

MetalsTech Commences Exploration At Bay Lake High Grade Cobalt Project

Cobalt and Lithium developer MetalsTech Limited (ASX: MTC) is pleased to announce it has mobilised geological field crew to its 100% owned Bay Lake High Grade Cobalt Project located in Ontario, Canada.

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 has 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 Magnetic (Quadrimag / EM) and VLF-EM survey as part of the Phase II exploration campaign as a pre-cursor to drilling to better define the structural geology of the project
- Laboratory assays for the Cancet Lithium Project are currently being finalised through ActLabs with strong results expected

Commenting on the commencement of exploration at Bay Lake, Executive Director Mr Gino D'Anna stated:

"The Cobalt Mining Camp region is geologically rich and was once the pre-eminent source of high grade silver and cobalt production in Canada. Bay Lake boasts a large number of historical surface and underground mine workings with assays from mine shaft sampling exceeding 15% cobalt and sampling of surface dumps exceeding 2% cobalt. This initial phase of exploration will sample surface stock piles that lie adjacent to historical exploration shafts, pits and trenches as well as assisting our geological team to define drill targets within the high grade silver and cobalt mineralisation."



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Board of Directors

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

Cancet	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

The Bay Lake project hosts excellent infrastructure with the town of Latchford situated less than 2 km to the south and a regional highway crossing the southern portion of the Property.

Commencement of Field Exploration Campaign

The Bay Lake project 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 has mobilised field crew from Dahrouge Geological Consulting Ltd to site for a two-week ground exploration program. The primary objective of the program is 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 planning to undertake an Airborne Magnetic (Quadrimag / EM) and VLF-EM survey prior to drilling commencement.

Executive Director, Mr Gino D'Anna visited the Bay Lake project with the field geologists last week. Mr D'Anna also made site visits of the Yukon Refinery (which is being acquired by Cobalt One Limited (ASX: CO1)), and neighbouring projects including the Hudson Bay Mine and the Teledyne Silver-Cobalt Underground Ramp.

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 the Property 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 the Bay Lake project.



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

The Bay Lake Prospect

The Bay Lake Prospect is located at the south west end of the project and is one of the key areas 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 up to 15.36% 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 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.

Refer to ASX announcement dated 16 May 2017 and titled "*MetalsTech Expands High Grade Bay Lake Cobalt Project*".

Surface Rights Holders Notification Process

On 13 June 2017, the Company held a community open house / meeting to notify relevant stakeholders of the upcoming exploration activities at Bay Lake. The response at the community open house was very positive with many of the community members further assisting the Company in identifying historical exploration shafts, pits and trenches that hadn't been geo-referenced / map-referenced.



Image 4 and 5: Bay Lake High Grade Cobalt Project – Community Open House Meeting



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.

Summary

Historical reports indicate high grade cobalt in silver ore however the project's true cobalt potential remains untested – cobalt was used as a tracer for silver mineralisation but never targeted in its own right.

Both the Bay Lake Prospect and the Price Prospect within the Bay Lake project have been the subject of historical silver and cobalt production. 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 ultimately exploitation.

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 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.

