METALS TECH LIMITED

ASX: MTC

ASX RELEASE // 31 JULY 2024

Quarterly Report

Metals Tech Limited

HIGHLIGHTS

- **MetalsTech is progressing a proposed transaction from Trans Metal Fund (TMF) of US$36 million for its Sturec Gold Mine in Slovakia, with an additional US$20M cash upon grant of an underground mining activity permit for the mine**
- **MetalsTech was granted an underground mining activity permit for Sturec during the quarter, satisfying this condition under TMF's Offer**
- **MTC hosted multiple parties on site pursuant to the competitive strategic process being undertaken in conjunction with its advisors, Minmetals Securities Co., Ltd**
- **During the quarter, a new potential acquirer was granted data room access with legal, financial and technical due diligence already completed with a positive favourable outcome received by the Company**
- **Equity raising completed, raising ~$1.6 million to advance Sturec Gold Mine strategic process and assess new project opportunities**

MetalsTech Limited (ASX: MTC) (the Company or MTC) is pleased to announce its quarterly activities report for the period ending 30 June 2024.

As announced last quarter, MetalsTech received a non-binding offer from Trans Metal Fund LP (TMF), a private equity fund specialising in global natural resource opportunities headquartered in Toronto, Canada, to acquire MetalsTech's Sturec Gold Project in Slovakia by obtaining all the issued capital of Ortac Resources (UK) Limited, a wholly owned subsidiary of MetalsTech Limited.

Proposed Transaction Summary

Subject to progressing to Definitive Agreements and fulfilling regulatory approvals, TMF's proposed acquisition includes:

- An upfront cash payment of US$36,000,000 upon closing (equivalent to approximately A$0.279 per Share)
- An additional US$20,000,000 in cash upon the granting of an underground mining activity permit (equivalent to approximately A$0.155 per Share)
- Retention of a 2% gross overriding royalty on the Project's revenue, convertible to a lump sum cash payment of US$25,000,000 after Commercial Production commences (equivalent to approximately A$0.194 per Share)

The total offer amounts to US$81 million (A$123.4 million) or approximately A$0.628 per Share on a nominal look-through basis. Commercial Production is defined as reaching at least 150,000 tonnes of mined material from the Project.

Following the closing, TMF commits to securing permits for the Project and completing necessary studies for reserves estimation to restart Commercial Production. MetalsTech Limited may offer support and supervision for these activities.

On 24 April 2024, MetalsTech announced the granting of underground mining activity permit No. 2440-3935/2023 for the Sturec Gold Mine, satisfying this condition under the TMF Offer.

In addition, MetalsTech hosted multiple parties on site at Sturec pursuant to the competitive strategic process being undertaken in conjunction with its advisors, Minmetals Securities Co., Ltd. This included one of China's largest gold miners visiting site as part of its due diligence exercise, having significantly grown its share position in the Company over time.

MetalsTech also hosted SRK Consulting (North America) on site as part of technical and infrastructure due diligence.

Responses from the site visits were positive and the Company was encouraged by feedback highlighting the significant "mine ready" opportunity that exists at Sturec, complemented by exploration upside and growth potential of the existing JORC (2012) Measured, Indicated and Inferred Resource of ~2.7 million ounces of gold and 22.2 million ounces of silver.

Further updates regarding these negotiations will be provided to Shareholders in due course. The Company continues to routinely engage with the community at Kremnica and at various levels of government and permitting-related government bodies.

In addition to the process underway with Minmetals Securities Co., Ltd, the Company has been actively reviewing several other project opportunities in the gold sector.

CORPORATE

Equity Raising

During the quarter, MetalsTech lodged a prospectus with the ASIC and the ASX on 5 June 2024 (Prospectus). Pursuant to the Offer, the Company accepted valid applications and subscriptions totalling $1,602,190 representing 6,965,967 shares at $0.23 per share.

Pursuant to the Prospectus, at the discretion of the Board of Directors, the Company will place the shortfall, totalling $794,591 representing 3,454,743 shares at $0.23 per share.

Change of Registered Office

As of 16 May 2024, MetalsTech's Registered Office and Place of Business changed to:

Level 2 – Building C
355 Scarborough Beach Road
Osborne Park, WA 6017

Change of Auditor

MetalsTech appointed BDO Audit Pty Ltd (BDO Audit) as auditor of the Company following the resignation of BDO Audit (WA) Pty Ltd (BDO WA) and ASIC's consent to the resignation in accordance with s329(5) of the Corporations Act 2001 (the Act).

The change of auditor arose as a result of BDO WA restructuring its audit practice whereby audits will be conducted by BDO Audit, an authorised audit company, rather than BDO WA.

In accordance with s327C of the Act, a resolution will be proposed at the Company's next Annual General Meeting to confirm the appointment of the Company's auditor.

Appendix 5B Commentary

In Payments to related parties of the entity and their associates (refer to 6.1), the $123,000 payment refers to the payment of non-executive fees and director executive services consulting fees which covered the provision of director services and professional consulting services that related to the period from November 2023 to June 2024 (inclusive).

Cash outflows from operating activities for the quarter were $771,000. Cash outflows from investing activities for the quarter were $133,000. Cash inflows from financing activities were $1,352,000.

Cash and cash equivalents as at 30 June 2024 were $600,000.

For further information please contact

COMPANY

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INVESTOR RELATIONS

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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 di ffer 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.

DESCRIPTION OF THE MINING RIGHTS

Slovakian Gold Project

Sturec Gold Mine

Tenement ID°	Status	Registration Date	Expiry Date	Area
Sturec Gold Mine – Mining License 2440-3935/2023	Active		Indefinite	9.47 sq km

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Metalstech Limited

ABN	Quarter ended ("current quarter")
82 612 100 464	30 June 2024

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	(150)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(38)	(153)
	(e) admin and corporate costs	(484)	(1,447)
1.3	Dividends received	-	-
1.4	Interest received	-	3
1.5	Interest and other costs of finance paid	(249)	(249)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other	-	-
1.9	**Net cash from / (used in) operating activities**	**(771)**	**(1,996)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	(287)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(133)	(819)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(133)**	**(1,106)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,602	1,602
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	300	1,850
3.6	Repayment of borrowings	(550)	(550)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**1,352**	**2,902**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	152	800
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(771)	(1,996)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(133)	(1,106)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,352	2,902

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**600**	**600**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	600	152
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**600**	**152**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	123
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Item 6.1 – Consulting fees and directors fees paid to directors and their associated entities

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	1,300	1,300
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	1,300	1,300

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(771)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(133)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(904)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	600
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	600
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	0.66

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Board is reviewing its funding requirements. The Company has a successful track record of raising funds through various means and it expects to successful in raising further funds.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes – see response to 2 above.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2024

Authorised by: Gino D'Anna
By the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.