

METALS TECH LIMITED

ACN 612 100 464

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2020



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Half Year Financial Report

31 December 2020

CORPORATE INFORMATION

Directors & Officers

Mr. Russell Moran

Mr. Gino D'Anna

Dr. Qingtao Zeng

Executive Chairman

Executive Director

Non-Executive Director

Company Secretary

Mr. Paul Fromson

Registered Office

Suite 1

44 Denis Street

Subiaco WA 6008

Bankers

Commonwealth Bank of Australia

150 St Georges Terrace

Perth WA 6000

Stock Exchange

Australian Securities Exchange Limited (ASX)

Home Exchange – Perth

ASX Code – MTC

Auditors

BDO Audit (WA) Pty Ltd

38 Station St,

Subiaco WA 6008

Australian Company Number

ACN 612 100 464

Share Registry

Automic Group

Level 2

267 St Georges Terrace

Perth WA 6000

T: 1300 288 664

Australian Business Number

ABN 86 612 100 464

Website

www.metalstech.net

Domicile and Country of Incorporation

Australia

Solicitors

Steinepreis Paganin Lawyers & Consultants

Level 4, the Read Buildings

16 Milligan Street

Perth WA 6000 Australia

METALSTECH LIMITED
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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 2020 (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. Qingtao Zeng
Mr. Noel O'Brien (resigned 6 July 2020)

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

Principal activities

The principal activity of the Company during the half year was gold exploration. The Company continues to maintain its lithium assets and is currently reviewing its strategy to extract value from these assets in response to a stronger lithium market.

Financial results

The financial results of the company for the period ended 31 December 2020 are:

	31-Dec-20	31-Dec-19
Cash and cash equivalents (AUD \$)	1,815,388	961,279
Net assets (AUD \$)	6,216,547	6,734,472

	31-Dec-20	31-Dec-19
Total revenue (AUD \$)	312	8,823
Net loss after tax (AUD \$)	(1,630,438)	(971,734)

REVIEW OF OPERATIONS

MetalsTech is pleased to report its activities for the half year ended 31 December 2020. During the half year ended 31 December 2020, the Company continued with its underground diamond drilling campaign at the flagship 100%-owned Sturec Gold Mine in Slovakia which hosts a JORC (2012) Resource of 1,069,000 ounces of gold and 8,214,000 ounces of silver.

Drilling results at Sturec have demonstrated that the high-grade gold mineralisation continues along strike and down dip / plunge, remaining open in all directions. Led by our exploration manager Dr Quinton Hills and executed by a seasoned local technical team in country, the Company successfully tested its theory that the high-grade zone of the existing deposit extended along strike and down plunge.

The Company has continued to receive assay results from the drilling campaign and is currently drilling at UGA-14 with plans to drill a further 2-3 holes from the current drill site location before moving its drill rig further along strike to continue to drill along strike stepping out from the existing JORC (2012) Mineral Resource boundary. Plans to complete an additional 100m of underground exploration tunnels have also

been finalised and the Company will complete the underground extensions whilst drilling from the second drill site location. This will allow the Company to drill perpendicular to the ore body and continue to develop the down dip / plunge extensions of the resource. In addition, the completion of the additional underground exploration tunnels will also provide the Company with the ability to mobilise additional drilling rigs underground to increase drilling activity.

Some highlights from the current underground drilling campaign at the Sturec Gold Mine include:

- **90m @ 3.88 g/t Au and 13.9 g/t Ag** (UGA-04)
- **70m @ 3.43 g/t Au and 14.7 g/t Ag** (UGA-06)
- **32m @ 4.62 g/t Au and 17.5 g/t Ag** (UGA-05)
- **73m @ 2.14 g/t Au & 8.8 g/t Ag** (UGA-03)

Included in the above were multiple showings of visible gold and bonanza grades over 1m intervals; **89.1 g/t Au** in UGA-04, **80.3 g/t Au** in UGA-05 and **77.7 g/t Au** in UGA-06.

The Company has secured the opportunity to turn a well-established brownfield open cut project into a more sustainable high-grade underground gold mine. The current resource has been largely modelled and reported on an open cut basis with a very small underground component however the Company intends to re-model the existing resource on a predominantly underground basis in the future, incorporating the continued drilling success from our current program, with a view to delivering a scoping study based on an underground mining concept with a potentially simple low capex processing strategy.

Additionally, following reporting of excellent drilling results at Sturec, the Company has received significant interest from strategic gold mining groups, including significant groups out of China and the board has been busy cultivating its relationships in this area to ensure that as the gold sector continues to strengthen over the next 12 months, particularly with respect to M&A activity, the Company is prepared.

HIGHLIGHTS:

JORC (2012) Mineral Resource

- JORC (2012) Mineral Resource for Sturec:
 - **21.2Mt @ 1.50 g/t Au and 11.6 g/t Ag, containing 1.026Moz of gold and 7.94Moz of silver** of which 67% is Indicated and Measured Resource Category using a 0.4g/t Au cut-off and within an optimised open pit shell; and
 - **388kt @ 3.45 g/t Au and 21.6 g/t Ag containing 43koz of gold and 270koz of silver**, of which 71% is Inferred Resource Category using a 2.85g/t Au cut-off (outside the optimised open pit shell) on an underground mining basis
 - based on 90.5% gold recovery rates on Sturec mineralisation using ammonium thiosulphate processing technology without the use of cyanide
- Deposit is open to the north and south along strike, as well as down-dip and plunge, indicating significant exploration upside and ready drill targets
- High-grade core of the known mineralisation plunges south into an undrilled zone, which will be the focus of resource expansion drilling

Underground Diamond Drilling Assay Results

UGA-03

- UGA-03 intersected a thick continuous mineralized zone of **73m @ 2.14 g/t Au & 8.8 g/t Ag** from 211m (0.3g/t Au cut-off, downhole thickness) including:
 - **31.61m @ 3.76 g/t Au & 11 g/t Ag** from 248m (0.5g/t Au cut-off)
 - **24m @ 4.74 g/t Au & 13.4 g/t Ag** from 252m (1g/t Au cut-off)
 - **15m @ 6.70 g/t Au & 15.3 g/t Au** from 252m (2g/t Au cut-off)
 - **7m @ 11.65 g/t Au & 24.7 g/t Ag** from 252m (5g/t Au cut-off)

Cautionary Note: This intersection is not a true thickness as the drill hole was drilled at an acute angle to the mineralised zone due to the location of the underground drill site relative to the target zone. Further drilling is necessary to better constrain the interpretation.

UGA-04

- UGA-04 intersected a thick continuous mineralized zone of **90m @ 3.88 g/t Au and 13.9 g/t Ag** from 0m (0.3g/t Au cut-off, downhole thickness) including:
 - **9m @ 11.66 g/t Au and 62.3 g/t Ag** from 14m (2g/t Au cut-off);
 - **6m @ 33.76 g/t Au and 36.2 g/t Ag** from 43m (1g/t Au cut-off); and
 - **1m @ 89.1 g/t Au and 69 g/t Ag** from 47m

Cautionary Note: This intersection is not a true thickness as the drill hole was drilled at an acute angle to the mineralised zone due to the location of the underground drill site relative to the target zone. Further drilling is necessary to better constrain the interpretation.

UGA-05

- UGA-05 intersected a thick, continuous mineralized zone of **32m @ 4.62 g/t Au and 17.5 g/t Ag** from 70m (0.3g/t Au cut-off, downhole thickness) including:
 - **9m @ 14.53 g/t Au and 48.2 g/t Ag** from 90m (2g/t Au cut-off); and
 - **1m @ 80.3 g/t Au and 136.0 g/t Ag** from 97.0m

Cautionary Note: This intersection is not a true thickness as the drill hole was drilled at an acute angle to the mineralised zone due to the location of the underground drill site relative to the target zone. Further drilling is necessary to better constrain the interpretation.

UGA-06

- UGA-06 intersected a thick, continuous mineralized zone of **70m @ 3.43 g/t Au and 14.7 g/t Ag** from 33m (0.3g/t Au cut-off, downhole thickness) including multiple high-grade zones:
 - **4m @ 6.62 g/t Au and 22.1 g/t Ag** from 36m (2g/t Au cut-off);
 - **8m @ 8.55 g/t Au and 22.5 g/t Ag** from 56m (2g/t Au cut-off);
 - **5m @ 4.81 g/t Au and 36.4 g/t Ag** from 75m (2g/t Au cut-off);
 - **4m @ 22.81 g/t Au and 37.4 g/t Ag** from 98m (2g/t Au cut-off); and
 - **1m @ 77.7 g/t Au and 120.0 g/t Ag** from 98m

Cautionary Note: This intersection is not a true thickness as the drill hole was drilled at an acute angle to the mineralised zone due to the location of the underground drill site relative to the target zone. Further drilling is necessary to better constrain the interpretation.

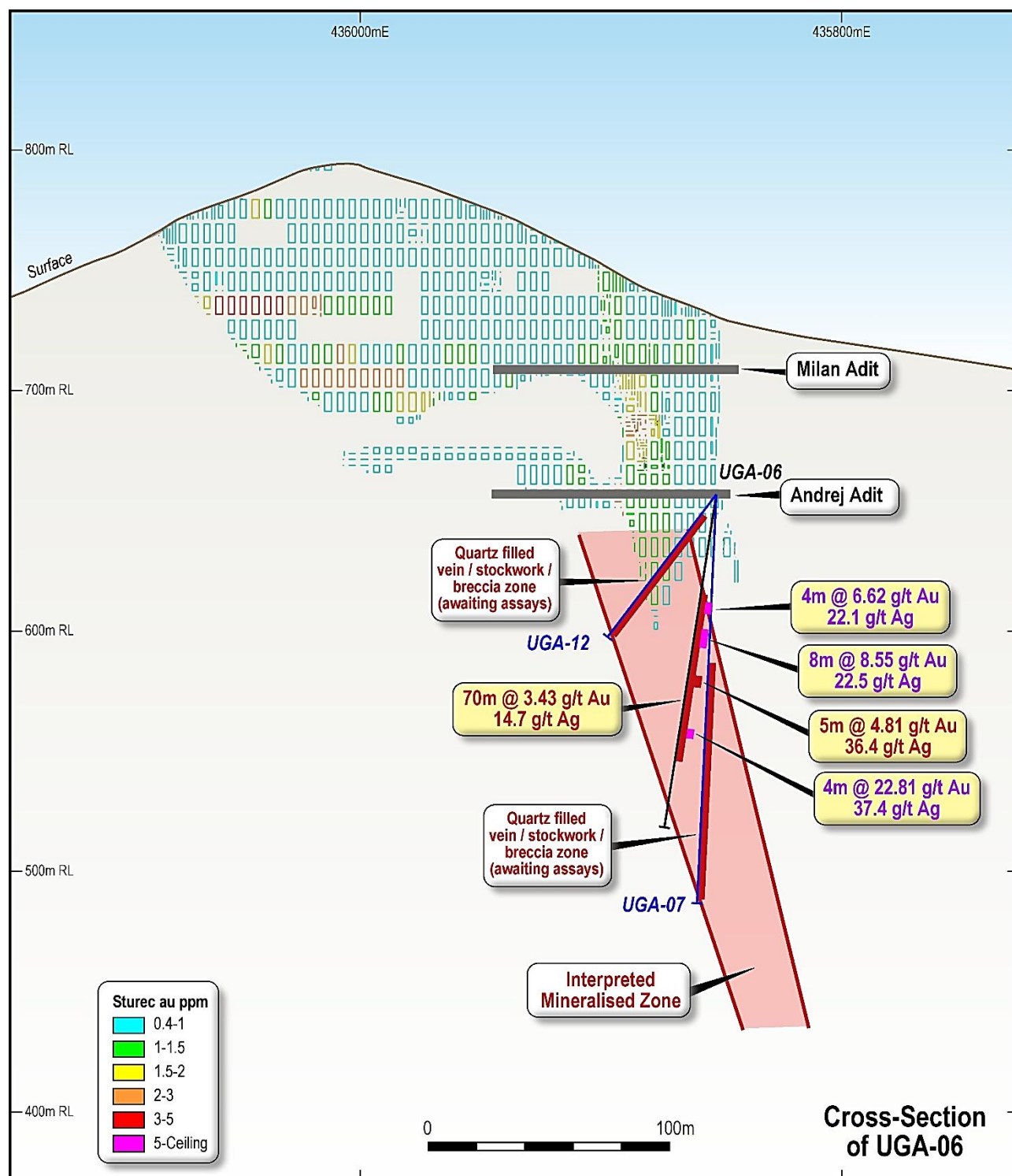


Figure 1: Cross-section showing the current interpretation of the extents of the potentially mineralisation zone below the current Sturec Mineral Resource

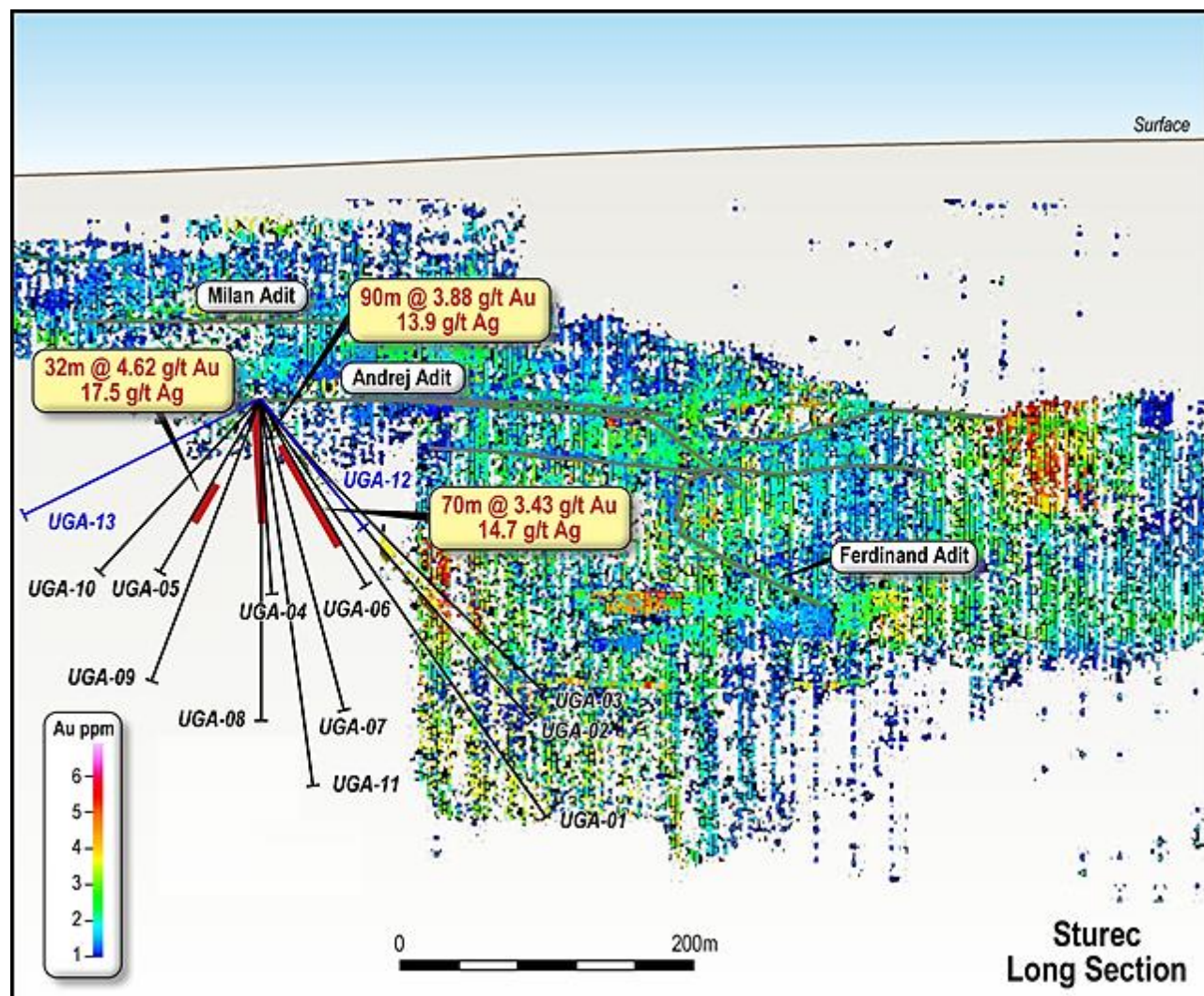


Figure 2: Long-section showing the traces of drill holes from the current drill program; shown relative to mineralisation within the existing Sturec Mineral Resource displayed as a 3D point cloud (grade scale shown with pseudocolor spectrum). This view is looking west.

Visible Gold Identified in Drilling at Sturec

UGA-04 and UGA-05

- **Multiple occurrences of visible gold** identified between:
 - 45.0m to 47.5m downhole in UGA-04
 - At 47.3m downhole in UGA-04, ~1mm sized, disseminated blebs are preserved in accumulations 5-10mm wide, usually associated with voids in the rock;
 - When UGA-04 drill core was cut at 47.3m downhole, a 50mm by 20mm zone of banded to drusy, fine grained, grey to dark grey chalcedonic quartz containing approximately 5% visible gold was identified (visual estimate)
 - 97.82m to 98.16m downhole in UGA-05

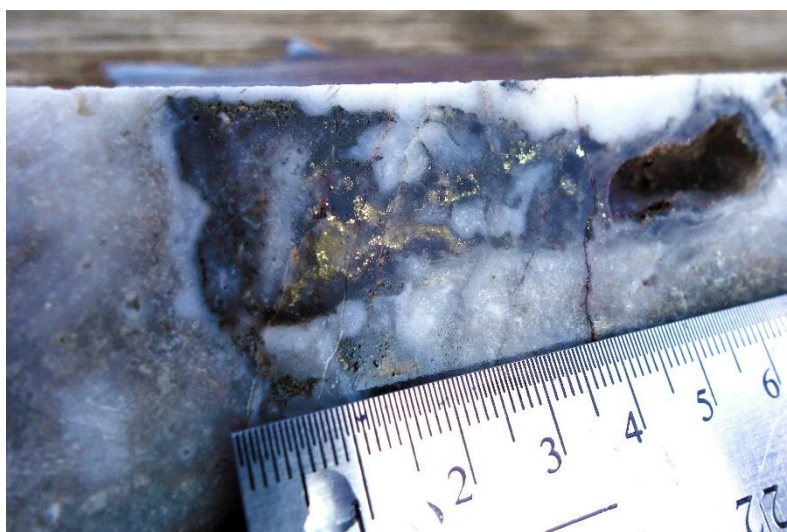


Figure 3: Approximately 50mm by 20mm zone of dark quartz with visible gold identified and pyrite at 43.5m – UGA-04

UGA-06

- **Multiple occurrences of visible gold** identified in UGA-06 at:
 - 40.5m downhole
 - 61.9 to 62.4m downhole
 - 98.0 to 100.0m downhole

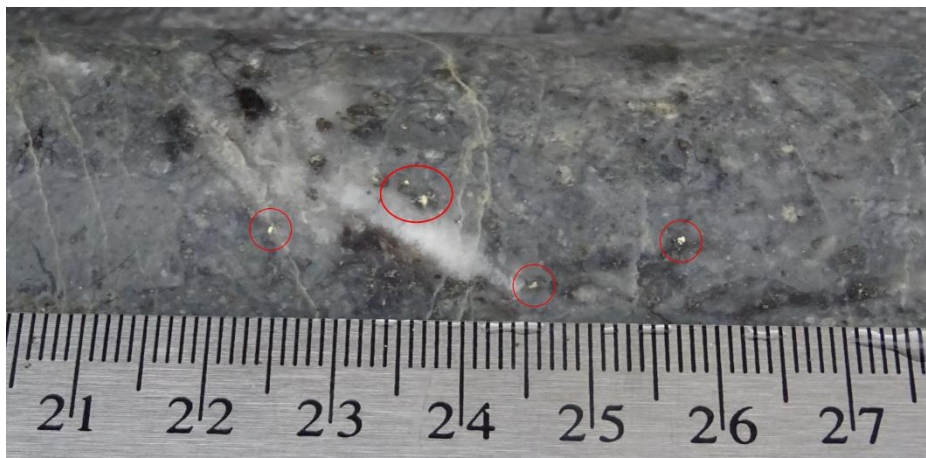


Figure 4: Visible gold associated with pyrite in drusy, fine grained, white, grey to dark grey chalcedonic quartz at 98.81-98.85m in UGA-06

UGA-07

- **Visible gold** has been identified in UGA-07 at 68.8m downhole following a re-sampling program completed as a result of further investigation and analysis of drill core assay results
 - UGA-07 represents a down dip step out of approximately 20 metres from UGA-06, which intersected **70m @ 3.43 g/t Au and 14.7 g/t Ag** from 33m (*refer to ASX announcement dated 8 December 2020*) along the hanging-wall of the interpreted mineralised zone and approximately 50m along the footwall of the mineralised zone



Figure 5: Visible gold associated with pyrite in drusy, fine grained, white chalcedonic quartz at 68.8m in UGA-07

UGA-12

- **Visible gold** has been identified in UGA-12 at between 95.10 to 95.20m downhole during core cutting
 - UGA-12 is positioned along plunge/strike to the north of UGA-06 by approximately 30 metres along the footwall of the mineralised zone

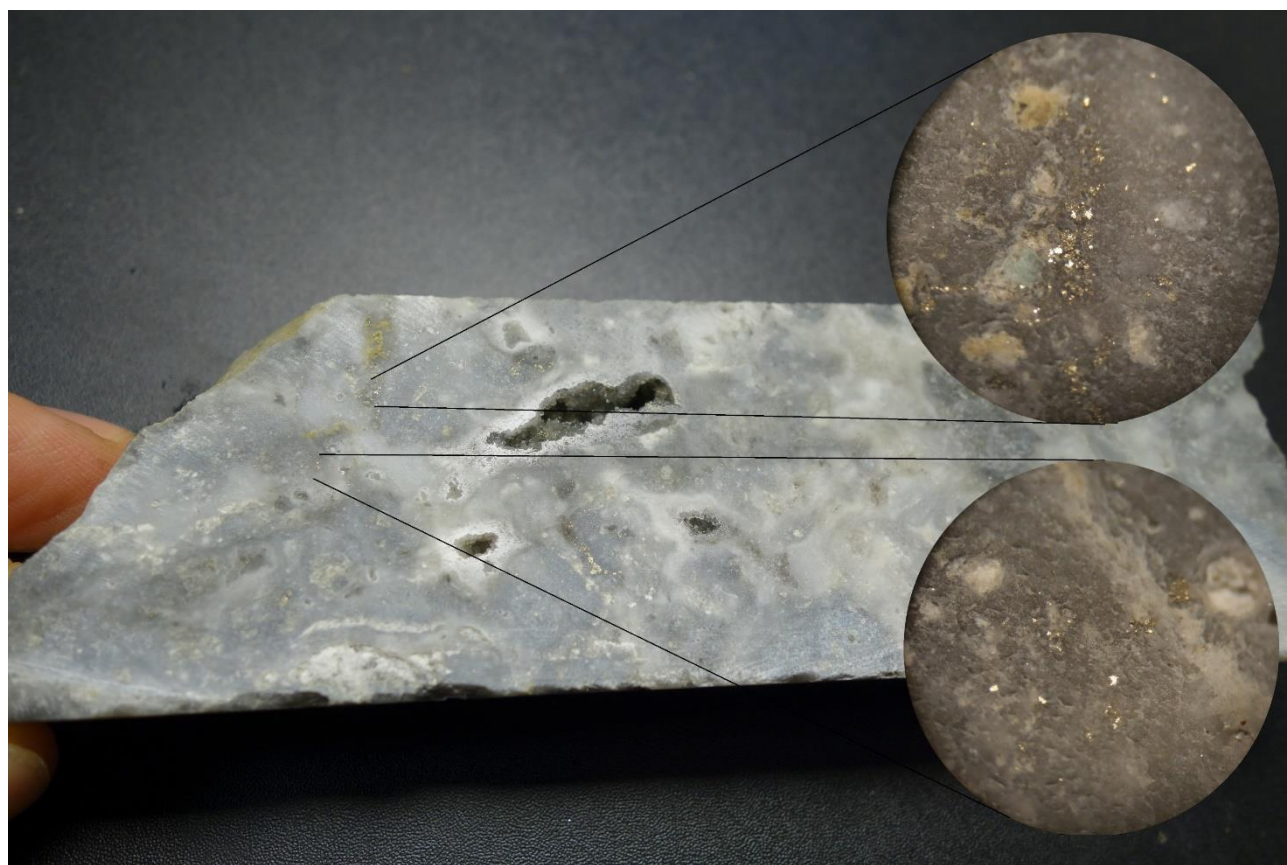


Figure 6: Visible gold associated with pyrite in drusy, fine grained, white to grey chalcedonic quartz at 95.1-95.20m in UGA-12

Background: Sturec Gold Mine

The Sturec Gold Mine is located in central Slovakia between the town of Kremnica and the village of Lučky, 17km west of central Slovakia's largest city, Banská Bystrica, and 150km northeast of the capital, Bratislava.

Sturec contains a total Mineral Resource of **21.2Mt @ 1.50 g/t Au and 11.6 g/t Ag (1.59g/t AuEq)** using a **0.4g/t Au cut-off and within an optimised open pit, containing 1,026,000 ounces of gold and 7,944,000 ounces of silver** (1,086,000 ounces of gold equivalent) in accordance with JORC (2012). An additional 388,000 tonnes at 3.45 g/t Au and 21.6 g/t Ag (3.60g/t AuEq) outside the optimised open pit contains an additional 43,000 ounces of gold and 270,000 ounces of silver (45,000 ounces of gold equivalent), reported in accordance with JORC (2012).

Table 1: Mineral Resource Estimate – Sturec Gold Project

Sturec Mineral Resource Estimate								
Resource Estimate above 0.40 g/t Au cut-off and within an optimised open pit shell								
Resource Category	Tonnes (kt)	Density (t/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.

2 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.

METALSTECH LIMITED

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Impairments

During the half-year the Group reviewed all of its projects for impairments. It was decided to impair in full the carrying value of the Kapiwak lithium project because the presence of lithium was not strong enough to support further expenditure on that particular project.

Corporate

During the half year the Company raised \$3,300,000 through the issue of 20,000,000 shares at \$0.165 per share. A further \$14,400 was raised via the exercise of 240,000 options at \$0.06 per option.

The Company also issued 1,000,000 unlisted options with an exercise price of \$0.20 and expiry date of 6 July 2022 and a further 500,000 options with an exercise price of \$0.25 and expiry date of 19 November 2023.

During the half year 2,600,000 options with an exercise price of \$0.25 options and 100,000 options with an exercise price of \$0.30 options expired.

Other than the above there were no other changes of capital during the half year and the Company had \$1,815,388 cash on hand at 31 December 2020.

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 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.

ASX Listing Rules Compliance

In preparing this half year report for the period ended 31 December 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 half year report ended 31 December 2020.

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 28 October 2020, 4 November 2020, 16 November 2020, 18 November 2020, 7 December 2020, 19 January 2021 and 25 February 2021.

METALSTECH LIMITED

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Events Subsequent to Reporting Date

On 11 March 2021, the Group released an ASX announcement indicating that following renewed interest in the lithium sector, that it was considering commercialisation strategies for its lithium assets. This may include a "spin out" of the lithium assets to a new ASX listed entity. This would require ASX, shareholder and regulatory approvals.

Other than this, there have been no matters or circumstances which have arisen since 31 December 2020 that have significantly affected or may significantly affect:

- a) The operations, in the period subsequent to 31 December 2020, of the Group, or
- b) The results of those operations, or
- c) The state of affairs, in the period subsequent to 31 December 2020, 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 13.

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
11 March 2021

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DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF METALSTECH LIMITED

As lead auditor for the review of MetalsTech Limited for the half-year ended 31 December 2020, 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.



Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth, 11 March 2021

Half Year Financial Report

For the half year ended 31 December 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		December 2020 \$	December 2019 \$
Other income		312	8,823
Administration expenses		(103,230)	(206,855)
Advertising and marketing		(167,952)	(56,787)
Audit fees		(18,793)	(22,414)
Consulting and advisory fees		(29,546)	-
Corporate compliance		(99,524)	(31,373)
Depreciation		(3,028)	(4,092)
Directors' fees	3	(462,440)	(340,400)
Directors' share based benefits expense	8	-	(33,000)
Employment costs		(115,493)	(135,394)
Exploration costs written off		(5,532)	(797)
Impairment expense	4	(333,145)	-
Legal Expenses		(82,821)	(39,467)
Occupancy costs		(24,575)	(23,688)
Share based payments	8	(118,302)	(14,000)
Travelling expenses		(835)	(46,152)
Unrealised gain/(loss)		-	41,382
Finance costs		(65,534)	(67,520)
Loss from continuing operations before income tax		(1,630,438)	(971,734)
Income tax expense		-	-
Loss from continuing operations after income tax		(1,630,438)	(971,734)
Other comprehensive loss for the period, net of tax		-	-
Items that may be reclassified to profit or loss:			
Foreign currency translation		(93,818)	(13,144)
Total comprehensive loss for the period		(1,724,256)	(984,878)
Loss per share from continuing operations attributable to the ordinary equity holders of the company:		Cents	Cents
Basic and diluted loss per share	13	(1.19)	(0.84)

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

Half Year Financial Report

As at 31 December 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2020 \$	30 June 2020 \$
Current Assets			
Cash and cash equivalents		1,815,388	1,030,660
Trade and other receivables		107,519	76,680
Total Current Assets		1,922,907	1,107,340
Non-Current Assets			
Property, plant and equipment		9,582	12,610
Capitalised exploration and evaluation	4	5,778,255	5,540,381
Total Non-Current Assets		5,787,837	5,552,991
TOTAL ASSETS		7,710,744	6,660,331
Current Liabilities			
Trade and other payables	5	816,043	1,271,059
Provisions	6	28,154	19,423
Borrowings	9	650,000	-
Total Current Liabilities		1,494,197	1,290,482
Non-Current Liabilities			
Borrowings	9	-	650,000
Total Non-Current Liabilities		-	650,000
TOTAL LIABILITIES		1,494,197	1,940,482
NET ASSETS		6,216,547	4,719,849
EQUITY			
Share Capital	7	18,309,974	15,207,322
Reserves		2,666,567	2,642,083
Accumulated losses		(14,759,994)	(13,129,556)
TOTAL EQUITY		6,216,547	4,719,849

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

Half Year Financial Report

For the half year ended 31 December 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Based Payments Reserve	Options Premium Reserve	Foreign Currency Translatio n Reserve	Accumulated Losses	Total Equity
	AUD \$	AUD \$	AUD \$	AUD \$	AUD \$	AUD \$
Balance at 1 July 2020	15,207,322	1,158,729	1,136,534	346,820	(13,129,556)	4,719,849
Loss for period	-	-	-	-	(1,630,438)	(1,630,438)
Foreign currency translation	-	-	-	(93,818)	-	(93,818)
Total comprehensive loss for the period	-	-	-	(93,818)	(1,630,438)	(1,724,256)
Transactions with owners in their capacity as owners:						
Issue of share capital	3,300,000	-	-	-	-	3,300,000
Options converted to shares	14,400	-	-	-	-	14,400
Options issued	-	-	118,302	-	-	118,302
Share capital raising costs	(211,748)	-	-	-	-	(211,748)
At 31 December 2020	18,309,974	1,158,729	1,254,836	253,002	(14,759,994)	6,216,547

	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

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

Half Year Financial Report

For the half year ended 31 December 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

	December 2020 \$	December 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees (including GST)	(1,337,683)	(962,257)
Interest received	312	8,823
Interest paid	(65,000)	(50,000)
Net cash outflow from operating activities	(1,402,371)	(1,003,434)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for exploration and evaluation expenditure	(627,583)	(42,201)
Payment for acquisition of subsidiary	(300,000)	-
Rebates received for exploration expenditure	-	1,927,214
Net cash outflow from investing activities	(927,583)	1,885,013
Cash flows from financing activities		
Proceeds from borrowings	-	400,000
Repayment of borrowings	-	(400,000)
Proceeds from issue of shares	3,314,400	-
Costs of capital raising	(211,748)	-
Net cash inflows from financing activities	3,102,652	-
Net increase in cash and cash equivalents	772,698	881,579
Exchange rate adjustments	12,030	5,282
Cash and cash equivalents at the beginning of the period	1,030,660	74,418
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,815,388	961,279

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

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For the half year ended 31 December 2020

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 2020 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 2020 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.

Going Concern

For the half year ended 31 December 2020 the Group recorded a loss from continuing operations after income tax of \$1,630,438 (2019: \$971,734) with a cash outflow from operating activities of \$1,402,371 (2019: outflow of \$1,003,434). The Group has current liabilities of \$1,494,197 (of which \$96,360 relates to Directors' fees) and has cash on hand of \$1,815,388.

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:

Half Year Financial Report

For the half year ended 31 December 2020

- 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 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 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 Company 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 Company owns tenements in the geographical locations of Canada and Slovakia. Other than this the group's assets comprise cash and minor receivables or prepayments.

Operating segment information

	Lithium Projects	Gold Project	Unallocated	Total
Consolidated – 31 Dec 2020	\$	\$	\$	\$
Revenue				
Interest income	-	-	312	312
Total Revenue	-	-	312	312

Half Year Financial Report

For the half year ended 31 December 2020

2. SEGMENT INFORMATION Continued

	Lithium	Gold	Unallocated	Total
Consolidated – 31 Dec 2020	\$	\$	\$	\$
EBITDA	(334,370)	-	(1,227,818)	(1,562,188)
Depreciation	-	-	(3,028)	(3,028)
Interest revenue	-	-	312	312
Finance costs	-	-	(65,534)	(65,534)
Profit before income tax expense				(1,630,438)
Income Tax Expense				-
Profit after income tax expense				(1,630,438)
Assets				
Capitalised exploration and evaluation	3,462,369	2,315,886	-	5,778,255
Cash and cash equivalents	7,063	40,695	1,767,628	1,815,388
Other assets	-	392	116,709	117,101
Total assets				7,710,744
Liabilities				
Segment Liabilities	493,432	91,676	259,089	844,197
Redeemable Notes	-	-	650,000	650,000
Total liabilities				1,494,197

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For the half year ended 31 December 2020

2. SEGMENT INFORMATION continued

	Lithium	Gold	Unallocated	Total
Consolidated – 31 Dec 2019	\$	\$	\$	\$
Revenue				
Interest income	8,685	-	139	8,823
Total Revenue	8,685	-	8,823	8,823
EBITDA	(81,008)		(827,938)	(908,945)
Depreciation	-	-	(4,092)	(4,092)
Interest revenue	8,685	-	139	8,823
Finance costs	-	-	(67,520)	(67,520)
Profit before income tax expense				(971,734)
Income Tax Expense				-
Profit after income tax				(971,734)
Consolidated – 30 June 2020				
Total Assets	3,981,910	1,596,586	1,081,836	6,660,332
Total Liabilities	516,862	69,222	1,354,398	1,940,482

	31-Dec-20	30-June-20
	\$	\$
3. EXPENSES		
Directors Fees		
Directors fees	60,000	120,000
Directors consultancy fees	402,440	638,300
	462,440	758,300

Half Year Financial Report

For the half year ended 31 December 2020

	31 December 2020	30 June 2020
4. CAPITALISED EXPLORATION AND EVALUATION	\$	\$
Exploration and evaluation assets	5,778,255	5,540,381
Reconciliation:		
Balance at the beginning of the period	5,540,381	6,500,164
Impairment of exploration expenditure - Note (i)	(333,145)	(2,391,869)
Canadian tax rebates for remote exploration expenditure	-	(109,252)
Acquisition costs and exploration expenditure	633,248	192,893
Acquired with acquisition of subsidiary	-	1,452,455
Net exchange differences on translation	(62,229)	(104,010)
Balance at the end of the period	5,778,255	5,540,381

Note (i) – Following a review of all projects the Group impaired in full the carrying value (\$333,145) of one of the projects being the Kapiwak lithium project located in Canada. The Group has ceased funding on this project.

	31 December 2020	30 June 2020
5. TRADE AND OTHER PAYABLES	\$	\$
Trade and other payables	770,413	897,464
Deferred acquisition payment	-	300,000
Accrued expenses	45,630	73,595
Balance at the end of the period	816,043	1,271,059

	31 December 2020	30 June 2020
6. PROVISIONS	\$	\$
Staff Leave Provisions	28,154	19,423

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For the half year ended 31 December 2020

7. CONTRIBUTED EQUITY

(a) Share Capital

	December 2020 Shares	June 2020 Shares	December 2020 \$	June 2020 \$
Fully paid	146,567,638	126,327,638	18,309,974	15,207,322

(b) Movements in ordinary share capital:

Period ended 31 December 2020

Date	Details	Number of shares	Issue price	\$
01/07/20	Opening balance	126,327,638		15,207,322
29/07/20	Exercise of options	160,000		9,600
30/07/20	Exercise of options	80,000		4,800
25/09/20	Placement of shares	20,000,000	0.165	3,300,000
	Costs of shares issued	-		(211,748)
31/12/20	Balance at end of period	146,567,638		18,309,974

Year ended 30 June 2020

Date	Details	Number of shares	Issue price	\$
01/07/19	Opening balance	116,953,888		14,115,782
15/04/20	Conversion of Performance Rights **	700,000	0.12	84,000
15/04/20	Conversion of options	280,000	0.06	16,800
22/04/20	Conversion of options	2,300,000	0.06	138,000
06/05/20	Placement of shares	6,093,750	0.16	975,000
	Costs of shares issued			(122,260)
30/06/20	Balance at end of year	126,327,638		15,207,322

** The price used for these shares was based on the initial share price when the PRs were granted

Half Year Financial Report
For the half year ended 31 December 2020

7. CONTRIBUTED EQUITY (continued)

(c) Options on issue

The following options are on issue at 31 December 2020:

Grant Date	Expiry Date	Exercise Price	Balance at start of the period	Issued during the period	Exercised during the period	Cancelled or Expired during the period	Balance at end of the period
			Number	Number	Number	Number	Number
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	400,000	-	(240,000)	-	160,000
6 May 2020	6 May 2023	\$0.25	604,600	-	-	-	604,600
29 June 2020	6 July 2022	\$0.20	-	500,000	-	-	500,000
28 Oct 2020	6 July 2022	\$0.20	-	500,000	-	-	500,000
25 Sept 2020	19 Nov 2023	\$0.25	-	500,000	-	-	500,000
			13,404,600	1,500,000	(240,000)	(2,700,000)	11,964,600
Vested and Exercisable			-	-	-	-	11,964,600

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 2020 \$	December 2019 \$
Expense for the period for Performance Rights issued in prior period	-	47,000
Options issued to brokers and consultants	118,302	-
	118,302	47,000

Half Year Financial Report

For the half year ended 31 December 2020

Valuations of unlisted options issued during the half year

There were 1,500,000 options issued during the half year ended 31 December 2020. The options were valued at the fair value at grant date determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The fair value of the unlisted options issued during the half year were based on the following:

Type of Options:	Options issued to consultant for services performed	Options issued to consultant for services performed	Options issued to broker in connection with placement of shares
Number of options issued	500,000	500,000	500,000
Exercise price \$	0.20	0.20	0.25
Grant date	29 June 2020	28 October 2020	25 Sept 2020
Share price at date granted/contract date	0.14	0.15	0.20
Risk free rate	0.26%	0.11%	0.11%
Volatility factor	100%	100%	100%
Number of years to expiry	2	1.688	3
Fair value per option	0.061	0.0616	0.1141
Valuation	30,497	30,777	57,028

9. REDEEMABLE NOTES

	31 December 2020 \$	30 June 2020 \$
Opening balance	650,000	-
Additional borrowings	-	1,050,000
Repayment of borrowing	-	(400,000)
Closing balance	650,000	650,000

The Company entered into four redeemable note agreements dated 11 March 2020. The notes attract an interest rate of 20% per annum payable quarterly in arrears. The agreements are each for a term of 18 months from the respective drawdown dates. The redeemable notes are unsecured and repayable in September 2021 and have been reclassified to current liability.

Half Year Financial Report
For the half year ended 31 December 2020

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 as at 30 June 2020, 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 \$138,000 to a related party Mr D'Anna and \$249,200 to a related party of Mr Moran. The additional fees paid to Mr Moran are to an entity in which he and a related person supply services to the Company and the fees are therefore for the work of two persons.

During the half year, Non-executive Director Dr Qingtao Zeng also performed additional services in addition to his non-executive director duties and was paid \$15,240 for these services in addition to his \$18,000 directors fees.

13. EARNINGS PER SHARE

Basic loss per share

The calculation of basic loss per share for the half year ended 31 December 2020 was based on the loss attributable to ordinary shareholders of \$1,630,438 and a weighted average number of ordinary shares outstanding during the half- year calculated as follows:

	31-Dec-2020	31-Dec-2019
Loss attributable to ordinary shareholders (\$)	(1,630,438)	(971,734)
Weighted average number of ordinary shares (number)	137,072,855	116,574,298
Basic loss per share (cents per share)	<u>(1.19)</u>	<u>(0.84)</u>

Diluted loss per share

Potential ordinary shares are not considered dilutive, thus diluted loss per share is the same as basic loss per share.

Half Year Financial Report
For the half year ended 31 December 2020

14. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	31-Dec-2020	31-Dec-2019
	\$	\$
Net loss after income tax	(1,630,438)	(971,734)
Adjustments for:		
Share benefit and share option expenses	118,302	64,520
Impairment expense and exploration written off	338,677	797
Depreciation expense	3,028	4,092
Unrealised exchange gain	-	(41,382)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(30,912)	(77,185)
Increase/(decrease) in trade and other payables	(209,759)	14,189
Increase in staff leave provisions	8,731	3,269
Net cash flows used in operating activities	<u>(1,402,371)</u>	<u>(1,003,434)</u>

15. EVENTS SUBSEQUENT TO REPORTING DATE

On 11 March 2021, the Group released an ASX announcement indicating that following renewed interest in the lithium sector, that it was considering commercialisation strategies for its lithium assets. This may include a “spin out” of the lithium assets to a new ASX listed entity. This would require ASX, shareholder and regulatory approvals.

Other than this, there have been no matters or circumstances which have arisen since 31 December 2020 that have significantly affected or may significantly affect:

- The operations, in the period subsequent to 31 December 2020, of the company, or
- The results of those operations, or
- The state of affairs, in the period subsequent to 31 December 2020, of the company.

Half Year Financial Report
For the half year ended 31 December 2020

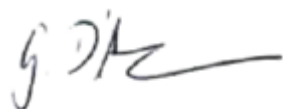
DIRECTORS' DECLARATION

In the directors' opinion:

- (a) The financial statements and notes set out on pages 14 to 27 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 2020 and of its performance for the financial half-year ended on that date; and
- (b) There are reasonable grounds to believe that MetalsTech Limited 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
11 March 2021

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 2020, 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 ended on that date, a summary of 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 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 the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

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.

Responsibility of the directors for the 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2020 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*.

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.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Neil Smith', is written over a small, stylized BDO logo.

Neil Smith
Director

Perth, 11 March 2021