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Metal-Tech Ltd  
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(‘Metal-Tech’ or ‘the Company’)

### Trading Update

Metal-Tech Ltd., the metal-based hydrometallurgy and chemical company, which focuses on the recycling and production of specialty metals powders such as Tungsten and Molybdenum, provides the following trading update.

Further to the announcement of the interim results on 18 September 2009, the Company has continued to experience low demand during the second half of 2009, due to the impact of the slowdown in global economic conditions on end markets, such as automotive, drilling, aviation, cutting tools, construction and engineering, in which Metal-Tech's customers' products are used.

Metal prices have remained low during the period and the Company's Mongolian plant is still not in operation and shall remain so until a more favourable financial climate and conditions arise. Metal-Tech remains in negotiations with its Mongolian partner to secure suitable terms for the resumption of supply in raw materials to the Company's Mongolian operations.

Notwithstanding the continued suspension of its Mongolian operations, management expects full year revenues to be broadly in line with market expectations, the Company having been able to replace expected Molybdenum revenue with increased Tungsten sales, albeit at lower margins. Falling metal prices, along with the Company's continued success at reducing inventory levels have also resulted in lower than market anticipated margins.



As stated at the time of the interim results, Metal-Tech has taken important steps to adjust to the current economic climate by managing its operational costs. The Company continues to be actively engaged in cost reduction measures in all aspects of its business, to improve efficiency, while maintaining its customers and the capacity to secure new business opportunities that arise as a result of the continued turmoil in the sector.

The Company continues to focus on cash generation including the reduction of inventory levels as well as the working capital invested. Accordingly as at 24 November 2009, the net cash balance of the Company was \$9.2 million (23 July 2009: \$11 million) which is sufficient to meet the Company's current financing costs and expected operating expenses. While there has been a focus on cash generation the Company expects its financial expenses to exceed market expectations for the year to 31 December 2009, principally as a result of exchange rate movements and higher interest rates.

The Company expects to provide a further update for shareholders in early 2010.

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