

ASX Release
4 September 2020

Corporate Governance and Compliance Update

Pursuant to ASX Listing Rule 3.16.4 and at the request of the ASX, **MetalsTech Limited** (ASX.MTC) ("**MetalsTech**" or the "**Company**") is pleased to provide shareholders with a corporate governance and compliance update.

The Company acknowledges that the below disclosures should have been made previously in accordance with ASX Listing Rule 3.16.4 as identified by ASX and the Company regrets the late disclosure which was due to an administrative oversight.

Corporate Governance Policies and Procedures

As part of the Company's ongoing review of its internal and external corporate governance policies and procedures, the Company is working with its legal advisers to update and address its corporate governance manual to comply with the 4th edition of the ASX Corporate Governance Principles and Recommendations.

Once this review has been completed and the policy documents have been updated and adopted, the Company will make a further announcement and the updated and adopted policy documents will be made available on the website of the Company (www.metalstech.net).

Company Secretary Appointment / Resignation

On 31 August 2020, Mr Gino D'Anna resigned from his position as Joint Company Secretary of the Company. Mr D'Anna remains an Executive Director of the Company.

Mr Paul Fromson who was previously the Joint Company Secretary with Mr D'Anna has now assumed the role of Company Secretary with immediate effect. The Company notes that Mr Fromson is also the Company's Chief Financial Officer ("**CFO**") and as part of this role, Mr Fromson's responsibilities have been expanded to include his role as Company Secretary.

Mr Fromson will not receive additional remuneration under this expanded role.

Natres Services Pty Ltd

On 1 September 2019, the Company entered into an Executive Services Consulting Agreement with Natres Services Pty Ltd ("**Natres Services**"), an entity related to Chairman, Mr Russell Moran ("**Natres Services Consulting Agreement**").

The Natres Services Consulting Agreement supersedes any and all previous agreements in place between the Company and Mr Russell Moran or any of his related entities.

Pursuant to the Natres Services Consulting Agreement, there are two nominated persons under the contract, being Executive Chairman, Mr Russell Moran (an experienced natural resources executive) and Executive (Risk Adviser), Ms Fiona Paterson (the spouse of Mr Moran, an experienced risk, engineering and corporate governance professional).

The Natres Services Consulting Agreement provides that Mr Moran and Ms Paterson are to provide certain services to the Company, and in consideration for the provision of those services, the Company pays Natres Services a fee of \$1,300 per day (plus GST) as well as a fee of \$4,000 per month (plus GST) for directorial services.

There is no minimum retainer paid under the Natres Services Consulting Agreement and the agreement contains the standard terms and conditions usual for a contract of this nature, including the standard confidentiality and termination provisions.

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

Both Mr Moran and Ms Paterson as nominated persons under the Natres Services Consulting Agreement provide consultancy services to the Company on an arm's length basis.

Pursuant to ASX Listing Rule 3.16.4, the material terms of the Natres Services Consulting Agreement is set out below:

- a. **Term**
The Engagement will commence on 1 September 2019 and continue for a minimum period of twenty-four (24) months from the date of the Agreement unless terminated earlier.
- b. **Remuneration**
The Company will pay to the Consultant for the Services a consulting fee of \$1,300 for each billable day (exclusive of GST).
- c. **Expenses**
On provision of all documentary evidence reasonably required by the Company, the Company will reimburse the Consultant for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred by the Consultant or the Nominated Persons in the performance of duties in connection with the business of the Company and its Related Bodies Corporate.
- d. **Confidentiality**
The Consultant and the Nominated Persons agree that the Confidential Information is at all times to be treated as secret and undertake to maintain and take all steps necessary to maintain the Confidential Information in strictest confidence.
- e. **Termination**
The Company may at its sole discretion terminate the Engagement. Where the Company elects to terminate the Engagement, it must immediately and without set-off pay a termination fee to the Consultant equal to 9 months multiplied by 20 billable days per month multiplied by \$1,300 per billable day (plus GST).
- f. **Covenant not to compete**
During the Term, and for a period of one (1) year following the expiration or earlier termination of this Agreement, the Consultant shall not directly or indirectly, or by action in concert with others, induce, or influence, or seek to induce or influence, any Consultant, agent, independent contractor, employee or other business affiliate of the Company to terminate their relationship with the Company.

The following general duties are set out in the Natres Services Consulting Agreement. These services are captured through the remuneration of the directors fee, which in the case of the Natres Services Consulting Agreement, equals \$4,000 per month (plus GST):

- i. assume and exercise the powers and perform the duties from time to time vested in or assigned to them by the Board or any officer or employee authorised by it for that purpose and will comply in all respects with the directions and regulations given or made by the Board, officer or employee;
- ii. faithfully serve the Company and its Related Bodies Corporate and use their best endeavours to promote their interest and welfare;
- iii. devote sufficient time and attention to the business of the Company and its Related Bodies Corporate during the normal working hours of the Company and at such other times as may be reasonably necessary; and
- iv. perform services for the Company and its Related Bodies Corporate and, without further remuneration unless otherwise agreed, accept offices in those Related Bodies Corporate as the Board may from time to time reasonably require.

The following specific duties are set out in the Natres Services Consulting Agreement. These services are captured through the remuneration of the billable day rate fee, which in the case of the Natres Services Consulting Agreement, equals \$1,300 per billable day (plus GST):

- i. assist in managing the business of the Company including, without limitation, implementing strategic and tactical plans and managing operational functions to achieve the Company's goals and outcomes;
- ii. review and initiate continuous improvement in support and administrative functions;

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

- iii. implement employment policies and development of an effective and valued performance management framework;
- iv. using their best endeavours to achieve the corporate objectives of the Company;
- v. performing the Services under this Agreement and use their best endeavours to ensure that the business of the Company is conducted in accordance with the policies, procedures and/or directions as notified from time to time by the Board to the Consultant and/or the Nominated Persons, including in accordance with the requirements of any approved budget or business plan;
- vi. complying with the reasonable directions of the Board from time to time including to undertake any activity for the benefit of the Company.
- vii. formulating strategies to promote and improve the financial performance of the Company;
- viii. advising the Board in relation to all relevant issues affecting the Company and its performance, including, without limitation, relevant corporate governance and risk issues;
- ix. ensuring the proper implementation of the Company's policies, procedures and systems;
- x. developing new opportunities and expanding the Company's current activities and market share; and
- xi. review and initiate continuous improvement in support and administrative functions.

At all times, the non-conflicted Board and the Chief Financial Officer (CFO) have oversight over the invoicing and payment under the Natres Services Consulting Agreement.

Since entering into the Natres Services Consulting Agreement, the Company has paid total fees (billable day rate plus director fees) equal to \$329,700 (excluding GST).

Internazionale Consulting Pty Ltd

On 1 April 2020, the Company entered into an Executive Services Consulting Agreement with Internazionale Consulting Pty Ltd ("**Internazionale Consulting**"), an entity related to Director, Mr Gino D'Anna ("**Internazionale Consulting Agreement**").

The Internazionale Consulting Agreement supersedes any and all previous agreements in place between the Company and Mr Gino D'Anna or any of his related entities.

Pursuant to the Internazionale Consulting Agreement, there is a single nominated person under the contract, being Executive Director, Mr Gino D'Anna.

The Internazionale Consulting Agreement provides that Mr D'Anna is to provide certain services to the Company, and in consideration for the provision of those services, the Company pays Internazionale a fee of \$1,200 per day (plus GST) as well as an Executive Director fee of \$3,000 per month (plus GST) for directorial services.

There is no minimum retainer paid under the Internazionale Consulting Agreement and the agreement contains the standard terms and conditions usual for a contract of this nature, including the standard confidentiality and termination provisions.

Mr D'Anna is a nominated person under the Internazionale Consulting Agreement and provides consultancy services to the Company on an arm's length basis.

Pursuant to ASX Listing Rule 3.16.4, the material terms of the Internazionale Consulting Agreement is set out below:

- a. **Term**
The Engagement will commence on 1 April 2020 and continue for a minimum period of twenty-four (24) months from the date of the Agreement unless terminated earlier.
- b. **Remuneration**
The Company will pay to the Consultant for the Services a consulting fee of \$1,200 for each billable day (exclusive of GST).
- c. **Expenses**
On provision of all documentary evidence reasonably required by the Company, the Company will reimburse the Consultant for all reasonable travelling intra/interstate or

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overseas, accommodation and general expenses incurred by the Consultant or the Nominated Persons in the performance of duties in connection with the business of the Company and its Related Bodies Corporate.

d. Confidentiality

The Consultant and the Nominated Persons agree that the Confidential Information is at all times to be treated as secret and undertake to maintain and take all steps necessary to maintain the Confidential Information in strictest confidence.

e. Termination

The Company may at its sole discretion terminate the Engagement. Where the Company elects to terminate the Engagement, it must immediately and without set-off pay a termination fee to the Consultant equal to 9 months multiplied by 15 billable days per month multiplied by \$1,200 per billable day (plus GST).

f. Covenant not to compete

During the Term, and for a period of one (1) year following the expiration or earlier termination of this Agreement, the Consultant shall not directly or indirectly, or by action in concert with others, induce, or influence, or seek to induce or influence, any Consultant, agent, independent contractor, employee or other business affiliate of the Company to terminate their relationship with the Company.

The following general duties are set out in the Internatzionale Consulting Agreement. These services are captured through the remuneration of the directors fee, which in the case of the Internatzionale Consulting Agreement, equals \$3,000 per month (plus GST):

- i. assume and exercise the powers and perform the duties from time to time vested in or assigned to them by the Board or any officer or employee authorised by it for that purpose and will comply in all respects with the directions and regulations given or made by the Board, officer or employee;
- ii. faithfully serve the Company and its Related Bodies Corporate and use their best endeavours to promote their interest and welfare;
- iii. devote sufficient time and attention to the business of the Company and its Related Bodies Corporate during the normal working hours of the Company and at such other times as may be reasonably necessary; and
- iv. perform services for the Company and its Related Bodies Corporate and, without further remuneration unless otherwise agreed, accept offices in those Related Bodies Corporate as the Board may from time to time reasonably require.

The following specific duties are set out in the Internatzionale Consulting Agreement. These services are captured through the remuneration of the billable day rate fee, which in the case of the Internatzionale Consulting Agreement, equals \$1,200 per billable day (plus GST):

- i. assist in managing the business of the Company including, without limitation, implementing strategic and tactical plans and managing operational functions to achieve the Company's goals and outcomes;
- ii. review and initiate continuous improvement in support and administrative functions;
- iii. implement employment policies and development of an effective and valued performance management framework;
- iv. using their best endeavours to achieve the corporate objectives of the Company;
- v. performing the Services under this Agreement and use their best endeavours to ensure that the business of the Company is conducted in accordance with the policies, procedures and/or directions as notified from time to time by the Board to the Consultant and/or the Nominated Persons, including in accordance with the requirements of any approved budget or business plan;
- vi. complying with the reasonable directions of the Board from time to time including to undertake any activity for the benefit of the Company.
- vii. formulating strategies to promote and improve the financial performance of the Company;
- viii. advising the Board in relation to all relevant issues affecting the Company and its performance, including, without limitation, relevant corporate governance and risk issues;
- ix. ensuring the proper implementation of the Company's policies, procedures and systems;

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- x. developing new opportunities and expanding the Company's current activities and market share; and
- xi. review and initiate continuous improvement in support and administrative functions.

At all times, the non-conflicted Board and the Chief Financial Officer (CFO) have oversight over the invoicing and payment under the Internatzionale Consulting Agreement.

Since entering into the Internatzionale Consulting Agreement, the Company has paid total fees (billable day rate plus director fees) equal to \$88,440 (excluding GST).

Non-Executive Director Services Agreement – Dr Qingtao Zeng

On 1 April 2020, the Company entered into a Non-Executive Director Services Agreement with Dr Qingtao Zeng, the non-executive technical director of the Company.

The Non-Executive Director Services Agreement with Dr Zeng supersedes any and all previous agreements in place between the Company and Dr Qingtao Zeng or any of his related entities.

Pursuant to the Non-Executive Director Services Agreement, the Company pays Dr Zeng a non-executive directors fee of \$3,000 per month (plus GST) for the standard services that are required to be provided by Dr Zeng as a non-executive director.

In addition, the Company pays Dr Zeng a further fee of \$1,200 per day (plus GST) for services that are provided outside of the usual scope of responsibilities for a non-executive director.

The Non-Executive Director Services Agreement otherwise contains the standard terms and conditions usual for a contract of this nature, including the standard confidentiality and termination provisions.

Pursuant to ASX Listing Rule 3.16.4, the material terms of the Non-Executive Director Services Agreement with Dr Zeng is set out below:

- a. Remuneration**
The director will be entitled to a base fee of A\$36,000 per annum (plus GST). In addition to the base fee, if required, the director may also provide the Company with, where necessary, services which are outside the scope of the engagement as a Technical Director of the Company. If the director is providing additional services to the Company as contemplated, additional time will be charged as technical consulting services at a rate of \$1,200 per day (plus GST), based on a minimum 8-hour day.
- b. Expenses**
On provision of all documentary evidence reasonably required by the Company, the Company will reimburse the director for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred by the director in the performance of duties in connection with the business of the Company and its Related Bodies Corporate.
- c. Confidentiality**
The director agrees that the Confidential Information is at all times to be treated as secret and undertake to maintain and take all steps necessary to maintain the Confidential Information in strictest confidence.

The following general duties are set out in the Non-Executive Director Services Agreement. These services are captured through the remuneration of the directors fee, which in the case of the Non-Executive Director Services Agreement, equals \$3,000 per month (plus GST):

- i. sharing responsibility with the other Directors for the effective control of the Company, and with the other Directors for the appointment of the Managing Director and Chief Executive Officer and the superintendence of Executive Management;
- ii. reviewing all Board papers ahead of Board meetings;
- iii. bringing independent judgment to bear on issues of strategy, performance, present and future availability and utilisation of resources and standards of conduct;
- iv. constructively challenging and helping to develop proposals on strategy of the Company;

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- v. setting values and standards for the Company and establishing systems for its communication and monitoring;
- vi. monitoring the performance of management in meeting agreed goals and objectives and ensuring that the necessary financial and human resources are in place to enable the Company to meet those goals and objectives;
- vii. being familiar with the corporate governance policies and principles which have been adopted by the Board, and taking a leadership role in ensuring these remain current and effective;
- viii. satisfying yourself as to the adequacy and integrity of financial and other reporting to the board and shareholders and that there are adequate systems of internal control;
- ix. satisfying yourself that systems for identification and management of risks are robust and appropriate; and
- x. making yourself available, if called upon, to serve as a member of committees established by the Board.

Dr Zeng also provides additional technical services to the Company which are outside the scope of the usual services provided pursuant to the Non-Executive Director Services Agreement. In consideration for providing those technical services, the Company is required to pay Dr Zeng a technical consulting fee charged at \$1,200 per billable day (plus GST) for any technical consulting services provided to the Company.

At all times, the non-conflicted Board and the Chief Financial Officer (CFO) have oversight over the invoicing and payment under the Non-Executive Director Services Agreement.

Since entering into the Non-Executive Director Services Agreement with Dr Zeng, the Company has paid total fees (billable day rate plus director fees) equal to \$40,400 (excluding GST).

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.

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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 is a low sulphidation epithermal system and 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/m ³)	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/m ³)	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.