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Non-Binding Offer from Trans Metal Fund Sturec Gold Mine, Slovakia Additional Supplementary Information

HIGHLIGHTS

- MTC has completed engagement and consultation with ASX in relation to the non-binding offer from Canadian private equity group 'Trans Metal Fund' to acquire all the issued capital of Ortac Resources (UK) Limited, a wholly owned subsidiary of MetalsTech that holds 100% ownership of the Sturec Gold Project in Slovakia ("Disposal")
- ASX has confirmed that ASX Listing Rules 11.1.2, 11.1.3 and 11.4 do not apply to the Disposal and that only ASX Listing Rule 11.2 applies to the Disposal requiring MTC to obtain shareholder approval prior to the Disposal
- Proposed consideration includes US\$36 million cash (~A\$53.6 million) on completion, US\$20 million cash payable upon receipt of an underground mining activity permit (which the Company expects to have granted in Q1 this year) and a further deferred US\$25 million lump sum cash payment in lieu of a retained royalty following the restart of commercial production at Sturec for a total offer of US\$81 million (~A\$120.7 million)
- MTC makes no comment in respect of the offer other than to advise that it is considering all its options and prudently navigating the very strong interest that has been generated from the strategic process being undertaken by Minmetals Securities Co., Ltd
- MTC has 188,954,590 fully paid ordinary shares on issue and the 52-week high for the MTC Share price is A\$0.52

MetalsTech Limited (ASX: MTC) (the **Company** or **MTC**) is pleased to provide shareholders and investors with an update in relation to the consultation and engagement process which has been completed with the ASX in respect of the non-binding offer received from Trans Metal Fund LP (**TMF**), a private equity fund focusing on global natural resource opportunities headquartered in Toronto, Canada, to acquire the Sturec Gold Project via the acquisition of all the issued capital of the Company's wholly owned subsidiary, Ortac Resources (UK) Limited (**Target**).

The Company refers to its Request for Trading Halt dated 16 January 2024 as well as its subsequent Request for Voluntary Suspension and Request for Extension to Voluntary Suspension dated 18 January 2024 and 30 January 2024, respectively, in which the Company advised that detailed submissions



(specifically ASX Listing Rules Chapter 11 – ‘Significant Transactions’) would be made to the ASX in relation to the potential transaction with Trans Metal Fund.

The Company is pleased to advise that the engagement and consultation process has been successfully concluded and that ASX has confirmed that ASX Listing Rules 11.1.2, 11.1.3 and 11.4 do not apply to the Disposal and that only ASX Listing Rule 11.2 applies to the Disposal requiring MTC to obtain shareholder approval prior to the Disposal.

In compliance with section 4.15 of ASX Guidance Note 8, the Company is pleased to provide further supplementary information in relation to TMF, the proposed transaction and generally.

About Trans Metal Fund LP

TMF is a private equity fund focusing on global natural resource opportunities headquartered in Toronto, Canada, backed by Canadian and Asian based institutional investors and managed by a group of well-known mining experts all with more than 20 years of experience as mining executives and a strong operational track record, as mining executives in international mining companies.

TMF currently manages approximately US\$500 million in total assets, including two large-scale operating polymetallic mines in Canada.

There are three partners that operate TMF, all of which are proficient and professional operators in the legal, financial and mining sectors. The three partners are:

- (a) Michael Boehm
- (b) James (Yuxing) Xiang
- (c) Parviz Farsangi

The following section sets out the backgrounds of the partners.

James (Yuxing) Xiang

Mr Xiang has raised over \$2 billion for Chinese companies from private equity investors and via international listings in the last two decades. As a leading investment banker and financial advisor, he led more than 10 international listings and over 20 M&A transactions with projects covering five continents, including 15 mining projects. From 2013, he led the successful turnover of two bankrupt mining companies, Canadian Royalties and North American Lithium and gained great experience in running mining companies in difficult circumstances.

Parviz Farsangi

Dr Farsangi has an extensive mining operations background and served as executives of global mining giants and leading gold mining companies. He is a director of Wallbridge Mining, Magna Gold and Gowest Gold Limited. In 2013-2018 Dr Farsangi worked as CEO of Canadian Royalties. Earlier, he was Executive Vice President and Chief Operating Officer of Vale Inco Limited with the responsibility of leading the operations of Vale Inco's wholly-owned subsidiaries. Prior to joining Vale Inco, Dr Farsangi had a long career with Falconbridge Limited. Subsequently he was President of Gramercy Alumina LLC in Louisiana and St. Ann Bauxite Limited in Jamaica for Falconbridge Limited.



Michael Boehm

Mr Boehm is a partner of Fasken Martineau DuMounlin LLP. With involvement in tens of billions of dollars' worth of negotiated and unsolicited merger and acquisition transactions, as well as billions of dollars' worth of financings, Chambers Global-ranked Mr Boehm assists clients in various industries with a particular focus on mining and natural resources.

Mr Boehm has worked on some of the world's most significant critical minerals projects and has represented the world's largest battery maker on several transactions. Mr Boehm spends most of his time focused on impactful client investments in the green energy transition space - from battery materials to renewable energy projects.

Mr Boehm is a truly international M&A and corporate finance lawyer, regularly traveling and working with clients on transactions spanning nearly every continent each year. Mr Boehm also presents and attends conferences across the globe every year.

Update on Due Diligence Undertaken by MTC on TMF

Due diligence investigations into the financial capabilities of TMF are ongoing and will form a significant aspect of the due diligence exercise following execution of the Definitive Agreement, if the NBO progresses to this stage.

As at the date of this ASX announcement, the Company is continuing to review and liaise with TMF and its advisers in relation to key due diligence requirements. However, as a result of the review of the background capabilities of the three partners as set out above, the Company has taken significant comfort from TMF's ability to complete given their professional and sophisticated backgrounds. The Company does note that the due diligence investigations are ongoing and will form a key condition precedent for completion of the Definitive Agreement, in the event that the NBO progresses to this stage.

To date the Company has engaged with TMF's executive management team to ascertain details over the capacity of Trans Metal Fund LP to settle the acquisition costs. Trans Metal Fund LP is currently engaged with its lawyers and has facilitated the introduction of MTC to the Trans Metal Fund LP legal counsel to provide detailed commitment letters in relation to funding which can be supported through fund financial statements.

Material Conditions to Completion of the TMF Offer

Completion of the Disposal will be conditional upon the satisfaction or waiver of conditions precedent which are standard for a transaction of this nature. The Company anticipates that these conditions precedent will include execution of the Definitive Agreement; completion of due diligence by both of the Company and TMF, including legal, technical and financial (where required), receipt of all ASX approvals and any required shareholder approval and regulatory approvals.

The Company considers that that the most pertinent due diligence investigation for it will be a review of the financial capabilities of TMF to fund the consideration set out above. The Company notes that the NBO states that the offer from TMF is not subject to any financing conditions and that it will be funded from its internal cash reserves.

TMF and the Company will use reasonable commercial efforts and co-operate in good faith to conclude confirmatory due diligence, negotiate the specific terms and conditions of a binding, full form share sale



agreement (**Definitive Agreement**) on terms and conditions which are customary for transactions of a similar nature and consistent with the terms set out in the NBO and take all other necessary actions, deliver any other required documents and enter into any other agreements as may be required in connection with the Disposal.

After completion of the Disposal, TMF will use all reasonable endeavours to pursue the permitting for the Sturec Gold Project and conduct the remaining studies for reserves estimation in order to restart the Commercial Production at the Sturec Gold Project as planned. The Company may provide necessary support and supervision to the permitting and development activities.

Expected Date for Completion of the TMF Proposed Transaction

As at the date of this ASX announcement, the Company and TMF do not have a set timetable or date for completion of the Disposal as the Disposal remains subject to drafting, negotiation and execution of the Definitive Agreement. However, the Company does not expect that completion of the Disposal will take longer than 2-3 months (including drafting of the Definitive Agreement).

Regulatory Approvals Required

The Company does not consider that there are any regulatory approvals required. The sale of the Sturec Gold Mine will be via the sale of 100% of the shares held in Ortac Resources (UK) Limited which is a wholly-owned UK subsidiary of the Company which in turn owns 100% of Ortac s.r.o the local Slovakian entity, so there is no change in legal ownership at the Slovakian legal level.

Application of ASX Listing Rule 11.2

The Company confirms that ASX Listing Rule 11.2 applies to the Disposal and as such confirms that it will seek shareholder approval for the Disposal at the appropriate time.

Related Party Involvement

The Company confirms that there are no related parties involved in the Disposal and further confirms that TMF is not a related party of the Company or any of its subsidiaries or officers.

Proposed Use of Funds received from the Disposal

As at the date of this ASX announcement, it is likely that the Company will consider a capital return to its shareholders of up to 85% of the proceeds received from the Disposal, less any adjustments made for tax purposes to be confirmed through an ATO Class Ruling at the appropriate time.

The remaining funds will be allocated towards the existing Sauvolles Lithium Project, Quebec, as well as increase strategic landholdings in the lithium sector in Quebec and elsewhere. Funds will also be directed to the acquisition and exploration of other complimentary projects in different sectors, including copper, gold and lithium. MetalsTech will remain as an exploration company. Funds will also be retained for administration and corporate costs.

The Company notes that the Royalty which can be converted into a lump sum payment of USD25 million can only occur once the pre-defined Commercial Production threshold has been reached. As at the date of this ASX announcement, the Company has elected to retain this amount as a royalty and so all assumptions and budgeted expenditures are based on total sale consideration of USD56 million.



A detailed indicative expenditure budget is outlined in Table 1 (below). For the purposes of the expenditure table, the Company has assumed an exchange rate of 0.66AUD : 1USD.

Item	Amount
Community and stakeholder engagement at Sauvolles Lithium Project	\$100,000
Soil, till, stream and sediment sampling program (includes assays)	\$400,000
Permitting and related activities	\$100,000
Phase I reconnaissance exploration drilling program on the mineral claims at Sauvolles Lithium Project (includes assays)	\$1,000,000
Phase II drilling program at Sauvolles Lithium Project (includes assays)	\$2,000,000
Metallurgical test work at Sauvolles Lithium Project (initial test work)	\$150,000
Expansion of Sauvolles Lithium Project footprint through acquisition of adjoining lands	\$400,000
Acquisition of further lithium projects across Quebec	\$1,000,000
Acquisition of other complimentary projects (including in the lithium sector in Quebec, but elsewhere as well and other commodities)	\$5,000,000
Corporate and administration costs	\$1,300,000
Working capital	\$1,250,000
Total	\$12,700,000

The Company will continue to update shareholders on the progress of discussions with TMF and the strategic process generally.

This offer is the first to emerge from the Company's strategic process being undertaken in conjunction with Minmetals Securities Co., Ltd and various discussions with potential transaction counterparties.

ENDS

This announcement has been authorised by the Board of Directors of MetalsTech Limited.



ASX: MTC

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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.