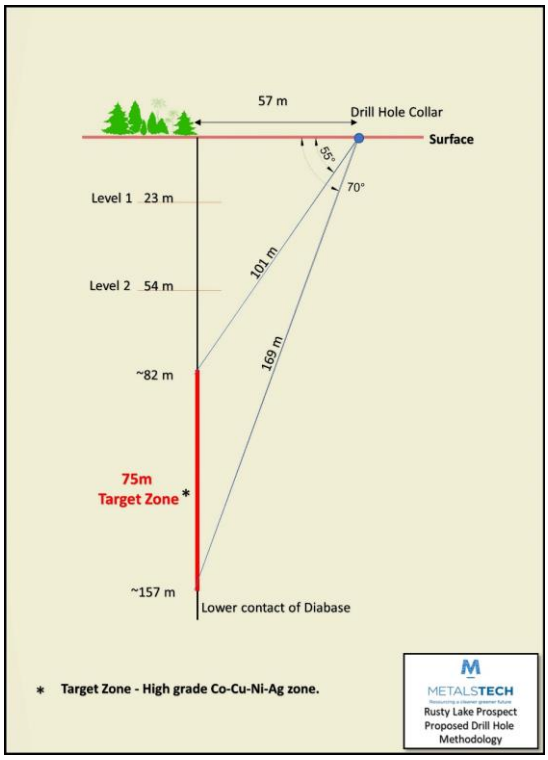

Figure 4: Example of proposed Rusty Lake vectors for the drill program

Drilling at RL will test the depth and strike extent of the known mineralisation which is thought to have been mined to a vertical depth of approximately 50m (and for a strike length of circa 200m). The majority of the proposed drill pads are planned to allow for two drill holes to be completed at different angles to test the depth extent of the vertical mineralised zone (see Figure 4).

The drill holes have been planned to intersect the mineralisation below the old workings/mine shafts.

Between 2,000-3,000m of drilling is planned for the Rusty Lake Mine project. See Figures 5a and 5b.

The initial program is over a 400m strike length, however the prevalence of previous historical workings including costeans, trenches and shafts extends over 1.5km and will be assessed for future drilling based on assays and visual assessments from the current program.

The drill rig is available to be mobilised to this project upon notification of approval to drill which is anticipated in approximately 4-6 weeks. The RL project represents a brownfields exploration project with a number of readily identified drill targets hosted within highly prospective geology and with the benefit of previous mining activity.

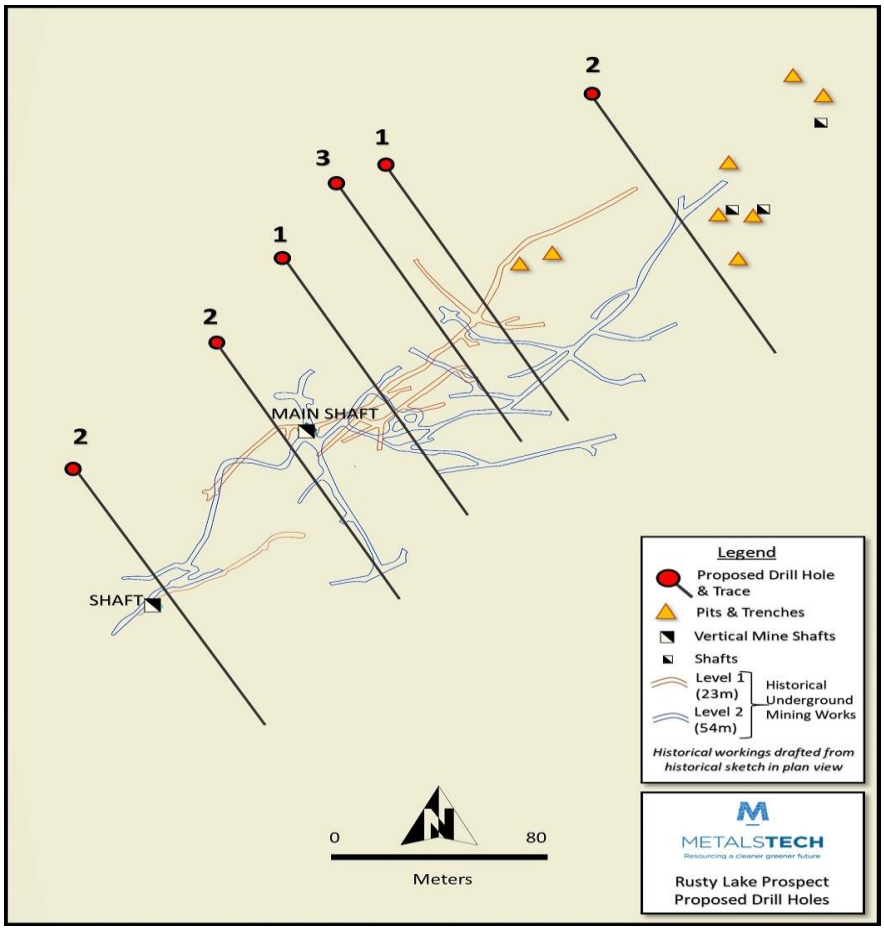

Figure 5a: Proposed drill hole traces over historical workings

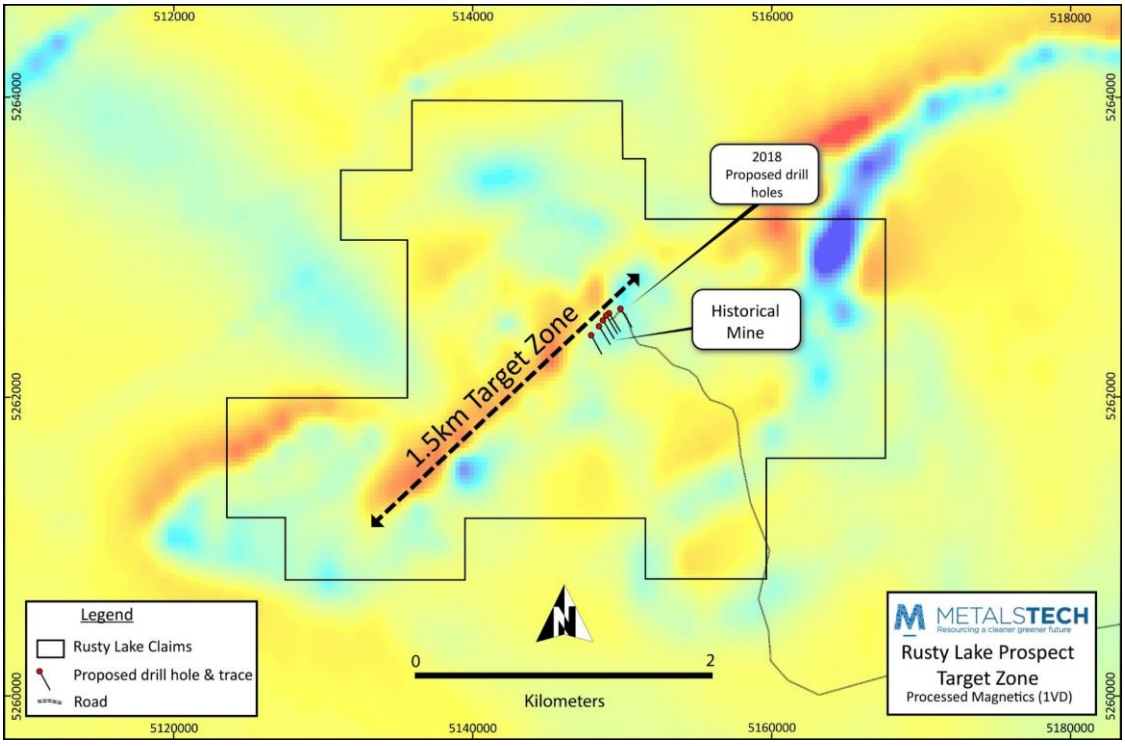

Figure 5b: Initial drill collar location and potential strike extension based on historical workings

Bay Lake North Project *(Refer to ASX release 26 July 2018 for specific transaction details)*

The Company has recently completed reconnaissance work and airborne geophysics interpretation as part of the technical due diligence for the acquisition of the 10,600Ha mining claim package that comprise the BLN project. This analysis produced two immediate drill targets, boasting visible surface mineralisation whilst a third drill target was identified via airborne geophysics (and an at depth conductor). The BLN project already has two permitted "walk up" drill targets (see Figure 6 below). Access and ground conditions are excellent (see Figure 7, access roads) and preparation is currently underway to mobilise earthwork contractors to construct the drill pads and the associated sumps.

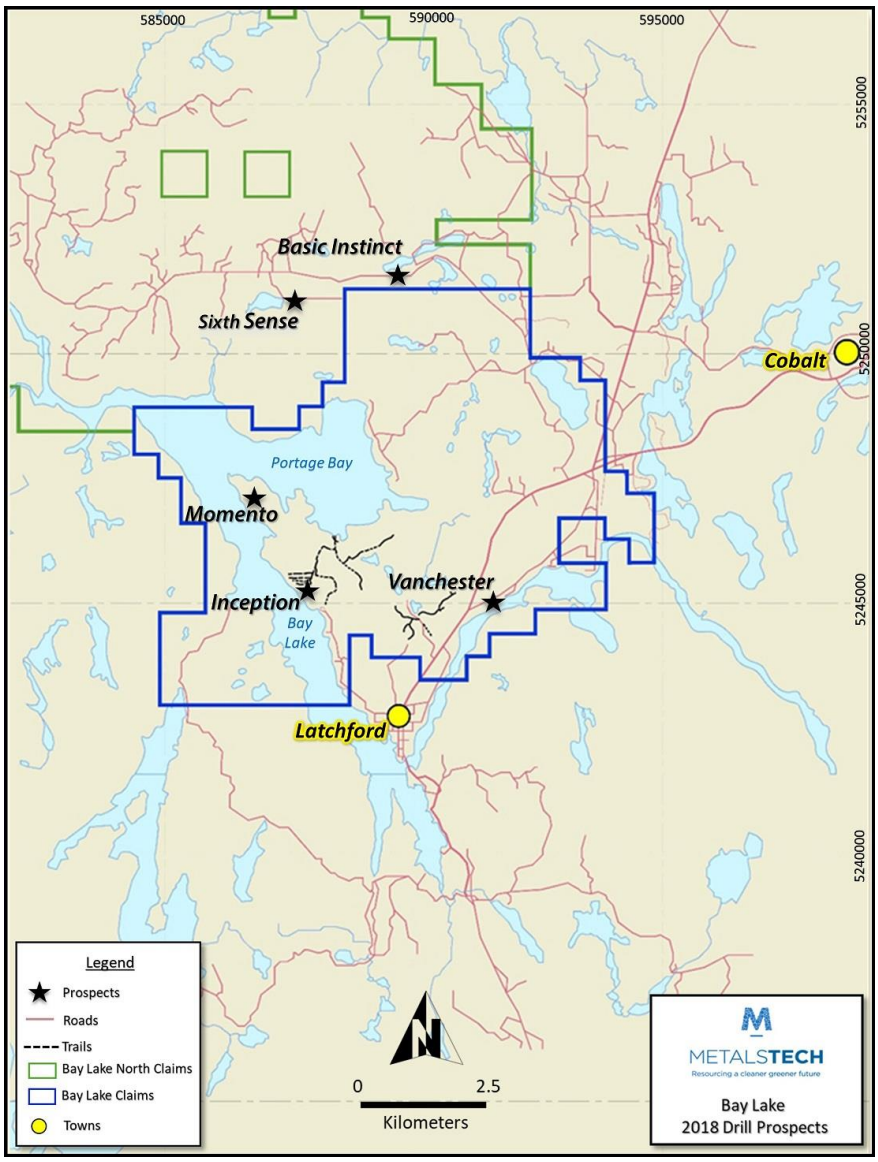

Figure 6: Proposed BL and BLN drill targets

Extensive historical workings have now been identified at two locations within BLN; these prospects will be known as *Sixth Sense* and *Basic Instinct.* The old workings include costeans/trenches and adits. They are filled with water, disguising the depth/dimensions however both *Sixth Sense* and *Basic Instinct* have visible trace cobalt mineralisation observed at surface. Rock chip samples have been sent for laboratory analysis and results are pending. An initial 1,000 - 1,500m diamond core drilling program over approximately ten (10) drill holes has been planned. Drilling is anticipated to commence at BLN in mid-to-late August.

Figure 7: Photo of main existing access road for BLN

Figure 8: Historic adit at Basic Instinct Prospect

The area exhibits a number of (re)discovered areas of historical workings, from which rock chip sample continue to be taken. An example of these historical workings is the adit shown in Figure 8 above.

Bay Lake Project

Soil sampling in conjunction with detailed prospect scale geological mapping has defined three potential drill targets at the BL project. These include *Memento*, *Inception* and *Vanchester* shown in Figure 9 below.

Furthermore, there appears to be a correlation with the geophysical anomalies and the mineralisation which will be tested during the maiden drill program. An initial 1,000 - 1,500m of diamond core drilling for approximately ten (10) drill holes has been planned.

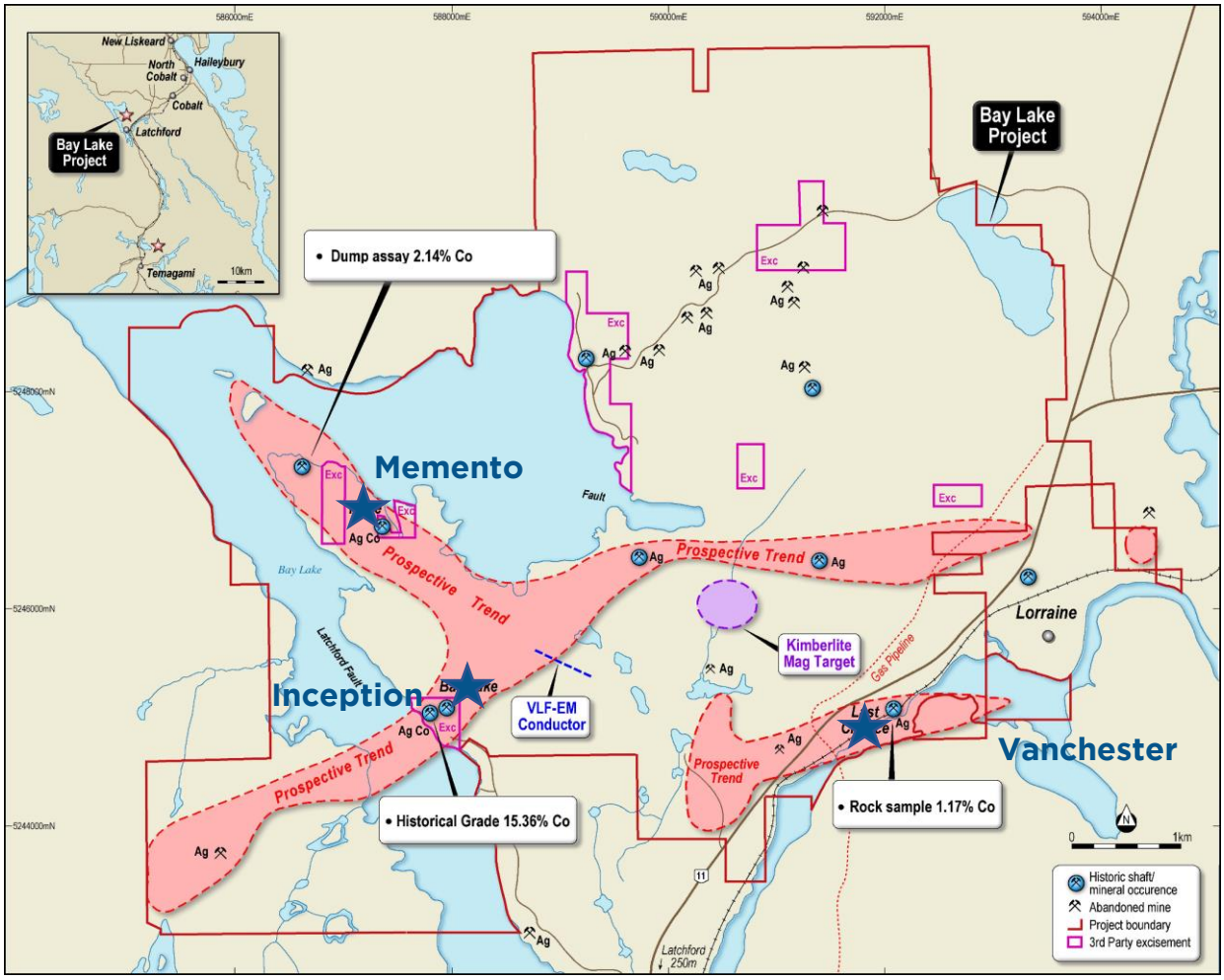

Figure 9: General location of initial prospects, Memento, Inception and Vanchester

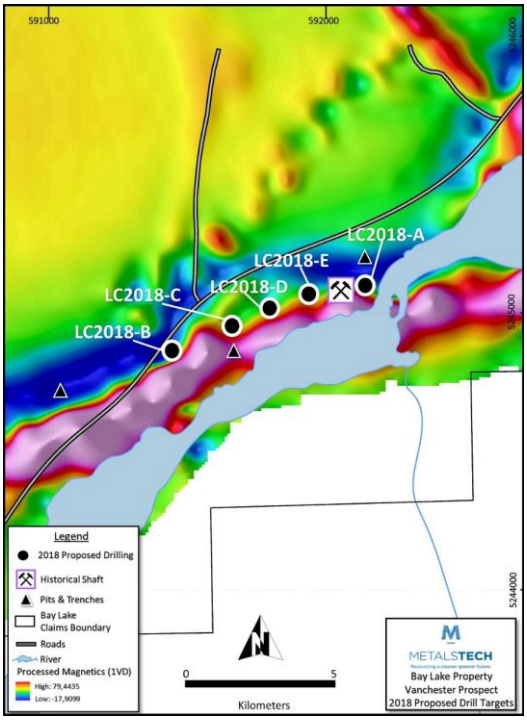

Figure 11: Proposed drill hole locations at Vanchester Prospect over magnetics data depicting a correlation between the mineralisation occurring at mag high/low contact zones

Vanchester has demonstrated a strong correlation within a magnetic high/low contact horizon and as such represents a high priority target.

Figure 10: Cobalt samples from Vanchester

The location also has various waste dumps that are cobalt rich and is located alongside historical adits and shafts.

LITHIUM PROJECT UPDATE – QUEBEC

MTC owns a valuable and high-quality portfolio of hard rock lithium assets in the James Bay Region of Quebec, Canada.

Quebec is consistently ranked by the Fraser Institute as a top jurisdiction globally with respect to investment attractiveness for mineral exploration and development, with the James Bay Region receiving a significant amount of lithium exploration attention due to its demonstrated spodumene-bearing pegmatite potential.

The Company intends to conduct a systematic surface program to rank all of its lithium projects and will then consider further drilling over the most attractive targets.

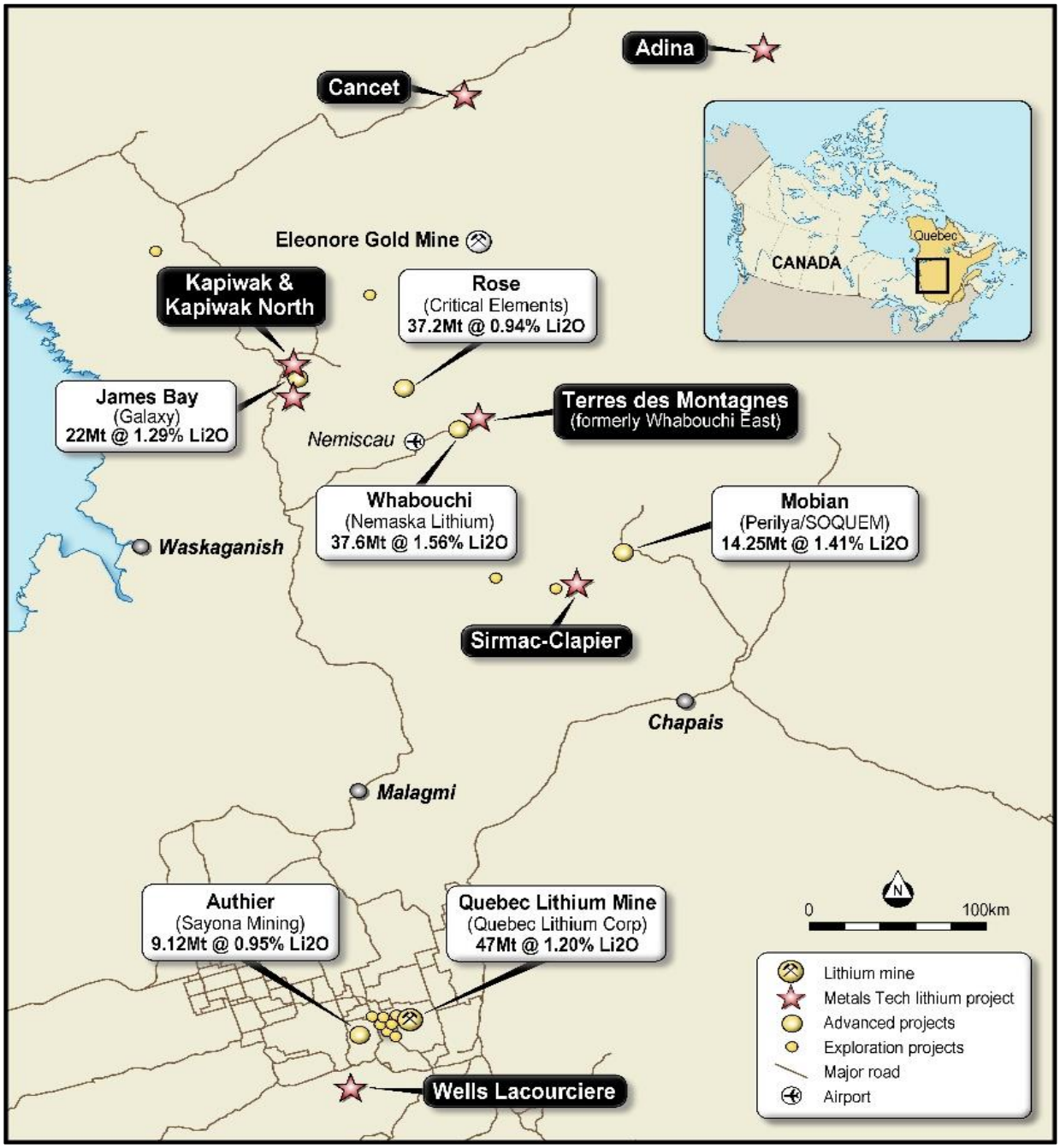

Figure 12: Overview of MTC's lithium project portfolio in the James Bay Precinct in Quebec, Canada

Gladman, Lac Rocher, Kapiwak and Sirmac-West

Planning is underway for the initial exploration program on MTC's wholly owned Gladman, Lac Rocher, and Sirmac-West properties located in the James Bay Region of Quebec. This phase of exploration will be grassroots in nature, consisting of prospecting and rock sampling, with field crews targeting historically documented pegmatite outcrops where spodumene has been identified by the field geologist.

The projects are situated within favourable geologic settings with sizable pegmatite outcrops described;

100 m x 25 m (Gladman),
900 m x 100 m (Lac Rocher), and
900 m^2 (Sirmac-West).

The main showings from these areas will be sampled and the immediate area prospected in detail, to determine extensions along strike. The overarching objective of the field programs for these prospects is to evaluate the potential of the properties to host spodumene-bearing pegmatite(s) of significance.

Adina

The recently completed drilling program comprised of ten (10) diamond drill holes for a total of 1,726m which intersected multiple, well-mineralized pegmatite zones. While our exploration efforts were positive overall, the relatively higher cost associated with further drilling campaigns at Adina compared to other lithium projects owned by the Company and its cobalt projects, has led the Company to prioritise a project level investment to fund future development.

Cancet

The Company intends to undertake additional exploration at its wholly owned Cancet project, located in the James Bay Region, directly adjacent to an all-weather road and regional powerline.

Cancet is the Company's flagship and most advanced lithium asset, with a total of 59 drill holes for 5,216 m of diamond core drilling completed to date. Previous exploration activities were focused on drilling where spodumene-bearing pegmatites of high-grade had been identified at surface.

Cancet boasts a well-mineralized spodumene-bearing pegmatite that is not presently geologically constrained, hosting significant potential. This was highlighted by drill holes MTC17-015 with 3.14% Li_2O and 284 ppm Ta_2O_5 over 18.00m, including 4.12% Li_2O and 118 ppm Ta_2O_5 over 5.0m and drill hole MTC17-021 with 2.24% Li_2O and 310 ppm Ta_2O_5 over 21.46m, including 3.50% Li_2O and 746 ppm Ta_2O_5 over 8.46m (*refer to ASX Announcement dated 9 May 2017 for additional details*).

An Optical-Acoustic Televiewer (OTV-ATV) downhole survey, over approximately fifteen (15) drill holes throughout the drill area will commence in August. The recently completed Phase I and Phase II drill campaigns indicated a material amount of deformation (i.e. folding and faulting) throughout the area. This information gathering survey is considered a logical next step ahead of an anticipated Phase III drill campaign at Cancet. The work will be completed by DGI Geoscience Inc. of Toronto, Ontario with mobilization to site expected to commence from mid-August.

The downhole survey will collect information on joints, fractures, faults, orientations, as well as a high-resolution 360˚ digital image of the drill hole wall. Collectively, the OTV-ATV survey method will allow for the structural orientation of the local geology to be accurately determined, negating the need for oriented core methods which are more time consuming and costly.

Following receipt and interpretation of the survey data, the Company intends to complete a thorough update of the geological model for the Cancet mineralized body. The data will allow for a more representative model and provide for a higher degree of confidence for Phase III step-out and infill drill hole targeting. In addition, a more complete understanding of the structural setting at Cancet may further extend itself to the identification of additional targets through the recognition of potential pegmatite repetitions/stacking, thickening, or structural off-sets.

The 2017 ground magnetic survey completed by the Company has indicated several areas of potential structural off-set which are considered high-potential areas for additional spodumene-bearing pegmatite to be present.

Pegmatite at Cancet has been traced over a strike length of approximately 1.1 km with approximately 500 m of strike length indicated from drilling to be well-mineralized. The Cancet pegmatite remains open in all directions with surface work in the immediate area suggesting more than 2 km of prospective strike length is present, which has yet to be drill tested.

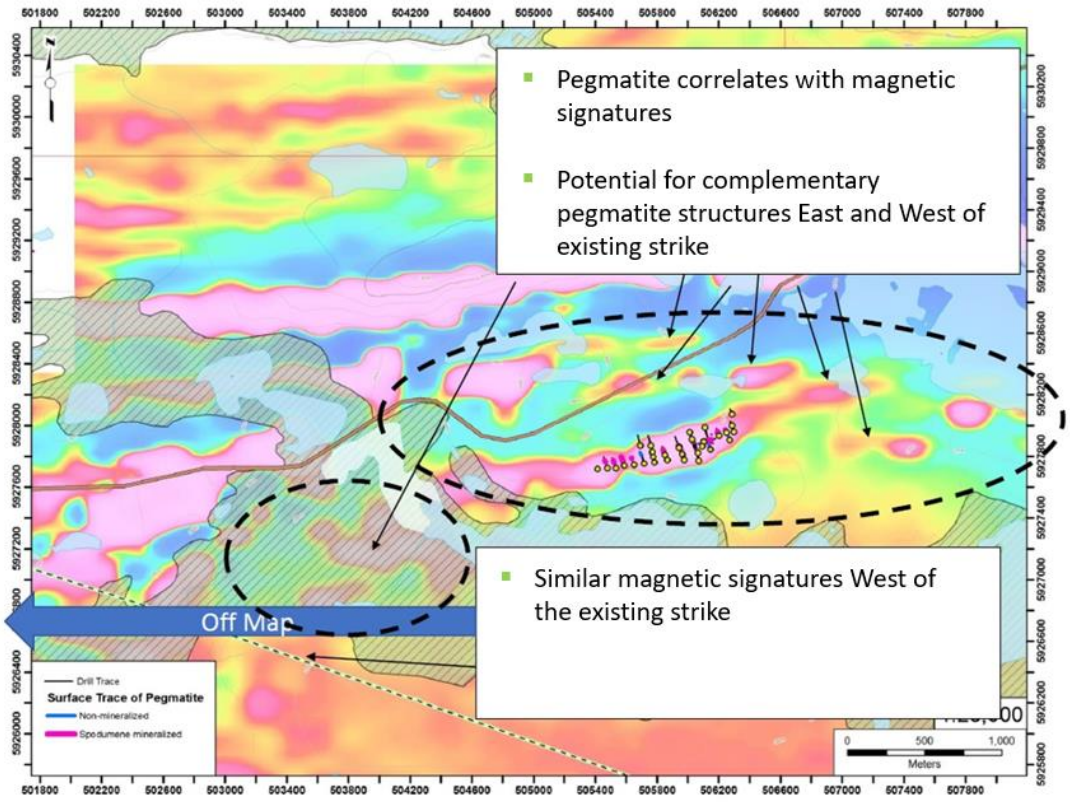

Figure 13: Prospective trends at Cancet

In addition to the OTV-ATV survey, a prospecting and rock sampling program will be completed over regional targets at Cancet where pegmatite outcrop has been documented historically but not assessed for its lithium potential. The regional areas of the Cancet project sit within a favourable geological setting and several targets are yet to be evaluated hosting strong potential for additional spodumene-bearing pegmatite.

The field portion of the exploration program outlined above will be completed by a crew of four (4) and is anticipated to last approximately 2-3 weeks.

Managing Director, David Riekie, commented:

"Over the last few months we have been busy preparing for the maiden exploration programs at our three high grade cobalt projects as well as refining our strategy for the future development of our lithium assets. A number of major catalysts are expected to occur this month for MTC. The next three-month period could herald redefining outcomes for MTC as we look forward to receiving the results across our exploration programs."

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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 Ms Cherie Leeden, who is Technical Director (Canada) and VP Exploration (Cobalt) of the Company. Ms Leeden is a Member of the Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Leeden consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

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

ASX Listing Rules Compliance

In preparing this announcement dated 8 August 2018, the Company has relied on the announcements previously made by the Company and disclosed below. The Company confirms that it is not aware of any new information or data that materially affects those announcements previously made, or that would materially affect the Company from relying on those announcements for the purpose of this announcement dated 8 August 2018.

Rusty Lake Cobalt Project

Pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 23 November 2017.

Bay Lake North Cobalt Project

Pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 26 July 2018.

Cancet Lithium Project

Pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 9 May 2017.