



September 2018 Quarterly Activities Report

MetalsTech Limited (ASX: MTC) is pleased to report its activities for the quarter ended 30 September 2018.

OVERVIEW

During the September quarter, MetalsTech acquired the Bay Lake North Cobalt Project, which is contiguous with its existing Bay Lake project, west of the town of Cobalt in Ontario, Canada. Shortly following completion of the acquisition, the Company completed a targeted maiden diamond drilling program at Bay Lake North. The complete set of assay results is expected to be received and compiled in the coming days.

In addition, the Company was awarded its drilling permit for the Rusty Lake Cobalt-Nickel-Silver Mine where drilling commenced on 1 October 2018. Drilling was completed at Rusty Lake around 16 October 2018 and assay results from the initial holes are expected shortly.

MetalsTech also completed exploration at its flagship Cancet Lithium Project, staking claims for an additional 7,600 Ha after discovering a well-mineralised spodumene-bearing boulder northeast of the main Cancet drilled area. Total strike considered prospective for pegmatite at Cancet has now been extended to in excess of 6 km, which has reasonable potential to be spodumene bearing.

Board and management changes were made during the quarter with the departure of Mr David Riekie as Managing Director and Ms Cherie Leeden as VP Exploration - Cobalt. Dr Quinton Hills was appointed to the Board of the Company as Technical Director with oversight of the exploration activities at the Company's various cobalt and lithium projects.

The Company lodged refunds pursuant to the Quebec Government Mineral Exploration Rebate Initiative and Provincial and Federal input tax refunds:

- CAD\$1,076,596 (A\$1,164,391) refund lodged pursuant to the Quebec Government Mineral Exploration Rebate Initiative
- CAD\$202,067 (A\$218,545) refund lodged pursuant to the Federal GST Scheme and Quebec Provincial Sales Tax
- Further CAD\$688,027 (A\$744,134) in refunds expected in respect of the Company's subsidiary entities to be lodged in the coming weeks

In addition to cash reserves, the refunds will ensure the Company is well funded for current and future exploration plans while we continue our sell-down process in respect of our lithium assets.

HIGHLIGHTS

- Acquired Bay Lake North Project in Ontario, Canada, contiguous to MTC's existing Bay Lake claims
- Commenced and completed diamond drilling program at Bay Lake North comprising of 8 holes for 1,200m – assay results expected in the coming days
- Commenced drilling at Rusty Lake Project, targeting additional mineralisation along strike and down dip/plunge - Initial assays expected in the coming weeks
- Received drilling permits for Bay Lake Project, where MTC plans to target the *Inception*, *Memento* and *Vanchester* prospects
- Completed OTV-ATV survey and rock sampling at Cancet Lithium Project, Quebec
- Discovered a spodumene-bearing boulder which returned results of 1.32% Li₂O and 1.33% Li₂O from sampling
- Staked claims for an additional 7,600ha at Cancet, taking the project to more than 20,000ha
- Initial exploration of Gladman, Lac Rocher and Sirmac-West projects completed
- Appointed Dr Quinton Hills as Technical Director



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

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
Bay Lake North (Co)	100% owned
Rusty Lake (Co)	100% owned

ACQUISITION OF BAY LAKE NORTH COBALT PROJECT

During the quarter, the Company completed the acquisition of the Bay Lake North Cobalt Project. Bay Lake North (BLN) is located approximately 15 km west of the town of Cobalt and comprises of 51 exploration licenses, covering approximately 10,600 hectares.

BLN has been the subject of both historic and recent exploration by Tri Origin and others, however previous exploration has focused on base and precious metals. Assaying for cobalt did not occur in previous campaigns.

The project has received no known modern exploration for cobalt despite boasting compelling geology capable of bearing cobalt mineralisation. BLN is underlain by Proterozoic sedimentary rocks and Nipissing diabase sills which are the primary host rocks for cobalt mineralisation in the Cobalt area.

Within BLN there are several small historical pits and shafts that boast traces of visible cobalt on the surface. These historical workings were sampled by the MTC exploration team. TOE previously completed aeromagnetic surveys, which has assisted MTC in early assessment and confirmation through preliminary reconnaissance work such as rock chip sampling and mapping. This work led to the identification of three drill targets, known as *Sixth Sense*, *Basic Instinct* and *Mother*.

The three potential drill targets have been systematically appraised via a combination of soil sampling and detailed geological mapping by the MTC field team. These targets are considered “walk up” drill targets.

The BLN drill program comprised of eight (8) diamond drilling holes for approximately 1,200m at BLN.

The location of the exploration license package is best illustrated using the map below which outlines the proximity and scale of the exploration license land packages of MTC and compared to other regionally significant ASX and TSX explorers.

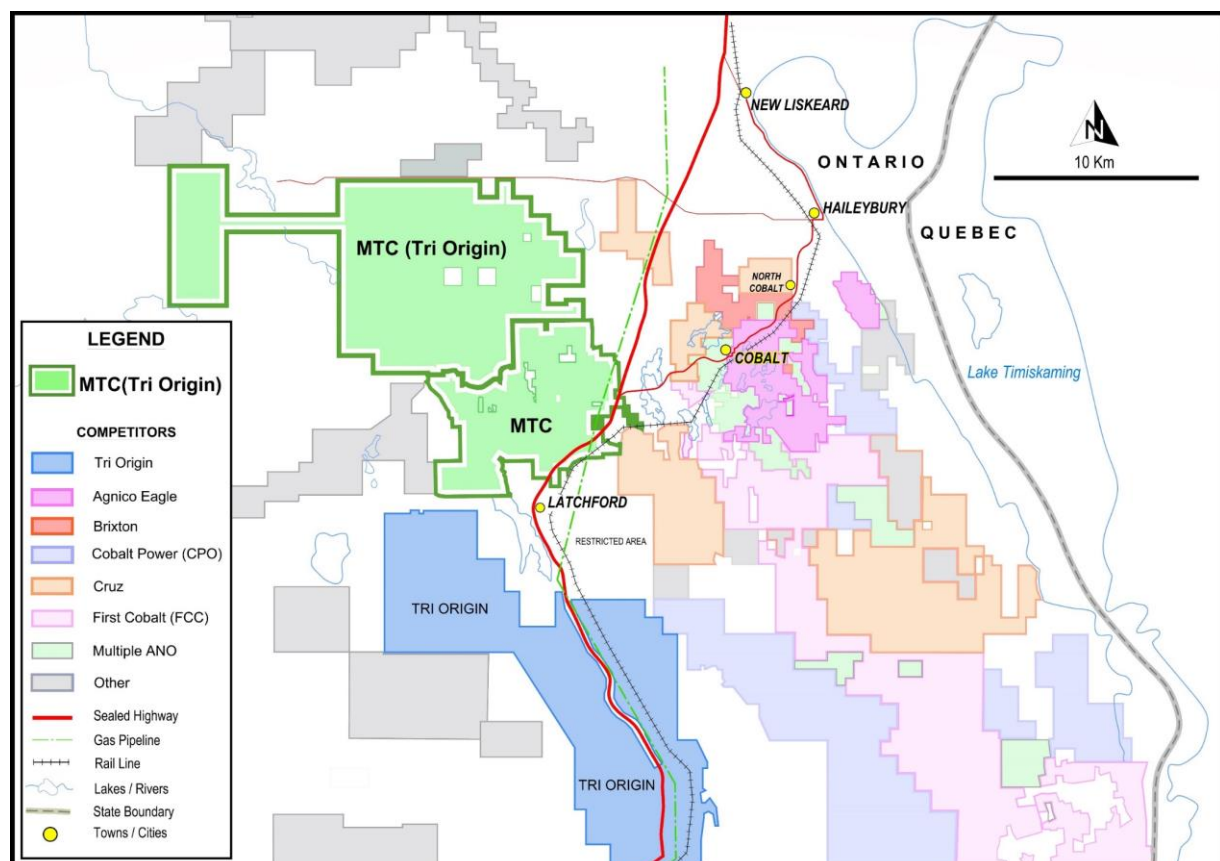


Figure 1: Regional overview of selected cobalt explorers in Cobalt Ontario and outline of MTC's new ground holding



COMPLETION OF TARGETED MAIDEN DIAMOND DRILLING PROGRAM AT BAY LAKE NORTH COBALT PROJECT

During the quarter, the Company completed its targeted maiden diamond core drilling program on the Company's Bay Lake North (BLN) cobalt project, located in Ontario, Canada.

These BLN prospects, which includes *Sixth Sense* and *Basic Instinct* are shown in Figure 2 below.

The drilling program comprised of eight (8) drill holes for approximately 1,200m of diamond core drilling. Core processing, geological logging of the holes and down-hole geophysical surveying of the holes has also been completed on site.

The samples from the drilling program have been prepared and bagged for delivery to the laboratory for analysis. The complete set of assay results from the drilling program are expected to be received within the coming days.

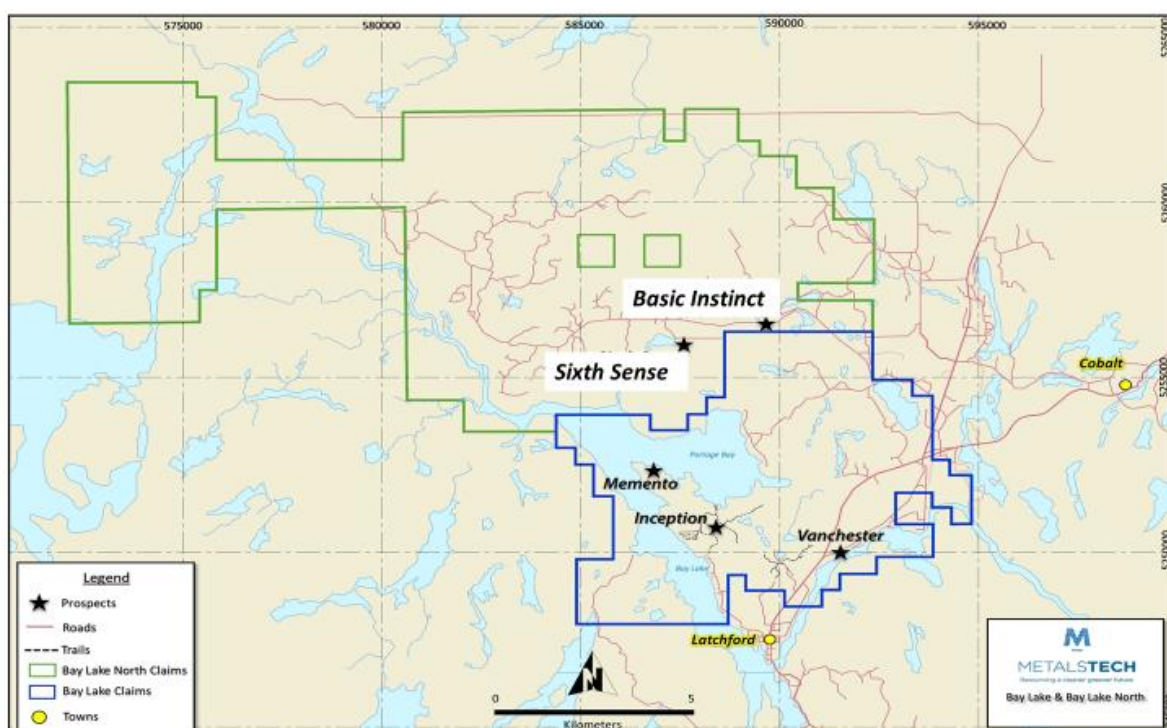


Figure 2: Initial BLN drill targets *Sixth Sense* and *Basic Instinct* and prospects at Bay Lake

DRILLING PERMIT RECEIVED FOR RUSTY LAKE COBALT-NICKEL-SILVER MINE

During the quarter, the Company received the final drilling permits for the planned diamond drill program at the Rusty Lake Cobalt-Nickel-Silver Mine. Drilling will test the depth and strike extent of the known mineralisation which is thought to have been historically 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.

Drill holes have been planned to intersect mineralisation below historical mine shafts.

An initial drilling program of 1,250m has been designed which can be extended further to test for additional mineralisation along strike as well as down dip / plunge.

The initial program will cover 400m of strike length, however the prevalence of previous historical workings including costeans, trenches and shafts indicates the presence of more than 1.5 km of potential strike.



COMPLETION OF DIAMOND DRILLING PROGRAM AT THE RUSTY LAKE COBALT-NICKEL-SILVER MINE

During the quarter, MetalsTech completed its maiden diamond drilling program at the Rusty Lake Cobalt-Nickel-Silver Mine, located in Ontario, Canada. Rusty Lake has demonstrated production of silver and cobalt from historic mining records providing ready targets and zones of prospectivity requiring follow up drilling.

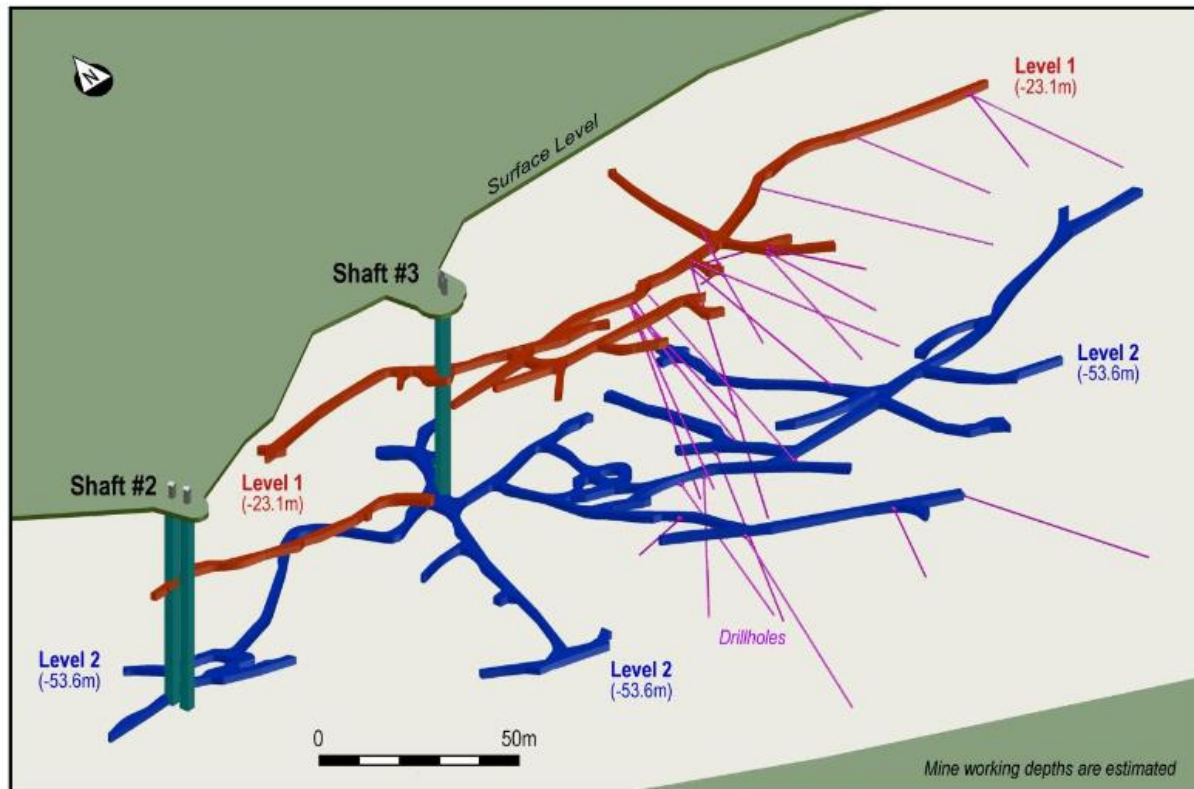
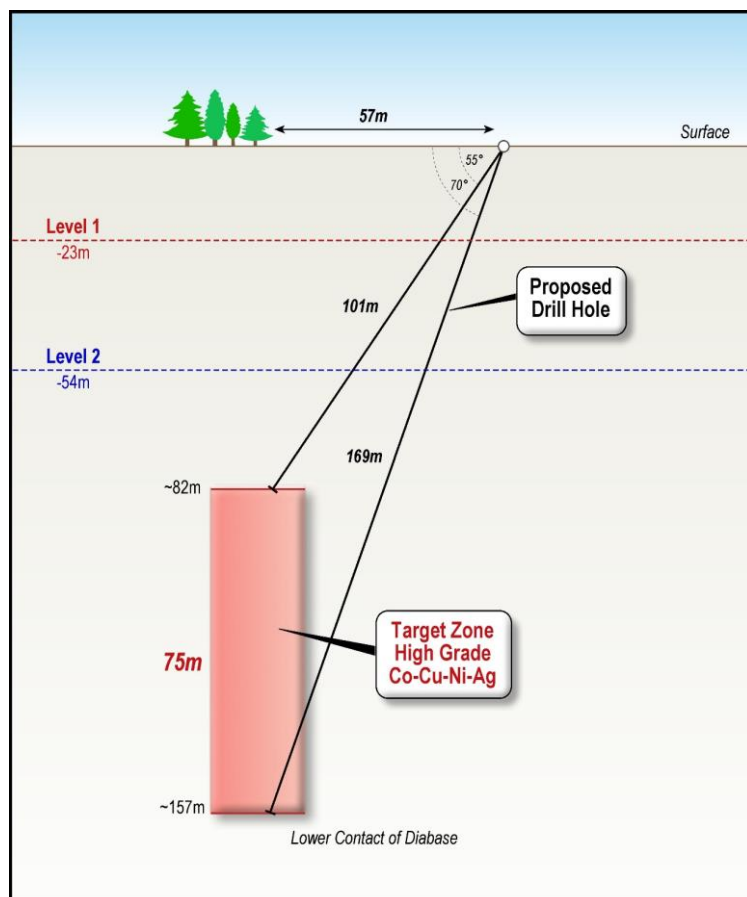


Figure 3: Historic Mine Workings at Rusty Lake Mine – illustrative purposes only, based on historic records

Under the current drill program at Rusty Lake, drill hole locations were focused within the known mineralised zone that was previously mined to a shallow depth of ~50m below surface and have been planned to intersect mineralisation below historical mine shafts. Samples taken from historic waste dump indicate high grade mineralisation (refer to ASX Release titled “MetalsTech Completes Acquisition of High Grade Rusty Lake Cobalt-Silver Mine” dated 12 April 2018) including:

Sample #	UTM East	UTM West	Sample Type	Ag g/t	Co %	Ni %
Q297458	514888	5262346	Angular Boulder	>10000	11.85	2.97
Q297457	514888	5262346	Angular Boulder	>10000	9.92	3.93
Q297459	514908	5262419	Stockpile Grab (main shaft) - coarse	69.1	6.33	4.79
Q297454	514895	5262430	Stockpile Grab (main shaft)	3540	6.08	8.64
Q297456	514889	5262425	Stockpile Grab (main shaft)	38.9	6.04	1.6
Q297452	514879	5262356	Angular Boulder	44.4	5.65	0.48
Q297451	514879	5262356	Angular Boulder	19.4	5.08	0.44
Q297453	514896	5262428	Stockpile Grab (main shaft)	85.7	4.38	2.08
Q297460	514906	5262425	Stockpile Grab (main shaft) - coarse	34.8	3.8	3.93
Q297455	514896	5262423	Stockpile Grab (main shaft)	478	3.26	1.31
Q297461	514901	5262433	Stockpile (main shaft) - fines	402	0.84	0.4
Q297464	514881	5262364	Tailings (main shaft)	69.1	0.06	0.04
Q297462	514884	5262390	Tailings (main shaft)	63	0.03	0.01
Q297463	514882	5262377	Tailings (main shaft)	48.5	0.03	0.01

Table 1: Rusty Lake Cobalt-Silver-Copper Mine – Historical Assays (May 2017)



Drilling tested the depth and strike extent of the known mineralisation which is thought to have been historically mined to a vertical depth of approximately 50m and for a strike length of circa 200m.

The majority of the drill pads were planned to allow for two drill holes to be completed at different angles to test the depth extent of the vertical mineralised zone.

Drill holes were been planned to intersect mineralisation below historical mine shafts.

An initial drilling program of 1,250m was designed which can be extended further to test for additional mineralisation along strike as well as down dip / plunge.

The initial program will cover 400m of strike length, however the prevalence of previous historical workings including costeans, trenches and shafts indicates the presence of more than 1.5 km of potential strike.

Figure 4: Example drill program vectors

Drill collar locations are shown below:

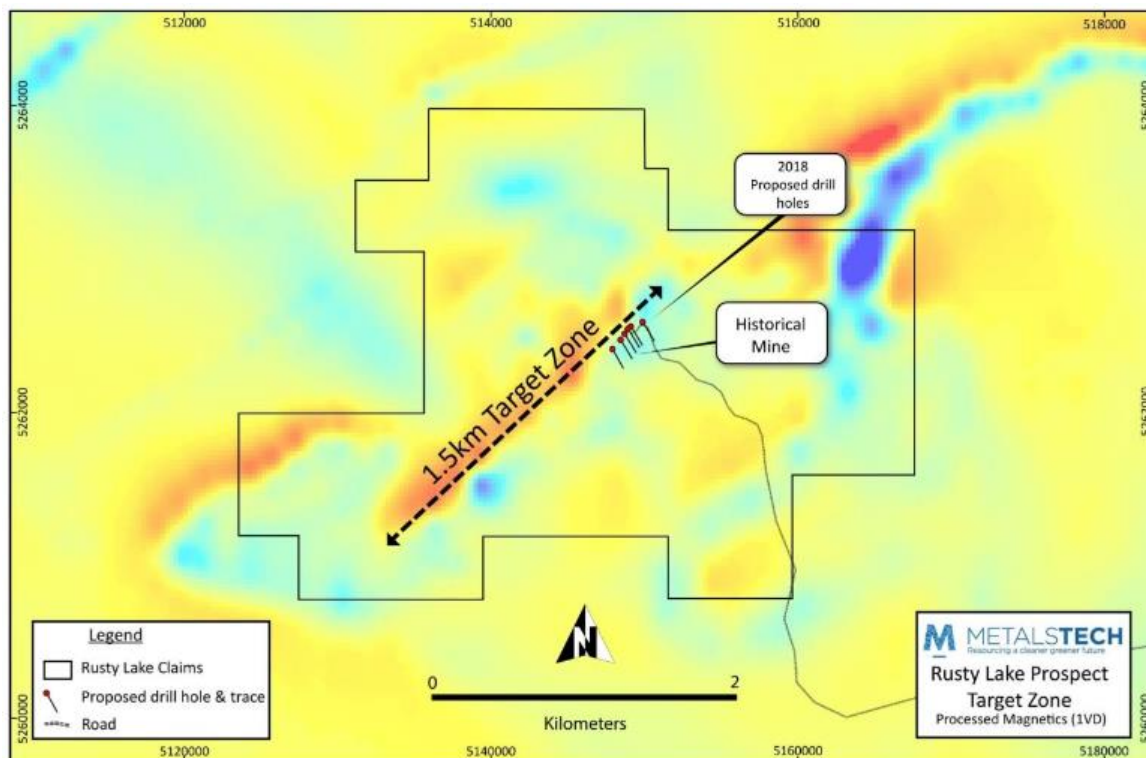


Figure 5: Phase 1 Drill Collars & Trace overlain over Magnetic Geophysical Survey

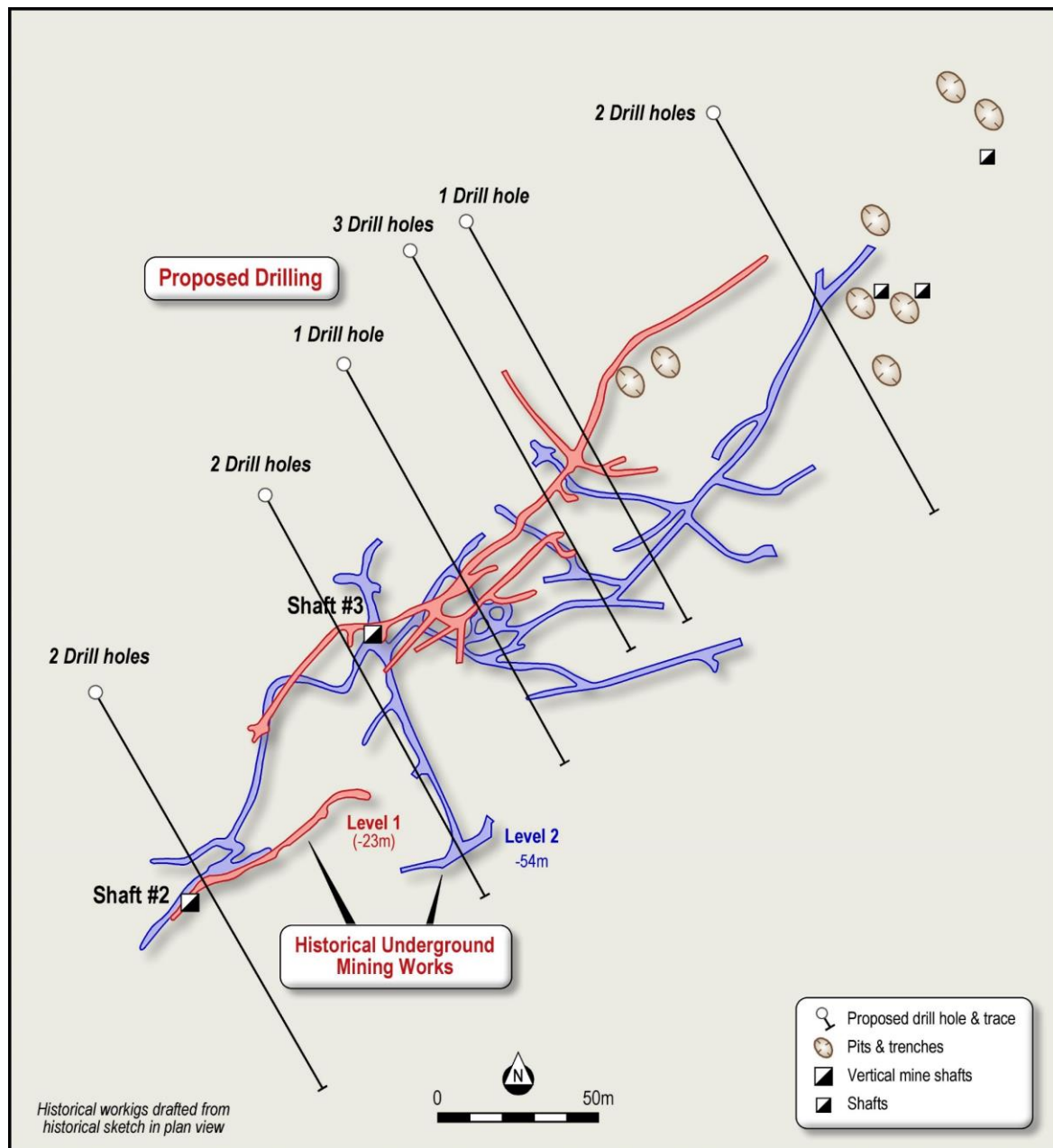


Figure 6: Proposed drill hole traces over historical workings

DRILLING PERMIT RECEIVED FOR BAY LAKE COBALT PROJECT

During the quarter, the Company received its final drilling permits for the Bay Lake Cobalt Project. Soil sampling in conjunction with detailed prospect scale geological mapping completed by the Company earlier this year has identified three priority drill targets at the Bay Lake Cobalt project.

These include **Memento**, **Inception** and **Vanchester** shown in Figure 7 below.

Based on a re-interpretation of the data from the Electromagnetic (EM) airborne geophysical program completed by the Company during 2017, there appears to be a strong correlation between the geophysical anomalies and the mineralisation which has been identified. These targets will be tested during the planned maiden diamond drill program. An initial 1,000 - 1,500m of diamond core drilling for approximately ten (10) drill holes has been planned. This drilling will primarily focus on the **Memento**, **Inception** and **Vanchester** cobalt prospects within the Bay Lake Cobalt project.

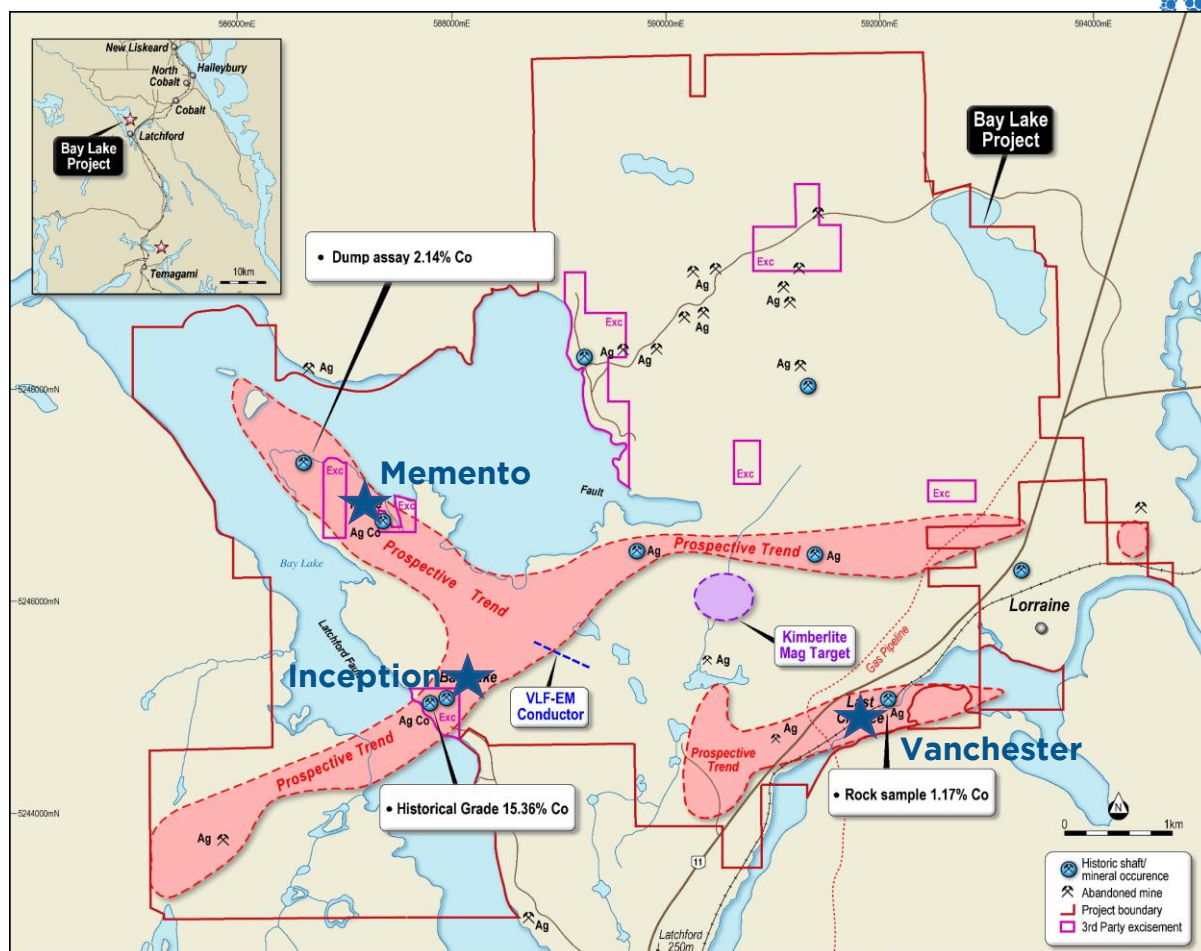


Figure 7: General location of initial prospects, Memento, Inception and Vanchester

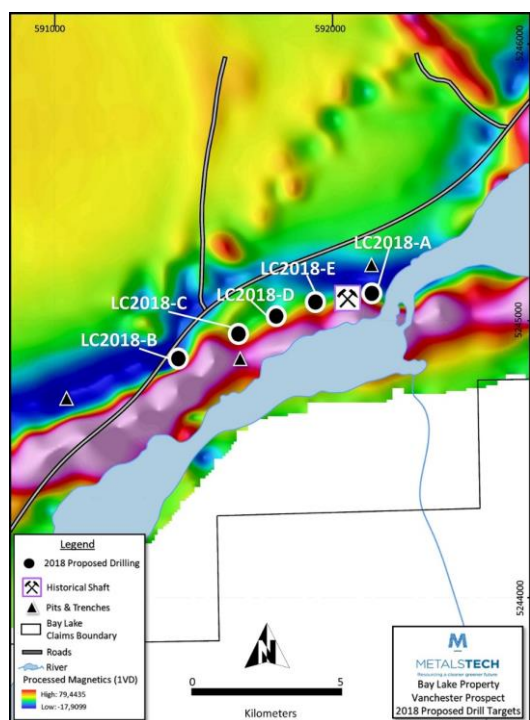


Figure 9: Proposed drill hole locations at Vanchester Prospect over magnetics data depicting a correlation between the mineralisation occurring at mag high/low contact zones

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



Figure 8: Cobalt samples from Vanchester

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

CANCET LITHIUM PROJECT EXPLORATION PROGRAM

During September 2018, the Company completed a field-based exploration program at Cancet, recognised as the most advanced lithium asset in the Company's lithium portfolio, with a total of 59 drill holes for 5,216 m of diamond core drilling completed to date.

Cancet contains 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% Li₂O and 284 ppm Ta₂O₅ over 18.00m, including 4.12% Li₂O and 118 ppm Ta₂O₅ over 5.0m and drill hole MTC17-021 with 2.24% Li₂O and 310 ppm Ta₂O₅ over 21.46m, including 3.50% Li₂O and 746 ppm Ta₂O₅ over 8.46m (refer to ASX Announcement dated 9 May 2017 for additional details).

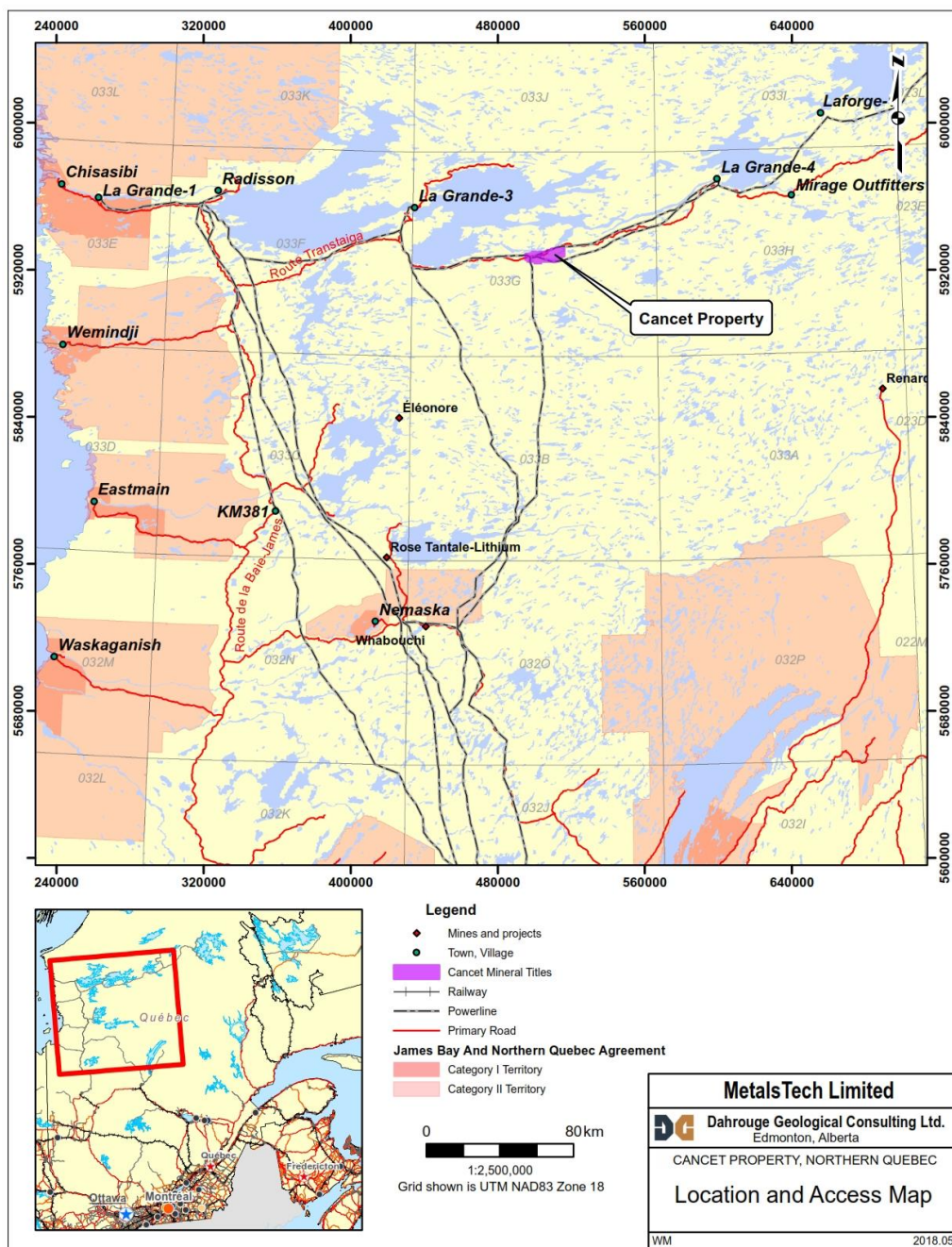


Figure 10: Cancet Lithium Project: Location and Access Map, Quebec (Canada)

New Spodumene Boulder Discovery

During the program, a well-mineralised spodumene-bearing boulder was discovered to the northeast of Cancet. The boulder was visually estimated to have an average modal spodumene content of ~20%.

Analysis of the samples collected was completed by ALS Laboratories and returned results of 1.32% Li_2O for Sample 129644 and 1.33% Li_2O for Sample 129645. The field geologists have confirmed that these results are representative of the entire boulder.

The images below illustrate the mineralised spodumene boulder that was recently identified at Cancet.

Spodumene-bearing Boulder

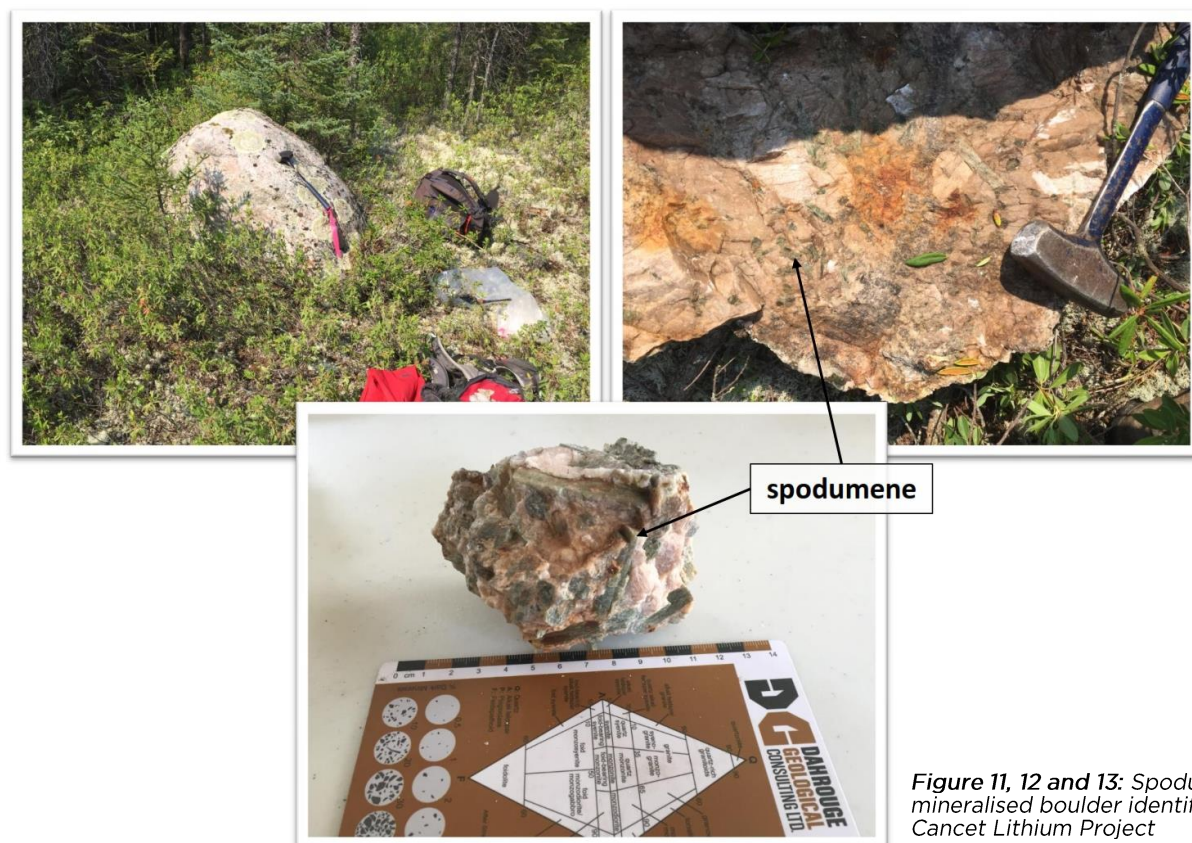


Figure 11, 12 and 13: Spodumene mineralised boulder identified at the Cancet Lithium Project

The mineralised boulder has been described as rounded from glacial transport with approximate dimensions of 1.5m x 1m x 1m and is situated along strike to the northeast of the Cancet and eastern pegmatites at a distance of approximately 5.6km and 4.6km, respectively.

It is situated within approximately 1.9km of the northern claim border and 4.9km of the eastern claim border, which infers the source of the boulder is potentially on the current Cancet Property, however ice-direction and travel distance is difficult to predict.

Based on regional glacial directions, the field geologists have indicated that the source of the mineralised boulder is interpreted to be to the northeast, east, or southeast.

The Company has only completed limited follow-up and it is planned to commence a subsequent field exploration program to comprise of detailed prospecting to determine the source of the boulder. However, as a direct result of the discovery, the Company's land position at Cancet has been significantly expanded with the acquisition, via staking, of an additional 146 claims for a total of approximately 7,600ha.

The aerial extent of the landholding at Cancet now totals in excess of 20,000ha prospective for spodumene mineralised pegmatites.

The newly staked ground comprises three claim blocks: Fin Block (18), North Block (24), and East Arm Block (104). The staking covers the ground which is considered most prospective to host the boulder's source, if not located on the original (i.e. main) Cancet Property block and represents an approximate 60% increase in land position for the Cancet Project.

The map below illustrates the location of the recently discovered mineralised spodumene boulder at Cancet and the relative proximity of the mineralised boulder to the existing drilled pegmatite at Cancet. Also illustrated on the map is the newly staked claim areas.

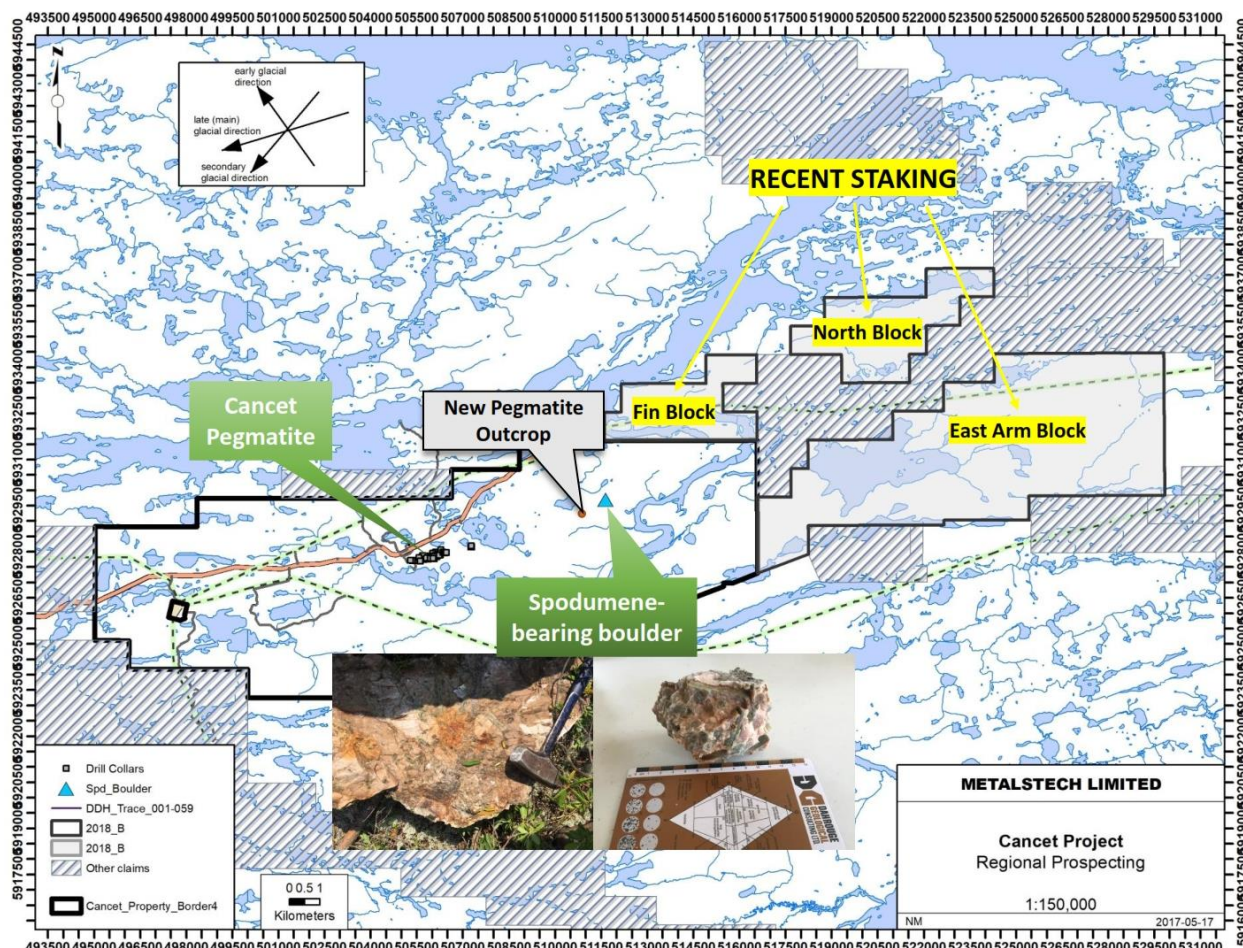


Figure 14: Location map of the recently discovered mineralised spodumene boulder at Cancet and the relative proximity of the mineralised boulder to the existing drilled pegmatite at Cancet. Also illustrated is the newly staked claim areas at Cancet

The new claim blocks host several targets of interest including historically mapped pegmatite occurrences, as well as potential pegmatite outcrop identified from satellite imagery. A detailed assessment of the claim blocks potential with target generation will be completed shortly.

A number of magnetic features have already been identified on the newly staked ground, as illustrated by Figure 15 below.

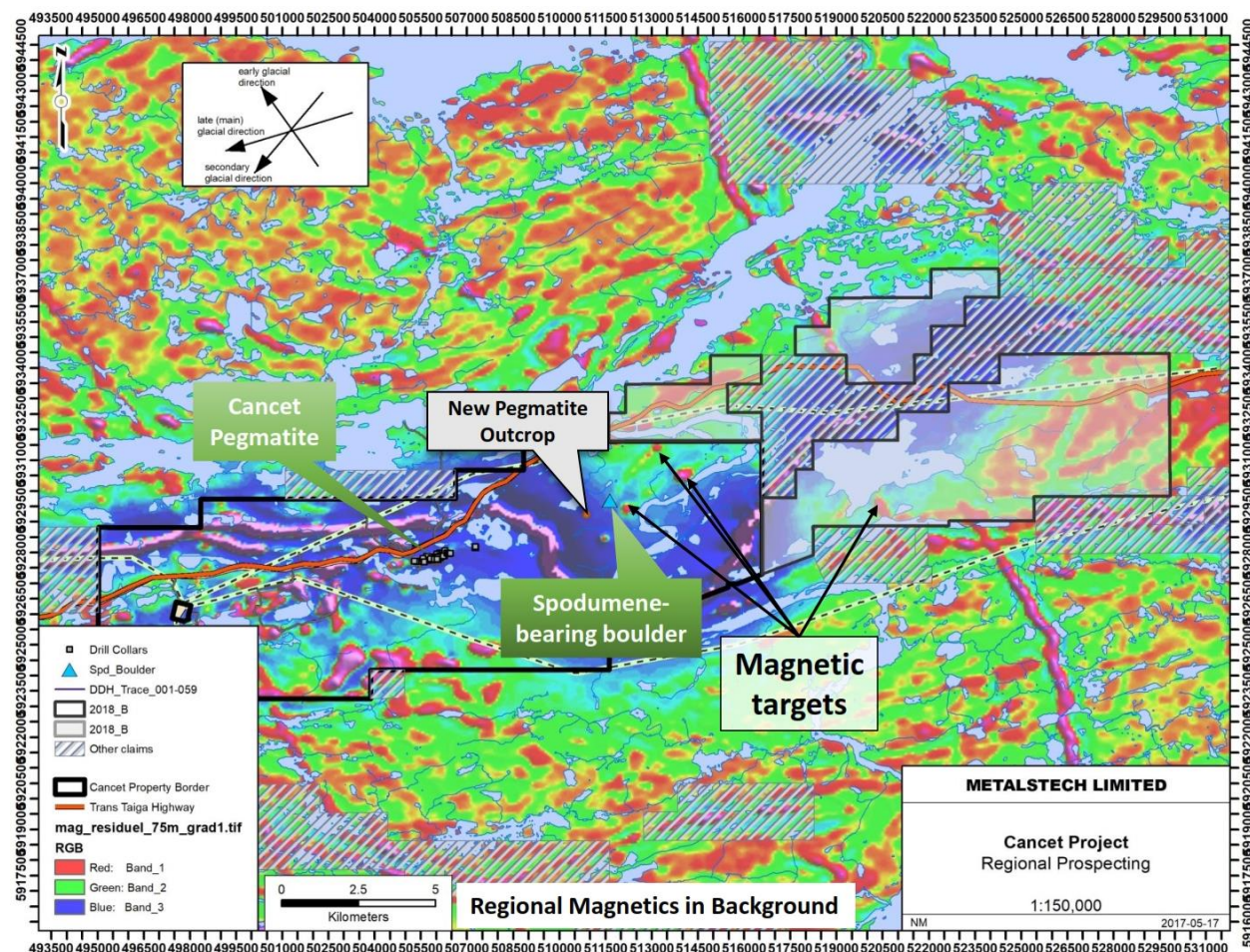


Figure 15: Location map illustrating the 2018 Discoveries and Additional Staking with a Magnetics Base Map

New Pegmatite Outcrop Discovery along strike of Cancel and Eastern pegmatites

An additional pegmatite outcrop has recently been discovered at the Cancel Project situated along strike to the northeast of the Cancel and Eastern pegmatites (discovered during the 2017 field program) at a distance of approximately 4.9 km and 3.9 km, respectively.

Refer to Figure 14 and 15.

The total strike considered prospective for pegmatite at Cancel has therefore been progressively extended to in excess of 6 km, which has reasonable potential to be spodumene bearing.

The newly discovered outcrop is hosted in gneiss with approximate dimensions of 1m wide x 3m exposed, however, is open to both sides.

The Company is currently planning its follow up exploration campaign on this recently discovered pegmatite outcrop. Various techniques will be considered for the next steps of exploration along trend, including trenching, soil surveys, ground mag surveys and till surveys.

Optical-Acoustic Televiwer Survey

In addition to this field program at Cancel, an Optical-Acoustic Televiwer (OTV-ATV) downhole survey was also completed. A total of eighteen (18) drill holes were surveyed by DGI Geoscience Inc. of Toronto, Ontario in order to provide an enhanced understanding of the structural controls of the mineralised horizons.



The downhole survey focussed on collecting information on joints, fractures, faults, orientations, as well as a high-resolution 360° digital image of the drill hole to assist with interpretation of structural orientation of the local geology.

The outcomes of the survey data will be used to support an update of the geological model for the Cancet mineralised body and support a Phase III step-out and infill drilling program.

Discussion of Results

Collectively, the known spodumene occurrences at Cancet, as well as the two new discoveries from the recently completed program, highlight the potential of the Company's land position in the area.

A corridor of up to 6km in length is now considered prospective for pegmatites, which has reasonable potential to be spodumene bearing. Of this distance, starting near the southwestern end, approximately 500m of the Cancet Pegmatite is well-mineralized with the vast majority of the corridor along strike to the northeast not evaluated.

In addition, the discovery of the new spodumene-bearing boulder is significant and indicates a source could be present on the main Cancet block. The boulder is rounded due to glacial transport and distance of travel is difficult to ascertain; however, a review of glacial movement in the region indicates that the source is to the northeast, east, or southeast. Although the distance of travel is not well constrained, the hard nature of pegmatite and the boulders roundness indicate at least a few kilometres is likely, and therefore, the Company has also expanded its land position to cover additional prospective ground in the up-ice direction. These claim blocks are called Fin, North, and East Arm and extend the Property by approximately 10km in the east-northeast direction, and therefore, holds a dominant land position in the up-ice direction of the mineralised boulder.

A more detailed review of the newly acquired claim blocks will be completed in the near-term including targeting for initial prospecting. Once assay data has been received a program can be further refined with the primary objective of tracing the mineralised boulder back to source. The LiDAR and Orthophoto coverage of the eastern end of the main Cancet Property block, that was flown in will also be considered, as it will assist with interpretation of the boulder source.

CORPORATE

Board and Management Changes

During the quarter, Managing Director Mr David Riekie and VP Exploration - Cobalt Ms Cherie Leeden departed after mutual termination of their employment contracts. Directors Mr Gino D'Anna and Mr Russell Moran continued operational supervision of MetalsTech's exploration programs.

In September, MetalsTech announced the appointment of Dr Quinton Hills as Technical Director to oversee the continued exploration and development of its projects. Dr Hills is a qualified geologist and minerals industry executive with 15 years' experience in project generation, exploration and development in base, precious and tech metals in Australia, Botswana, Sweden and Finland.

Lodgement of Quebec Government and Federal Government Refunds

During the quarter, the Company lodged refunds pursuant to the Quebec Government Mineral Exploration Rebate Initiative and Provincial and Federal input tax refunds:

- CAD\$1,076,596 (A\$1,164,391) refund lodged pursuant to the Quebec Government Mineral Exploration Rebate Initiative
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Existing cash reserves combined with, outstanding refunds will ensure the Company is well funded for current and future exploration plans while we continue our sell-down process in respect of our lithium assets.

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 Results is based on information compiled by Dr. Quinton Hills Ph.D, M.Sc., B.Sc. Dr Hills is the technical director of MetalsTech Limited and is a member of the Australasian Institute of Mining and Metallurgy. Dr. Hills 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'. Dr. Hills consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

