ASX Release
16 March 2017

METALSTECH
Resourcing a cleaner greener future

MetalsTech to Acquire Two High Grade Cobalt Projects

Lithium developer MetalsTech Limited (ASX: MTC) is pleased to announce it has entered into two binding option agreements to acquire a 100% interest in each of the New Athona Cobalt Project and the Bay Lake Cobalt Project, both located in Ontario, Canada.

Highlights:

- Acquisition of two (2) high grade cobalt projects with minimal dilution to complement existing high grade lithium projects and complete focus on strategic commodities for the battery market
- New Athona Cobalt Project covers 432 Ha approximately 60km south-west of the town of Cobalt and has assayed up to 2.96% Co and up to 2% Cu
- Bay Lake Cobalt Project covers 672 Ha approximately 10 km south-south-west of the Historic Silver Mining Camp of Cobalt Township and has assayed up to 15.36% Co in cobalt-rich veins
- Acquisitions subject to legal and technical due diligence which is currently underway
- 4,000 m diamond core drilling campaign at 100%-owned Cancet Lithium Project to commence in the coming days, where the Company has achieved results of up to 5.58% Li_2O in channel sampling *(refer to ASX announcement dated 2 March 2017 and titled "Up to 5.58% Li2O in Drill Target Zone at MTC Cancet Project")*
- 2,000 m diamond core drilling campaign at 100%-owned Adina Lithium Project to commence in the next four weeks

Commenting on the proposed acquisitions, Executive Director Mr Gino D'Anna stated:

"The proposed high grade cobalt acquisitions complement MetalsTech's strategy to position itself to become a low-cost producer of strategic commodities for the growing lithium-ion battery and energy storage markets. Like lithium, cobalt will play an important role in the way we use and store energy going forward."

"Our board and management team possess the necessary skills and experience to develop these projects, and with Ontario being the province adjacent to Quebec, we saw it as a natural strategic fit. We have already developed some key relationships with local service providers in Ontario."

"Our 4,000m diamond core drilling program is due to commence at our high grade Cancet Lithium Project in the coming days. 2017 will be a very exciting year for MetalsTech and its shareholders."

Summary of Acquisition Terms

	New Athona Cobalt Project	Bay Lake Cobalt Project
Cash Deposit	CAD$20,000 (paid)	CAD$20,000 (paid)
Due Diligence Period	45 days (commenced)	45 days (commenced)
Cash Completion Payment	CAD$80,000	CAD$80,000
Shares Completion Payment (12 months escrow)	125,000 MTC shares	125,000 MTC shares
Vendor Net Smelter Royalty (50% may be re-purchased by MTC for CAD$500,000)	1.5%	1.5%
MetalsTech takes 100% Ownership		
6-month Anniversary Share Payment (12 months escrow)	100,000 MTC shares	100,000 MTC shares
Project Performance Payment (Greater than 7Mt @ 1.5% Co)	CAD$125,000 in cash or MTC shares	CAD$125,000 in cash or MTC shares

Project Location

The map below illustrates the project location of the New Athona and Bay Lake Cobalt Projects:

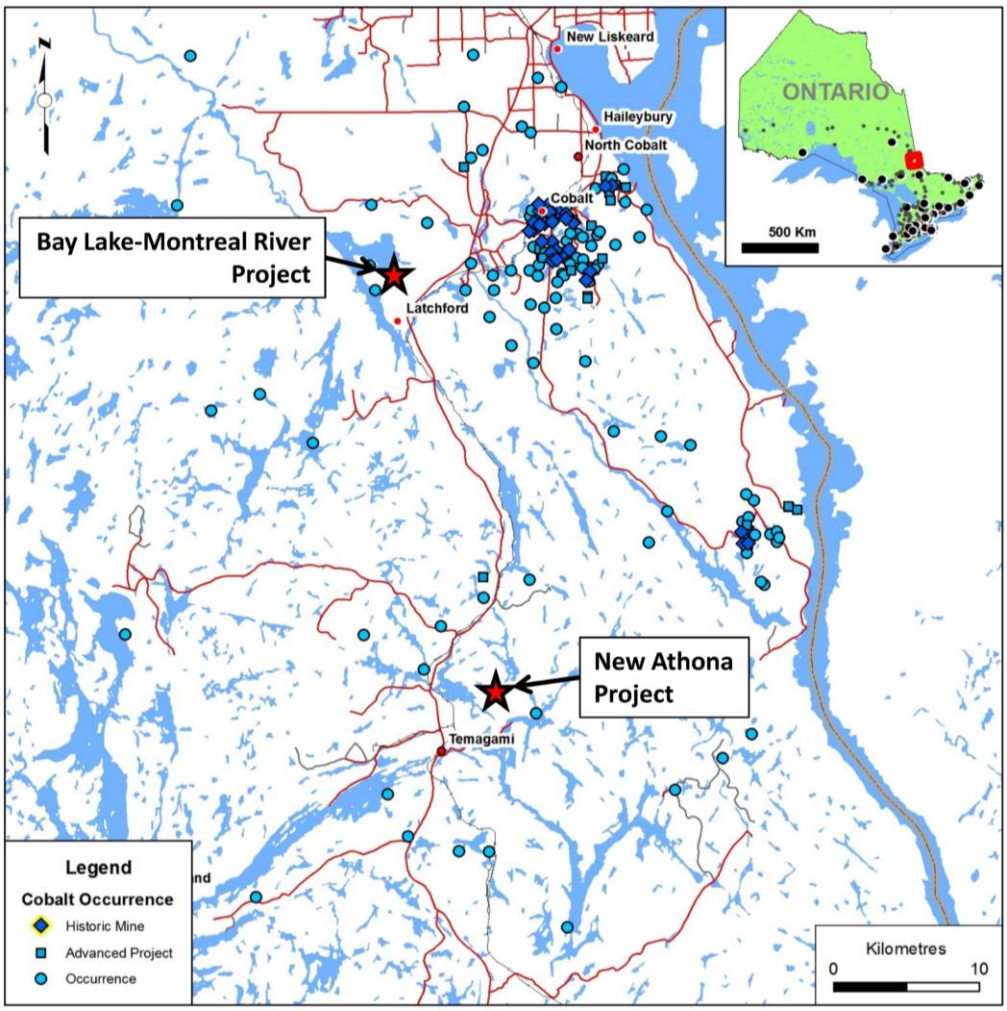

Figure 1: Bay Lake-Montreal River and New Athona Cobalt Project Location Map

New Athona Cobalt Project

New Athona covers 1,082 units for 432 hectares and is located north-west of the main town of Temagami, approximately 60km southwest of the town of Cobalt and only 10km west of the Silver Centre Mining area within the Cobalt Mining Camp in Ontario, Canada.

The western portion of the project is underlain by Archean rhyolitic volcanic rocks and Archean grabbroic intrusive rocks mineralised on surface with veins containing semi-massive sulphides: pyrite, pyrrhotite, chalcopyrite and sphalerite returning values, from surface rock samples, of Cobalt 2.96%, 0.94% and 0.14% respectively and Copper of up to 2% (within zone 3) across 5 individual zones, including 1.23% Copper within zone 1, 0.91% Copper within zone 2, 1.34% Copper within zone 4 and 0.97% Copper within zone 5 *(source: Report 271 Ontario Geological Survey by P.Born,1989)*. The relevant coordinates for the surface rock samples is noted as 595774.757 Easting and 5217166.982 Northing on UTM Datum NAD83 as well as Map Sheet M-0444 and NTS Grid 31M04SE.

The eastern portion of the project is underlain by Coleman formation conglomerates of the lower part of the Huronian Super Group and Nipissing Diabase Sill gabbro (traditional rocks types hosting Ag-Co in the nearby Cobalt Mining Camp).

The project is bordered north and east by claims held by Tri-Origin Exploration Limited where there are two known Co-Cu-Au occurrences within the Nipissing Diabase Sill, called the Gosselin Occurrence and the Temagami-Lorraine Occurrence.

MetalsTech has entered into a binding acquisition agreement with each of Temagami Gold Inc. and 1096428 BC Ltd (together, the **Vendors**), pursuant to which the Company proposes to acquire a 100% interest in the New Athona Cobalt Project on the following material terms:

- CAD$20,000 non-refundable deposit within 5 business days of execution of binding agreement
- MTC granted a 45-day exclusivity period to carry out legal, technical and commercial due diligence
- Following satisfactory due diligence, Completion Payments to the Vendors to acquire a 100% interest:
    - CAD$80,000 cash
    - 125,000 fully paid ordinary MTC shares (12 months escrow)
- Vendors retain a 1.5% Net Smelter Royalty (**NSR**) over the cobalt metal produced
- MTC retains the right to buy back half of the NSR for CAD$500,000, payable in any combination of cash or MTC shares at the 10-day VWAP
- Six (6) months from Completion, MTC will issue the Vendors a further 100,000 fully paid ordinary MTC shares (12 months escrow)

- Subject to MTC delineating an JORC or NI 43-101 Inferred Resource of greater than 7Mt at an average grade of greater than 1.5% Co at New Athona, MTC will make a Performance Payment to the Vendors of CAD$125,000 payable in any combination of cash or MTC shares at the 10-day VWAP

Bay Lake Cobalt Project

Bay Lake covers 672 hectares and is located less than 10 km south-south-west of the Historic Silver Mining Camp of the Cobalt Township on the eastern shore of Bay Lake in Coleman Township, Ontario, Canada.

The Bay Lake project is located approximately 5 km North-North-West of Equator Resources Limited (ASX: EQU), the owner of the Cobalt Camp Project where historical assays have reported cobalt grades up to 12.3% Co (range 0.42% Co to 12.3% Co - average of 5.84% Co) along strike in the same geological structure *(refer to ASX announcement dated 28 November 2016 and titled "High Grade Cobalt Project Acquisition, Canada")*. The Bay Lake project is also located less than 1 km south of Tri-Origin Exploration Limited, who is undertaking detailed exploration and development on its project.

The majority of historical work was completed in 1913 by the Bay Lake and Montreal River Mining Company and included six (6) shafts in Nipissing diabase and extensive stripping of the Nipissing diabase-Lorrain sediment contact.

From 1923 - 1934 Nipissing Mining Company Ltd, trenched and striped a portion of the project 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 including 15.36% Co, 15.29% Co, 14.31% Co and 15.27% 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.

Historical reports indicate substantial cobalt grades in silver ore however the project's cobalt potential remains untested – cobalt was used as a tracer for silver mineralisation but not targeted in its own right.

Bay Lake has substantial existing underground mine workings related to past operations. 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 production.

In the project area, several Calcite veins occur within the lowest part of a Nipissing diabase sill near the contact with arkoses of the Lorrain Formation.

A surface grab sample of dump material (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.

MetalsTech has entered into a binding acquisition agreement with each of Gino Chitaroni and 1096428 BC Ltd (together, the **Vendors**), pursuant to which the Company proposes to acquire a 100% interest in the Bay Lake Cobalt Project on the following material terms:

- CAD$20,000 non-refundable deposit within 5 business days of execution of binding agreement
- MTC granted a 45-day exclusivity period to carry out legal, technical and commercial due diligence
- Following satisfactory due diligence, Completion Payments to the Vendors to acquire a 100% interest:
    - CAD$80,000 cash
    - 125,000 fully paid ordinary MTC shares (12 months escrow)
- Vendors retain a 1.5% Net Smelter Royalty over the cobalt metal produced
- MTC retains the right to buy back half of the NSR for CAD$500,000, payable in any combination of cash or MTC shares at the 10-day VWAP
- Six (6) months from Completion, MTC will issue the Vendors a further 100,000 fully paid ordinary MTC shares (12 months escrow)
- Subject to MTC delineating an JORC or NI 43-101 Inferred Resource of greater than 7Mt at an average grade of greater than 1.5% Co at Bay Lake, MTC will make a Performance Payment to the Vendors of CAD$125,000 payable in any combination of cash or MTC shares at the 10-day VWAP

History of the Cobalt Mining Camp

The Cobalt area is an established Tier-1 mining district, with extensive road, rail and port infrastructure, able to target future production to key North American, and export markets. The district is a proven mining region with over 600Moz Ag and 45Mlbs of Co production from previous operating mines. Much of this silver was extracted in early 1900's, with minimal focus on Co or on high grade Co regions which were typically left behind or used as a tracer to track silver.

Mineralisation in the area occurs as silver-cobalt arsenides plus other cobalt arsenides such as skutterudite, cobaltite, smaltite hosted within quartz and calcite veins. Historical sampling from some of these veins shows exceptionally high grades of cobalt (3-15%) *(source: Northern Ontario Ministry of Development and Mines "MNDM")*.

Minimal early stage exploration work has been conducted outside the main four Silver-Cobalt mining areas of the Cobalt Mining Camp. This has meant that new “mini-camps” and new Ag-Co deposits still remain untested.

Almost no exploration work in the area was focused on finding Ag-Co veins associated with the Nipissing Diabase Dykes and almost nothing has been completed on Nipissing Diabase Gabbro Lopolith “feeder” areas of the Nipissing Diabase Sills / Dykes.

Majority of the former producing mines simply followed the Silver-Cobalt-calcite veins as a part of the overall methodology for exploration that included drifting / tunnelling and raising. Very few mines used underground diamond drilling as part of its exploration program largely due to the inability to fund the expenditure required.

Within the project areas, up to 75-90% of mineralised zones is related to the Nipissing diabase, Huronian sediments and Keewatin volcanics – particularly near contact points between the diabase and the latter two rock types, which is typical regionally. The projects cover a vast area of highly prospective ground along these contact points.

The project claims are adjacent to former operating mines with historic silver and cobalt production. Miners in the early 1900s targeted easy to access outcrops due to the lack of geophysical technology that exists today. There has been minimal modern day exploration carried out to date.

The Bay Lake and New Athona projects include significant exploration upside and further growth opportunities due to minimal exploration techniques applied, structures are relatively shallow and amendable to Induced Polarisation (IP) analysis and low cost shallow drilling. Former mines provide a significant database for the Company on production assets and for exploration programs to target along strike.

Geology and Exploration Strategy

The Bay Lake and New Athona Cobalt projects are 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.

Implications for Cobalt Targets

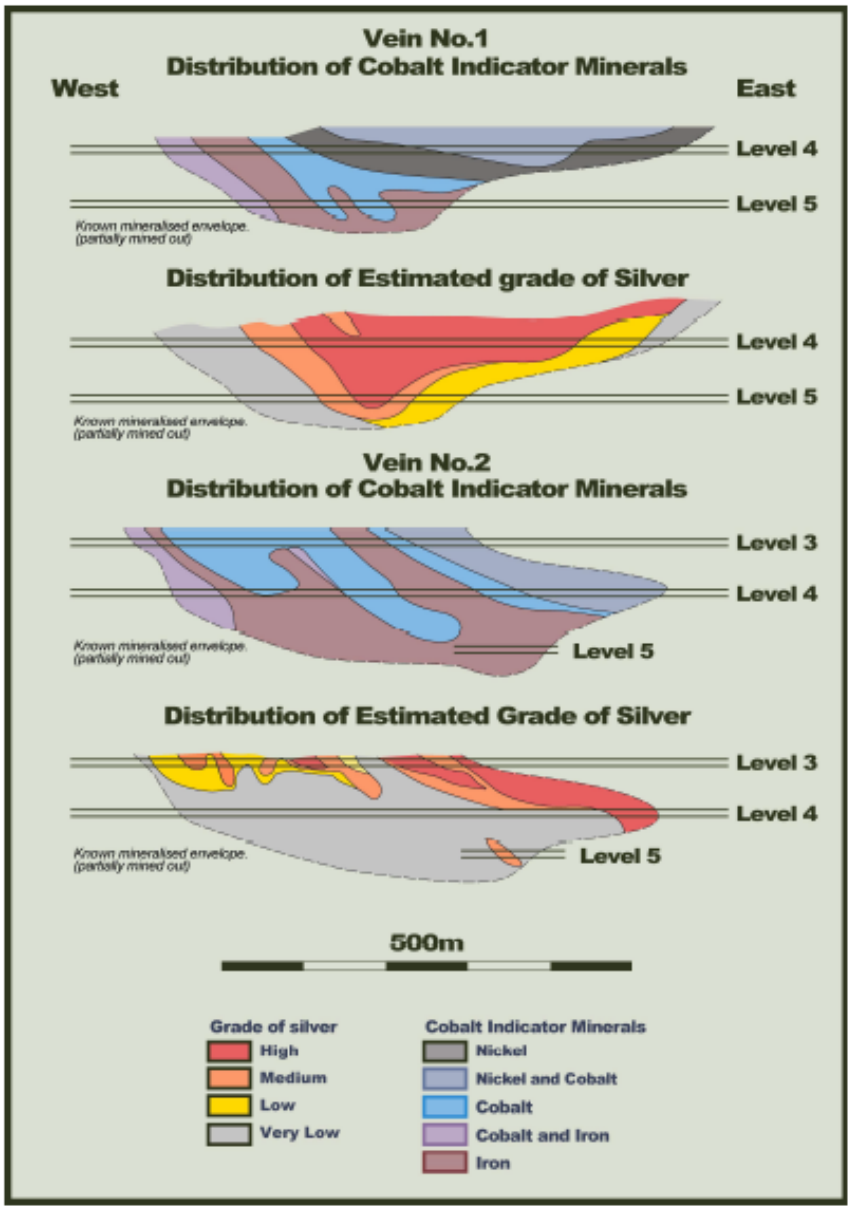

Figure 2: Idealised long section of veins 1 and 2 showing separate zonation of silver and cobalt mineralisation

- Cobalt and silver mineralisation occurs in calcite veins in close association
- Cobalt indicator minerals are not correlated to silver grades – high grade zones cross cut indicator mineral zones
- Historical production targeting silver didn't focus on cobalt mineralisation – low grade silver zones likely to have Co-mineralisation in-situ
- Re-entry of the mine workings considered possible with establishment of drill platforms to follow rehabilitation
- Drill out of interpreted cobalt rich zones to follow

Initial Exploration Strategy

Subject to the completion of the Acquisition, the Company immediately plans to commence an initial exploration program that will include:

- Conducting an Airborne EM survey over the two key project areas;
- Conduct an IP survey; and
- Complete a drilling program targeted for mid-2017 following detailed first phase data analysis.

Due Diligence

The Company is presently conducting due diligence on New Athona and Bay Lake cobalt projects and will provide updates once it has concluded its investigations.

Cobalt – A Strategic Commodity

Cobalt is an important raw material for the production of lithium ion batteries, high-temperature alloys, cutting tools, magnetic materials, superalloys, petrochemical catalysts, pharmaceuticals and glaze materials. When used as an alloy, cobalt improves the high temperature strength and corrosion resistance of more common metals, especially nickel and chromium. Superalloys are high temperature alloys that exhibit superior characteristics including mechanical strength, resistance to thermal creep deformation, good surface stability and resistance to corrosion or oxidation, used typically in jet engine parts and gas turbines.

Most portable applications are powered by cobalt based lithium ion batteries and the two key growth areas for cobalt are for use as a key input in these batteries and in the production of superalloys.

Cobalt is a key component of the battery chemistry for lithium ion batteries. There is more cobalt by dollar value and weight being used in the main lithium-ion battery types than lithium. Over 40% of Cobalt production is currently used in batteries with demand expected to grow over 68% over the next decade *(according to a research report from CRU)* with 49% of demand growth being from batteries. Cobalt is in the early stages of transformational demand shift due to its being a critical component of lithium ion batteries which are predominantly used in electric vehicles and storage.

From 1999 to 2015 global cobalt demand grew from 2,900t to 40,563t equivalent to an extraordinary Compound Annual Growth Rate (CAGR) of 17.9%. Cobalt presently trades at in excess of US$48,000/t.

Cobalt Supply Chain Issues

Cobalt is typically mined as a low-grade by-product of copper or nickel. With nickel and copper prices under pressure and forecast to remain weak this by product is an uncertain and reduced source of

supply. In addition, over 55% of the cobalt produced comes from the Democratic Republic of Congo (of which 94% makes its way to China) which has a history of supply side disruptions and significant sovereign risk. In 2016, Amnesty International released a report highlighting human rights and child labour abuses at its cobalt mines. Clean supply chain sourcing for battery materials and associated branding issues / customer expectations are expected to become an increasingly important issue for multinationals that source cobalt for their lithium-ion batteries. Clean jurisdictions such as Canada are expected to benefit from this supply-chain shift.

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. Jody Dahrouge, PGeo, is a Competent Person who is a Professional Geologist registered with the Association of Professional Engineers and Geoscientists of Alberta, in Canada. Mr. Jody Dahrouge, PGeo, is the principal and founder 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. Jody Dahrouge 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. Jody Dahrouge consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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

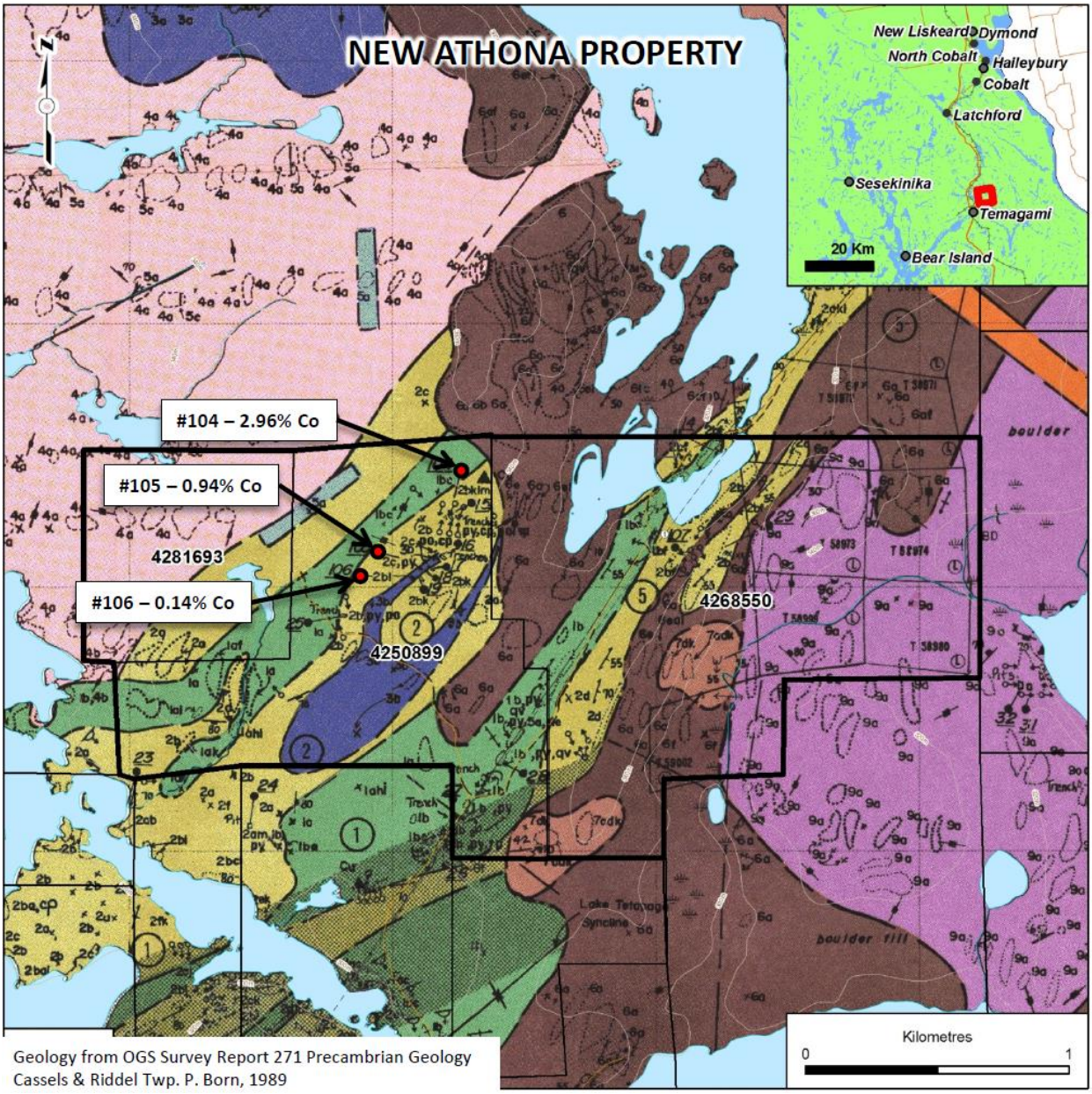
New Athona Assay Results

Location Coordinates	Sample Number	Co %	Cu %
595774.757 E 5217166.982N	104	2.96	
595774.757 E 5217166.982N	105	0.94	
595774.757 E 5217166.982N	106	0.14	
UTM Datum NAD83	115		1.23
Map Sheet M-0444	116		0.91
Map Sheet M-0444	117		2.06
NTS Grid 31M04SE	118		1.34
NTS Grid 31M04SE	119		0.97

Bay Lake Assay Results

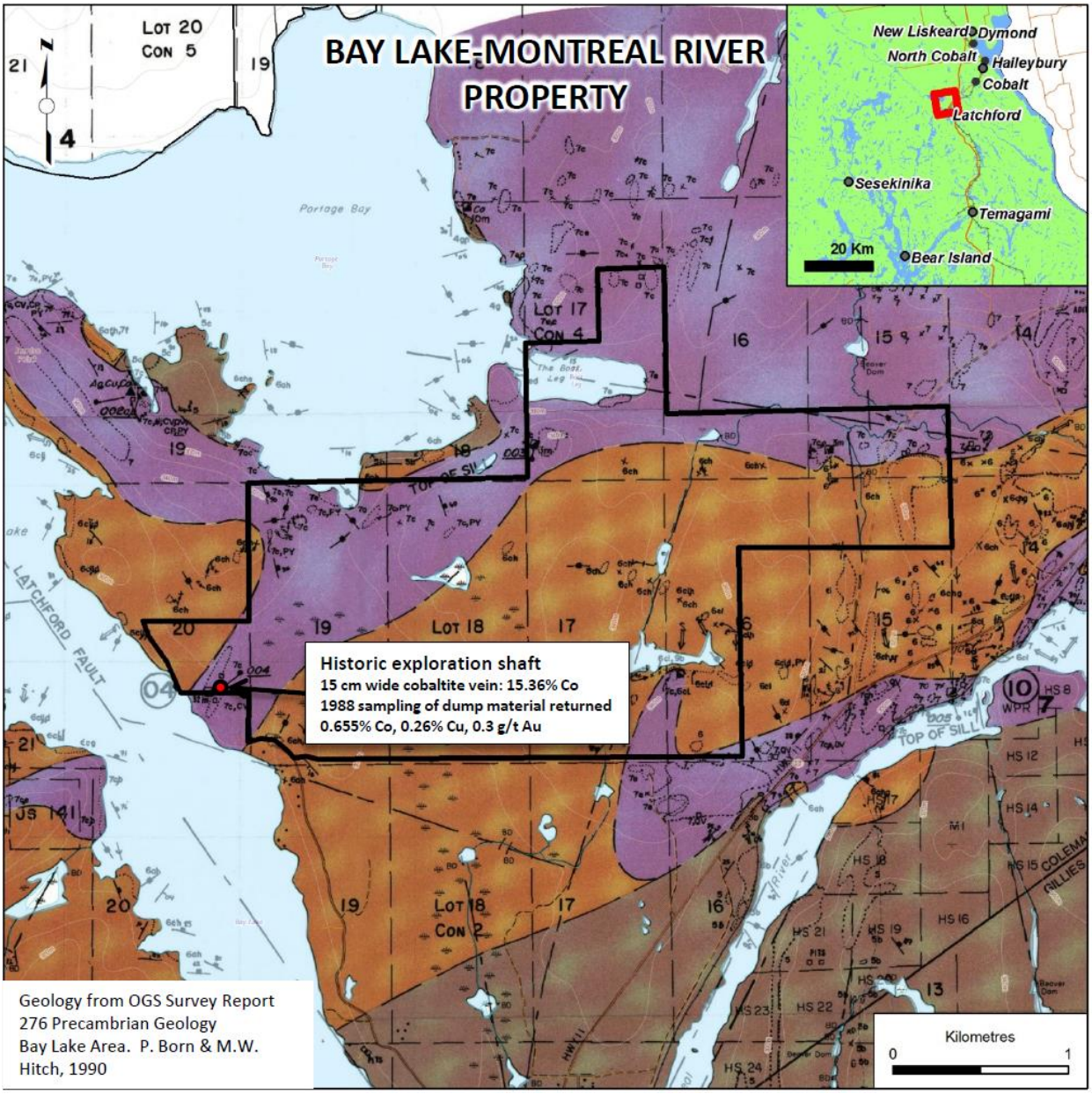
Location Coordinates	Sample Number	Co %	Cu %	Au %	Ni %
Map Sheet 19 Claim Block 004	Level 27m vein sample	15.36			
Map Sheet 19 Claim Block 004	Level 27m vein sample	15.29			
Map Sheet 19 Claim Block 004	Level 27m vein sample	14.31			
Map Sheet 19 Claim Block 004	Level 27m vein sample	15.27			
Map Sheet 19 Claim Block 004	Surface grab sample from dump	0.655	0.26	Trace 305 ppb	0.092

New Athona Cobalt Project – Geology Map



Geology from OGS Survey Report 271 Precambrian Geology
Cassels & Riddel Twp. P. Born, 1989

Bay Lake Cobalt Project – Geology Map



JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	No drilling completed to date. Rock samples comprise multiple chips considered to be representative of the horizon or outcrop being sampled. Samples submitted for assay typically weigh 2-3 kg. Continuous channel sampling of trenching ensures the samples are representative. Entire 2-3 kg sample is submitted for sample preparation.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	No drilling completed.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Not applicable.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	All trenches sampled are logged continuously from start to finish with key geological observations recorded. Logging is quantitative, based on visual field estimates.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	Sample preparation follows industry best practice standards and is conducted by internationally recognised laboratories, at SGS Laboratories in Lakefield, Ontario. Oven drying, jaw crushing and pulverising so that 85% passes 75 microns. Blanks have been submitted every 50 samples to ensure there is

Criteria	JORC Code explanation	Commentary
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	no cross contamination from sample preparation. Measures taken include (a) systematic sampling across whole outcrop zone where present; (b) comparison of actual assays for blanks with theoretical values. Sample size (2-3 kg) accepted as general industry standard.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	Assay and laboratory procedures have been selected following a review of techniques provided by internationally certified laboratories. In addition, the sample preparation laboratory in Ontario is regularly visited to ensure high standards are being maintained. Samples are submitted for multi-element analysis by SGS Laboratories. Where results exceeded upper detection limits for Co, samples are re-assayed. The final techniques used are total. None used. Barren granitic and calcite material is submitted every 50 samples as a control. Comparison of results indicates good levels of accuracy and precision. No external laboratory checks have been used.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	None undertaken. Not applicable. All field data is manually collected, entered into excel spreadsheets, validated and loaded into an Access database. Electronic data is stored in Ontario as well as at the site office of MetalsTech in Quebec. Data is exported from Access for processing by a number of different software packages. All electronic data is routinely backed up. No hard copy data is retained. None required.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	All trench start points and geochemical samples are located using a hand held GPS. Trenches are surveyed using hand held compass and clinometer. The grid system used is UTM. However, for reporting purposes and to maintain confidentiality, local coordinates are used for reporting. Nominal RL's based on topographic datasets are used initially, however, these will be updated if DGPS coordinates are collected.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation*	Only reconnaissance trenching and sampling completed – spacing variable and based on outcrop location and degree of exposure. Not applicable.

Criteria	JORC Code explanation	Commentary
	procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	None undertaken.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Sampling completed at right angles to interpreted trend of outcrop mineralised units. None observed.
Sample security	• *The measures taken to ensure sample security.*	Geological team supervises all sampling and subsequent storage in the field. The same geological team delivers the samples to SGS Laboratories in Lakefield, Ontario and receives an official receipt of delivery.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	None completed.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	MetalsTech has the right to acquire 100% of the Bay Lake and New Athona Cobalt projects pursuant to the respective binding acquisition agreements. There are no other material issues affecting the tenements. Certain surface rights exist on parts of the Bay Lake project, but these do not compete with the subsurface or mineral rights over the project, which are being acquired by MetalsTech. Upon the completion of the obligations pursuant to the legal agreements, MetalsTech will own 100% of the cobalt projects and ownership of the individual claims will be transferred to MetalsTech. All tenements are in the process of being legally validated by an independent lawyer to provide an opinion as to the good standing nature of the claims. The independent lawyer selected is a specialist in the field.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	No modern exploration has been conducted. Historical exploration and government mapping records multiple cobalt mineralised zones within the project areas but no other data is available.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The Bay Lake and New Athona Cobalt projects are 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.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the*
		No drilling exists.

Criteria	JORC Code explanation	Commentary
	basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Intercepts are calculated on a per sample basis according to the results from the laboratory with no bottom cut-off grade and no top cut-off grades. Short intervals of high grade that have a material impact on overall intersection are highlighted separately. None reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	The relationship between true widths and the width of mineralised zones intersected in trenching has not yet been determined due to lack of structural data (i.e. dip).
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	None included.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Results for all sampling completed are listed in the body of this report.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All meaningful and material data is reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Detailed geochemistry and geology to determine trends of known mineralised zones and to delineate other Co-Ag anomalies. Further trenching to determine structural orientation of mineralised zones. Conducting an Airborne EM survey over the two key project areas. Conduct an IP survey. Drilling.