



MetalsTech Signs Option to Acquire the Sturec Gold Mine

Highlights

- Option to acquire 100% of the Sturec Gold Project in Slovakia
- Advanced gold asset with an existing Pre-Feasibility Study completed by SRK Consulting (UK) Limited in April 2013 on an open pit mine design – optimisation of the existing Pre-Feasibility Study will be a near term priority
- The Sturec project hosts an existing open cut JORC (2004) Measured and Indicated Resource of 1.01 million oz at 2.05g/t Au Eq (15.4Mt @ 2.05g/t Au Eq at a cut-off grade of 0.4g/t Au Eq) plus a JORC (2004) Inferred Resource of an additional 310,000 oz at 0.99g/t Au Eq (9.7Mt @ 0.99g/t Au Eq at a cut-off grade of 0.4g/t Au Eq)

Note: JORC (2004) Mineral Resource estimate completed by Snowden Mining Industry Consultants in April 2012 on behalf of Ortac Resources Limited (now known as Arc Minerals Ltd), the previous owner of the Sturec project. A copy of this report is available on the website of MetalsTech (www.metalstech.net). The estimate of the Mineral Resource does not comply with JORC (2012) standard.

- A JORC (2004) Proven and Probable Ore Reserve was estimated by SRK Consulting which estimated 873,000 oz at 1.90g/t Au Eq (calculated as 13.965Mt @ 1.90g/t Au Eq assuming gold price at 1,300 USD/oz)

Note: JORC (2004) Mineral Reserve estimate completed by SRK Consulting (UK) Limited in April 2013 on behalf of Kremnica Gold s.r.o, a wholly owned subsidiary of Ortac Resources Limited (now known as Arc Minerals Ltd), the previous owner of the Sturec project. A copy of this report is available on the website of MetalsTech (www.metalstech.net). The estimate of the Mineral Reserve does not comply with JORC (2012) standard.

- Sturec mine has historically produced over 1.5 million ounces of gold and 6.7 million ounces of silver
- Opportunity to apply modern processing strategy to a historically significant gold deposit
- Significant exploration upside exists along strike of the main Sturec defined resource as well as down dip / plunge of the existing ore body
- MTC has approximately 116.9 million fully paid ordinary shares on issue

MetalsTech Limited (ASX: MTC) (the **Company** or **MTC**) is pleased to announce that it has entered into a binding option agreement (**Option**) with Arc Minerals Ltd and Ortac s.r.o to acquire up to a 100% interest in the Sturec Gold Project in Slovakia (**Sturec** or the **Project**). Sturec is an advanced gold project with significant development potential.

Under the Option, MTC has forty-five (45) business days to complete technical, legal and financial due diligence on the Project. A significant amount of desktop technical due diligence has already been completed. A summary of the key terms of the Option are set out in this announcement.



Commenting on the Sturec Gold Project, Chairman Mr Russell Moran stated:

“Assuming we are satisfied with our due diligence, Sturec has the potential to deliver strong shareholder value given the current outlook for the gold sector and the advanced nature of the asset. Sturec is a large scale, advanced development gold project which boasts significant exploration upside. If we complete on the option, we will immediately get to work on a series of high impact and low cost technical exercises to bring the project from JORC (2004) to JORC (2012) standard, design a resource upgrade exploration plan as well as deliver an optimisation study for the PFS.”

We recently received a circa A\$1.75 million cash refund from Revenue Quebec and expect to receive a further ~A\$200,000 shortly, so we are well funded to progress the transaction and proposed works. We are also in discussions with potential non-equity focused strategic investors interested in accelerating development of the Sturec project, should we complete on the option.

Ironically, the severe collapse in the spodumene concentrate price has sparked more interest in our lithium projects in Canada than we experienced last year so we are optimistic of achieving progress in this regard, which could also potentially yield further cash inflows from partnership deals.”

Sturec Gold Project

The Project is located in central Slovakia between the town of Kremnica and the village of Lučky, 17km west of central Slovakia’s largest city, Banska Bystrica, and 150km northeast of the capital, Bratislava. It consists of the Kremnica Mining Licence (11.8 km²) and the broader Lutilla Exploration Licence (63.1 km²).

Good paved roads and a network of old mining and forestry tracks service the Project. There is also a regularly operating rail line to the town of Kremnica. High voltage power lines pass through the margins of the mining lease, and connection to the national grid is possible. A network of historic water storage impounds associated with the mining history of the area would ensure an adequate water supply.

The map below illustrates the location of the Sturec project:



Figure 1: Location Map of the Sturec Gold Project, Slovakia



Gold mining commenced at Šturec in the 8th century and historical production reportedly totals ~46,000kg (~1.5Moz) of gold and ~208,000kg (~6.7Moz) of silver. Production was mostly from underground mine workings but also from some small open pits.

Source: Ortac Resources Ltd (AIM: OTC) Investor Presentation dated April 2017, page 4 (http://s2.q4cdn.com/256050873/files/doc_presentations/599e0157399e9_Ortac_Presentation_-_April_2017.pdf)

The Slovak Geological Survey carried out extensive exploration in the Šturec area from 1981 to 1987, including extensive adit and cross-cut development within the Šturec zone. The State-owned company, Rudne Bane, subsequently operated an open pit mine at Šturec from 1987 to 1992 and produced 50,028t of ore averaging 1.54g/t Au. Further core and RC drilling was undertaken by Argosy Mining Corporation and Tournigan Gold Corporation (120 holes totalling 25,000m) prior to Ortac Resources acquiring the project in 2009.

Šturec Geological Setting

The Šturec deposit is interpreted as a part of a low sulfidation epithermal system and is hosted by Tertiary andesite flows and tuffs, and lesser diorites and rhyolite dykes. The geology of the deposit as a whole is well established. The main zone of mineralisation of current economic interest is the Šturec zone, which is continuously mineralised for 1,200 m along strike, is typically 100 to 150 m wide and extends to a depth of at least 300 m. The most significant part of the Šturec zone is the Schramen Vein, which is a massive to sheeted quartz vein striking north and dipping to the east.

Mineralisation occurs in large banded to massive quartz veins, smaller quartz veins and sheeted veins, quartz stockwork veining, and silicified hydrothermal breccias. Geological work completed by Tournigan in 2005 has demonstrated that gold and silver mineralisation within the sheeted veins and stockwork veining zones is primarily localised in areas immediately adjacent to the main vein zones.

Substantial metallurgical work has been completed by previous owners. Gold occurs freely and in non-refractory association (coatings, etc.) with sulfides and with silver as electrum. Besides electrum, silver occurs in the minerals polybasite, pyrargyrite, and argentite. Sulfide minerals consist predominately of pyrite and marcasite with much lesser amounts of chalcopyrite, arsenopyrite, stibnite, sphalerite and galena.

Sulfide contents rarely exceed 2% and average 0.5%. Average gold grades throughout the deposit are approximately 2 g/t Au but high-grade zones can exceed 30 g/t Au locally. Silver/gold ratios vary but average approximately 8:1.

Large mineralised banded to massive quartz veins and associated silica, argillic and propylitic alteration zones are localised along a major, broad approximately north to northeast striking structural zone that is mineralised for a length of at least 6.5 km. Some 80 veins are documented within the Kremnica vein system, with individual vein groups being up to 100 m thick.

Historical Exploration

The following section provides a brief overview of the historical exploration that has been conducted at the Šturec project.

Further information is contained in the Resource Estimate report completed by Snowden Mining Industry Consultants dated April 2012 as well as the PFS which was completed by SRK Consulting (UK) Limited dated April 2013. These reports are available on the Company's website (www.metalstech.net).

As previously stated, these reports were completed on behalf of Ortac Resources Limited (now Arc Minerals Ltd), either directly or via Kremnica Gold s.r.o, the previous owner of the Šturec project.



1962 – 1990 Exploration Activities

The Slovak Geological Survey and Rudne Bane (the state mining company) conducted modern exploration in the Kremnica district. The exploration work, which led to discoveries, was initiated in 1962 and conducted intermittently through to 1990. This work included driving four major exploration adits, more than 20 underground crosscuts, and both surface and underground drilling. Exploration defined near-surface deposits at Šturec and Vratislav. No modern exploration was undertaken in the Wolf area, located another kilometre to the north.

1987 – 1992 Mining Operations

Beginning in 1987 Rudne Bane mined 50,028 tonnes averaging 1.54 g/t gold from a small open pit located in the Šturec deposit. The ore was treated with in a cyanide mill that operated at about 30 tonnes per day.

1996 – 1997 Exploration Activities

Argosy Mining Corporation (**Argosy**) completed a core-drilling program in 1996 and a combined core and reverse-circulation drilling program in 1997 for a total of 79 holes (12,307m).

In 1997, Argosy conducted soil sampling within the mining license covering the areas known as Katrina and Volle Henne. A total of 135 samples were collected on 25m intervals along grid lines 200m apart. Samples were assayed for both gold and silver. The program defined a strong (+250ppb) gold in soil anomaly 150m wide by 800m long, striking NNE and open to the north and south.

2004 – 2005 Exploration Activities

In 2004, Tournigan Gold Corporation (**Tournigan**) conducted exploration activities north of Šturec at Wolf and Vratislav (test diamond drilling programs) and south of Šturec throughout the Kremnica South area (large soil geochemical survey covering most of Kremnica South area, test diamond drilling at Certov and Bartasova Lehotka areas at Kremnica South, and limited exploration trenching south of the town of Lucky). In 2005, Tournigan conducted an in-fill RC drilling program at Šturec.

In the summer and autumn of 2005, Tournigan executed a 36-hole program of reverse circulation drilling as infill of Argosy's and Tournigan's earlier core drilling programs. Tournigan drilled a further 5-holes as twins of earlier Argosy core holes. This 41-hole program resulted in the deposit being drilled off on approximate 50-meter centres (earlier drilling had been on approximate 100-meter centres).

Previously Defined JORC (2004) Mineral Resources

Snowden Mining Industry Consultants completed a Mineral Resource estimate at Šturec in April 2012 on behalf of Ortac Resources Limited (now known as Arc Minerals Ltd), the previous owner of the Šturec project. The Mineral Resource Statements have been generated by Snowden and reported under the terms and definitions given in "The 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code") as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of geoscientists and Minerals Council of Australia". The estimate of the Mineral Resources does not comply with JORC (2012) standard.

Dr Qingtao Zeng, the Competent Person for the Company, has not done sufficient work to classify the estimates of JORC (2004) Mineral Resources in accordance with the JORC Code 2012. It is possible that following evaluation and/or further exploration work, the currently reported estimates may materially change and hence will need to be reported afresh in accordance with the JORC Code 2012. Nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the estimates contained within the Snowden Mining Industry Consultants report on the JORC (2004) Mineral Resources, however, the Company has not independently validated the estimates contained within the



Snowden Mining Industry Consultants report and therefore is not to be regarded as reporting, adopting or endorsing those estimates.

The table below summarises the JORC (2004) Mineral Resource estimate for the Sturec project as calculated by Snowden Mining Industry Consultants in April 2012:

Resource Category	Tonnes (t)	Density (t/m ³)	Au (g/t)	Ag (g/t)	AuEq* (g/t)	Au (ounces)	Ag (ounces)	AuEq* (ounces)
Measured	3,000,000	2.17	1.69	13.5	1.96	161,000	1,291,000	187,000
Indicated	12,400,000	2.24	1.76	15.2	2.07	702,000	6,044,000	823,000
Measured + Indicated	15,400,000	2.23	1.75	14.9	2.05	863,000	7,335,000	1,010,000
Inferred	9,700,000	2.33	0.89	5.1	0.99	279,000	1,587,000	310,000
Total	25,100,000	2.27	1.42	11.1	1.64	1,141,000	8,922,000	1,320,000

*AuEq (gold equivalent) has been calculated for each block with an AuEq ratio of 50 parts Ag for every 1 part Au.

The Mineral Resource estimate as calculated by Snowden Mining Industry Consultants has been estimated in accordance with JORC (2004). Dr Qingtao Zeng, the Competent Person for the Company, has not done sufficient work to classify the estimates of the Mineral Resource in accordance with JORC (2012). It is possible that following evaluation and/or further exploration work, the currently reported estimates may materially change and hence will need to be reported afresh in accordance with the JORC Code 2012. Nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the estimates contained within the Snowden Mining Industry Consultants report on the JORC (2004) Mineral Resources, however, the Company has not independently validated the estimates contained within the Snowden Mining Industry Consultants report and therefore is not to be regarded as reporting, adopting or endorsing those estimates.

Further information is contained in the Resource Estimate report completed by Snowden Mining Industry Consultants dated April 2012. This report is available in full on the Company's website (www.metalstech.net).

A summary of the work programs on which the JORC (2004) Mineral Resource estimate is based on and a summary of the key assumptions is provided in the Snowden Mining Industry Consultants report dated April 2012. This report is available in full on the Company's website (www.metalstech.net).

No recent estimates or data relevant to the reported mineralisation is available to the Company.

The Company plans on upgrading the existing JORC (2004) Mineral Resource to a JORC (2012) standard. The Company does not consider that any additional field exploration or drilling will be required to complete this, as all data currently exists and is accessible by the Company. It is expected that this work will commence as soon as the Company has exercised its option to acquire Ortac s.r.o and will be funded from existing cash reserves.

Dr Qingtao Zeng, the Competent Person for the Company, has reviewed the JORC (2004) Mineral Resource estimate contained within the Snowden Mining Industry Consultants report dated April 2012, and particularly the parameters used in calculating the JORC (2004) Mineral Resource for the Sturec project, and has concluded that the estimates contained in the Snowden Mining Industry Consultants report dated April 2012 are reliable. The report contains each of the assumptions used in calculating the JORC (2004) Mineral Resource including information sources, geological interpretation, data compositing, statistical analysis, variography, block modelling parameters, model validation and resource classification parameters.

Specifically, Dr Zeng has reviewed the sampling techniques used in the collection and preparation of the samples from drilling completed at the Sturec project, the type of drilling techniques has also been investigated and are catalogued in the report completed by





Snowden Mining Industry Consultants. Geological and drill core logs have also been inspected. Dr Zeng believes that adequate verification of sampling and assaying has been undertaken by the previous owner and that adequate sample security measures have been enforced. The geology of the Sturec project is well understood and a substantial database has been developed. Dr Zeng has no reason to consider that the results can't be relied upon.

This information is considered to be reliable and continues to be current. No additional information, recent estimates or relevant data has been reported or is available to the Company which would create uncertainty over the reliability of the existing JORC (2004) Mineral Resource.

A summary of the work programs undertaken that established the basis for the Mineral Resource estimate is provided below.

The Slovak Geological Survey carried out extensive exploration in the Kremnica area from 1981 to 1987, drilling 34 holes for over 25,000m, although much of this was outside the main area of interest at Kremnica: the Sturec zone here referred to as the Schramen Vein system. The State-owned company, Rudne Bane, operated at Kremnica from 1987 to 1992. Rudne Bane undertook extensive adit development within the Sturec zone and produced 50,028t averaging 1.54 g/t Au from a small open pit.

Argosy Mining Corporation of Vancouver (Argosy) acquired the property in 1995 and completed a diamond core drilling programme in 1996 and a combined diamond core and reverse circulation (RC) drilling programme in 1997 for a total of 79 holes (12,306m).

Tournigan Gold Corporation (Tournigan) acquired the rights to the Kremnica project by purchasing Kremnica Gold a.s. from Argosy in July 2003. Tournigan then completed 104 diamond and reverse circulation drillholes (for 14,000m) over the period 2004 to 2008. The majority of these holes were over the main Sturec zone, but also included contiguous mineralisation north and south of the main Sturec zone.

Following from Tournigan's exploration, Beacon Hill Consultants (1988) Ltd, based in Vancouver, produced a pre-feasibility study on the Kremnica project in 2007. This study covered mining, processing, infrastructure and environmental matters, as well as an economic analysis.

Ortac Resources acquired the Kremnica project in 2009. Ortac Resources drilled an additional 13 drillholes for a total of 2,772m.

The resource estimate compiled by Snowden in April 2012 has been classified using the guidelines of the JORC (2004) and reported separately for areas of potential open pit and underground mining. The Mineral Resource has been reported above a 0.40 g/t Au cut-off for the portion of the estimate which is potential mineable by open pit methods.

Snowden's grade-tonnage estimate used data from the sampling of adits, surface and underground diamond drill core, surface reverse circulation drilling and trench samples. The database was compiled and verified by Ortac s.r.o, the previous owner of the Sturec project. Snowden's validation checks indicate that the data is of sufficient quality to support the resource classifications applied.

Multiple indicator kriging was used to estimate the gold and silver grades into a block model constrained by the Ortac s.r.o geological interpretation. This model reflects the interpreted structure and geology. Search ellipses and ranges used in estimation reflect the spatial continuity and trends of the mineralisation in each of the mineralised domains.

Density was assigned based on core measurements and measurements of bulk density from adits through the mineralised zone. A global density of 2.34 t/m³ was applied to the main resource model.

Snowden based the classification of the Mineral Resource upon a number of criteria, including the confidence in the geological interpretation, the integrity of the data, the spacing between the data, and the grade continuity as demonstrated by the variography.





Previously Defined JORC (2004) Mineral Reserves

SRK Consulting (UK) Limited completed a Mineral Reserves estimate at Šturec in April 2013 as part of a Pre-Feasibility Study on behalf of Kremnica Gold s.r.o, a wholly owned subsidiary of Ortac Resources Limited (now known as Arc Minerals Ltd), the previous owner of the Šturec project. The Mineral Reserve Statements have been generated by SRK Consulting and reported under the terms and definitions given in “The 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”) as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of geoscientists and Minerals Council of Australia”. The estimate of the Mineral Reserves does not comply with JORC (2012) standard.

Dr Qingtao Zeng, the Competent Person for the Company, has not done sufficient work to classify the estimates of JORC (2004) Mineral Reserves in accordance with the JORC Code 2012. It is possible that following evaluation and/or further exploration work, the currently reported estimates may materially change and hence will need to be reported afresh in accordance with the JORC Code 2012. Nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the estimates contained within the SRK Consulting (UK) Limited report on the JORC (2004) Mineral Reserves, however, the Company has not independently validated the estimates contained within the SRK Consulting (UK) Limited report and therefore is not to be regarded as reporting, adopting or endorsing those estimates.

The table below summarises the JORC (2004) Mineral Reserve estimate for the Šturec project as calculated by SRK Consulting (UK) Limited in 2013:

Reserve Category	Tonnes (t)	Au (g/t)	Ag (g/t)	AuEq* (g/t)	AuEq* (ounces)
Proven	3,084,000	1.62	13.05	1.80	184,000
Probable	10,881,000	1.73	14.55	1.93	689,000
Total	13,965,000	1.70	14.22	1.90	873,000

*AuEq (gold equivalent) has been calculated for each block with an AuEq ratio of 50 parts Ag for every 1 part Au.

The Mineral Reserve estimate as calculated by SRK Consulting (UK) Limited has been estimated in accordance with JORC (2004). Dr Qingtao Zeng, the Competent Person for the Company, has not done sufficient work to classify the estimates of the Mineral Reserve in accordance with JORC (2012). It is possible that following evaluation and/or further exploration work, the currently reported estimates may materially change and hence will need to be reported afresh in accordance with the JORC Code 2012. Nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the estimates contained within the SRK Consulting (UK) Limited report on the JORC (2004) Mineral Reserves, however, the Company has not independently validated the estimates contained within the SRK Consulting (UK) Limited report and therefore is not to be regarded as reporting, adopting or endorsing those estimates.

Further information is contained in the Pre-Feasibility Study which was completed by SRK Consulting (UK) Limited dated April 2013. This report is available in full on the Company's website (www.metalstech.net).

A summary of the work programs on which the JORC (2004) Mineral Reserve estimate is based on and a summary of the key assumptions, mining and processing parameters and methods used to prepare the JORC (2004) Mineral Reserve estimate is provided in the SRK Consulting (UK) Limited report dated April 2013. This report is available in full on the Company's website (www.metalstech.net).

No recent estimates or data relevant to the reported mineralisation is available to the Company.

The Company plans on upgrading the existing JORC (2004) Mineral Reserve to a JORC (2012) standard. The Company does not consider that any additional field exploration or



drilling will be required to complete this, as all data currently exists and is accessible by the Company. It is expected that this work will commence as soon as the Company has exercised its option to acquire Ortac s.r.o and will be funded from existing cash reserves.

Dr Qingtao Zeng, the Competent Person for the Company, has reviewed the JORC (2004) Mineral Reserve estimate contained within the SRK Consulting (UK) Limited report dated April 2013, and particularly the parameters used in calculating the JORC (2004) Mineral Reserve for the Šturec project, and has concluded that the estimates contained in the SRK Consulting (UK) Limited report dated April 2013 are reliable. The report contains each of the assumptions used in calculating the JORC (2004) Mineral Reserve including open pit geotechnics and design criteria, metallurgical testwork and processing plant design, hydrogeology, mining, geochemistry, tailings and waste rock treatment, environmental and social factors and economic and non-economic Modifying Factors including financial modelling and sensitivities.

Adequate information is contained in the SRK Consulting (UK) Limited report on the applicable Modifying Factors particularly on the subject of the mining method used in the PFS and the estimate of the JORC (2004) Mineral Reserve. The report outlines the need for further geotechnical drilling to be completed on the main Šturec area. The Šturec project has been studied extensively since 1995 and as a result there is a high degree of confidence in the data presented in the report completed by SRK Consulting (UK) Limited. Indeed, many aspects of the project have previously been engineered to pre-feasibility levels in both technical and cost estimation terms. Overall, Dr Zeng considers the approach adopted by SRK Consulting (UK) Limited for the Mineral Reserve Estimation and classification of the Šturec project to be appropriate, sufficiently detailed and in line with international best practice. Dr Zeng believes the pit slope recommendations provided for the mine design are based on sound data and modelling techniques and are suitable for a pre-feasibility level of study. In terms of infrastructure, the Šturec project is located close to grid power, good IT and communications, and sufficient process and potable water should be available from a combination of abstraction from the Heritage Adit and purpose drilled boreholes. Financially, the Šturec project has been examined using a technical economic model ("TEM") developed by SRK Consulting (UK) Limited. Within the model, assumptions made with regards to metallurgical recovery, operating costs and capital expenditure have been derived from work undertaken for each separate discipline and detailed in the report completed by SRK Consulting (UK) Limited. Each scenario has been modelled using a range of metal price forecasts and discount rates.

The Šturec Pit was modelled for stability using both limit equilibrium and finite element analysis techniques. These methods were used as both a rotational rock mass sliding failure and a crushing failure at the toe are thought to be likely modes of failure. The majority of the modelling was conducted using limit equilibrium techniques. A finite element model of the final slope was run using finite element analysis to confirm the stability analysis. The stability of the pit is deemed to be significantly controlled by the degree of argillic alteration of the predominantly andesite rock mass found at Šturec.

The pit angle for initial analysis was set at 50° for the andesite materials (fresh andesite, low argillic altered, moderately argillic altered, and high argillic altered) and the high clay zone. The slope was set at 30° for the overburden material, which is assumed to run at a depth 30m parallel to the ground surface. The contact of the lithologies run parallel with the ore body (deemed to be low argillic altered). The thickness of each rock mass material was based on the geotechnical data collected.

The metallurgical testwork reported for the Šturec orebody suggests that it is an ore that is amenable to relatively straightforward cyanide leaching. The head assays reported in the WAI testwork indicate that there are no significant levels of potentially troublesome elements within the ore – base metals, cyanide consumers, Hg/Te/Se. The Au recoveries achieved by cyanidation of the samples used in this testwork program were consistent with the findings of the diagnostic leach testwork conducted on the samples.

The geochemical characterisation of the Šturec waste rock has been relatively well defined. Over the years there have been numerous studies that have defined the acid generation potential of the waste and the metal leaching characteristics, both in terms of absolute values or static testing, and the rates of generation or mobilisation, i.e. kinetic testing. These



studies have resulted in an ability to clearly define the problematic wastes from within the proposed open pit operation and have enabled the development of a co-disposal tailings and waste rock management strategy.

There has been recorded mining activity in the region of the Šturec deposit from the mid-13th century until 1992. In the immediate vicinity of the project site, land is mainly used for forestry, livestock farming and recreational activities such as hiking. Land in the vicinity of the deposit is mostly state-owned. Some of the land to the south of the orebody and much of the surrounding land is owned by Kremnica Municipality. As the potential mine area contained an active open pit mine up until 1992 and is still by law considered an active Mining Licence Area, residential and commercial development in the immediate vicinity of the deposit has been limited.

Material modifying factors include environmental approvals, an integrated prevention and pollution control approval, water permits and hazardous waste permit.

The Company considers that this information is reliable and continues to be current, including by reference to the applicable Modifying Factors which remain current at this time. No additional information, recent estimates or relevant data has been reported or is available to the Company which would create uncertainty over the reliability of the existing JORC (2004) Mineral Reserve, however, the Company has not independently validated the estimates contained within the SRK Consulting (UK) Limited report dated April 2013 and therefore is not to be regarded as reporting, adopting or endorsing those estimates.

Advances in Processing Strategy

In 2014, there was a parliamentary ban on the use of cyanide in Slovakia. This type of legislation has been adopted in many parts of the world and is indicative of a push towards more sustainable and less toxic mining practices. This is understood to have stifled the previous owners from developing the Šturec project further which had proposed a cyanide-based gold recovery process, and this was a concern for the local community. Since that time, there have been significant developments in the use of cost-competitive non-cyanide processing technology for the recovery of gold. The Company intends on completing an optimisation of the PFS, which will include both alternate processing options that are compliant with the legislative framework within Slovakia and in keeping with current technology together with options for partial processing on-site with or without final cyanide-based processing in neighbouring jurisdictions.

By taking advantage of a modern processing strategy, the Company can deliver immediate value and progress the development of the Šturec project.

Exploration and Development Strategy

In April 2013 Ortac Resources Limited (now known as Arc Minerals Ltd) commissioned SRK Consulting (UK) Limited to complete a Pre-Feasibility Study on the Šturec project and estimate a JORC (2004) Mineral Reserve. This was based on the work completed by Snowden Mining Industry Consultants in April 2012. The estimate of the Mineral Reserve does not comply with JORC (2012) standard.

Should the Company exercise the option to acquire Ortac s.r.o, the Company plans on upgrading the existing JORC (2004) Mineral Resource and JORC (2004) Mineral Reserve to a JORC (2012) standard. The Company does not consider that any additional field exploration or drilling will be required to complete this, as all data currently exists and is accessible by the Company.

In addition, following completion of the Mineral Resource and Mineral Reserve upgrade to JORC (2012) standard, the Company will complete an optimisation study and updated Pre-Feasibility Study on the Šturec project.



Mineralisation and Exploration Potential

The Šturec resource, illustrated in Figure 2 (**Šturec Resource**), occurs in the southern part of the central First Vein System. The Šturec deposit is continuously mineralised for 1200m along strike, is typically 100 to 150m wide and extends to a known depth of at least 300m. The deposit is open to extension both at depth and along strike to the north and the south.

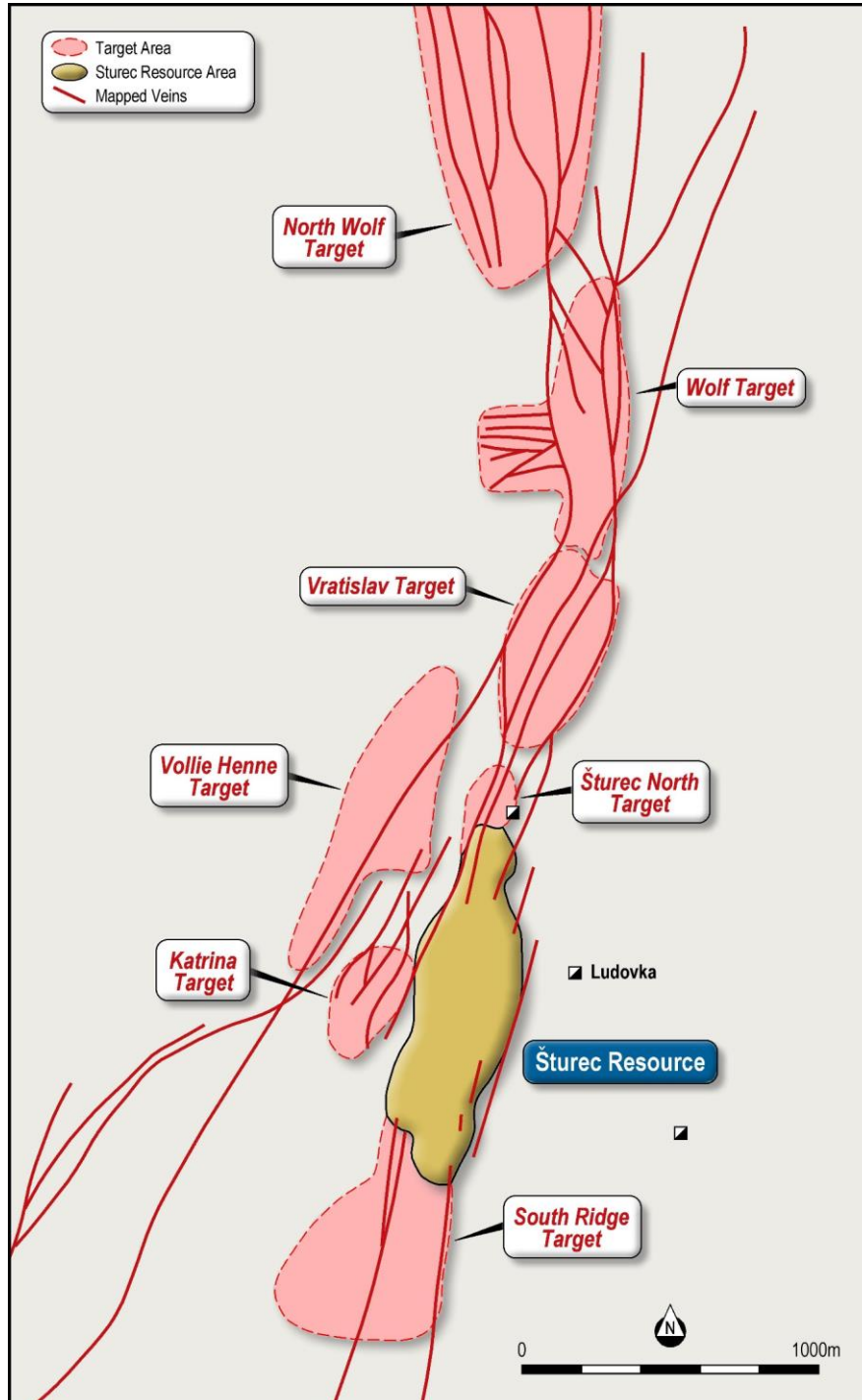


Figure 2: Outline of the Šturec JORC (2004) Mineral Resource as well as mapped veins and priority exploration target areas

The core of the deposit is the Schramen massive to sheeted quartz vein, which is up to 100m wide along a 500m strike section. It strikes almost due north, generally dips steeply to the east, and thins to the north, south and at depth. The second important element of the Šturec deposit is a northeast-striking quartz vein system that joins with the northern part of the Schramen vein. This vein system projects southwest away from the Schramen vein where it



outcrops approximately 100m west of the Schramen vein. It then bends to the south and strikes parallel to the Schramen vein. This vein system dips 40° to 55° east, re-joining with the Schramen vein at depth. Zones of stockwork gold mineralisation occur between the two principal veins. There are also numerous late cross cutting veins.

Numerous targets have been identified in addition to the Šturec deposit which have the potential to increase the resource, including the Vratislav and Wolf targets, which are located 1km and 2km, respectively, north along the continuation of the Kremnica vein structure and a large area of strongly clay and silica altered rhyolite, referred to as Kremnica South, located south of the deposit which is considered to be prospective for several styles of epithermal gold mineralisation.

Wolf Target

The country rock at Wolf is similar to that at Šturec with a significant increase in the volume of rhyolite. Two large north to northeast striking rhyolite dikes have intruded the andesites along predominately north-south structures. The rhyolites are very well mineralized in areas where they are intersected by, or run parallel to, the veins. This mineralization takes the form of silicification, quartz veining, and silicified hydrothermal breccias.

At Wolf, mineralization is defined for 300m strike, and is at least 50m wide and extends to at least 50m depth. The widest vein is the Kirchberger, which is approximately 30m wide. The mineralogy of the deposit is similar to Šturec.

A second sequence of veins at Wolf strike east-west, bisecting the rhyolite dike on the footwall of the Kirchberger vein and projecting into andesite wall rock. Pits that exploited the veins in historic times become shallower to the west.

Vratislav Target

The Vratislav target is located between the Šturec deposit and Wolf target. Three major veins have been identified underground by previous historic mine operations. The veins all strike north-south and are splays off of the Schramen vein. The Schramen vein is the eastern-most structure and the Schindler vein the western-most splay, dipping back to the east at 40° to 50° intersecting the Schramen vein at depth. Historic underground data indicate the Schindler vein is 4m to 10m thick.

South Ridge Target

Geologic mapping indicates that the main structure, the Schramen vein, continues to the south. Seven reconnaissance samples were collected by Argosy in 1996 and 1997. The South Ridge target is about 200m wide at the surface where it abuts the Šturec resource and narrows to the south along the projections of the Schramen and footwall vein systems. Soil survey data indicates that the target may extend 500m further southwest.

North Šturec Target

The North Šturec target occurs north of the Šturec deposit and along a portion of the vein system extending north and west of the areas drilled by Argosy. The target has been defined by the coincidence of mineralised outcrops and geochemical anomalies. Two outcrops of quartz vein have been found in the target area. The mineralized vein structure is estimated to be up to 10m wide.

Volle Henne Target

The Volle Henne target is located northwest of the Šturec Resource. The target was identified by old underground and surface workings, soil geochemistry and rock chip geochemistry from outcropping quartz veins. The area of surface and underground workings is approximately 200m wide by 300m long, however mineralisation may continue both southwest and northeast to join the Katarina and Vratislav targets.





The extensive areas of underground and surface workings and the occurrence of stockwork zones in outcrop indicates that the possibility of finding another stockwork vein resource similar to the South Ridge area.

Katarina Target

The Katarina target is located west of the Šturec Resource. The Katarina target lies beneath an ancient open pit. Old adit plans also show a dense network of tunnels under the target area. An area measuring 150m by 100m has been estimated where it may be possible to find near-surface mineralisation.

The Katarina system contains discrete, narrow (up to a few-meters wide), high-grade quartz (carbonate) veins, with visible gold. The veins strike in a north-northeast direction and appear to be near vertical or dipping steeply to the west. A soil-sampling program conducted during 1997 produced a 150m by 400m anomaly.

Summary of the Transaction

The key terms of the Option are as follows:

General	Exclusive option to acquire up to 100% of the Šturec Gold Project in Slovakia (Project)
Project SPV	Ortac s.r.o (SPV) owns 100% of the Project
Vendor	Arc Minerals Ltd (Arc) owns 100% of SPV
Option Fee	A\$30,000
Option Period	45 business days
Due Diligence	Subject to technical, financial and legal due diligence
Consideration	MTC to acquire 100% of Arc's SPV shares for the following consideration: <ul style="list-style-type: none"> • A\$450,000 cash (less Option Fee) upon exercise of the Option (shares in SPV are transferred to MTC); and • A\$300,000 cash in 6 months
Resource Upgrade Royalty	<ul style="list-style-type: none"> • Arc granted a royalty equal to A\$2 per ounce of gold resource that is delineated at the Project above an open cut JORC (2012) Indicated and Measured Resources that exceeds 1.5 million ounces gold at a grade of greater than 2.5 g/t AuEq after 2 years from the date of execution of the Terms Sheet but before the date that is 5 years after the date of execution of the Terms Sheet capped at 7 million ounces. • The royalty may be paid in any form of consideration nominated by MTC (including but not limited to cash) subject to any Company shareholder or regulatory approvals (if any). • Open cut resource can be substituted by underground resources where grade >6 g/t Au
Other Royalty	Subject to MTC shareholder approval, Courchevel 1850 Pty Ltd (a related party of MTC Chairman, Mr Russell Moran) to be assigned a 2% net smelter royalty on all production from the Project

As part of the Transaction, it is also proposed that the Company issue, subject to the receipt of prior shareholder approval, up to 20,000,000 performance rights amongst Directors (and/or their related parties) of MTC and the Company Secretary as a facilitation fee for the introduction of the Project to the Company. The Company will seek shareholder approval for the issue of these performance rights prior to their issue.

ENDS





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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 Person Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Dr. Qingtao Zeng Ph.D (Geology). Dr Zeng is the technical director of MetalsTech Limited and is a member of the Australasian Institute of Mining and Metallurgy. Dr. Zeng 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. Zeng consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Dr Zeng confirms that the information contained within this announcement is an accurate representation of the available data and studies for the Sturec Gold Project.

