



2 May 2019

Chris Hesford
Advisor Listings Compliance (Perth)
ASX Compliance Pty Ltd
Level 40 Central Park
152 - 158 St Georges Terrace
PERTH WA 6000

By Email: chris.hesford@asx.com.au

Dear Chris,

We acknowledge receipt of your letter dated 30 April 2019 and titled Appendix 5B Query.

MetalsTech addresses your specific questions as follows:

In response to Question 1 -

Yes, the Company will continue to have negative operating cashflows for the time being until it is in receipt of the Exploration Resource Credit tax refunds referred to in our previous announcements.

As a junior exploration company, it is not uncommon for such entities to have negative operating cashflows.

In response to Question 2 -

The Company is currently engaged in a process of farming-out and monetising its existing portfolio of lithium and cobalt assets.

In addition, and if required, MetalsTech has the ability to raise further capital from the equity markets to fund its operations. However, no decision has been finalised on any equity markets capital raisings, and no agreements have been entered into at this point in time.

MetalsTech anticipates that if further delays in receipt of the tax refunds occur, then it may need to complete a capital raising.

In response to Question 3 -

Yes, MetalsTech expects to be able to continue its operations and has reduced its outflows as much as possible and as disclosed in its Quarterly Report:

- a) MetalsTech continues to investigate opportunities for the potential sell-down and joint development of its Lithium assets and;
- b) MetalsTech is engaged with active exploration and developments companies regarding joint venturing its Cobalt assets.

In response to Question 4 -

The Board of Directors has been monitoring the Company's financial position closely and is aware of the need to maintain an adequate financial position under the ASX Listing Rules and the Corporations Law. The Board is also trying to achieve the best value creation scenario for shareholders and formed the view that in this difficult market and in view of a weakening share price that it is in the best interests of shareholders to wait as long as



Registered Office
MetalsTech Limited (ASX:MTC)
Unit 1, 44 Denis Street
Subiaco WA 6008
T +61 400 408 878
E info@metalstech.net

Board of Directors
Non-Executive Chairman - Russell Moran
Non Executive Director - Gino D'Anna
Company Secretary - Paul Fromson

| Projects | |
|--------------------------|------------|
| Cancel (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 |
| Bay Lake North (Co) | 100% owned |



possible for the large tax refunds (circa \$1.9m) to be received before conducting a capital raising, of any type.

The applications for the tax refunds have now been with the Canadian tax authorities for 6 months, which we understand is the mandated maximum time frame to grant the refunds.

MetalsTech has submitted the claims via an international tax consulting firm based in Canada and has already received \$45,000 worth of tax resource credit refunds for some smaller claims in two Canadian subsidiaries. MetalsTech has received tax department audit queries for the larger claims and has already supplied our tax advisers with supporting documentation for every dollar claimed.

The Company sees no reason why the claims will not be processed in full for the amount that MetalsTech has claimed as project exploration expenditure.

In response to Question 5 –

Yes, the Company confirms it is in compliance with Listing Rule 3.1 and there is no further information about its financial condition that has not already been released to the market.

In response to Question 6 –

MetalsTech's response to the queries have been approved by the full board.

Should you have any further queries, please do not hesitate to contact the undersigned.

Regards,

Gino D'Anna
Director

For further information, contact:

Russell Moran
Chairman
M +61 415 493 993
russell@metalstech.net

Gino D'Anna
Director
M +61 400 408 878
gino@metalstech.net





30 April 2019

Mr Gino D'Anna

Company Secretary
Metalstech Limited
Suite 1, 100 Hay Street
Subiaco WA 6008

By email: gino@metalstech.net

Dear Mr D'Anna

Metalstech Limited ("MTC"): Appendix 5B Query

I refer to MTC's Appendix 5B quarterly report for the period ended 31 March 2019 lodged with ASX Market Announcements Platform on 30 April 2019 (the "Appendix 5B").

ASX notes that MTC has reported:

- negative net operating cash flows for the quarter of \$253,000;
- cash at the end of the quarter of \$185,000; and,
- estimated cash outflows for the next quarter of \$180,000.

It is possible to conclude, based on the information in the Appendix 5B that if MTC were to continue to expend cash at the rate indicated by the Appendix 5B, MTC may not have sufficient cash to continue funding its operations. In view of that, ASX asks MTC to respond separately to each of the following questions and requests for information:

1. Does MTC expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has MTC taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does MTC expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that MTC considers may be relevant to ASX forming an opinion on whether MTC is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that MTC is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. 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 **5:00 pm AWST on Thursday 2 May 2019**. 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 to tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me 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 Rule 3.1

Listing Rule 3.1 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. Exceptions to this requirement are set out in Listing Rule 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 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.

Kind regards

[Sent electronically without signature]

Chris Hesford

Adviser Listings Compliance (Perth)

T 08 9224 0003

E chris.hesford@asx.com.au