METALSTECH
Resourcing a cleaner greener future

METALSTECH LTD

ACN 612 100 464

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2019

Half Year Financial Report

31 December 2019

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CORPORATE INFORMATION

Directors & Officers

Mr. Russell Moran	Executive Chairman
Mr. Gino D'Anna	Executive Director and Company Secretary
Dr. Qingtao Zeng	Non-Executive Director
Mr Noel O'Brien	Non-Executive Director

Joint Company Secretaries
Mr. Gino D'Anna
Mr. Paul Fromson

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Home Exchange – Perth
ASX Code – MTC

Auditors
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Australian Company Number
ACN 612 100 464

Australian Business Number
ABN 86 612 100 464

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Domicile and Country of Incorporation
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DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of MetalsTech Limited ("MetalsTech") and the entities it controls at the end of, or during, the half-year ended 31 December 2019 (the Period).

Directors
The names of the directors in office at any time during or since the end of the period are:

Mr. Gino D'Anna
Mr. Russell Moran
Mr. Noel O'Brien
Mr. Qingtao Zeng

Directors were in office for this entire period unless otherwise stated.

Principal activities
The principal activity of the company during the half year was lithium exploration. The Company has also entered into an agreement to acquire a gold project.

Financial results
The financial results of the company for the period ended 31 December 2019 are:

	31-Dec-19	30-Jun-19
Cash and cash equivalents (AUD $)	961,279	74,418
Net assets (AUD $)	6,734,472	7,654,830

	31-Dec-19	31-Dec-18
Total revenue (AUD $)	8,823	4,489
Net loss after tax (AUD $)	(971,734)	(475,289)

REVIEW OF OPERATIONS

MetalsTech is pleased to report its activities for the half year 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
- Continued discussions with interested parties on a potential joint venture at Cancet and the Sirmac-Clapier lithium projects
- Receipt of CAD$1.75 million (~A$1.9 million) from Revenue Quebec

Sturec Gold Project

During the half year ended 31 December 2019, 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 map below illustrates the location of the Sturec project:

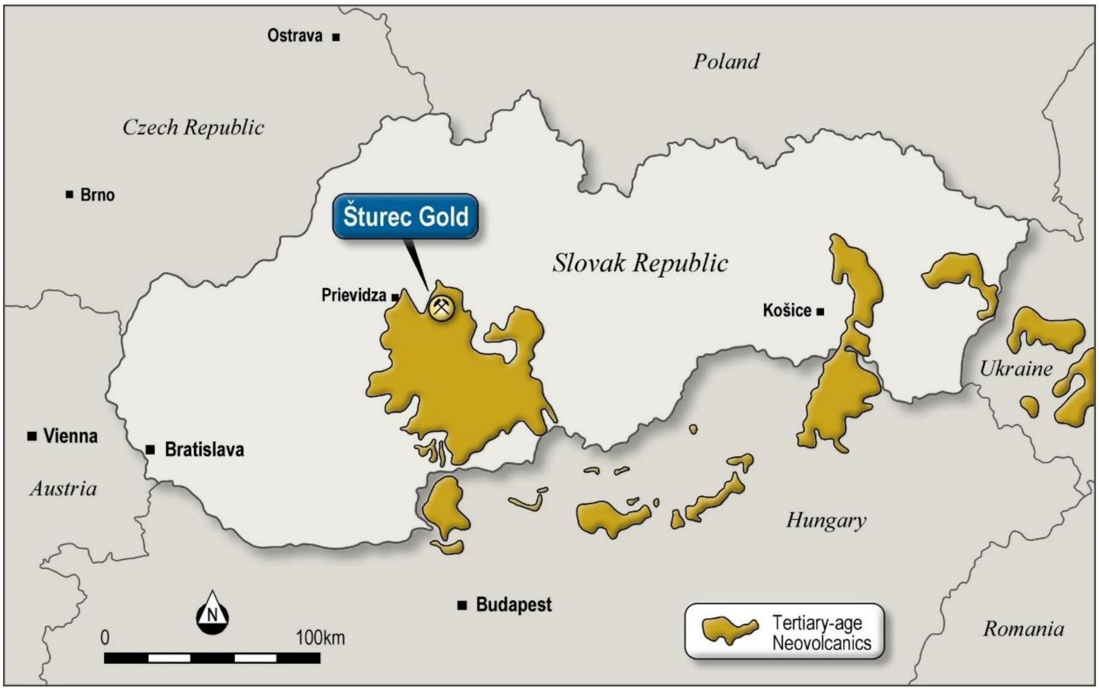

Figure 1: Location Map of the Sturec Gold Project, Slovakia

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.

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.

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.

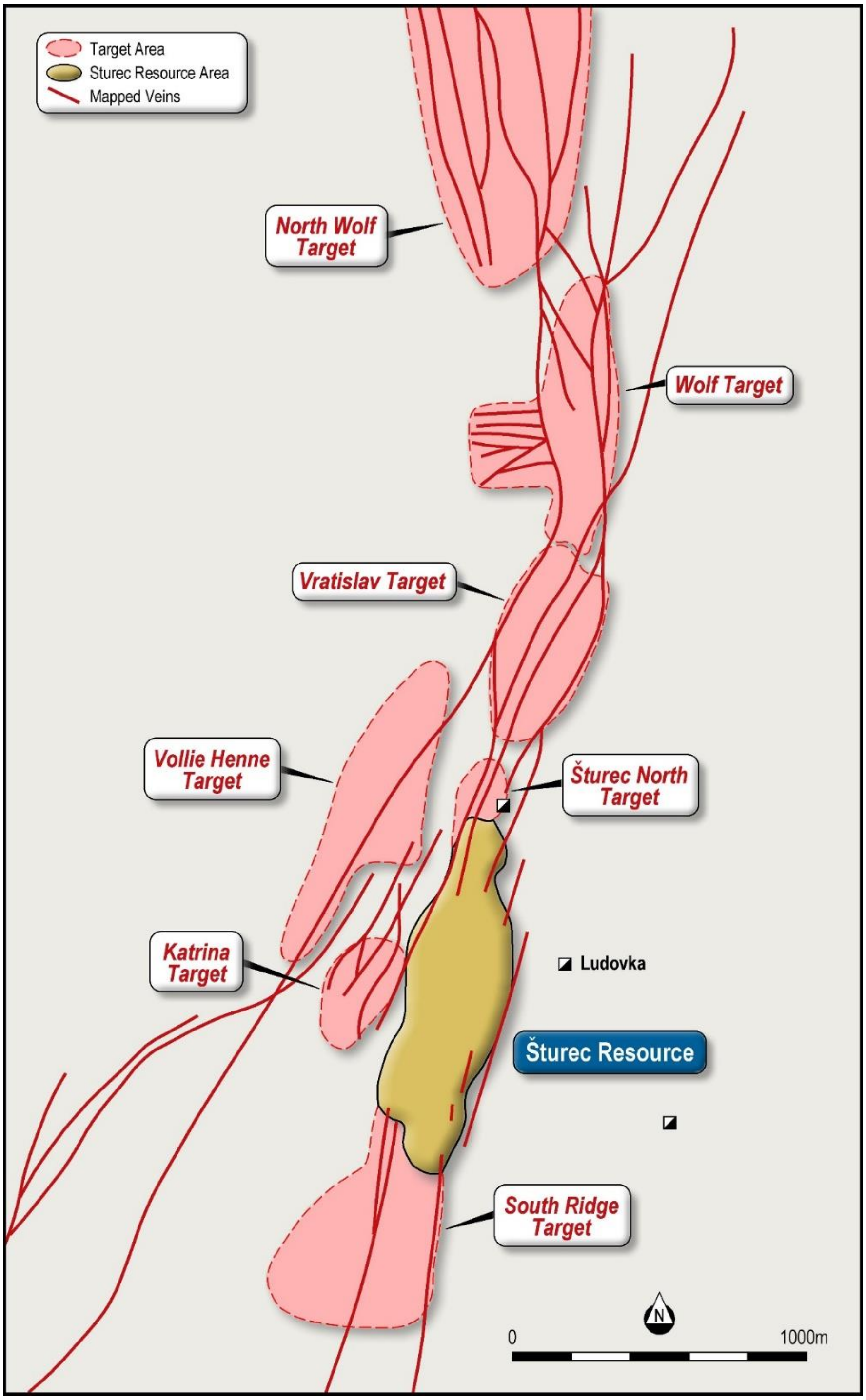

Figure 2: Outline of the Sturec JORC (2004) Mineral Resource as well as mapped veins and priority exploration target areas

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 40º to 50º 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 Sturec 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 Sturec ore, which would comply with Slovakia's relevant legislation. This work is ongoing and the Company hopes to update shareholders on positive developments in this regard in the near term. Dr Hills' site visit confirmed that in addition to historical drill core suitable for test work, fresh ore can be readily accessed from Sturec's existing and operational underground mining adit for bulk metallurgical testing.

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

Cancet Lithium Project

During the half year ended 31 December 2019, the Company continued its review of the geological, geotechnical, geophysical and geochemical data for the Cancet 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. The Company expects that it will receive the assessment report and recommendations for ongoing exploration activities at the Cancet 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 half year ended 31 December 2019, 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.

Corporate

During the half year the Company received $1.9m in tax refunds from the Canadian tax department for Resource credits for exploration expenditure on its Lithium projects at remote locations. Prior to the receipt of the above tax refunds the Company borrowed $400,000 in short term redeemable notes as a temporary funding solution. Following the receipt of the tax refunds the redeemable notes and all fees were paid in full.

As part of the redeemable note facility the Company issued 2,740,000 unlisted options exercisable at $0.06 on or before 31 December 2023.

Other than the above there were no issues of capital during the half year and the Company had $961,279 cash on hand at 31 December 2019.

During the half year the Company entered into an agreement to acquire the Sturec Gold Project in Slovakia and paid a $30,000 option fee. Subsequent to year end the Company completed its due diligence on the acquisition and gave notice in writing of its intention to exercise the option to acquire the project. Completion of the acquisition of the Sturec Gold Project occurred on 17 February 2020.

The Company did not have a Managing Director or CEO during the half year and Mr Moran and Mr D'Anna acted as Executive Directors for the entirety of the half year.

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 Group'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.

Events Subsequent to Reporting Date

On 17 February 2020 the Company completed the acquisition of the Sturec Gold project in Slovakia by the payment of AUD$420,000.

Other than this, there have been no matters or circumstances which have arisen since 31 December 2019 that have significantly affected or may significantly affect:

a) The operations, in the period subsequent to 31 December 2019, of the Group, or
b) The results of those operations, or
c) The state of affairs, in the period subsequent to 31 December 2019, of the Group.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 can be found on page 11.

This report is made in accordance with a resolution of the Directors made pursuant to s.306(3) of the Corporations Act 2001.

Gino D'Anna
Director
12 March 2020

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF METALSTECH LIMITED

As lead auditor for the review of MetalsTech Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of MetalsTech Limited and the entities it controlled during the period.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 12 March 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	December 2019 $	December 2018 $
Other income		8,823	4,489
Administration expenses		(206,855)	(92,680)
Advertising and marketing		(56,787)	(9,272)
Audit fees		(22,414)	(8,000)
Consulting and advisory fees		-	(63,070)
Corporate compliance		(31,373)	(30,774)
Depreciation		(4,092)	(4,103)
Directors fees	3	(340,400)	(183,700)
Directors share based benefits expense		(33,000)	-
Employment costs		(135,394)	(93,236)
Exploration costs written off		(797)	(4,333)
Legal Expenses		(39,467)	(28,174)
Occupancy costs		(23,688)	(21,516)
Share based payments		(14,000)	-
Travelling expenses		(46,152)	(26,510)
Unrealised gain/(loss)		41,382	85,590
Finance costs		(67,520)	-
Loss from continuing operations before income tax		(971,734)	(475,289)
Income tax expense		-	-
Loss from continuing operations after income tax		(971,734)	(475,289)
Other comprehensive loss for the period, net of tax		-	-
Items that may be reclassified to profit or loss:			
Foreign currency translation		(13,144)	(4,642)
Total comprehensive loss for the period		(984,878)	(479,931)
Loss per share from continuing operations attributable to the ordinary equity holders of the company:		**Cents**	**Cents**
Basic and diluted loss per share		(0.84)	(0.41)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2019 $	30 June 2019 $
Current Assets			
Cash and cash equivalents		961,279	74,418
Trade and other receivables		158,839	1,952,031
Total Current Assets		**1,120,118**	**2,026,449**
Non-Current Assets			
Property, plant and equipment		14,533	18,625
Capitalised exploration and evaluation	4	6,488,387	6,500,164
Total Non-Current Assets		**6,502,920**	**6,518,789**
TOTAL ASSETS		**7,623,038**	**8,545,238**
Current Liabilities			
Trade and other payables	5	874,912	880,021
Provisions	6	13,654	10,385
Total Current Liabilities		**888,566**	**890,406**
TOTAL LIABILITIES		**888,566**	**890,406**
NET ASSETS		**6,734,472**	**7,654,830**
EQUITY			
Share Capital	7	14,115,782	14,115,782
Reserves		2,015,957	1,964,581
Accumulated losses		(9,397,267)	(8,425,533)
TOTAL EQUITY		**6,734,472**	**7,654,830**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Based Payments Reserve	Options Premium Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	AUD $	AUD $	AUD $	AUD $	AUD $	AUD $
Balance at 1 July 2019	**14,115,782**	**643,715**	**889,110**	**431,756**	**(8,425,533)**	**7,654,830**
Loss for period	-	-	-	-	(971,734)	(971,734)
Foreign currency translation	-	-	-	(13,144)	-	(13,144)
Total comprehensive loss for the period	-	-	-	(13,144)	(971,734)	(984,878)
Transactions with owners in their capacity as owners:						
Issue of share capital	-	-	-	-	-	-
Share based payment expense	-	47,000	-	-	-	47,000
Options issued pursuant to redeemable notes	-	-	17,520	-	-	17,520
Share capital raising costs	-	-	-	-	-	-
At 31 December 2019	**14,115,782**	**690,715**	**906,630**	**418,612**	**(9,397,267)**	**6,734,472**

	Share Capital	Share Based Payments Reserve	Options Premium Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	AUD $	AUD $	AUD $	AUD $	AUD $	AUD $
Balance at 1 July 2018	**14,010,415**	**596,668**	**889,110**	**-**	**(4,309,701)**	**11,186,492**
Loss for period	-	-	-	-	(475,289)	(475,289)
Total comprehensive loss for the period	-	-	-	-	(475,289)	(475,289)
Transactions with owners in their capacity as owners:						
Issue of share capital	105,367		-	-	-	105,367
Share based payment expense	-	47	-	-	-	47
Foreign currency translation movement	-	-	-	(4,642)	-	(4,642)
Share capital raising costs	-	-	-	-	-	-
At 31 December 2018	**14,115,782**	**596,715**	**889,110**	**(4,642)**	**(4,784,990)**	**10,811,975**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

	December 2019 $	December 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees (including GST)	(962,257)	(313,247)
Interest received	8,823	4,489
Interest paid	(50,000)	-
Net cash outflow from operating activities	(1,003,434)	(308,758)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for exploration and evaluation expenditure	(42,201)	(756,393)
Rebates received for exploration expenditure	1,927,214	-
Payment for Property, Plant & Equipment	-	-
Net cash outflow from investing activities	1,885,013	(756,393)
Cash flows from financing activities		
Proceeds from borrowings	400,000	-
Repayment of borrowings	(400,000)	-
Proceeds from issue of shares	-	-
Costs of capital raising	-	-
Net cash inflows from financing activities	-	-
Net increase/(decrease)in cash and cash equivalents	881,579	(1,065,151)
Exchange rate adjustments	5,282	(21,074)
Cash and cash equivalents at the beginning of the period	74,418	1,526,761
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	961,279	440,536

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

a) AASB 16 Leases

Adoption of AASB 16
The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

The Group has examined all the leases where the Group is a lessee and have determined that all fall under the exemptions for short term or low-value leases.

b) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

c) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Going Concern

For the half year ended 31 December 2019 the Group recorded a loss from continuing operations after income tax of $971,734 (2018: $475,289) with a cash outflow from operating activities of $1,003,434 (2018: outflow of $308,758). The Group has current liabilities of $888,566 (of which $128,640 relates to Directors' fees) and has cash on hand of $961,279.

The ability of the Group to continue as a going concern is dependent on securing additional funding through either equity or debt, or a combination of both to continue to fund its operational and exploration activities. These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report. The half-year financial report has been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The directors expect the Group to be successful in securing additional funds through debt or equity issues, when and if required to service both its existing lithium projects and to acquire and service its new gold project.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the half-year financial report. The half-year financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not be able to continue as a going concern.

2. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information.

The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

Revenue by geographical region
The Group has not generated revenue from operations, other than interest income derived from deposits held at call with banks in Australia.

Assets by geographical region
The Group owns tenements in the geographical location of Quebec, Canada.

	31 December 2019 $	31 December 2018 $
3. EXPENSES		
Directors Fees		
Directors fees	72,000	4,800
Directors consultancy fees	268,400	178,900
	340,400	183,700

	31 December 2019 $	30 June 2019 $
4. CAPITALISED EXPLORATION AND EVALUATION		
Exploration and evaluation assets	6,488,387	6,500,164
Reconciliation:		
Balance at the beginning of the period	6,500,164	9,644,796
Impairment of exploration expenditure	(797)	(2,885,301)
Canadian tax rebates for remote exploration expenditure	(106,276)	(1,970,159)
Net exchange differences on translation	7,069	377,546
Costs incurred	88,227	1,333,282
Balance at the end of the period	6,488,387	6,500,164

	31 December 2019 $	30 June 2019 $
5. TRADE AND OTHER PAYABLES		
Trade and other payables	785,124	804,423
Accrued expenses	89,788	75,598
Balance at the end of the period	**874,912**	**880,021**

		31 December 2019 $	30 June 2019 $
6.	**PROVISIONS**		
	Staff Leave Provisions	13,654	10,385

7. CONTRIBUTED EQUITY

(a) Share Capital

	December 2019 Shares	December 2018 Shares	December 2019 $	December 2018 $
Fully paid	**116,953,887**	**116,953,887**	**14,115,782**	**14,115,782**

(b) Movements in ordinary share capital:

Period ended 31 December 2019

Date	**Details**	**Number of shares**	**Issue price**	**$**
01/07/19	Opening balance	116,953,887		14,115,782
	No movement			-
31/12/19	Balance at end of period	116,953,887		14,115,782

Period ended 31 December 2018

Date	Details	**Number of shares**	**Issue price**	**$**
01/07/18	Opening balance	115,503,887		14,010,415
24/08/18	Issue of shares – project acquisition	750,000	$0.097	72,750
16/11/18	Issue of shares – Consulting fees	100,000	$0.044	4,400
16/11/18	Issue of shares – Consulting fees	600,000	$0.047	28,217
31/12/18	Balance at end of period	116,953,887		14,115,782

7. CONTRIBUTED EQUITY (continued)

(c) Options on issue

The following options are on issue at 31 December 2019:

Grant Date	Expiry Date	Exercise Price	Balance at start of the period Number	Issued during the period Number	Exercised during the period Number	Cancelled or Expired during the period Number	Balance at end of the period Number
21 Feb 2017	24 Feb 2020	$0.25	5,800,000	-	-	-	5,800,000
7 July 2017	8 July 2021	$0.25	9,600,000	-	-	-	9,600,000
24 July 2017	1 Aug 2020	$0.25	500,000	-	-	-	500,000
10 Aug 2017	10 Aug 2020	$0.25	500,000	-	-	-	500,000
19 April 2018	1 Nov 2020	$0.30	100,000	-	-	-	100,000
29 June 2018	1 Nov 2020	$0.25	1,600,000	-	-	-	1,600,000
29 June 2018	1 Nov 2021	$0.25	100,000	-	-	-	100,000
16 Aug 2019	31 Dec 2023	$0.06	-	2,740,000	-	-	2,740,000
			18,200,000	2,740,000	-	-	20,940,000
Vested and Exercisable			-	-	-	-	20,940,000

8. SHARE BASED PAYMENTS

Shares issued for capitalised exploration costs have been valued at the fair value of the shares on the date of issue as the fair value of the goods received cannot be reliably measured.

Total share based payment transactions recognised during the year:

Shared based payments	**December 2019** **$**	**December 2018** **$**
Expense for the period for Performance Rights issued in prior period	47,000	-
Shares issued as part of project acquisition	-	72,750
Shares issued as payment of consulting costs	-	37,617
	47,000	**110,367**

9. REDEEMABLE NOTES

On 16 August 2019 raise a total of AUD$400,000 via the issue of redeemable notes. The key terms of the redeemable notes are stated below:

Term	The earlier of 3 months or upon MTC receiving at least $500,000 of the outstanding $2m Quebec Government Exploration Tax Refund. For the avoidance of doubt, early repayment will not reduce the coupon payable.
Use of Funds	(a) Fund MTC's assessment of new business opportunities including legal, accounting and technical due diligence; (b) Fund MTC's advice with respect to ASX discussions from time to time, including in respect of future new business opportunities; and (c) General working capital
Coupon	12.5% of the Face Value of the Notes
Redemption	The Notes and the Coupon must be redeemed by the Issuer in cash at the end of the Term
Transferability	The Notes are not transferrable without the written consent of the MTC
Change of Control Protection	Any outstanding Notes must be redeemed in full immediately in the event of a change of control in MTC (except a Listing event) for the Face Value plus Coupon
Escrow	N/A
Free attaching options	(a) 2,000,000 unlisted Options exercisable at $0.06 for each Note with an expiry of 31 December 2023 (b) MTC may seek quotation of the Options subject to spread and ASX approval
Security	Unsecured

The redeemable notes were repaid in full during the half year. The total costs associated with this facility for cash coupon and options issued total $67,520.

10. DIVIDENDS

No dividends have been declared or paid since the start of the financial period and none are recommended.

11. COMMITMENTS & CONTINGENCIES

Aside as disclosed in the annual report, there are no new contingent liabilities or contingent assets.

12. RELATED PARTY TRANSACTIONS

During the half year Directors Gino D'Anna and Russell Moran acted as Executive Directors in the absence of a Managing Director. As such they were paid additional consulting fees above the normal Non-Executive Director fees of $3,000 per month. During the half year the amounts paid above the normal non-executive director fees were $100,800 to a related party Mr D'Anna and $167,600 to a related party of Mr Moran.

13. EVENTS SUBSEQUENT TO REPORTING DATE

On 17 February 2020 the Company completed the acquisition of the Sturec Gold project in Slovakia by the payment of AUD$420,000.

Other than this there have been no matters or circumstances which have arisen since 31 December 2019 that have significantly affected or may significantly affect:

d) The operations, in the period subsequent to 31 December 2019, of the company, or
e) The results of those operations, or
f) The state of affairs, in the period subsequent to 31 December 2019, of the company.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) The financial statements and notes set out on pages 12 to 23 are in accordance with the *Corporations Act 2001*, including:

   (i) Complying with AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and

(b) There are reasonable grounds to believe that MetalsTech Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Directors

Gino D'Anna
Director
12 March 2020

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of MetalsTech Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of MetalsTech Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001 including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of matter – Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 12 March 2020