

December 2017 Quarterly Activities Report

MetalsTech Limited (MTC or the Company) is pleased to report its exploration for the quarter ended 31 December 2017. During the quarter, the Company completed a diamond drilling campaign at the 100%-owned Cancet Lithium Project in Quebec, Canada. Planning for the maiden drilling campaign at the 100%-owned Adina Lithium Project was also finalised during the quarter with a 2,000-metre drilling campaign to commence within the next three weeks. The Company also completed a detailed geological review covering each of the lithium assets in Quebec, Canada, with a view to advancing their exploration and development over the coming quarter. A particular focus will be given to the Terre des Montagnes, Kapiwak and Wells-Lacourciere Lithium Projects.

The spin out of the 100%-owned Bay Lake High-Grade Cobalt Project in Ontario, Canada, through iCobalt Limited is advancing following the appointment of Mr David Riekie as the Managing Director and Alto Capital as the Lead Manager to the IPO. iCobalt will be exploring and developing the Bay Lake Cobalt Project as well as (subject to completion of the proposed transaction) the Rusty Lake Cobalt-Nickel-Silver Mine in Ontario, Canada. iCobalt plans to list on the ASX during Q2 of 2018.

HIGHLIGHTS

Cancet Lithium Project

- Exploration Target at the Cancet Lithium Project estimated in the range of **15Mt to 25Mt @ 1.0% to 2.0% Li₂O and 100ppm to 250 ppm Ta₂O₅** (refer to ASX announcement dated 9 November 2017)
- Results from Phase II drilling at Cancet included (refer to ASX announcement dated 19 December 2017):
 - MTC17-044 – 5.00m @ 1.83% Li₂O from 8.00m depth, including:
 - 1m @ 6.18% Li₂O (12.00m to 13.00m); and
 - 2m @ 1.46% Li₂O (8.00m to 10.00m)
 - MTC17-049 – 14.96m @ 1.43% Li₂O from 1.54m depth, including:
 - 7.96m @ 2.55% Li₂O (1.54 to 8.50m)
 - MTC17-050 – 4.35m @ 1.79% Li₂O from 18.29m depth, including:
 - 2.18m @ 2.29% Li₂O (19.4 m to 21.58m)
- Resource definition drilling to continue at Cancet in mid-2018, after a comprehensive field mapping program. Further drilling designed to extend the strike of the mineralised pegmatite zone as well as further define the mineralisation at depth and drill test additional targets identified through the magnetic survey
- Field mapping, sampling, stripping and trenching of secondary targets, including targets at the newly acquired Cancet East project will also be completed concurrent to the resource definition drilling program



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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 Vellella

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
Rusty Lake	Under Option



Cancel Expansion

- Project increase of 3,162 hectares east of and along strike of the main strike to 12,746 hectares within a similar geological environment - **multiple pegmatite outcrops are evident from satellite imagery** (*refer to ASX announcement dated 15 November 2017*)

Adina Lithium Project

- Maiden diamond drilling campaign to commence at the Adina Lithium Project in February 2018 designed to test 2km outcropping pegmatite, where surface outcrop has assayed up to 3.12% Li₂O (*refer to ASX announcement dated 19 December 2017*)
- 15 to 25-hole drill program is proposed for a total of approximately 2,000 m. The primary objectives of the program are to test the two pegmatite trends, identified and sampled in 2016, along strike and at depth (*refer to ASX announcement dated 19 December 2017*)

Terre des Montagnes Lithium Project

- Acquisition terms for the Terre des Montagnes Lithium Project renegotiated, MTC now owns 100% with no further contingent liabilities or expenditure commitments (*refer to ASX announcement dated 15 November 2017*)
- Strategic project is contiguous with Nemaska Lithium's Whabouchi Mine containing an NI 43-101 Reserve of 27.3Mt @1.46% Li₂O (*refer to ASX announcement dated 15 November 2017*)

Dynavolt Strategic Investment

- Dynavolt is one of the largest battery manufacturers globally and a market leader in EV car and motorcycle batteries with a market capitalisation of approximately 10 billion CNY
- Dynavolt to subscribe for 10,000,000 MTC shares at a price of \$0.30 per share to raise \$3,000,000 with 6 months' escrow, subject to regulatory approval, for which the Company will be seeking shareholder approval
- MTC to facilitate Dynavolt share accumulation strategy by introducing third party shareholders (and advisors) for the acquisition of up to a further 5,000,000 MTC shares through on-market purchases
- If Dynavolt increases its share ownership to >12.5% Dynavolt will earn:
 - a right to participate in placements for 12 months to maintain ownership position
 - a right to match any project-level investment by a third party within 12 months up to 10% project-level interest
- If Dynavolt increases its share ownership to >15% Dynavolt will earn a Board seat
(*refer to ASX announcement dated 6 December 2017*)





BCC Strategic Investment

- BCC to subscribe for 10,000,000 MTC shares at a price of \$0.18 per share to raise \$1,800,000 subject to 12 months' escrow
- MTC to facilitate BCC share accumulation strategy by introducing third party shareholders (and advisors) for the acquisition of up to a further 5,000,000 MTC shares through on-market and off-market purchases
- If BCC increases its share ownership to >15% BCC will be entitled to an MTC board seat
- MTC and BCC to work in good faith to negotiate a project-level equity investment at its projects
- MTC, together with BCC and Dynavolt, will work in good faith to negotiate a project-level equity investment at its projects as part of a larger strategy to develop lithium carbonate / hydroxide beneficiation facility in Quebec underpinned by spodumene concentrate feed from MTC projects

(refer to ASX announcement dated 26 October 2017)

iCobalt Limited – Spin out

- Acquisition of Rusty Lake Cobalt-Nickel-Silver Project in Ontario will add to iCobalt's high-grade assets *(refer to ASX announcement dated 23 November 2017)*
 - 816 hectares including the historical silver and cobalt producing Rusty Lake Mine which operated between 1910-1913, 1936-1938 and 1964-1966
 - 540 hectares of the project area covers the Nipissing Diabase which is the target geological structure for high grade cobalt, silver and nickel within the area
 - Excellent infrastructure associated with historical mining and located 15km south of the town of Gowganda, Ontario with all-weather road access
 - Recent surface sampling at the Rusty Lake Mine yielded the following assays:
 - 4.38% Co, 85.7g/t, Ag, 2.08% Ni (stockpile off main mine shaft)
 - 6.08% Co, 3540g/t Ag, 8.64% Ni (stockpile off main mine shaft)
 - 3.26% Co, 478g/t Ag, 1.31% Ni (stockpile off main mine shaft)
 - 6.04% Co, 38.9g/t Ag, 1.6% Ni (stockpile off main mine shaft)
 - 11.85% Co, >10,000g/t Ag, 2.97% Ni (angular boulder)
 - 9.92% Co, >10,000g/t Ag, 3.93% Ni (angular boulder)
 - 6.33% Co, 69.1g/t Ag, 4.79% Ni (stockpile grab coarse)
 - 3.8% Co, 34.8g/t Ag, 3.93% Ni (stockpile grab coarse)
 - 5.08% Co, 19.4g/t Ag, 0.44% Ni (angular boulder)
 - 5.65% Co, 44.4g/t Ag, 0.48% Ni (angular boulder)
 - 1.47% Co, 30.9g/t Ag, 3.52% Ni (NE trench)





- iCobalt to explore and develop the High-Grade Bay Lake Cobalt Project:
 - 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*)
 - 1.17% Co and 7.7g/t Ag recovered from a surface “dump” pile at the Van Chester (Last Chance) Prospect (*refer to ASX announcement dated 17 August 2017*)
 - 0.40% Co recovered at the historic Price Prospect exploration pit where historic sampling of a surface “dump” pile returned 2.14% Co, 0.11% Cu, 0.48 g/t Au and 1,740 g/t Ag (*refer to ASX announcement dated 17 May 2017 and 17 August 2017*)
 - 0.61% Co, 0.34% Co and 0.15% Co were recovered surrounding the historic Bay Lake exploration shaft where in-vein sampling of the cobaltite vein below ground assayed 15.36% Co (*refer to ASX announcement dated 16 March 2017 and 17 August 2017*)
 - 3.45g/t Au and 44.5g/t Ag also recovered around the Bay Lake exploration shaft and pit suggesting potential for Co-Ag-Au in the area (*refer to ASX announcement dated 17 August 2017*)
 - A previously un-reported zone of mineralisation at a historic pit located approximately 900m NE of the Bay Lake Prospect exploration shaft has assayed 0.30% Co and 16.4g/t Ag (*refer to ASX announcement dated 17 August 2017*)
- Spin out of cobalt projects through iCobalt IPO progressing, iCobalt expected to list on the ASX during Q2 of 2018 under the ticker code **ASX:1CO**
- Mr David Riekie appointed as Managing Director of iCobalt having previously held positions as former Managing Director of Avonlea Minerals Limited (now AVZ Minerals Limited (ASX: AVZ)) and previous General Manager – Corporate of Battery Minerals Limited (ASX: BAT)
- Alto Capital appointed Lead Manager to the IPO of iCobalt
- **Priority Offer** for MTC shareholders
- Priority Offer will entitle MTC shareholders holding a minimum of 15,000 MTC shares, as at the Record Date (**Priority Holder**), a guaranteed right to subscribe for a minimum of 10,000 iCobalt shares at \$0.20 per share (**Minimum Allocation**) and scope to subscribe for additional shares
- Russell Moran, Gino D’Anna and Dr Qingtao Zeng appointed to iCobalt board
(*refer to ASX announcement dated 15 December 2017*)

Completion of Placement

- Completion of heavily oversubscribed placement to sophisticated and institutional investors of 5,933,333 shares at \$0.30 per share to raise a further \$1.8 million, to be issued using the existing placement capacity pursuant to ASX Listing Rule 7.1 (*refer to ASX announcement dated 6 December 2017*)

For further information, contact:

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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.

ASX Listing Rules Compliance

Bay 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 17 August 2017.

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.

Reliance on Previous Announcements

In preparing the Quarterly Activities Report for the period ended 31 December 2017, the Company has relied on the following ASX announcements:

1. ASX announcement dated 16 March 2017;
2. ASX announcement dated 17 May 2017;
3. ASX announcement dated 17 August 2017;
4. ASX announcement dated 26 October 2017;
5. ASX announcement dated 9 November 2017;
6. ASX announcement dated 15 November 2017;
7. ASX announcement dated 23 November 2017;
8. ASX announcement dated 6 December 2017;
9. ASX announcement dated 15 December 2017; and
10. ASX announcement dated 19 December 2017.

In relying on the above ASX announcements and 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 abovementioned announcements or this Quarterly Activities Report for the period ended 31 December 2017.





Competent Person Statement

Rusty Lake Cobalt Project

The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Martin Ethier, PGeo, is a Competent Person who is a Professional Geologist registered with the Ordre des géologues du Québec (Member # 1520), in Canada. Mr. Martin Ethier, PGeo, is an independent consultant to MetalsTech Limited and iCobalt Limited. Mr. Martin Ethier and all competent persons are independent from the issuer of this statement, MetalsTech Limited. Mr. Martin Ethier 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. Martin Ethier consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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

Bay Lake Cobalt Project

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.

Cancet Lithium Project

The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves, as applicable, is based on information compiled by Mr. Darren L. Smith, P. Geol., a Competent Person who is a Professional Geologist registered with L'Ordre des géologues du Québec, in Canada. Mr. Darren L. Smith, P.Geol, 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. Darren L. Smith 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. Darren L Smith consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Metallurgical Testing

The information in this announcement that relates to metallurgy and metallurgical test work has been reviewed by Mr Noel O'Brien, FAusIMM, MBA, B. Met Eng. Mr O'Brien is not an employee of MetalsTech, but is employed as a contract consultant. Mr O'Brien is a Fellow of the Australasian Institute of Mining and Metallurgy, and he has sufficient experience with the style of processing response and type of deposit under consideration, and to the activities undertaken, to qualify as a competent person as defined in the 2012 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code). Mr O'Brien consents to the inclusion in this report of the contained technical information in the form and context as it appears. Mr O'Brien meets the requirements to act as a Qualified Person.

