

ASX Release
24 March 2021

SETTLEMENT OF FACILITATION AGREEMENT AND TERMINATION OF GOLD ROYALTY ASSIGNMENT

MetalsTech Limited (ASX: MTC) (the Company or MTC) is pleased to provide stakeholders with a corporate update in relation to the Company and the future development of the 100% owned Sturec Gold Mine, located in Slovakia (Sturec).

On 20 November 2019, the Company released an announcement to the ASX (Announcement) that it had signed a binding agreement to acquire 100% of the issued share capital of a United Kingdom-resident entity (Ortac Resources UK Limited) and accordingly that entity's wholly owned Slovakian subsidiary (Ortac s.r.o) which owns 100% of the Sturec Gold Project in Slovakia (Project).

The Company completed the acquisition of the Project on 17 February 2020.

As part of the transaction, the Company entered into an agreement with Courchevel 1850 Pty Ltd (ACN 633 457 502) ATF Courchevel Investment Trust (Courchevel) (an entity controlled by Ms Fiona Paterson, the spouse of director Mr Russell Moran), Natres Services Pty Ltd (Natres) (an entity associated with director Mr Russell Moran and Ms Fiona Paterson) and MetalsTech Limited (the Facilitation Agreement) pursuant to which the Company agreed, subject to obtaining Shareholder approval, to:

- i. assign a 2% net smelter royalty (Gold Royalty) over the Project to Courchevel (the Assignment); and
- ii. issue Courchevel with 9,000,000 performance rights which would convert into ordinary shares on a one for one basis upon the MTC share price exceeding 6 cents for more than 20 trading days (Facilitation Shares).

The Facilitation Agreement was entered into for the purpose of documenting the remuneration that Courchevel would receive for introducing the Project to the Company.

Subsequently, the Company engaged an independent expert to opine on whether the Assignment was fair and reasonable to the non-associated Shareholders in the Company in accordance with ASX Listing Rule 10.1 (the Proposed Transaction). The independent expert concluded that the proposed assignment of the Gold Royalty was neither fair nor reasonable to the holders of ordinary securities (excluding those persons not entitled to vote under the voting exclusion).

In light of this (and other matters), ASX declined to approve the notice of general meeting that the Company intended to send to Shareholders to approve the Assignment and the issue of the Facilitation Shares.

Since this time, the Company has entered into 'without prejudice' negotiations with Courchevel to settle any potential contractual claim against the Company in respect of the Facilitation Shares and the Gold Royalty as provided for in the Facilitation Agreement. The culmination of that process is that the Company, Courchevel and Natres have entered into a deed of settlement, termination and release (Deed of Release) pursuant to which the parties agree to settle any and all outstanding claims by the Company issuing 6,000,000 fully paid ordinary shares in the Company to Courchevel (Related Party Shares).

Note: This announcement is authorised by the executive board on behalf of the Company.

By terminating the Facilitation Agreement between the Company and each of Courchevel and Natres and entering into the Deed of Release, the Company will have greater certainty regarding the future development of the Sturec Gold Project due to the removal of the Gold Royalty and will be less dilutive to shareholders as the number of Related Party Shares is less than the Facilitation Shares. Therefore, the Company considers that the negotiated position pursuant to the Deed of Release is in the best interests of the non-associated shareholders.

Pursuant to the terms of the Deed of Release, the Company has obtained an independent report from BDO Corporate Finance (WA) Pty Ltd in relation to the issue of the Related Party Shares to Courchevel (**Independent Report**). The Independent Report has concluded that the issue of the Related Party Shares to Courchevel in return for the Facilitation Agreement being terminated and Natres, Courchevel and the Company entering into the Deed of Release, in the absence of an alternative offer, is not fair but reasonable to Shareholders.

A summary of the Deed of Release is set out in Appendix A.

The Notice of Meeting and accompanying Independent Report has also been announced to the ASX.

ENDS

For further information, contact:

Russell Moran
Chairman
M +61 415 493 993
russell@metalsTech.net

Nathan Ryan
Investor Relations
M +61 420 582 887
nathan.ryan@nwrcommunications.com.au

Gino D'Anna
Director
M +61 400 408 878
gino@metalsTech.net

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 Persons 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 advisor of MetalsTech Limited and is a member of the Australasian Institute of Mining and Metallurgy (No. 991225). 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 information in the report to which this statement is attached that relates to Mineral Resources for the Sturec Gold Deposit is based on information compiled by Mr Chris Grove, who is a Member of The Australasian Institute of Mining and Metallurgy (No. 310106). Mr Grove is a full-time employee of Measured Group Pty Ltd and 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 Grove consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Note: This announcement is authorised by the executive board on behalf of the Company.

Appendix A: Summary Terms - Deed of Release

The key terms of the Deed of Release are as follows:

- a. The Parties have agreed to terminate the Facilitation Agreement and to fully, finally, absolutely and forever release each other from all claims, obligations and undertakings arising under the Facilitation Agreement or in relation to the Facilitation Agreement, any conduct in relation to the Agreement or Sturec Gold Project, any associated issue of securities or agreement to issue securities, along with any and all shareholder or regulatory approvals the Company has sought, or may in the future seek, in relation to the Agreement (the **Released Matters**) on the terms set out in the Deed of Release.
- b. In consideration of the issue of the Related Party Shares, Natres and Courchevel agree and acknowledge that any claim Natres and Courchevel may have against the Company, related bodies corporation of the Company and the past and present shareholders, officers, directors, employees, administrators, representatives, consultants, advisors, fiduciaries and assigns, of the Company and its related bodies corporate arising out of or in respect of the Released Matters are settled in full.
- c. The issue of the Related Party Shares, the approval of Shareholders and any additional approvals required under the ASX Listing Rules or the Corporations Act.
- d. The Related Party Shares will be issued following satisfaction of the conditions set out in paragraph (c) above at a deemed issue price of the last traded share price of the Company as at the date on which the Related Party Shares are issued or as reasonably determined by the parties acting reasonably.
- e. The Related Party Shares must be issued no later than the date which is three (3) months from the execution date of the Deed of Release.
- f. Subject to issue of the Related Party Shares pursuant to the Deed of Release, the Deed of Release may be pleaded by any party as an absolute bar and defence to any claim commenced or continued by any other party in breach of the terms of the Deed of Release.
- g. If the Related Party Shares are not issued to Courchevel pursuant to the terms of the Deed of Release, unless extended by mutual written agreement of the Parties, the Deed of Release will come to an end and the parties will be released of their respective obligations under it.

Note: This announcement is authorised by the executive board on behalf of the Company.

Background: Sturec Gold Mine

The Sturec Gold Mine is located in central Slovakia between the town of Kremnica and the village of Lučky, 17km west of central Slovakia's largest city, Banská Bystrica, and 150km northeast of the capital, Bratislava.

Sturec is a low sulphidation epithermal system and contains a total Mineral Resource of 21.2Mt @ 1.50 g/t Au and 11.6 g/t Ag (1.59g/t AuEq) using a 0.4g/t Au cut-off and within an optimised open pit, containing 1,026,000 ounces of gold and 7,944,000 ounces of silver (1,086,000 ounces of gold equivalent) in accordance with JORC (2012). An additional 388,000 tonnes at 3.45 g/t Au and 21.6 g/t Ag (3.60g/t AuEq) outside the optimised open pit contains an additional 43,000 ounces of gold and 270,000 ounces of silver (45,000 ounces of gold equivalent), reported in accordance with JORC (2012).

Mineral Resource Estimate – Sturec Gold Mine

Sturec Mineral Resource Estimate								
Resource Estimate above 0.40 g/t Au cut-off and within an optimised open pit shell								
Resource Category	Tonnes (kt)	Density (t/m ³)	Au (g/t)	Ag (g/t)	AuEq ¹ (g/t)	Au (koz)	Ag (koz)	AuEq ¹ (koz)
Measured	3,000	2.17	1.69	13.5	1.79	161	1291	171
Indicated	11,200	2.24	1.79	14.9	1.90	643	5373	685
Measured + Indicated	14,200	2.23	1.77	14.6	1.87	804	6664	856
Inferred	7,000	2.33	0.97	5.6	1.01	222	1280	230
TOTAL	21,200	2.26	1.50	11.6	1.59	1026	7944	1086
Resource Estimate above 2.85 g/t Au cut-off: outside optimised open pit shell								
Resource Category	Tonnes (kt)	Density (t/m ³)	Au (g/t)	Ag (g/t)	AuEq ¹ (g/t)	Au (koz)	Ag (koz)	AuEq ¹ (koz)
Measured	-	-	-	-	-	-	-	-
Indicated	114	2.28	3.39	25.6	3.57	12	94	13
Measured + Indicated	114	2.28	3.39	25.6	3.57	12	94	13
Inferred	274	2.34	3.47	19.9	3.61	31	176	32
TOTAL	388	2.34	3.45	21.6	3.60	43	270	45

¹ AuEq g/t = ((Au g/t grade*Met. Rec.*Au price/g) + (Ag g/t grade*Met. Rec.*Ag price/g)) / (Met. Rec.*Au price/g)

Long term Forecast Gold and Silver Price USD/oz (source: World Bank, JP Morgan): \$1,500 and \$20 respectively.

Gold And silver recovery from the 2014 Thiosulphate metallurgical test work: 90.5% and 48.9% respectively.

It is the Company's opinion that both gold and silver have a reasonable potential to be recovered and sold from the Sturec ore using Thiosulphate Leaching/Electrowinning as per the recoveries indicated.

Note: This announcement is authorised by the executive board on behalf of the Company.