

ASX Release

7 July 2017



METALSTECH

Resourcing a cleaner greener future

Private and Confidential

James Rowe
Manager Listings (Perth)
ASX Compliance Pty Ltd
Level 40 Central Park
152 – 158 St Georges Terrace
PERTH WA 6000

By Email: tradinghaltsperth@asx.com.au

Dear James,

MetalsTech Limited – Response to ASX Aware Letter (the “MTC Aware Letter”)

We refer to your letter dated 4 July 2017 through which the ASX noted a change in the price of MTC securities from a closing price of \$0.175 on 27 June 2017 to an intraday high of \$0.245 on 28 June 2017 (referred to as the **MTC Price Query**). In addition, the ASX noted the Company’s Trading Halt request, the subsequent announcement entitled “Additional High Grade Lithium Intersected at Cancet Project” (the **Announcement**) and the MTC response to the price query.

For ease of reference, we have adopted the same numbering approach as that set out in the letter to the Company.

1. Yes. The Company considers the results which were described in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities.
2. Not Applicable.
3. The Company first became aware of the results on 27 June 2017, at approximately 3 pm local Ontario time (equivalent to 3 am local Perth time on 28 June 2017). Executive Director, Mr Gino D’Anna was in Canada at the time, in Toronto, and the Company received the analytical results through Dahrouge Geological Consultants, the geological consulting group working with the Company.
4. The results were first communicated to MTC as noted above. However, the results were not discussed between MTC and Activation Labs. The results were given to MTC by Dahrouge Geological Consultants with an interpretation of the results. Activation Labs had shared them with Dahrouge prior to Dahrouge Geological Consultants providing the analytical results and the interpretation to MTC.



Registered Office

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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

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



5. MTC became aware of the results prior to the Trading Halt. Dahrouge Geological Consultants shared the results with MTC as noted in point 3 and 4 above and noted that the results still required QA / QC verification and sign-off and the results should, at that stage, be considered preliminary. Following this initial email exchange, Dahrouge Geological Consultants provided the results in a final version including the interpretation of the results, and noted that the results were deemed final.

Around this time, the Company prepared a draft of the announcement and sent it to Dahrouge Geological Consultants for verification, review and competent person sign-off. The requisite sign-off was not obtained until after the Company had been placed into a Trading Halt. Therefore, the announcement could not be made at any earlier time.

The Company notes its response to the MTC price query, specifically in relation to the HotCopper publication. The Company also notes that it was under the direction of the ASX that the Company be placed into a Trading Halt.

The Company takes all necessary steps to ensure the timely and accurate release of information to the ASX. In this instance, all internal checks needed to be satisfied, which were incumbent on Dahrouge Geological Consultants as the competent person on the announcement.

6. MTC confirms that it is in compliance with all aspects of the ASX Listing Rules that are bestowed upon it as a Publicly Listed Company trading on the ASX. In particular, the Company confirms that it is in compliance with ASX Listing Rule 3.1, which is described as its continuous disclosure obligations.
7. The responses provided above have been authorised and approved by the Board in keeping with its published corporate governance procedures and continuous disclosure protocols, and the Board has instructed Mr Gino D'Anna as Executive Director and Company Secretary, to manage all matters of liaison with the ASX, including but not limited to the matters dealt with in the letter from the ASX dated 4 July 2017 and the Company's response to the MTC price query dated 30 June 2017.

ENDS

For further information, contact:

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4 July 2017

Mr Gino D'Anna
MetalsTech Limited
Suite 1, 100 Hay Street
SUBIACO WA 6008

By email

Dear Gino

MetalsTech Limited (the "MTC") Aware Letter

ASX Limited ("ASX") refers to the following.

- A. ASX price query dated 28 June 2017 noting the change in the price of MTC's securities from a closing price of \$0.175 on 27 June 2017 to an intraday high of \$0.245 on 28 June 2017.
- B. MTC request for a trading halt released to the market at 4.03 EST on 28 June 2017 ("Trading Halt Request").
- C. MTC announcement dated 30 June 2017 titled "Additional High Grade Lithium Intersected at Cancet Project" that included the details of drill results the Cancet Lithium Project (the "Announcement"). In particular, the announcement included Table A: Analytical Summary of Drill Results (the "Results").
- D. MTC response to ASX's price query dated 30 June 2017.
- E. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity"

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information"*.

- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

H. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

I. Example D – Material Mineral Discovery set out in Annexure A of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*

Having regard to the above, ASX asks MTC to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A.

1. Does MTC consider the Results, or any part thereof, in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did MTC first become aware of the Results or any part thereof? In answering this question, please specify the date and time when MTC first became aware of the Results or any part thereof.
4. When the Results were first communicated to MTC by Activation Laboratories?
5. If the MTC first became aware of the Results before the Trading Halt Request, please explain why the Results were not released to the market at an earlier time, commenting specifically on when you believe MTC was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps MTC took to ensure that the Results were released promptly and without delay.
6. Please confirm that MTC is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
7. Please confirm that MTC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MTC with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 7.00 a.m. WST on 7 July 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in MTC's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MTC's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at chris.hesford@asx.com.au and tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow ASX to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to MTC's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that MTC's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in MTC's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Chris Hesford
Listing Adviser, Listings Compliance
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