

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action to be taken, you should immediately consult with an independent adviser.

If you have sold or otherwise transferred all of your shares (or depository interests) in Metal-Tech Ltd., please forward this document and the accompanying notice of meeting and form of proxy (or, in the case of a holder of depository interests, form of direction) at once to the purchaser or transferee, or to the broker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

METAL-TECH LTD.

REGISTERED IN ISRAEL UNDER COMPANY NO: 51-11163-94

NOTICE OF ANNUAL GENERAL MEETING

Notice of the annual general meeting to be held at Adelaide House, London Bridge, London EC4R 9HA, England on Wednesday, 24 November 2010 commencing at 10.00am is set out on pages 7 to 9 of this circular. Copies of this document will be available to the public from its date until the date of the annual general meeting at the offices of Panmure Gordon (UK) Limited, Moorgate Hall, 155 Moorgate, London EC2M 6XB, England.

METAL-TECH LTD.

(incorporated and registered in Israel under company no: 51-11163-94)

**Registered Office:
Emek Sara
Ramat-Hovav Industrial Area
P.O. Box 2412
Beer-Sheva 84874
Israel**

To shareholders and holders of depository interests (with a copy, for information only, to the holders of options over shares in the Company)

14 October 2010

Dear Shareholder/Depository Interest Holder

Annual General Meeting: Wednesday, 24 November 2010

You are cordially invited to attend the Annual General Meeting ("AGM") of Metal-Tech Ltd. (the "Company") to be held at 10.00am on Wednesday, 24 November 2010 at Adelaide House, London Bridge, London EC4R 9HA, England. The notice of AGM (which includes the resolutions to be proposed at the meeting) is set out on pages 7 to 9 of this document. The Company's audited financial statements for the year ended 31 December 2009 (the "Financial Statements") and either a form of proxy or (if you are a holder of depository interests in the Company) a form of direction are also enclosed.

The business to be conducted at the AGM will be to consider and, if thought fit, pass resolutions:

- to receive the Financial Statements;
- to re-appoint Kost Forer Gabbay & Kasierer (a member firm of Ernst & Young Global) as the Company's auditors;
- to authorise the directors of the Company to fix the remuneration of the Company's auditors;
- to re-appoint Dr Graham Lawson as a director of the Company who retires in accordance with Article 47 of the Company's Articles of Association (the "Articles") and, being eligible, offers himself for re-appointment;
- to approve the draft amendment to my employment agreement to be entered into between myself and the Company in respect of an adjustment to my salary;
- to permit the Company to use electronic communications in communicating with its shareholders;
- to approve the 2010 share option plan of the Company in the form set out in the appendix to this letter (the "Option Plan");
- to approve the draft option agreement to be entered into between the Company and Ms Liron Toubol in respect of the grant of options in respect of 147,539 ordinary shares;

- to approve the draft option agreement to be entered into between the Company and Mr Ronen Magen in respect of the grant of options in respect of 409,832 ordinary shares;
- to approve the draft option agreement to be entered into between the Company and Dr Graham Lawson in respect of the grant of options in respect of 50,000 ordinary shares;
- to approve the draft option agreement to be entered into between the Company and Mr Peter Syme in respect of the grant of options in respect of 50,000 ordinary shares;
- to approve the draft option agreement to be entered into between the Company and Ms Niri Rosenberg in respect of the grant of options in respect of 21,858 ordinary shares; and
- to grant authority to the directors to allot shares in the Company.

As the Company is not an English company, it is not required to produce a separate directors' remuneration report for approval by the shareholders in accordance with the Directors' Remuneration Report Regulations 2002.

Further information on the resolutions and the voting arrangements is set out below.

Resolution 1 (receipt of the Financial Statements)

Resolution 1 provides for the receipt of the Financial Statements.

Resolutions 2 and 3 (re-appointment of auditors)

Resolution 2 provides for the re-appointment of Kost Forer Gabbay & Kasierer (a member firm of Ernst & Young Global) as the Company's auditors to hold office until the conclusion of the next general meeting of the Company at which audited financial statements are laid.

Resolution 3 authorises the directors of the Company to fix the remuneration of the auditors.

Resolution 4 (retirement and re-election of directors)

Dr Graham Lawson will retire by rotation at the AGM in accordance with the Articles. Accordingly, Resolution 4 provides for his re-appointment as a director of the Company.

Dr Lawson has held international board level appointments since 1981 in industrial minerals, chemicals and medical products companies on three continents. Dr Lawson's last executive appointment, held for seven years until his retirement in May 2002, was as chief executive of Watts Blake Bearne & Co plc. Prior to this, Dr Lawson was technical director of Borax Consolidated Ltd, a Rio Tinto subsidiary. Dr Lawson is a Companion of the Chartered Management Institute, a Fellow of the Royal Academy of Engineering, a Fellow of the Institution of Chemical Engineers and a Chartered Engineer. Dr Lawson has served on the board since 2005 and is the chairman of the Company's audit committee.

Resolution 5 (approval of the draft amendment to my employment agreement)

Resolution 5 provides for the approval of a draft amendment to my employment contract with the Company.

Pursuant to the terms of the amendment, my existing monthly salary of £12,500, which has been in effect since 13 April 2005 (the "Effective Date"), shall be adjusted into NIS 109,000 (one hundred and nine thousand new Israeli Shekels) in accordance with the exchange rate as of the

Effective Date and reflecting a de minimis reimbursement due to me because of the depreciation in the GBP (sterling) since the Effective Date. In addition, the amendment provides that my salary shall be adjusted to the cost of living under applicable law.

This resolution requires special approval, as set out below.

Resolution 6 (permit the Company to use electronic communications with its shareholders)

The AIM Rules for Companies contain certain provisions regarding the way that a company is permitted to communicate with its shareholders. Subject to a resolution being passed by shareholders, a company can use its website to satisfy the requirement under Rule 19 of the AIM Rules for Companies to send its Annual Report and Accounts to shareholders. The Company would like to take advantage of not only this provision, but also to take advantage of electronic communications generally in relation to the sending of accounts, reports and financial statements, the appointment of proxies, notices of meetings and other company information; therefore in future we intend to publish all shareholder information, including the AGM Notice of Meeting and the Annual Report and Accounts on the Company's website at www.metal-tech.co.il only. Reducing the number of communications sent by post will not only result in cost savings to the Company but also reduce the impact that the unnecessary printing and distribution of reports has on the environment.

Accordingly, the Company is seeking shareholders' consent at the AGM to send or supply documents and information to them in electronic form and/or via website publication

In addition to passing this resolution, the AIM Rules for Companies requires that shareholders are asked individually to consent to this method of publication for the Annual Report and Accounts. Therefore, subject to the passing of this resolution at the AGM, we are hereby seeking shareholders' consent to being sent not only the Company's Annual Report and Accounts, but also receiving such other documents and information of the Company, in each case either electronically or via publication on the Company's website. Assuming Resolution 6 is approved by shareholders, if the Company does not receive a response from shareholders within 28 days of 24 November 2010 (that is by 22 December 2010), then those shareholders not having responded will be taken to have agreed to the Company sending or supplying documents or information to them electronically or via the Company's website. Therefore, if you agree to the Company sending or supplying documents or information to you electronically or via the Company's website, you need take no further action.

If you would prefer to receive the documents and information in paper form rather than electronically or via the Company's website, you will need to let us know. The letter enclosed relating to electronic communications, explains the steps you need to take to notify us that you wish to continue to receive Company's documents and information in paper form.

Each time a document is published on the Company's website, you will be informed by email (where the Company or its registrars holds an email address for you) or otherwise by letter. If you would prefer to receive such notification by letter rather than by email, you need to let us know and, again, the letter enclosed relating to electronic communications explains the steps you need to take to notify us that you wish to receive such notifications in paper form.

Resolution 7 (approval of the Option Plan)

Resolution 7 provides for the approval of the Option Plan in the form set out in the appendix to this document.

Pursuant to the terms of the Option Plan, options with respect to 4.1 million ordinary shares of the Company will be reserved for designated persons as determined by the remuneration committee of the board of directors of the Company. The options will be granted at an exercise

price to be determined by the remuneration committee of the board of directors of the Company. If approved, the Option Plan will terminate on 24 November 2020. The options will vest as follows:

- a) 15 per cent. on the date of grant of an option; and
- b) the remaining 85 per cent. of options in four equal semi-annual instalments of 21.25 per cent. each, commencing on the six month anniversary of the grant date.

An option will expire on the earlier of the date set out in the relevant option agreement and the date of termination of the relevant employee's employment or the designated person's service (as appropriate) unless such period is extended in accordance with the Option Plan.

Resolutions 8-12 (approval of draft option agreements for Ms Liron Toubol, Mr Ronen Magen, Dr Graham Lawson, Mr Peter Syme and Ms Niri Rosenberg)

Resolutions 8-12 provide for the approval of draft share option agreements to be entered into between the Company and each of Ms Liron Toubol, Mr Ronen Magen, Dr Graham Lawson, Mr Peter Syme and Ms Niri Rosenberg for the grant of options to purchase, respectively, 147,539, 409,832, 50,000, 50,000 and 21,858 ordinary shares each of the Company at an exercise price per share equal to the average value of the Company's ordinary shares for the ninety (90) trading days preceding the date of grant of the relevant option. The grant of such options shall take place upon receipt of the final approval required under applicable law to issue such options.

The board of directors believe that Dr Lawson and Mr Syme have made important contributions to the Company since they were first elected to the board in 2005. In recognition of their long service and in these exceptional circumstances, the board of directors considers it appropriate to grant such number of options to them. The board of directors further believes that the options proposed to be granted to Dr Lawson and Mr Syme are de minimis in number and, as such, that Dr Lawson and Mr Syme would still be considered independent for the purposes of the UK Corporate Governance Code.

It is proposed that Mr Magen be granted options commensurate to his status as an executive director of the Company. However, as Mr Magen is my son-in-law, such grant requires the special approval of shareholders, as set out below.

It is proposed that Ms Rosenberg be granted options commensurate to her status as an employee of the Company. However, as Ms Rosenberg is my daughter, such grant requires the special approval of shareholders, as set out below.

Resolution 13 (grant of authority to allot shares)

Resolution 13 grants to the directors of the Company authority to allot ordinary shares of the Company up to an aggregate nominal amount of NIS820,000 upon the exercise of options over such shares (if and when exercised) to be granted pursuant to the Option Plan. Unless revoked, varied or renewed, the authority will expire on 24 November 2015.

Voting requirements

Resolutions 1 to 4 (inclusive), resolutions 6 to 8 (inclusive) and resolutions 10, 11 and 13 require a vote in favour by members holding a majority of the shares represented at the meeting, either in person or by proxy, and voting on the resolution.

Resolutions 5, 9 and 12 require a vote in favour by members holding a majority of the shares represented at the meeting, either in person or by proxy, and voting on the resolution, provided that either of the following conditions is satisfied:

- (a) the majority of votes in favour must include at least one-third of the shareholders who have no "personal interest" in the approval of the resolution and who vote on the resolutions (abstaining votes shall not be taken into account in counting the votes of the said shareholders); or
- (b) the total number of shareholders who have no "personal interest" and who vote against the resolutions does not exceed 1 per cent. of the issued share capital of the Company.

Documents available for inspection

The following documents will be available for inspection from the date of this document until the date of the AGM and at the AGM from 9:30 am until its conclusion at both the Company's registered office, Emek Sara, Ramat-Hovav Industrial Area, P.O. Box 2412, Beer Sheva 84874, Israel, and at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA, England:

- 2010 Israeli Share Option Plan;
- draft amendment to Mr Ariel (Aik) Rosenberg's employment agreement with the Company;
- draft option agreement between the Company and Ms Liron Toubol;
- draft option agreement between the Company and Mr Ronen Magen;
- draft option agreement between the Company and Dr Graham Lawson;
- draft option agreement between the Company and Mr Peter Syme; and
- draft option agreement between the Company and Ms Niri Rosenberg.

Form of proxy/Form of direction

As mentioned above, you will also find enclosed with this document a form of proxy (unless you are a holder of depository interests in the Company, in which case you will receive a form of direction) for use at the AGM.

If you are a member of the Company, whether or not you intend to be present at the meeting, you are requested to complete and return the form of proxy (in accordance with the instructions set out in that document) to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, England as soon as possible and in any event so as to be received by Capita Registrars by no later than 24 hours before the time fixed for the meeting or any adjourned meeting. Completion and return of a form of proxy will not prevent you from attending the meeting and voting in person, if you so wish.

If you are a holder of depository interests representing ordinary shares in the Company, please complete and return the form of direction (in accordance with the instructions set out in that document) to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, England as soon as possible and in any event so as to be received by Capita Registrars by no later than 48 hours before the time fixed for the meeting or any adjourned meeting.

Directors' recommendation

The Directors believe that the adoption of each of the resolutions to be proposed at the AGM is in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors

recommend that you vote in favour of each resolution as they intend to do in respect of their own beneficial holdings.

Yours faithfully

Ariel (Aik) Rosenberg
Chairman

**Metal-Tech Ltd.
(the "Company")**

REGISTERED IN ISRAEL UNDER COMPANY NO: 51-11163-94

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Metal-Tech Ltd. (the "Company") will be held at Adelaide House, London Bridge, London EC4R 9HA, England on Wednesday, 24 November 2010 commencing at 10.00am for the following purposes:

- 1 To receive the audited financial statements of the Company for the year ended 31 December 2009.
- 2 To re-appoint Kost Forer Gabbay & Kasierer (a member of Ernst & Young Global) as the auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company at which audited financial statements are laid.
- 3 To authorise the directors of the Company to fix the remuneration of the auditors of the Company.
- 4 To re-appoint as a director of the Company Dr Graham Lawson, who retires from office as a director pursuant to Article 47 of the Company's Articles of Association (the "Articles") and, being eligible, offers himself for re-appointment.

- 5 To consider and, if thought fit, pass the following resolution:

That, subject to the approval of such matters by the audit committee and the board of directors of the Company, the draft amendment to the Company's existing employment agreement with Mr Ariel (Aik) Rosenberg, a copy of which is produced to the meeting and initialled for the purposes of identification by the chairman of the meeting, be and is hereby approved.

- 6 To consider and, if thought fit, pass the following resolution:

That any notice or other document or information sent or supplied by the Company (whether authorised or required to be sent or supplied by, amongst other things, the AIM Rules for Companies issued by London Stock Exchange plc from time to time, the Israeli Companies Law, 5759-1999 and any regulation promulgated thereunder, or otherwise), to or by a member, or to or by a person entitled to enjoy or exercise all or any specified rights of a member in relation to the Company, may be sent or supplied electronically (including by electronic mail) or by the Company making them available on a website.

- 7 To consider and, if thought fit, pass the following resolution:

That, the 2010 Israeli Share Option Plan of the Company set out in the appendix to the circular to shareholders of the Company dated 14 October 2010 (the "Option Plan") be and is hereby approved.

- 8 To consider and, if thought fit, pass the following resolution:

That, subject to the approval of such matters by the audit committee and the board of directors of the Company, and subject to the passing of Resolution 7, the entering into of a share option agreement between the Company and Ms Liron Toubol, a copy of which is

produced to the meeting and initialled for the purposes of identification by the chairman of the meeting, be and is hereby approved.

9 To consider and, if thought fit, pass the following resolution:

That, subject to the approval of such matters by the audit committee and the board of directors of the Company, and subject to the passing of Resolution 7, the entering into of a share option agreement between the Company and Mr Ronen Magen, a copy of which is produced to the meeting and initialled for the purposes of identification by the chairman of the meeting, be and is hereby approved.

10 To consider and, if thought fit, pass the following resolution:

That, subject to the approval of such matters by the audit committee and the board of directors of the Company, and subject to the passing of Resolution 7, the entering into of a share option agreement between the Company and Dr Graham Lawson, a copy of which is produced to the meeting and initialled for the purposes of identification by the chairman of the meeting, be and is hereby approved.

11 To consider and, if thought fit, pass the following resolution:

That, subject to the approval of such matters by the audit committee and the board of directors of the Company, and subject to the passing of Resolution 7, the entering into of a share option agreement between the Company and Mr Peter Syme, a copy of which is produced to the meeting and initialled for the purposes of identification by the chairman of the meeting, be and is hereby approved.

12 To consider and, if thought fit, pass the following resolution:

That, subject to the approval of such matters by the audit committee and the board of directors of the Company, and subject to the passing of Resolution 7, the entering into of a share option agreement between the Company and Ms Niri Rosenberg, a copy of which is produced to the meeting and initialled for the purposes of identification by the chairman of the meeting, be and is hereby approved.

13 To consider and, if thought fit, pass the following resolution:

That, subject to the passing of Resolution 7, the directors of the Company be generally and unconditionally authorised, in accordance with Article 5.3 of the Articles, to allot Relevant Securities (as defined in the Articles) to such persons, at such times and on such terms as they think proper and, if and to the extent applicable, Article 5.2 of the Articles shall be disapplied, provided that (i) this authority shall be limited to the allotment of ordinary shares of NIS0.2 each in the capital of the Company up to an aggregate nominal amount of NIS 820,000 upon the exercise of options over such shares (if and when exercised) to be granted pursuant to the Option Plan and (ii) this authority, unless and to the extent previously revoked, varied or renewed by the Company in general meeting, shall expire on 24 November 2015.

By Order of the Board

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Director

Dated: 14 October 2010

Registered office: Emek Sara, Ramat-Hovav Industrial Area, P.O. Box 2412, Beer-Sheva 84874, Israel

Notes:

1. A member who is entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote on his or her behalf, provided that only one proxy may be appointed by a member in respect of a particular share held by him/her. A proxy need not be a member of the Company.
2. To be effective, a completed and signed proxy (and any power of attorney or other authority under which it is signed) must be delivered to the Company's transfer agent, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, England, by no later than 24 hours before the time fixed for the meeting or any adjourned meeting. Completion and return of a proxy will not preclude a shareholder from attending and voting or withholding his/her vote at the meeting in person.
3. The Company specifies that only those members entered on the Company's register of members by no later than 10.00am on 20 November 2010 shall be entitled to receive notice of and to attend and/or vote or withhold his/her vote at the meeting or, if the meeting is adjourned, such other date being not less than 96 hours prior to such adjourned meeting as the board of directors of the Company may determine in accordance with the Company's Articles of Association.
4. In the case of joint holders of shares in the Company, the vote of the senior holder shall be accepted to the exclusion of the votes of the other joint holder(s). For this purpose, seniority will be determined by the order in which the names appear in the Company's register of members (or the Company's Registrars' records).
5. In the case of holders of depository interests representing ordinary shares in the Company, a form of direction must be completed in order to appoint Capita IRG Trustees Limited, the Company's depository, to vote or withhold its vote on the holder's behalf at the meeting or, if the meeting is adjourned, at the adjourned meeting. To be effective, a completed and signed form of direction (and any power of attorney or other authority under which it is signed) must be delivered to the Company's transfer agent, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, England, by no later than 48 hours before the time fixed for the meeting or any adjourned meeting.
6. The following documents are available for inspection from the date of this notice of meeting until the date of the meeting and at the meeting itself from 9:30 am until its conclusion at both the Company's registered office, Emek Sara, Ramat-Hovav Industrial Area, P.O. Box 2412, Beer Sheva 84874, Israel, and at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA, England:
 - 2010 Israeli Share Option Plan;
 - draft amendment to Mr Ariel (Aik) Rosenberg's employment agreement with the Company;
 - draft option agreement between the Company and Ms Liron Toubol;
 - draft option agreement between the Company and Mr Ronen Magen;
 - draft option agreement between the Company and Dr Graham Lawson;
 - draft option agreement between the Company and Mr Peter Syme; and
 - draft option agreement between the Company and Ms Niri Rosenberg.