



December 2019 Quarterly Activities Report

MetalsTech Limited (ASX: MTC) is pleased to report its activities for the quarter ended 31 December 2019.

HIGHLIGHTS

- MetalsTech exercises its option to acquire the Sturec Gold Project in Slovakia - legal, financial and technical due diligence completed
- 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
- Significant exploration upside exists along strike of the main Sturec defined resource zone as well as down dip / plunge of the existing ore body
- Metallurgical test work program designed for the Sturec deposit to assess the most suitable non-cyanide-based processing route
- 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"*)
- The Sturec project hosts an existing open cut JORC (2004) Measured, Indicated and Inferred Resource estimated by Snowden Mining Consultants and an existing JORC (2004) Proven and Probable Ore Reserve estimated by SRK Consulting - *refer to ASX Announcement dated 20 November 2019 and titled "MetalsTech Signs Option to Acquire the Sturec Gold Mine"*
- The Company plans on upgrading the existing JORC (2004) Mineral Resource and Mineral Reserve estimates to a JORC (2012) standard
- Ongoing review with Magnor Exploration Inc. (**Magnor**) in relation to the Cancet Lithium Project – assessment report and recommendations for ongoing exploration activities to be delivered by Magnor during the upcoming Quarter
- Continued discussions with interested parties on a potential joint venture at Cancet and the Sirmac-Clapier lithium projects
- Receipt of CAD\$1.57 million (~A\$1.75 million) from Revenue Quebec

OVERVIEW

Sturec Gold Project

During the December quarter, the Company announced that it had entered into a binding option agreement (**Option**) with Arc Minerals Ltd and Ortac s.r.o to acquire a 100% interest in the Sturec Gold Project in Slovakia (**Sturec** or the **Project**). Sturec is an advanced gold project with significant development potential.

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.



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Board of Directors
Non-Executive Chairman - Mr Russell Moran
Non-Executive Director - Mr Gino D'Anna
Technical Director - Dr Qingtao Zeng
Technical Director - Mr Noel Obrien
Company Secretary - Paul Fromson

Projects	
Cancet (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	100% owned

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:

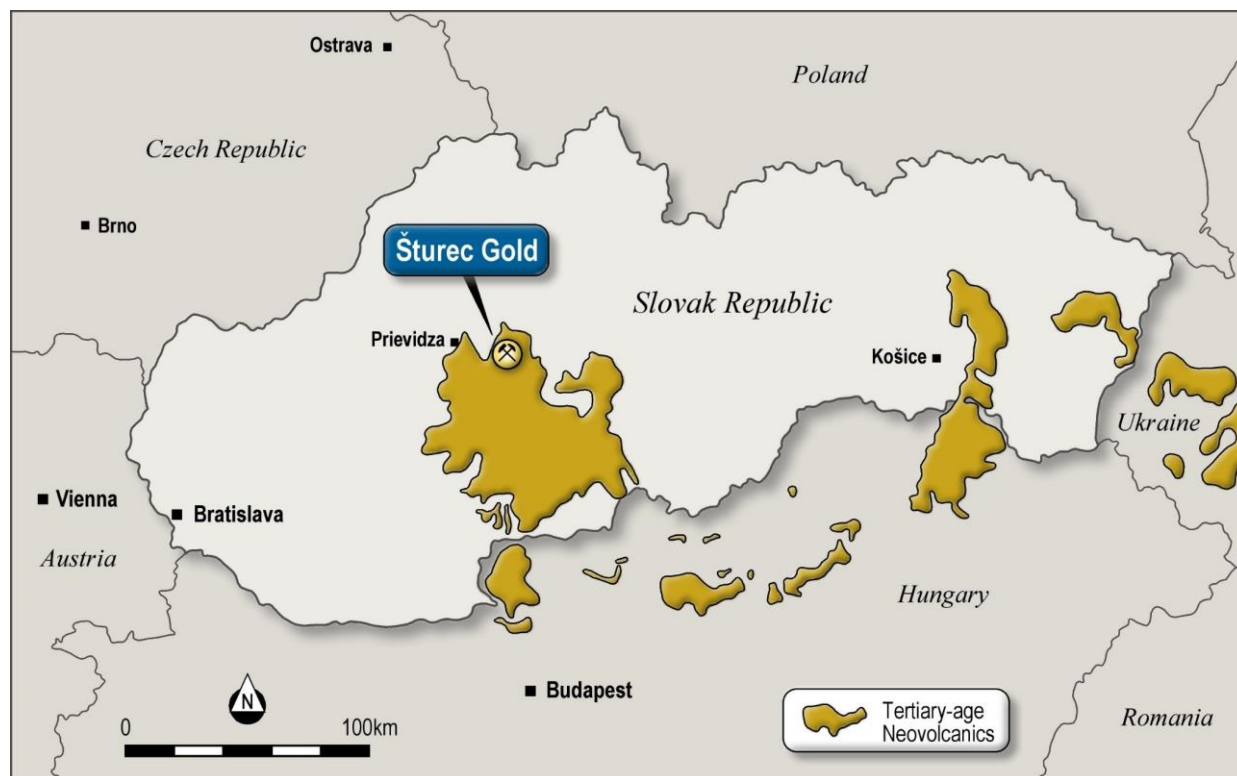


Figure 1: Location Map of the Sturec Gold Project, Slovakia

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.

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.

Sturec 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 Sturec 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 Sturec at Wolf and Vratislav (test diamond drilling programs) and south of Sturec 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 Sturec.

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).

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.

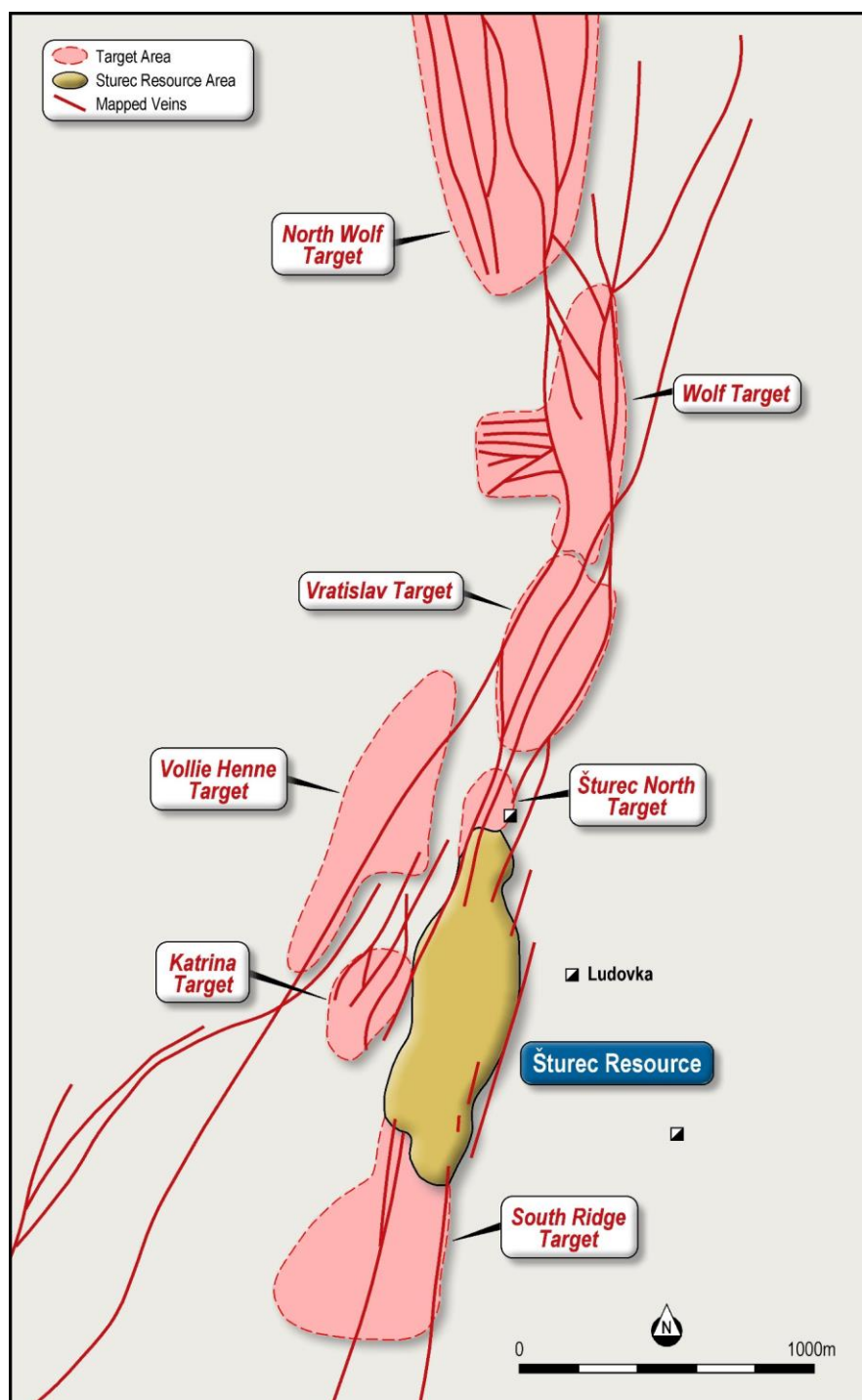


Figure 2: Outline of the Šturec JORC (2004) Mineral Resource as well as mapped veins and priority exploration target areas



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.

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.

The Company has also commenced investigation and evaluation of certain non-cyanide based processing techniques that are available and potentially suitable for treatment of Šturec 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 Šturec's existing and operational underground mining adit for bulk metallurgical testing.

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

Cancel Lithium Project

During the December quarter, the Company continued its review of the geological, geotechnical, geophysical and geochemical data for the Cancel Lithium project. The review continues to focus on evaluating exploration targets that had been previously identified during field mapping but were not yet followed up. Magnor Exploration Inc. are continuing with this work and are currently review the geological database building on the surface mineralisation model based on additional regional targets that have been identified. During the upcoming Quarter, the Company expects that it will receive the assessment report and recommendations for ongoing exploration activities at the Cancel Lithium Project.

Magnor Exploration, based in Quebec, Canada, possess significant lithium experience across Quebec and other parts of Canada. Magnor has previously worked for major exploration companies including Nemaska Lithium Inc. at its Whabouchi Lithium Project and Galaxy Resources Limited at its James Bay Lithium Project. Magnor's experience includes the management of our permitting requirements, liaison with local First Nations and other stakeholders, diamond drilling and other field exploration, advanced mine development and feasibility-level studies.





During the September 2019 Quarter, a project-scale evaluation was completed to identify additional prospective spodumene pegmatite zones, which was expanded further to evaluate the Cancet potential for gold and copper mineralisation, following recent discoveries by Midland Exploration Inc. (TSX.V: MD) at the Mythril project, which is located along strike of Cancet (refer to Midland Exploration Inc.'s TSX announcement dated 16 May 2019).

Once the report is received from Magnor, the Company plans to follow up both the spodumene pegmatite targets that have been identified as well as the gold and copper targets that have been generated through the expansion of the previously completed remote sensing spectral survey.

The Company has also continued its discussions with interested parties in relation to a potential joint venture at Cancet and the Sirmac-Clapier Lithium Project, with the data room updated on both projects. There are currently a number of new groups reviewing the available information.

Other

During the Quarter, the Company also confirmed receipt of CAD\$1.57 million (A\$1.75 million) from Revenue Quebec. The balance of approximately CAD\$193,000 has also been received from Revenue Quebec. The Company is therefore sufficiently funded to implement its exploration plans and complete upon the acquisition of the Sturec Gold Project.

This release was authorised by the Board of MetalsTech Limited.

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.

ASX Listing Rules Compliance

In preparing this announcement dated 31 January 2020, 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 31 January 2020.

Cancel Lithium 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 9 May 2017, 30 June 2017, 18 July 2017, 30 August 2017, 20 October 2017, 14 November 2017, 19 December 2017, 8 August 2018, 16 August 2018, 28 August 2018 and 8 October 2018.

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 and 30 December 2019.

