



MetalsTech Exercises Option to Acquire the Sturec Gold Mine

Highlights

- MetalsTech exercises its option to acquire the Sturec Gold Project in Slovakia
- Legal, financial and technical due diligence completed – metallurgy and mineralogy technical work to commence shortly on the Sturec ore to test non-cyanide based processing techniques
- Review and analysis undertaken on the historical JORC (2004) Proven and Probable Ore Reserve estimate completed by SRK Consulting (UK) Limited in the 2013 Pre-Feasibility Study and the JORC (2004) Inferred, Indicated and Measured Resource estimate completed by Snowden Mining Industry Consultants
- Sturec mine has historically produced over 1.5Moz of gold and 6.7Moz of silver (*refer to ASX Announcement dated 20 November 2019 and titled “MetalsTech Signs Option to Acquire the Sturec Gold Mine”*)
- Opportunity to apply modern processing strategy to a historically significant gold deposit
- Significant exploration upside exists along strike of the main Sturec defined resource zone as well as down dip / plunge of the existing ore body
- MTC has approximately 116.9 million fully paid ordinary shares on issue and an undiluted market capitalisation of approximately A\$4.6 million
- 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*) - *refer to ASX Announcement dated 20 November 2019 and titled “MetalsTech Signs Option to Acquire the Sturec Gold Mine”*
- 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*) - *refer to ASX Announcement dated 20 November 2019 and titled “MetalsTech Signs Option to Acquire the Sturec Gold Mine”*

MetalsTech Limited (ASX: MTC) (the Company or MTC) is pleased to announce that it has completed legal, financial and technical due diligence in respect of the Sturec Gold Project (Sturec) and has exercised its option with Arc Minerals Ltd and its subsidiaries to acquire 100% of Sturec.

Legal due diligence was completed by White and Case s.r.o in respect of entities relevant to the Sturec acquisition, being Ortac Resources (UK) Limited (Ortac UK) and Ortac s.r.o (Ortac). No significant issues relating to legal ownership of the licences, permits or rights pertaining to Sturec were identified.

Financial due diligence on Ortac was completed by HLB Mandat Tax and Audit Services. No significant financial or tax related issues were identified and all filings were up to date. Due diligence on Ortac UK was completed by Beaver and Struthers. No significant financial or tax related issues were identified and all filings were up to date.



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Board of Directors
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Projects	
Cancel (Li)	100% owned
Adina (Li)	100% owned
Terre Des Montagnes (Li)	100% owned
Wells-Lacourciere (Li)	100% owned
Kapiwak (Li)	100% owned
Sirmac-Clapier (Li)	100% owned
Sturec Gold Project (Au)	Option to 100%

Technical due diligence on Sturec was completed by Dr Quinton Hills and included a visit to the Sturec mine site together with meetings with key stakeholders and mining department officials. The geology of the Sturec deposit appears to be well defined having been extensively explored by previous owners and boasts significant exploration upside potential both down dip / plunge and along strike both north and south.

As part of technical due diligence, the Company also appointed Tuscan Geoscience and Mining Focus Consultants as independent consultants to undertake a review and analysis of the JORC (2004) Proven and Probable Ore Reserve estimate completed by SRK Consulting (UK) Limited as well as the JORC (2004) Measured, Indicated and Inferred Resource estimate completed by Snowden Mining Industry Consultants. This engagement specifically analysed the modifying factors (economic and non-economic) applied during the PFS to test the assumptions applied in light of the guidelines specific to the JORC (2012) reporting requirements. This ongoing analysis and evaluation will underpin the Company's plans to update these Resource and Reserve estimates to comply with the guidelines of JORC (2012).

The Company has also commenced investigation and evaluation of certain non-cyanide based processing techniques that are available and potentially suitable for treatment of Sturec ore, which would comply with Slovakia's relevant legislation. This work is ongoing and the Company hopes to update shareholders on positive developments in this regard in the near term. Dr Hills' site visit confirmed that in addition to historical drill core suitable for test work, fresh ore can be readily accessed from Sturec's existing and operational underground mining adit for bulk metallurgical testing.

Sturec Gold Project

Sturec 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. It consists of the Kremnica Mining Licence (11.8 km²) and the broader Lutila Exploration Licence (63.1 km²).

Good paved roads and a network of old mining and forestry tracks service the project and there is an 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.

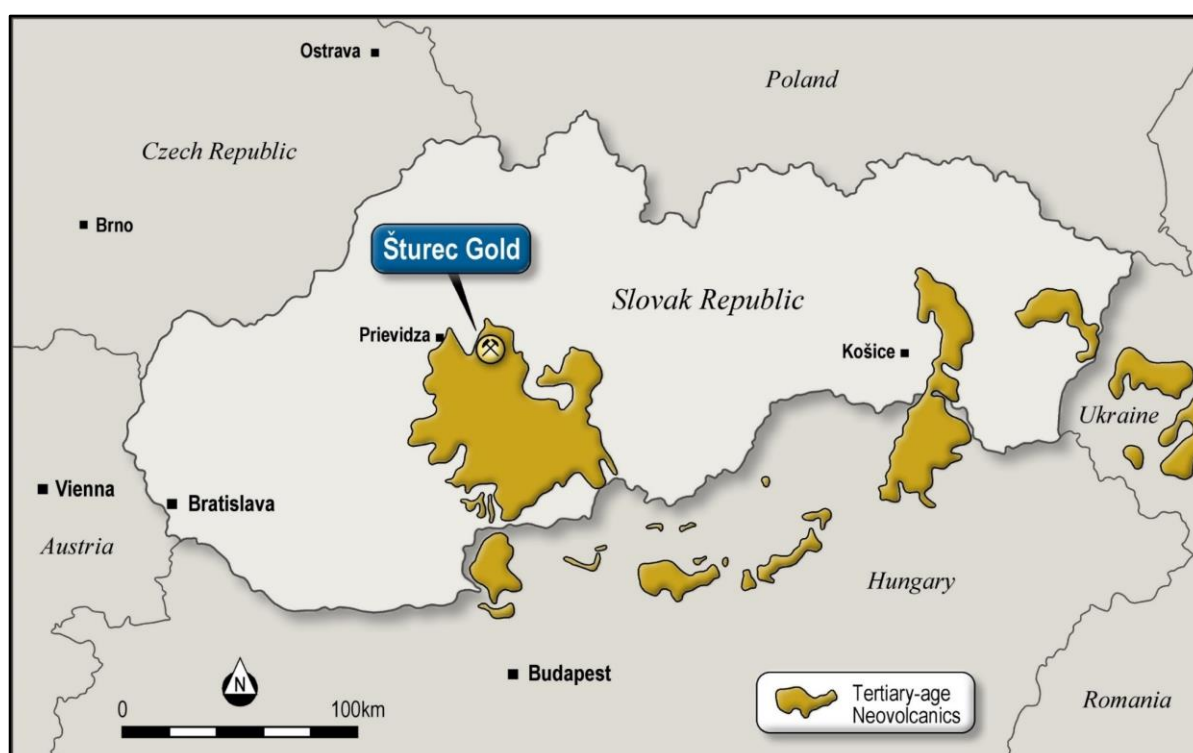


Figure 1: Location of the Sturec Gold Project, Slovakia



Gold mining commenced at Sturec 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. Refer to ASX Announcement dated 20 November 2019 and titled "MetalsTech Signs Option to Acquire the Sturec Gold Mine".

The Slovak Geological Survey carried out extensive exploration in the Sturec area from 1981 to 1987, including extensive adit and cross-cut development within the Sturec zone. The State-owned company, Rudne Bane, subsequently operated an open pit mine at Sturec 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.

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 discouraged the previous owners from developing the Sturec project further which had proposed a cyanide-based gold recovery process. 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 (such as Poland).

By taking advantage of a modern processing strategy, the Company can deliver immediate value at Sturec.

Mineralisation and Exploration Potential

The Sturec resource, illustrated in Figure 2 (**Sturec Resource**), occurs in the southern part of the central First Vein System. The Sturec 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.

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 Sturec 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 Sturec 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.



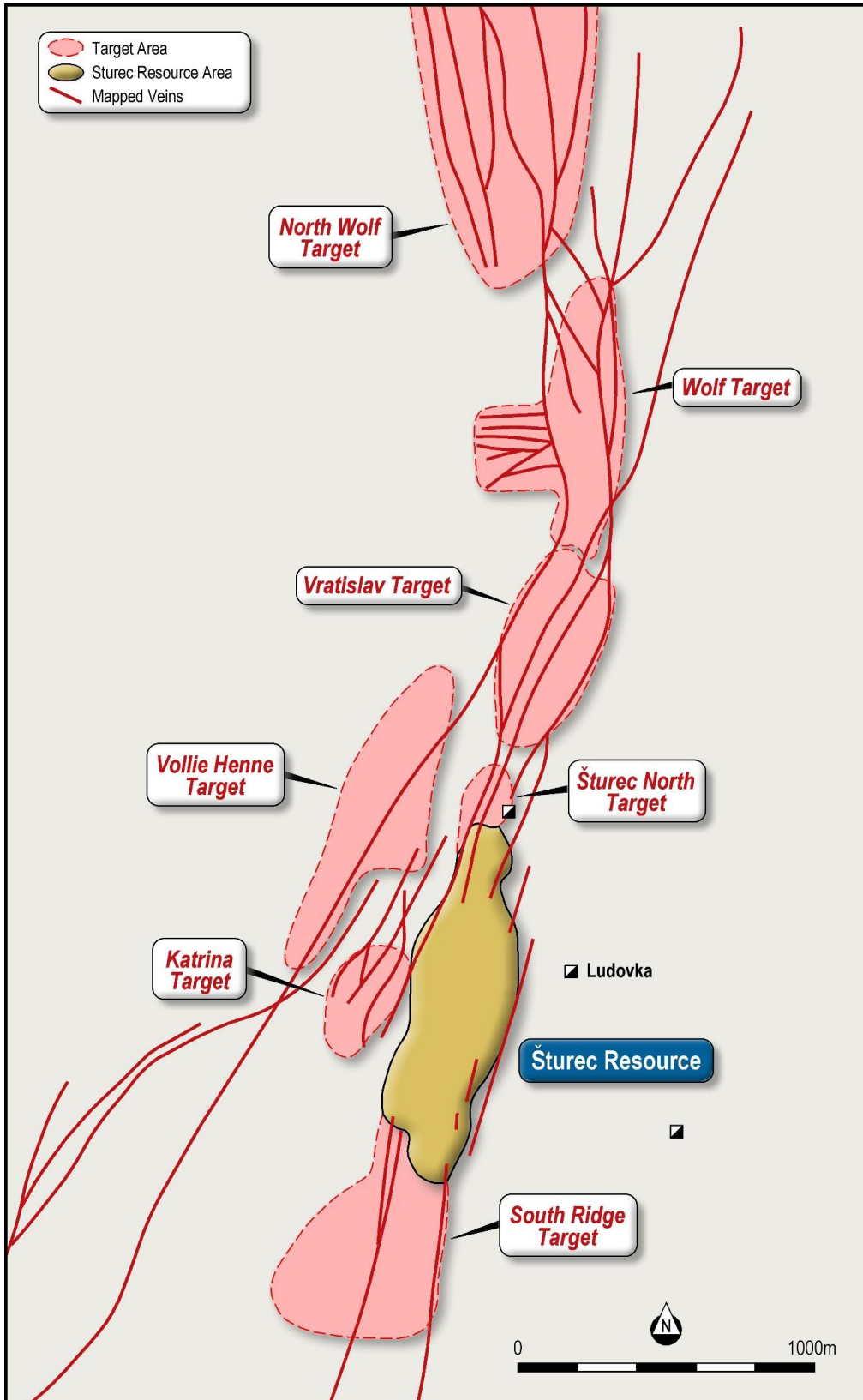


Figure 2: Outline of the Sturec JORC (2004) Mineral Resource as well as mapped veins and priority exploration target areas



Wolf Target

The country rock at Wolf is similar to that at Sturec 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 Sturec.

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 Sturec 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 Sturec 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 Sturec Target

The North Sturec target occurs north of the Sturec 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 Sturec 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 Sturec 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.

2020 Plans

The Company will release a corporate strategy presentation shortly and update shareholders in detail on its specific development plans for Sturec over the near term.

ENDS

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ASX Listing Rules Compliance

In preparing this announcement dated 30 December 2019, the Company has relied on the announcements previously made by the Company and disclosed below. The Company confirms that it is not aware of any new information or data that materially affects those announcements previously made, or that would materially affect the Company from relying on those announcements for the purpose of this announcement dated 30 December 2019.

Sturec Gold Project

Pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 20 November 2019.

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.

