



**METALS TECH**  
LIMITED

ASX: MTC

ASX RELEASE // 29 APRIL 2024

# Quarterly Report

**Metals Tech Limited**



## HIGHLIGHTS

- MTC received non-binding offer from Canadian private equity group, Trans Metal Fund LP, to acquire all issued capital of Ortac Resources (UK) Limited, a wholly owned subsidiary of MetalsTech that holds 100% ownership of the Sturec Gold Project in Slovakia
- 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 was received post end of Quarter – refer to ASX announcement dated 24 April 2024) 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 is considering all its options and prudently navigating very strong interest in Sturec, generated from the strategic process being undertaken by Minmetals Securities Co., Ltd.

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**MetalsTech Limited (ASX: MTC)** (the Company or MTC) is pleased to announce its quarterly activities report for the period ending 31 March 2024.

During the quarter, MetalsTech received a non-binding offer from Trans Metal Fund LP (TMF), a private equity fund specialising in global natural resource opportunities headquartered in Toronto, Canada. The offer aimed to acquire MetalsTech's Sturec Gold Project in Slovakia by obtaining all the issued capital of Ortac Resources (UK) Limited, a wholly owned subsidiary of MetalsTech Limited.

TMF is supported by Canadian and Asian institutional investors and managed by a team of experienced mining professionals with more than 20 years of expertise as mining executives. TMF currently manages assets totalling around US\$500 million and operates two large-scale polymetallic mines in Canada.

### Proposed Transaction Summary

Subject to progressing to Definitive Agreements and fulfilling regulatory approvals, TMF's proposed acquisition includes:

- An upfront cash payment of US\$36,000,000 upon closing (equivalent to approximately A\$0.284 per Share)
- An additional US\$20,000,000 in cash upon the granting of an underground mining activity permit (equivalent to approximately A\$0.158 per Share) – **the extension to the underground mining permit was received post end of Quarter – refer to ASX announcement dated 24 April 2024**
- Retention of a 2% gross overriding royalty on the Project's revenue, convertible to a lump sum cash payment of US\$25,000,000 after Commercial Production commences (equivalent to approximately A\$0.197 per Share)



The total offer amounts to US\$81 million (A\$120.7 million) or approximately A\$0.639 per Share on a nominal look-through basis. Commercial Production is defined as reaching at least 150,000 tonnes of mined material from the Project.

Following the closing, TMF commits to securing permits for the Project and completing necessary studies for reserves estimation to restart Commercial Production. MetalsTech Limited may offer support and supervision for these activities.

### Offer Financing Conditions

TMF's obligations under the Definitive Agreements are not contingent on financing conditions and will be financed from internal cash reserves.

### Other Terms & Conditions

The transaction terms are customary for deals of this nature, and MetalsTech Limited will adhere to continuous disclosure requirements to keep the market informed of any significant developments.

MetalsTech Limited's dividend policy includes considering returning 85% of significant funds received from any transaction initiated through the strategic process to shareholders.

### Corporate

MetalsTech continues to assess the significant strategic interest that has been received through the strategic process being undertaken with its advisor, Minmetals Securities Co., Ltd.

The Sturec project remains the flagship project of the Company hosting a JORC (2012) Measured, Indicated and Inferred resource of ~2.7 million ounces of gold. An updated scoping study has demonstrated the robustness of the project on a large-scale underground-only mining operation. **The Scoping Study has demonstrated a pre-tax NPV<sub>8%</sub> of US\$506 million and IRR of 116%.**

The Western Tethys Gold Belt where the Sturec project is located is host to some of the largest gold projects globally with experienced mining operators including Zijin Mining, Dundee Precious Metals and Eldorado Gold all having tier-1 projects along this preeminent gold belt in Eastern Europe.

### Appendix 5B Commentary

In Payments to related parties of the entity and their associates (refer to 6.1), the \$54,000 payment refers to the payment of non-executive fees and director consulting fees.

Cash outflows from operating activities for the quarter were \$299,000. Cash outflows from investing activities for the quarter were \$159,000. Cash inflows from financing activities were NIL.

Cash and cash equivalents as at 31 March 2024 were \$152,000.



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For further information please contact

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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.

## 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 Cunyou Li, who is a Member of TheProfessional Geoscientist of Ontario (No. 2117). Mr Li is the principal of JP Geoconsulting Services 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 Li consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



## DESCRIPTION OF THE MINING RIGHTS

### *Slovakian Gold Project*

#### *Sturec Gold Mine*

Tenement ID°	Status	Registration Date	Expiry Date	Area
Sturec Gold Mine – Mining License 1830-3359/2008	Active		Indefinite	9.47 sq km