

26 April 2011

Metal-Tech Ltd.
(“Metal-Tech” or “the Company”)

Trading and Business Update

Metal-Tech Ltd., the producer and recycler of specialty metals such as Tungsten and Molybdenum, provides the following update on trading and its Mongolian joint venture, Shim-Technology Co. Ltd. (Shim-Tech), ahead of its full year results announcement for the year to 31 December 2010.

Further to the announcement on 17 January 2011 (“the Announcement”), Metal-Tech remains in negotiations with Erdenet Mining Company, its Mongolian partner, following the notice of Erdenet’s intention to initiate bankruptcy proceedings against Shim-Tech. Metal-Tech is taking all necessary actions in Mongolia to attain a fair and just result for the Company. It has contacted the Orkhon Province Regional Court in the city of Erdenet, Mongolia and was expecting to receive a response by the end of February 2011.

As stated in the Announcement, ‘Metal-Tech is currently assessing the situation in Mongolia, however it may have to be prudent and take substantial write-offs in its 2010 financial report.’ Due to the complex nature of this issue and how it might be addressed in its financial reports, the Company has decided to wait for further developments and clarification prior to issuing its full year 2010 results. As a result, the Company now expects to announce its full year 2010 results in June 2011.

Metal-Tech has benefited from improved trading conditions in the second half of 2010 as higher demand for Tungsten led to a continued increase in the metal’s price. This improved momentum has continued into 2011 and current trading remains encouraging. The Company continues to tightly manage its costs and cash flow to improve efficiency which, added to the increase in the price of tungsten, has improved gross margins. As a result, the Board continues to view the outlook for 2011 with confidence.

Post period-end, Metal-Tech is pleased to announce that, on 31 March 2011, the four month industrial pilot phase for the validation of the novel molybdenum extraction technology was completed satisfactorily under the supervision of a major publicly-traded international Chilean copper/molybdenum company. The process and equipment proved to operate continuously on high efficiency and low opex, and produced high quality molybdenum and rhenium from low grade molybdenum concentrate. This success may lead to the implementation of this technology by the Chilean company as well as others. However, currently, the Company does not have any information on when and what type of project will be implemented, and the financial impact of this development.

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