ASX Release
25 August 2020

# Excellent Gravity and Flotation Recoveries at Sturec Gold Mine

## Highlights

- Excellent gold recovery on transitional (semi-oxidised) and sulphide (fresh) ore from the Andrej Adit within the Sturec Gold Mine using gravity separation and flotation
- Gravity gold recoveries range from 52% to 74% increasing to up to 88% after flotation and increasing to up to 98% if flotation tailings are also leached
- Strong gold recovery profile of sulphide ore supports potential for simple gravity separation and flotation processing strategy which would significantly reduce CAPEX and allow Sturec to produce a gold concentrate for export out of Slovakia where it could be processed further using conventional processing for sulphide concentrates or sold

Commenting on metwork, MetalsTech Chairman, Russell Moran stated:

*"The sulphide ore at Sturec is the primary target ore type and it has demonstrated excellent gold recoveries from simple gravity separation and flotation. This opens up a wide range of simple and low CAPEX processing opportunities for Sturec, if this gold recovery profile continues. We look forward to complementing this bulk ore metallurgical test work with further testing and gold and silver assays from the current diamond core drilling program to follow."*

**MetalsTech Limited (ASX: MTC)** (the **Company** or **MTC**) is pleased to provide shareholders with an update on its metallurgical testing program at the Company's 100%-owned Sturec Gold Mine (**Sturec**).

Company personnel in Slovakia, under the supervision of an independent geological consultant took face samples of transitional (semi-oxidised) and sulphide (fresh) ore from the Andrej Adit at Sturec in May 2020. These samples were collected and couriered securely, under strict quarantine protocols to Nagrom Laboratories in Perth for bulk ore gold and silver recovery tests as a precursor to testing core samples to be obtained from the current diamond core drilling program.

The objective of testing the sulphide ore was to confirm that potentially economic levels of gold and silver recovery could be obtained using conventional gravity and flotation processes from this style of mineralisation, to produce gold and silver concentrates suitable for either treatment in Slovakia using a non-cyanide processing technology (such as thiosulphate) or suitable for export to elsewhere in Europe (e.g. Poland) where the concentrates could be directly smelted or further processed using traditional cyanide leaching.

## Metallurgical Sampling

Two 100kg bulk samples were mined from within the Sturec Mineral Resource where it can be accessed from the Andrej Adit at -435970mE; -1230067mN; 656m RL; Datum: S-JTSK/ Krovak.

Two samples were taken:

- P4 Transitional (semi-oxidised sample) was taken on the existing face of the mineralisation; and

- P4 Fresh (sulphide sample) was taken at the same location as P4 transitional but it was taken from at least 50cm into the existing face where the sample was geologically identified as fresh.

These samples were then transported securely, under strict quarantine protocols to Nagrom Laboratories in Perth for various metallurgical testwork programs.

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

## Metallurgical Testwork Results

An approximately 20kg sub-sample of P4 Transitional and P4 Fresh were first subjected to a standard Gravity Recoverable Gold (**GRG**) test.

This test involved:

- Grinding to p90 = 850 microns and processing in a Knelson gravity concentrator.
- Grinding the first stage tailings to p50 = 75 microns and processing that in the Knelson.
- Grinding the second stage tailings to p90 = 75 microns and processing that in the Knelson.

The results of the GRG test were:

| Sample | P4 Transitional | P4 Fresh |
|---|---|---|
| Au Head calc g/t | 9.52 | 5.05 |
| Ag Head Calc g/t | 49 | 44 |
| Grind p90 microns | 850 | 850 |
| Au recovery | 33.05% | 16.96% |
| Ag recovery | 4.52% | 2.84% |
| Grind p50 microns | 75 | 75 |
| Au recovery | 37.48% | 31.34% |
| Ag recovery | 10.87% | 11.27% |
| Grind p90 microns | 75 | 75 |
| Au recovery | 3.53% | 4.01% |
| Ag recovery | 3.73% | 2.33% |
| **Total gravity Au Recovery** | **74.06%** | **52.31%** |
| **Total gravity Ag Recovery** | **19.12%** | **16.44%** |
| Gravity Tailing g/t Au | 2.50 | 2.44 |
| Gravity Tailing g/t Ag | 40 | 37 |

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

The tailings from the third stage gravity concentration were further processed by conventional sulphide flotation, which resulted in a further 12% and 30% gold recovery respectively.

Overall, the combined gravity and flotation recoveries were:

| Sample | P4 Transitional | P4 Fresh |
|---|---|---|
| Gravity Au Recovery<br><br>Gravity Ag Recovery | 74.06%<br><br>19.12% | 52.31%<br><br>16.44% |
| Flotation Au Recovery<br><br>Flotation Ag Recovery | 13.94%<br><br>15.13% | 29.69%<br><br>32.26% |
| Overall Au Recovery<br><br>Overall Ag Recovery | 88.00%<br><br>34.25% | 82.00%<br><br>48.70% |

Gravity separation and flotation does not incorporate the use of cyanide.

The flotation tailings were further leached in cyanide to determine if there was residual gold available for recovery.

| Sample | P4 Transitional | P4 Fresh |
|---|---|---|
| Au Recovery to Concentrate | 88.00% | 82.00% |
| Ag Recovery to Concentrate | 34.25% | 48.70% |
| Au recovery in Tailings leach | 9.90% | 14.90% |
| Ag recovery in Tailings leach | 10.76% | 16.25% |
| Total Au Recovery | 97.90% | 96.90% |
| Total Ag Recovery | 45.01% | 64.95% |

If tailings were to be further leached using cyanide (which is not permitted in Slovakia however is permitted in other close neighbouring European jurisdictions), total recoveries of up to 98% for gold and 65% for silver may be achieved. These results provide confidence that Sturec may lend itself to producing an attractive flotation concentrate, with a favorable processing profile.

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

The Company is also conducting additional recovery testwork using non-cyanide leaching agents (which may be permitted in Slovakia), with such testing also to occur on drill core from the current program.

The current drill program is progressing well and at a faster rate compared to the rate of drilling in the first hole of the program. A number of one off "teething" issues have been rectified. We look forward to updating shareholders on further drilling progress and first assays when they become available.

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 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.

The information in the report to which this statement is attached that relates to Metallurgy and metal recoveries for the Sturec Gold Deposit is based on information compiled by Mr Noel O'Brien, who is a Fellow of The Australasian Institute of Mining and Metallurgy (No. 226758). Mr O'Brien is the Principal of Trinol 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'. MrO'Brien 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.*

## 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 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).

Table 1: Mineral Resource Estimate – Sturec Gold Project

| 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/m³)** | **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/m³)** | **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.*

# APPENDIX A: JORC CODE, 2012 EDITION – TABLE 1

## Section 1 - Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

| Criteria | JORC Code Explanation | Details |
|---|---|---|
| **Sampling techniques** | • *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.* | • Two 100kg bulk samples were mined from within the Sturec Mineral Resource where it can be accessed from the Andrej Adit.<br>• Two samples were taken:<br>o P4 Transitional (semi-oxidised sample) was taken on the existing face of the mineralisation.<br>o P4 Fresh (sulphide sample) was taken at least 50cm into the existing face where the sample was geologically identified as fresh.<br>• A large sample was taken across the entire width of the mineralised qtz vein at the sampling site to insure some measure of representivity.<br>• Further Metallurgical testwork needs to be completed to understand how representative these metallurgical results are across the entire Sturec Mineral Resource.<br>• This metallurgical sampling and testwork results represents the first step of a much larger metallurgical program that will contain samples from drill core throughout the Sturec Mineral Resource and will potentially underpin a Scoping Study assessing the viabiltiy of an mining operation extracting the Sturec Mineral Resource through underground mining methods and gravity separation and flotation processing. |
| **Drilling techniques** | • *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • Not applicable as no drilling reported. |
| **Drill sample recovery** | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • Not applicable as no drilling reported. |
| **Logging** | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • The metallurgical samples were qualitatively geologically logged to a level of detail to support appropriate metallurgical studies.<br>• Photography was taken of the sampling/mining process and the bulk samples. |
| **Sub-sampling techniques and** | • *If core, whether cut or sawn and whether quarter, half or all core taken.* | • Sub-samples of approximately 20kg each were then split out in order to complete a variety of metallurgical tests. For the Gravity/floatation testwork report here the sample weights were: |

| Criteria | JORC Code Explanation | Details |
|---|---|---|
| **sample preparation** | • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | ○ P4 Transitional (semi-oxidised sample): 19.090kg<br>○ P4 Fresh (sulphide sample): 20.054kg<br>• Samples were then ground down to p90 = 850 microns and processed in a Knelson gravity concentrator.<br>• Then the first stage tailings were ground down to p50 = 75 microns and processed in the Knelson.<br>• Then the second stage tailings were ground down to p90 = 75 microns and processed in the Knelson.<br>• Sample sizes are considered appropriate to the grain size of the material being sampled. |
| **Quality of assay data and laboratory tests** | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.* | • Metallurgical testwork procedures utilised are industry standard for this type of low sulphidation epithermal vein type mineral deposit.<br>• Metallurgical testwork was completing by highly regarded, independent metallurgical consultants, Nagrom the Mineral Processor at their metallurgical laboratory at: 49 Owen Road Kelmscott WA 6111. |
| **Verification of sampling** | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • Metallurgical testwork sampling was completed by company personnel who were supervised by an independent geological consultant. |
| **Location of data points** | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Location of metallurgical sampling was recorded using the Slovak National Datum: S-JTSK/Krovak Datum.<br>• As the location of the metallurgical sample is within the Andrej Adit, which has been surveyed, its location is very accurately known. |
| **Data spacing and distribution** | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | • The bulk metallurgical samples were taken from one site within the Sturec Mineral Resource and therefore, further metallurgical testwork needs to be completed to understand how representative these metallurgical results are across the entire Sturec Mineral Resource.<br>• At this early stage, these metallurgical results do not cover a significant enough extent of the Sturec Mineral Resource to establish the degree of metallurgical characterisation necessary for their use in Mineral Resource and Ore Reserve classification.<br>• The bulk metallurgical samples were composited. |
| **Orientation of data in relation** | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* | • The bulk metallurgical samples were taken across the mineralised zone and are therefore, considered to be unbiased in relation to the orientation of the mineralisation zone. |

| Criteria | JORC Code Explanation | Details |
|---|---|---|
| **to geological structure** | • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | |
| **Sample security** | • *The measures taken to ensure sample security.* | • Samples were securely stored in company facilities prior to being completely sealed and internationally couriered to the metallurgical laboratory. |
| **Audits or reviews** | • *The results of any audits or reviews of sampling techniques and data.* | • No audits/reviews of the metallurgical sampling has been completed at this stage. |

## Section 2 - Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

<table>
<tr><th>Criteria</th><th>JORC Code Explanation</th><th>Details</th></tr>
<tr>
<td>Mineral tenement and land tenure status</td>
<td><ul><li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li><li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li></ul></td>
<td><ul><li>Sturec Gold Project consists of the Kremnica Mining Territory (9.47 km$^2$) owned by Slovakian limited liability company Ortac SK, which is a wholly-owned subsidiary of Ortac UK (a private limited company registered in England and Wales).</li><li>Kremnica Mining Territory' and Mining Licence details:</li></ul>
'Kremnica Mining Territory'
<table>
<tr><td>Name:</td><td>Mining Territory Kremnica Au-Ag</td></tr>
<tr><td>Mining area No:</td><td>MHD-D.P.- 12</td></tr>
<tr><td>Date of Issuance:</td><td>21 January 1961</td></tr>
<tr><td>Metals</td><td><ul><li>Gold and Silver</li></ul></td></tr>
<tr><td>Duration:</td><td>Indefinite</td></tr>
<tr><td>Holder of the:</td><td>Ortac, s.r.o</td></tr>
<tr><td>Amendments:</td><td><ul><li>No. 1037-1639/2009</li></ul></td></tr>
</table>
ORTAC,s.r.o. Mining Licence details
<table>
<tr><td>Name:</td><td>Ortac,s.r.o.</td></tr>
<tr><td>Mining License No:</td><td>1830-3359/2008</td></tr>
<tr><td>Date of Issuance:</td><td>13 November 2008</td></tr>
<tr><td>Subject:</td><td><ul><li>Opening, preparation and exploitation of reserved mineral resource</li><li>Installation, conservation and decommissioning of mining work</li><li>Processing and refinement of mineral resources</li><li>Installation and operation of unloading areas and dumps</li><li>Opening the mining works to the public for museum purposes and related safety maintenance works</li></ul></td></tr>
<tr><td>Duration:</td><td>Indefinite</td></tr>
<tr><td>Responsible Person:</td><td>Ing. Peter Čorej</td></tr>
<tr><td>Amendments:</td><td><ul><li>No. 773-1398/2015 dated 11 May 2015 extending the subject of the Mining License</li><li>No. 979-1401/2019 dated 11 June 2019 updating the information on statutory body</li></ul></td></tr>
</table>
<ul><li>The Kremnica Mining Licence 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.</li><li>Metals Tech owns 100% of the Sturec Gold Project by completing the acquisition of Ortac UK on 14 February 2020.</li></ul></td>
</tr>
</table>

| Criteria | JORC Code Explanation | Details |
|---|---|---|
| | | • As a part of the acquisition, MetalsTech Limited must also pay Arc Minerals Limited another $300,000 cash within 6 months of the acquisition; as well as grant Arc Minerals Limited a royalty equal to A$2 per ounce of resource that is delineated at the project above an open cut JORC (2012) Indicated and Measured Resources that exceeds 1.5million ounces at a grade greater than 2.5g/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.<br>• Also, subject to MTC shareholder approval, Courchevel 1850 Pty Ltd (a related party of MTC chairman Russell Moran) is to be assigned a 2% net smelter royalty on all production from the project.<br>• In 2013, Arc Minerals (named Ortac Resources Limited at this time) submitted a small-scale underground mining application, which was awarded by the Central Mining Bureau in 2014. Trial underground mining commenced in June 2014 and a 40t bulk sample was extracted from Sturec for metallurgical test work.<br>• In 2016, the Regional Court in Banská Bystrica ruled against the Central Mining Bureau concerning the underground mining permit issued to Arc Minerals Limited in 2014 and revoked the decision to issue the mining permit.<br>• In May 2017, the Central Mining Bureau issued Ortac SK with an amended underground mining permit that allowed for small-scale mining activities to recommence.<br>• In July 2017, Ortac SK (Arc Minerals Limited) re-commenced the trial underground mining activities at Sturec, fulfilling the condition required by Slovak regulations to preserve its right to exploit the ore deposit in the Kremnica Mining Licence Area for a minimum period of at least three years. 500t of ore was extracted and used for metallurgical test work relating to alternative processing technologies to the conventional cyanide leaching.<br>• Since 2017 (before selling the project to MetalsTech), Arc Minerals Limited has continued working with the local community and stakeholders to facilitate the development of the project.<br>• In October 2019, the Central Mining Bureau issued Ortac SK with an underground mining permit that allowed for small-scale mining activities to recommence: Decision No. 827-2373 / 2019. This decision was appealed soon after being received.<br>• In February 2020, the appeals against Decision No. 827-2373 / 2019 were rejected by the State Mining Administration and the underground mining authorisation was upheld.<br>• In April 2020, MetalsTech Limited re-commenced the underground mining activities at Sturec, in order to fulfill the condition required by Slovak regulations to preserve its right to exploit the ore deposit in the Kremnica Mining Licence Area for a minimum period of at least three years.<br>• Although Ortac SK is officially registered as the holder of the Kremnica Mining Territory, the validity of the allocation of the Kremnica Mining Territory has been repeatedly disputed. Arguments challenging the validity of the allocation of the Kremnica Mining Territory have been raised by third parties in licensing proceedings in respect of particular mining activities within the Kremnica Mining Territory. So far, the merits of such arguments have not been assessed by the court, as the respective court decisions were issued on procedural grounds in the past. Despite the existence of reasonable legal arguments defending the validity of the allocation of the Kremnica Mining Territory, it cannot be ruled out that the challenges to its validity will eventually prevail before the court. Even if the validity of the allocation of the Kremnica Mining Territory is successfully defended in principle, there is a risk that Ortac SK's entitlement to the Kremnica Mining Territory could be held to be limited to underground operations only.<br>• There are no environmental protected areas in the vicinity of the project resource area, except a protected lime tree situated close to the Leopold Shaft, adjacent to the monument commemorating the visit by Emperor Joseph II to Kremnica. Permission can be obtained to fell the tree if necessary, from the Provincial Environmental Office in Banska Bystrica.<br>• It appears that a significant part of the Kremnica Mining Licence is covered by a heritage conservation area. This is not surprising given the extensive mining history throughout this area. The previous owners Arc Minerals Ltd used this fact to their advantage by establishing the Andrej Kremnica Mining Museum, whose two main attractions are |

| Criteria | JORC Code Explanation | Details |
|---|---|---|
| | | the Ludavika Shaft Building and the Andrej Adit, which was established in 1982 by the State to access the main quartz vein mineralisation. As a result, various requirements under the applicable regulations in the area of heritage protection must be complied with. Further investigation needs to be completed to understand the effect this Heritage Protection will have on any proposed mining activities.<br>• There is one registered environmental burden located in the Kremnica Mining Territory with registration number SK/EZ/ZH/2129. This environmental burden relates to the processing facilities including the historic waste dumps that are situated immediately next to the Arc Minerals operation office/Andrej Kremnica Mining Museum. It is categorized "only" as a potential (probable) environmental burden as no significant contamination/acid rock drainage (ARD) effects have been reported concerning these historic mining remnants.<br>• There is risk concerning the further development of the Sturec Gold Project due to the historic social and environmental opposition to the development of a mining operation in this area. The opposition is believed to be the result of two main factors: previous development plans utilised cyanide ore processing; and previous development plans involved digging a large open pit in relatively proximity to the township of Kremnica.<br>  ○ To minimise the first risk, MetalsTech is investigating alternative gold processing methods, especially Thiosulphate Leaching, which has previously been used quite successfully on Sturec ore samples during metallurgical test work in 2014. Also, in 2014 the CSIRO successfully collaborated with Barrick Gold Corp. to implement Thiosulphate ore processing technology on the Goldstrike Mine in Nevada, USA, which now produces approximately 350,000 ounces of gold per annum for Barrick and Newmont Goldcorp Corp; proving that this technology can be utilised economically and at significant scale.<br>  ○ To minimise the second risk, MetalsTech intends to put in place a comprehensive project stakeholder engagement programme to attempt to understand and mitigate their concerns about the development of a mining operation on the Sturec Gold Project. Also, the full suite of benefits to the country and local communities that will arise from the Sturec Gold Project (such as job creation, training, capital investment, revenue generation, procurement of goods and services locally, and community development initiatives) need to be properly communicated to project stakeholders, so that that they can use this to motivate/ justify the project in project-approval processes. |
| **Exploration done by other parties** | • *Acknowledgment and appraisal of exploration by other parties.* | • Many exploration companies have previously explored the Sturec Gold Project and the surrounding areas. The details of the exploration history are outlined below:<br>  ○ 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.<br>  ○ Rudne Bane operated the open-pit mine at Sturec from 1987 to 1992 and produced 50,028t of ore averaging 1.54g/t Au. During this time, Rudne Bane conducted underground sampling of the larger mineralised portions of the Sturec deposit (40 channels for 3,149 individual samples) and 12 underground fan drill holes (for 425.3m) into the northern-most known limits of the deposit. A total of 266 sample intervals were assayed for gold and silver.<br>  ○ Kremnica Banská Spolocnost (KBS), an investment company composed of former mine managers, obtained the title to the Kremnica Mining Lease (MHD-D.P. 12) from the Slovak government on 1 April 1995. In 1995, Argosy Mining Corporation (Argosy) of Vancouver formed a 100% owned Slovak Subsidiary, Argosy Slovakia s.r.o., which entered into a joint venture with KBS on 6 October 1995. Argosy Slovakia purchased KBS's share of the joint venture on 24 April 1997 to control 100% of the mining licence through its subsidiary, Kremnica Gold a.s. Argosy completed a core drilling programme in 1996 and a combined core and reverse-circulation (RC) drilling programme in 1997. This core/RC program totalled 79 holes for 12,306m; 9,382.4m of which was into the Sturec Deposit area. |

| Criteria | JORC Code Explanation | Details |
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| | | ○ In July 2003, Tournigan Gold Corporation (Tournigan) acquired the rights to the Sturec Project by purchasing Kremnica Gold a.s. from Argosy. Tournigan then completed 104 diamond core and RC drill holes for ~14,000m over the period 2004 to 2008. The majority of these holes were into the Sturec Deposit, but adjacent areas were also explored. In the summer and autumn of 2005, Tournigan executed a 36-hole program of RC drilling as infill of Argosy's and Tournigan's earlier core drilling programs into the Sturec Deposit. Tournigan also drilled five additional holes as twins of Argosy's previous core holes. This drilling resulted in the deposit being drilled off on approximate 50-metre centres (earlier drilling had been on approximately 100 x 50 metre centres). The RC program results confirmed the geology and ore outlines that were previously established by core drilling (e.g., rock types and alteration, location of zones of oxidation, location of ore-bearing veins and stockworks, hanging walls, footwalls, thicknesses, strikes, dips, and grades). The holes and assay results were displayed on cross-sections and recorded on logs. Samples were collected at 1-meter intervals under the immediate supervision of a geologist, sealed in plastic bags, and submitted for analysis and check analyses according to the required formal protocols. The holes were logged on site by the drill geologists and again in the laboratory where qualitative samples were taken and inventoried as geological reference samples. The bulk rejects from these RC samples are stored at the operational offices at the Andrej Mining Museum. Tournigan also completed nine bench channel surveys incorporating a total of 317 sample intervals. In 2004, Tournigan also conducted an 11-hole diamond drilling programme north of Sturec at the Wolf prospect.<br>○ Ortac Resources (now Arc Mineral Limited) acquired the project in 2009. Since 2009 till MetalsTech acquired the project from them in February 2020, Ortac has drilled 13 core holes for 2,771.7m within the Sturec Deposit area. They also completed 4 drill core holes at the Vratislav Prospect, immediately to the north of the Sturec Mineral Resource area and 3 drill core holes at the Wolf Prospect, immediately north of the Vratislav Prospect. |
| **Geology** | • *Deposit type, geological setting and style of mineralisation.* | • The Sturec Gold Project is located in the Central Slovakia Volcanic Area in the Kremnica Mountains of the Western Carpathians. The Central Slovakia Volcanic Field hosts several Ag–Au epithermal vein-type deposits including Banská Štiavnica, Kremnica, Hodruša-Hámre, and Nová Bana, which were important sources of precious and base metals in the past. The area is characterised by Tertiary pyroxene-amphibole andesite flows and tuffs of the Zlata Studna Formation. The andesites are underlain by Mesozoic limestone. Deep-seated structures and faults within the pre-Tertiary basement interpreted to be extensional Horst and Graben in style, focussed sub-volcanic intrusions of gabbrodiorite, diorite, diorite porphyry, and minor quartz-diorite porphyry at depth and associated mesothermal mineralising events, which were then overprinted by the epithermal precious metal mineralisation. In the Kremnica area, the structure is controlled by a 6-7km long, N-S trending horst, known as the Kremnica Horst Structure, which is interpreted to be the result of the sub-volcanic intrusions of gabbrodiorite, diorite, diorite porphyry, and minor quartz-diorite porphyry at depth causing this zone to be uplifted relative to the two graben structures to either side.<br>• The Sturec Gold Project mineralisation is classified as a low-sulphidation epithermal Ag-Au deposit type and is interpreted to have formed from low-salinity fluids composed of a mixture of meteoric and magmatic waters at temperatures mostly between ~270 to 190 °C. The mineralisation is hosted by quartz–dolomite veins also containing adularia, sericite, illite and chalcedony that cut through Neogene propyllitised (low pressure/low to medium temperature hydrothermal alteration) andesites of the Kremnica stratovolcano. The hydrothermal alteration from the veins outwards consists of silicification and potassic-metasomatism (adularia), propylitization and argillisation. Vein styles include large banded to massive quartz veins, smaller quartz veins and sheeted veins, quartz stockwork veining and silicified hydrothermal breccias. |

<table>
<tr><th>Criteria</th><th>JORC Code Explanation</th><th>Details</th></tr>
<tr><td>Drill hole Information</td><td>
<ul>
<li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
<ul>
<li>easting and northing of the drill hole collar</li>
<li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li>
<li>dip and azimuth of the hole</li>
<li>down hole length and interception depth</li>
<li>hole length.</li>
</ul></li>
<li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li>
</ul></td><td>
<ul><li>Metallurgical sample location:</li></ul>
<table>
<tr><th>Easting (m)</th><th>Northing (m)</th><th>RL (m)</th><th>Datum</th></tr>
<tr><td>-435,970</td><td>-1,230,067</td><td>656</td><td>S-JTSK/ Krovak</td></tr>
</table></td></tr>
<tr><td>Data aggregation methods</td><td>
<ul>
<li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li>
<li>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li>
<li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li>
</ul></td><td>
<ul>
<li>No data aggregation methods used to report Metallurgical Results.</li>
<li>No metal equivalents reported.</li>
</ul></td></tr>
<tr><td>Relationship between mineralisation widths and intercept length</td><td>
<ul>
<li>These relationships are particularly important in the reporting of Exploration Results.</li>
<li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li>
</ul></td><td>
<ul>
<li>Not applicable as no drilling reported.</li>
</ul></td></tr>
</table>

| Criteria | JORC Code Explanation | Details |
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| | • *If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').* | |
| **Diagrams** | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Not applicable as no drilling reported. |
| **Balanced reporting** | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • No exploration results have been reported. |
| **Other substantive exploration data** | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • Several metallurgical test work programs have been completed at independent laboratories confirming that the Sturec ore is amenable to industry-standard cyanide leaching processing for gold and silver. However, the use of cyanide for ore processing was banned in Slovakia in 2014.<br>• In response to the cyanide ban, several metallurgical test work programs assessing alternative processing methodologies have been completed on the ore from Sturec. The three most promising are:<br>○ Thiosulphate Leaching gold and silver extraction technology was investigated by the previous owners of the project (Arc Minerals Limited) between 2011-2014. The Thiosulphate Leaching test work results reported so far indicate that this alternate mineral processing methodology is generally applicable to the Sturec gold-silver ores. The most encouraging results came from the latest, Thiosulphate Leaching study completed in 2014 by CMC Chimie. In this study, Ammonium Thiosulphate leaching of the Sturec ore (10 batches of approximately 800kg each) produced a pregnant liquor that had a content of 3-8g/t Au and 10-25g/t Ag, which was then subjected to electrowinning and filtering/drying, producing a copper/gold/silver cement with an overall recovery of 90.5% for gold and 48.9% for silver. The resultant dry cement was approximately 1% gold-silver and about 50% copper. These results were used to justify the conclusion that Thiosulphate Leaching could be used as an alternative processing method to conventional cyanidation and that it was also more economically viable. These results are interpreted to indicate that a further, more detailed metallurgical test work investigation is warranted into this alternative processing method in order to underpin further economic analysis (scoping Study or PFS) of the Sturec Gold Project in light of Slovakia's ban on cyanidation mineral processing.<br>○ In 2016-2017, Arc Minerals also investigated the Cycladex Process as another alternative to cyanidation. In this process a bromide-based solubilizing agent (lixiviant) leaches the ore creating potassium gold bromide (tetrabromoaurate: $KAuBr_4$). Then cyclodextrin, a commercially available corn-starch derivative, is added to the resultant pregnant liquor, which results in the spontaneous precipitation of crystals containing the gold. The gold is then released from the crystalline precipitate at high temperature using a furnace to yield solid gold metal. The Cycladex Process test work results reported indicate that this alternate mineral processing methodology is also generally applicable to the Sturec gold-silver ores and potentially cheaper than conventional |

| Criteria | JORC Code Explanation | Details |
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| | | cyanidation. These results are interpreted to indicate that further investigation is warranted into this alternative processing method and that a PFS-level metallurgical test work-study needs to be completed to underpin a revaluation of the 2013 PFS completed by SRK in light of Slovakia's ban on cyanidation mineral processing.<br>o As an alternative to onsite leaching, producing a gravity/floatation concentrate on site that could then be then further processed elsewhere (Austria/Belgium) has also been investigated. Gravity concentrate and floatation test work completed on 11 composite samples of Sturec ore found that gold recovery ranged from 64.1 to 93.9% and silver recovery ranged from 45.1 to 83.9%. This processing methodology is currently being used at Slovakia's only operating gold mine, which is of a very similar mineralisation style to Sturec; and so, there is a reasonable possibility it could also be used at Sturec. The main deterrents to this option are the cost of transporting this concentrate (obviously depending on the distance of the further processing facility) and the lower recovery of gold and silver (especially in fine ores). Further work needs to be done to better constrain the metallurgical recovery of this processing methodology across the entire orebody, as well as understand the economic factors involved before an assessment of its suitability can be fully determined.<br>• Groundwater and geotechnical investigations were completed in 2013. The groundwater monitoring results and geotechnical data were found to be adequate to interpret reasonable open pit slope angles for the various host rock types for the purposes of an open pit optimisation that was used as justification for a 'reasonable prospects of economic extraction' interpretation.<br>• Concerning the groundwater, it has been interpreted that the most likely current situation is that the water table around the open pit area was drawn down due the dewatering through the 'Heritage Adits'; with the Main Heritage Adit being situated some 300m below and transporting the groundwater 15km away to where it eventually reaches the surface. It was interpreted that the dewatering had occurred to the level with or below the maximum depth of the proposed pit (~300m). However, the possibility that the dewatering was not as efficient as interpreted has also considered and it has been recommended that up to 6 permanent monitoring wells be installed on the western and eastern sides of the pit to the full depth of the proposed pit. The primary purpose of these wells is to determine if there is any spatial and temporal variation in groundwater levels around the pit.<br>• Geotechnical investigations found that the stability of the open pit was significantly controlled by the degree of argillic alteration of the predominantly andesite rock mass found at Sturec (host rock of the quartz veining). The modelling suggested that the pit slope needed to be as low as 43° in the highly argillic altered/clay rock type but that a 50° pit slope was adequate in the other rock types.<br>• The groundwater and geotechnical investigation results have been used to model a recommended open pit design that achieved an adequate Factor of Safety (FoS) of greater than 2.0. |
| **Further work** | • *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • There is good potential for the delineation of further gold mineralisation within the Sturec Gold Project area through future exploration.<br>• Prospects such as Wolf, Vratislav, Vollie Henne and South Ridge are interpreted to be extension areas to the Mineral Resource area at Sturec. Significant gold-silver bearing quartz vein mineralisation has been identified and variably explored/mined at each of these prospects.<br>• The most exciting and potentially valuable exploration potential though appears to be down plunge. When the Mineral Resource model is investigated, it is very apparent that the ore body has a high-grade core that appears to be plunging towards the south as shown in the figure below. Further exploration drilling to, confirm that the high-grade mineralisation continues down plunge to the south is classified as a high priority target.<br>• Further Metallurgical testwork needs to be completed to understand how representative these metallurgical results are across the entire Sturec Mineral Resource. |