



METALS TECH
LIMITED

METALSTECH LIMITED

ACN 612 100 464

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2021



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Half Year Financial Report

31 December 2021

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31 December 2021

CORPORATE INFORMATION

Directors & Officers

Mr. Russell Moran
Mr. Gino D'Anna
Dr. Qingtao Zeng
Ms. Candice Stevenson

Executive Chairman (resigned 31 December 2021)
Executive Director
Non-Executive Director
Non-Executive Director (appointed 31 December 2021)

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
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6008

Australian Company Number

ACN 612 100 464

Share Registry

Automic Group
Level 5
191 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

Steinpreis Paganin Lawyers & Consultants
Level 4, the Read Buildings
16 Milligan Street
Perth WA 6000 Australia

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METALSTECH LIMITED
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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 2021 (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 (resigned 31 December 2021)
Mr. Qingtao Zeng
Ms. Candice Stevenson (appointed 31 December 2021)

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 has disposed of all of its lithium assets.

Financial results

The financial results of the company for the period ended 31 December 2021 are:

	31-Dec-21	31-Dec-20
Cash and cash equivalents (AUD \$)	4,088,259	1,815,388
Net assets (AUD \$)	7,008,074	6,216,547

	31-Dec-21	31-Dec-20
Other Income (AUD \$)	156	312
Net profit/(loss) after tax (AUD \$)	8,766,317	(1,630,438)

REVIEW OF OPERATIONS

MetalsTech Limited (ASX: MTC) is pleased to report its exploration activities for the half-year period ended 31 December 2021. During the half-year period ended 31 December 2021, the Company completed its Phase II Underground Diamond Drilling Program at its flagship 100%-owned Sturec Gold Mine in Slovakia following the upgrade of the JORC (2012) Mineral Resource Estimate which was announced to shareholders during the Quarter ended 30 September 2021. The drill site location for the Phase II drilling program (Drill Chamber # 2) is located approximately 70m along strike of the boundary of the JORC (2012) resource envelope.

An additional drill chamber, Drill Chamber # 3, has been constructed as an infill drill chamber, approximately 35m along strike of the boundary of the JORC (2012) resource envelope. The Company is planning to drill up to an additional 6 holes from Drill Chamber # 3 which will be designed as infill drill holes targeting resource expansion and increased confidence. In addition, this drilling will allow the Company to provide an additional vector for the mineralisation which has been intersected during the Phase I drilling. Drilling has recently commenced from Drill Chamber # 3.

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FOR THE HALF YEAR ENDED 31 DECEMBER 2021

The Company has also recently completed construction of Drill Chamber # 4 which is located approximately 50m south and along strike of Drill Chamber # 2, being a total of 120m along strike of the boundary of the JORC (2012) resource envelope, providing the most southerly extent for further drilling. Drilling at this site will allow the Company to continue to drill test the high-grade mineralisation further along strike to the south, where mineralisation remains open both down dip and down plunge. It is expected that the Company will commence drilling from Drill Chamber # 4 following completion of drilling at Drill Chamber # 3.

During the half-year period ended 31 December 2021, the Company welcomed Chifeng Gold onto its register following a strategic investment in the Company.

During the half-year period ended 31 December 2021, the Company also successfully concluded the spin-out of its lithium assets located in Quebec, Canada, being Cancet, Adina and Sirmac, which were included in the IPO of Winsome Resources Limited (ASX: WR1). Winsome Resources is being led by lithium industry executive Mr Chris Evans. The Company also completed the In-specie distribution of WR1 shares to shareholders in MetalsTech Limited.

Underground Diamond Drilling

The Sturec Gold Mine hosts a JORC (2012) Resource of **38.5Mt @ 1.23 g/t Au and 8.8 g/t Ag, containing 1.522Moz of gold and 10.93Moz of silver** using a 0.26g/t Au cut-off. The Mineral Resource also includes a higher-grade subset of **6.25Mt @ 3.27 g/t Au and 19.4 g/t Ag containing 658Koz of gold and 3.89Moz of silver** using a cut-off grade of 2 g/t Au. Incredibly, 93% of the Mineral Resource is in the Measured + Indicated categories, representing a high degree of confidence in the geological structure.

Drilling by the Company has continued to intersect a southerly plunging, high-grade mineralised zone which has significantly contributed to the increase in the size and confidence of the Mineral Resource. The Company is currently awaiting the assay results of the recent drilling, which will be announced to shareholders as soon as they are available. The deposit at the Sturec Gold Mine remains open to the north and south along strike, as well as down-dip, indicating there is significant exploration upside. In addition, the Company has identified shallow high-grade mineralisation north of the Sturec resource outside of the existing JORC (2012) Mineral Resource Estimate. These results have not been followed up with modern exploration techniques and will be the focus of the Company during its Phase III Drilling Campaign.

As part of the ongoing development of the Sturec Gold Mine, the Company is investigating the potential of a high grade and low impact bulk underground mining operation at Sturec focusing on the higher-grade tonnes within the Mineral Resource, combined with a small constrained open pit. The Company is progressing with the completion of its scoping study which it expects will be received during Q2 of 2022.

Drilling results to date include:

- **18m @ 34.07 g/t Au and 10.7 g/t Ag (UGA-18)**
- **35m @ 3.31 g/t Au and 12.3 g/t Ag (UGA-17)**
- **70m @ 9.23 g/t Au and 7.8 g/t Ag (UGA-16)**
- **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)**
- **24m @ 2.28 g/t Au and 11.5 g/t Ag (UGA-07)**
- **35m @ 3.73 g/t Au and 11.6 g/t Ag (UGA-12)**

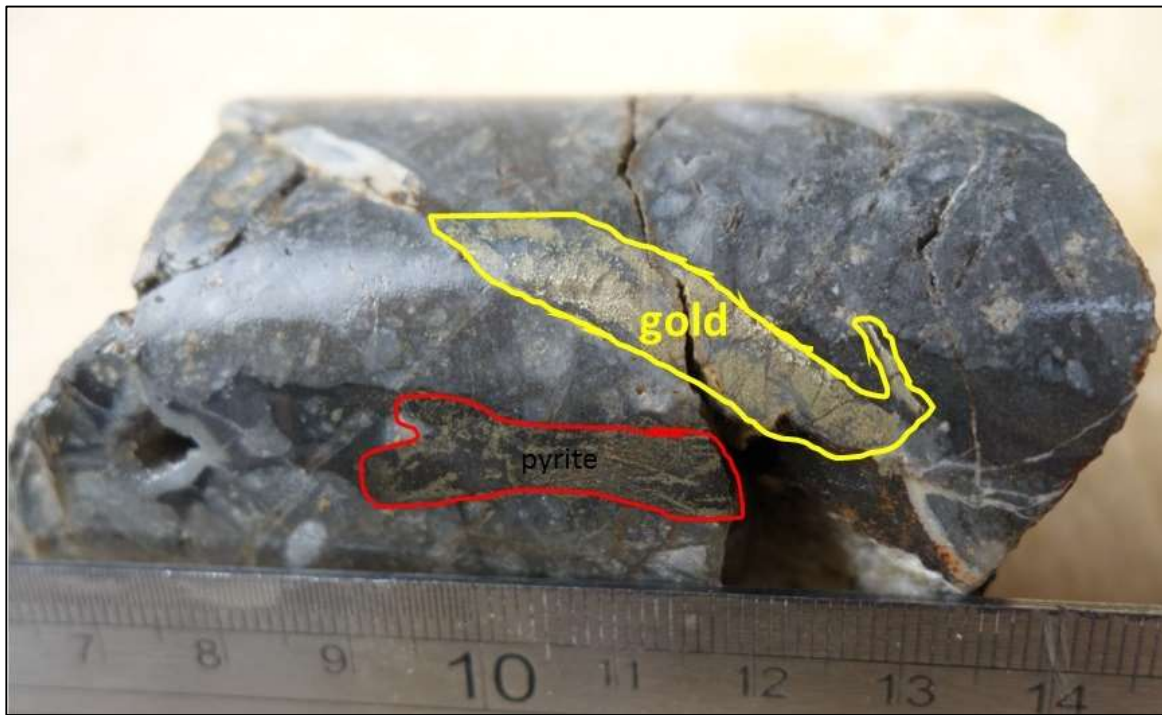


Figure 1: 5cm long and 1 cm wide zone of visible gold in a wide, drusy, fine grained, white to grey chalcedonic quartz-pyrite filled vein which is part of a stockwork zone at 81.35m in UGA-18

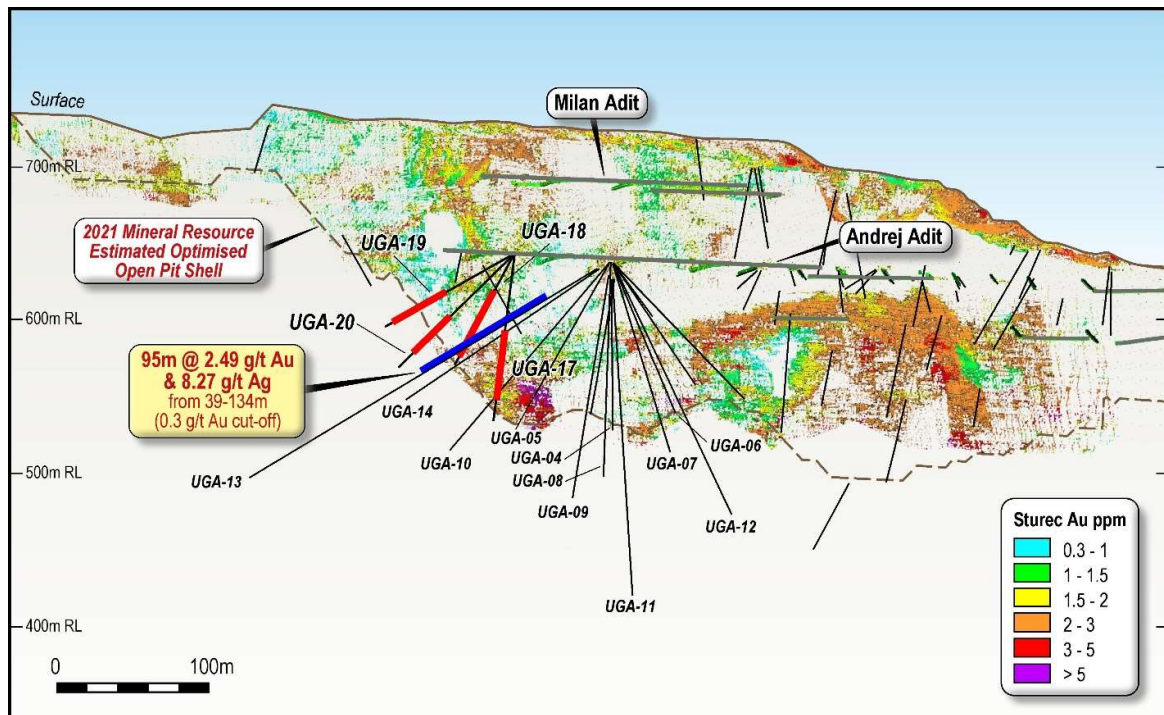


Figure 2: Long-section showing the traces of drill holes from the current drill program from Drill Chamber 2, as well as the previous Phase 1 drill program from Drill Chamber 1; shown relative to mineralisation within the existing Sturec Mineral Resource displayed as a 3D point cloud (grade scale shown with pseudocolor spectrum). This view is looking west

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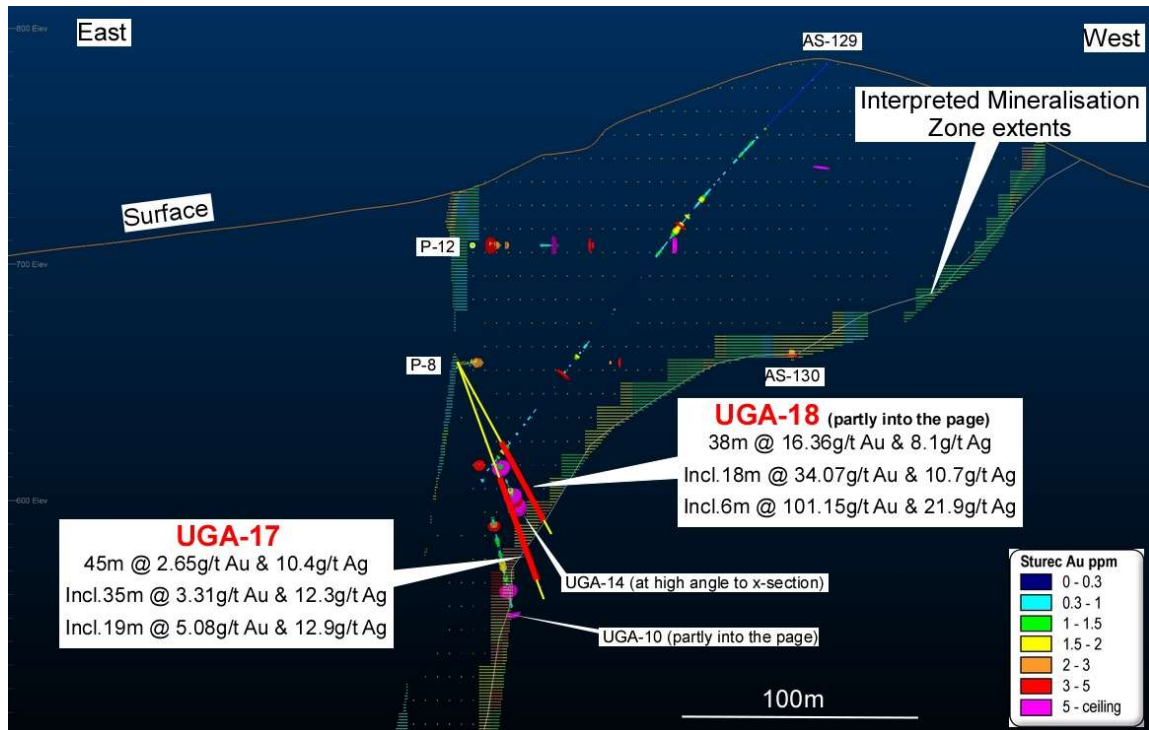


Figure 3: Cross-section showing UGA-17 and UGA-18 looking south and the interpretation of the extents of the mineralisation zone with the current Sturec Mineral Resource

The Company also set a new record bonanza result of **1m @ 646g/t Au and 459.0 g/t Ag** from 81m down hole in UGA-18 at the flagship Sturec Gold Mine in Slovakia. This also included an incredible **6m @ 109.82 g/t Au and 81.7 g/t Ag** in UGA-18.

UGA-17 also boasts impressive intercepts of:

- 45m @ 2.65 g/t Au and 10.4 g/t Ag from 52m (0.26g/t Au cut-off, downhole thickness) including higher grade zones:
 - **35m @ 3.31 g/t Au and 12.3 g/t Ag** from 60m (1g/t Au cut-off);
 - including **19m @ 5.08 g/t Au & 12.9 g/t Ag** from 67m (2g/t Au cut-off)

In recent drilling, the Company has also reported multiple showings of visible gold and additional bonanza grades over 1m intervals including **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.

In addition, the Company has commenced the construction of additional drilling chambers within the underground Andrej Adit which will enable multiple drill rig access and capability and enable an enlarged exploration campaign to be completed.



Figure 4: Sturec Gold Project Location Map

Regional Exploration Campaign

During the half-year period ended 31 December 2021, the Company completed a regional mapping and rockchip sampling campaign to better define drill targets for a broader regional drill program at the flagship Sturec Gold Mine in Slovakia.

Assay results from the program remain outstanding and will be reported to shareholders as soon as they become available and have been interpreted and analysed by the Company.

The regional exploration program focused on three main prospects outside the Updated 2021 Sturec Mineral Resource Estimate area as indicated below.

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- **Vratislav Prospect** containing **historic** drill holes including:
 - **KG-V-7: 28.1m @ 6.3g/t Au & 8g/t Ag** from 79.4m down hole using a 0.3g/t Au cut-off;
 - **KG-V-6: 6.9m @ 2.5g/t Au** from 111.6m down hole using a 0.5g/t Au cut-off.
- **Wolf Prospect** containing **historic** drill holes including:
 - **KG-W-2: 10m @ 2.83g/t Au & 2.8g/t Ag** from 58m down hole using a 1g/t Au cut-off;
 - **AS134: 10.0m @ 2.05g/t Au & 58g/t Ag** from 51m down hole using a 0.3g/t Au cut-off;
 - and **8m @ 2.35g/t Au & 11.0g/t Ag** from 81.5m down hole using a 1g/t Au cut-off;
 - **AS135: 5.5m @ 4.09g/t Au & 34.2g/t Ag** from 30m down hole using a 2g/t Au cut-off;
 - **AS136: 11m @ 4.17g/t Au & 19.8g/t Ag** from 79m down hole using a 1g/t Au cut-off;
 - **AS153: 8m @ 2.65g/t Au & 19.1g/t Ag** from 60m down hole using a 0.3g/t Au cut-off;
 - and **5.8m @ 2.04g/t Au & 18.6g/t Ag** from 95m down hole using a 1g/t Au cut-off.
- **Katerina Prospect** containing **historic** drill holes including:
 - **KAT-7: 15.25m @ 6.77g/t Au & 3.8g/t Ag** from 54m down hole using a 0.3g/t Au cut-off;
 - including **4.05m @ 24.69g/t Au & 10.7g/t Ag** from 62.1m down hole using a 1g/t Au cut-off;
 - **KAT-9: 17m @ 1.88g/t Au & 2.6g/t Ag** from 267m down hole using a 0.5g/t Au cut-off;
 - including **11m @ 2.56g/t Au & 2.3g/t Ag** from 267m down hole using a 1g/t Au cut-off.

These targets sit outside of the Sturec JORC (2012) Mineral Resource Estimate and are considered high-priority targets for future diamond drilling programs.

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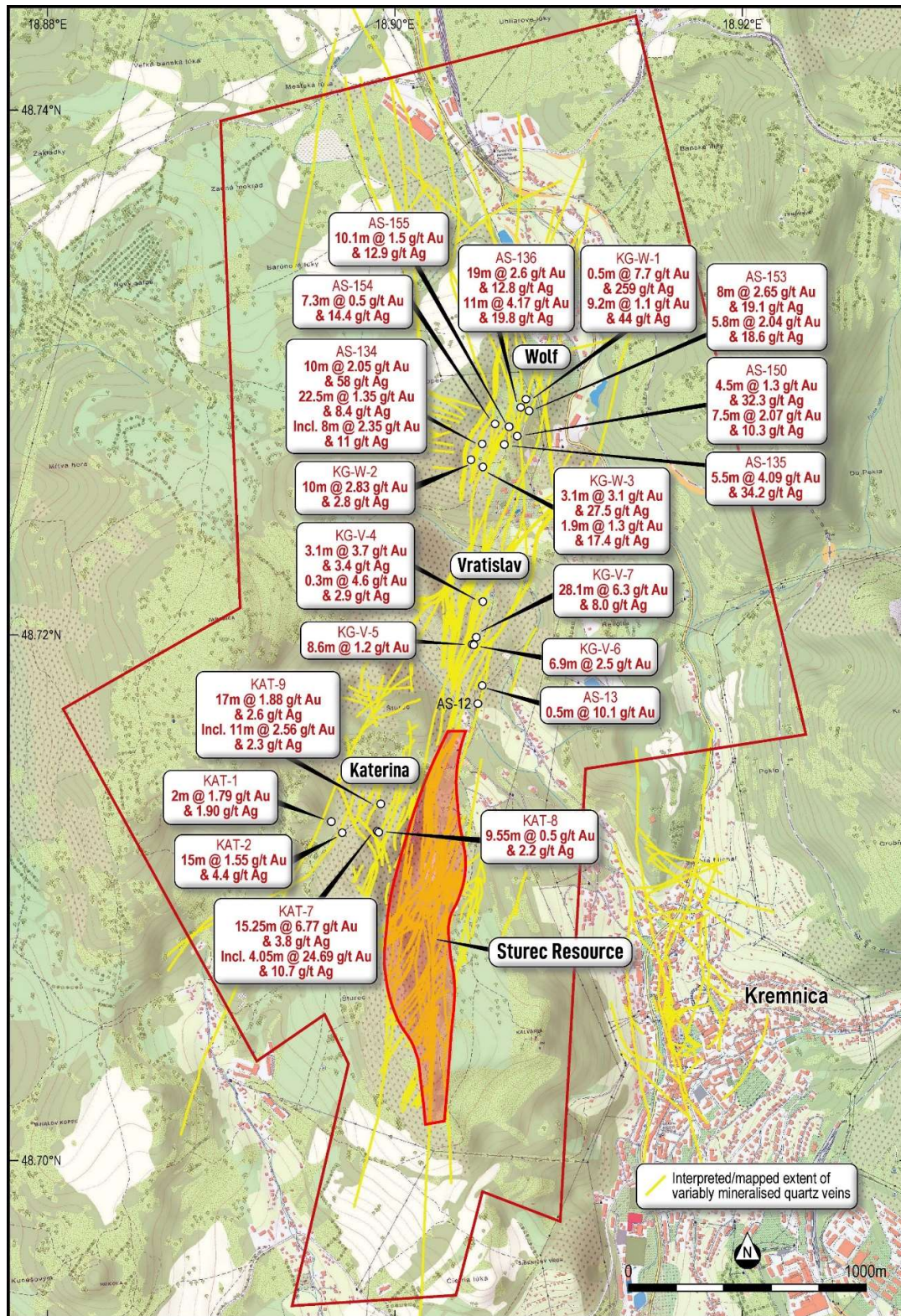


Figure 5: Map of the drill holes that define the three main prospects outside the Updated 2021 Sturec Mineral Resource Estimate area

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Metallurgical Test Work Results

During the half-year period ended 31 December 2021, the Company received the results of its metallurgical testing program. The objective of testing the mineralisation intersected in UGA-14 was to confirm:

1. the metallurgical characteristics of this newly discovered mineralisation compared to the rest of the Sturec Mineral Resource, which has been metallurgically tested multiple times during the history of the Sturec Gold Project;
2. that potentially economic levels of gold and silver recovery could be obtained using conventional gravity and flotation processes from the mineralisation intersected in MTC's Phase 1 drill program, to produce gold and silver concentrates.

A composite sample from UGA-14 was taken from the coarse reject material (-2mm) that is surplus from the routine sample analysis for assay results. The coarse rejects samples have been securely stored at the ALS laboratory in Romania, since they were generated from our drill core samples during the routine sample preparation procedure, prior to Fire Assay and Multi-element ICP analysis. The selected samples were collected by ALS personnel and shipped securely, under strict quarantine protocols to ALS Metallurgy in Perth for metallurgical test work.

UGA-14 was chosen to provide a metallurgical sample because it is well situated at the southern extent of the new mineralisation area that was discovered during MTC's Phase I drill program earlier this year (Figure 2), as well as the southern extent of the overall Sturec Mineral Resource. Obviously, the newly discovered mineralisation from UGA-14, which is now part of the Sturec Mineral Resource, has not been previously subjected to metallurgical test work. Therefore, it was necessary to complete further test work in order to understand if this material had similar metallurgical characteristics to the rest of the Sturec Mineral Resource, which has been metallurgically tested multiple times during the history of the Sturec Gold Project.

UGA-14 intersected multiple zones of quartz filled vein/stockwork/breccia structures, variably rich in fine to very fine grained sulphides (mainly pyrite/marcasite) and hosted within argillic altered andesite host rock from approximately 26m to 134m down hole (*not true thickness). A continuous 95m long interval through the current Sturec Mineral Resource from UGA-14 was chosen. The sample interval was chosen from the routine assay results with the aim of providing of continuous interval of approximately 2.5g/t Au grade material at a 0.26g/t Au cut-off (same as Sturec Mineral Resource within an optimised open pit shell), as well as sufficient material for the test work (Table 2).

The drill hole collar details for UGA-14 is set out in Table 1 below.

Table 1: Drill Collar details

Drill hole name	Easting (m)	Northing (m)	RL (m)	Datum	Azi (°TN)	Dip (°)	EOH Depth (m)
UGA-14	-435,852	-1,230,204	656	S-JTSK/ Krovak	195	-35	165.50

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Table 2: Metallurgical composite weighted mean assay result from routine Fire Assay and Multi-Element ICP analysis

Drill Hole ID	Au (ppm)	Ag (ppm)	As (ppm)	Cu (ppm)	Fe (%)	Pb (ppm)	S (%)	Zn (ppm)
UGA-14	2.49	8.27	289	27	3.9	8.7	3.0	55

The routine assays from UGA-14 were announced in MTC announcement dated 1 June 2021 but are shown again in Table 3 below.

Table 3: Significant intersections in UGA-14

Hole	Width (m) (Down hole depth)		Au g/t	Ag g/t	From (m)	To (m)	Cut-off (%)
					(Down hole depth)	(Down hole depth)	
UGA-14	108.00	@	2.22	7.6	26.00	134.00	0.2g/t Au cut-off and max. 7m continuous internal dilution
	63.00	@	3.53	9.6	71.00	134.00	0.3g/t Au cut-off and 9m internal dilution
	42.00	@	4.98	11.9	91.00	133.00	1g/t Au cut-off and max. 5m continuous internal dilution
	including						
	10.00	@	16.98	26.4	95.00	105.00	2g/t Au cut-off and 2m internal dilution

The metallurgical test work program was designed to assess the achievable gold recovery utilising a flowsheet comprised of gravity recovery followed by conventional flotation circuit, with possible cyanidation leaching of the rougher flotation tailings to maximise gold recovery.

- Key components of the scoping metallurgical test work program include:
- Comprehensive head analysis of each master composite sample
- Gravity recovery test work, to assess amenability of gold to recovery by gravity techniques
- Rougher flotation test work, with and without gravity pre-concentration, at a pre-determined primary grind size and with varying reagent suites, with the view to maximising achievable rougher gold recovery
- Cleaner flotation test work, with and without concentrate regrind, to assess final concentrate quality

A multi-element ICP analysis was conducted on the UGA-14 sample composite to generate an understanding of the chemical composition. The gold and silver content of the sample was determined in duplicate, by fire

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assay and screen fire assay. The head analysis results are presented in Table 4 and are comparable with the assay results from the routine drill core analysis announced on 1 June 2021.

Table 4: Composite Sample Head Assay

Element	Unit	UGA-14
Ag	ppm	6.00
Al	%	4.52
As	ppm	300
Au_1	ppm	2.92
Au_2	ppm	2.68
Au_3	ppm	-
Au_4	ppm	-
Average	ppm	2.80
Ba	ppm	500
Be	ppm	<5
Bi	ppm	<10
C	%	0.66
C org	%	<0.03
Ca	ppm	7,000
Cd	ppm	<5
Co	ppm	15.0
Cr	ppm	50.0
Cu	ppm	38.0
Fe	%	3.42
Hg	ppm	0.60
K	%	3.55
Li	ppm	70.0
Mg	%	1.56
Mn	ppm	300
Mo	ppm	10.0
Na	ppm	700
Ni	ppm	10.0
P	ppm	1,100
Pb	ppm	10.0
S	%	2.90
S-2	%	2.80
Sb	ppm	17.5
SiO2	%	71.2
Sr	ppm	84.0
Te	ppm	0.40
Ti	ppm	2,200
V	ppm	84.0
Y	ppm	<100
Zn	ppm	48.0

Gravity Recovery

The gravity amenability of the UGA-14 composite sample was assessed utilizing a 3" laboratory Knelson concentrator. A 1kg sample of the UGA-14 composite was ground in a laboratory ball mill, to a P80 of 75µm, prior to being subjected to the gravity recovery stage. Concentrate from the Knelson concentrator was subjected to subsequent intensive cyanidation (ILR) or mercury amalgamation to assess the overall gravity recovery amenability. Gravity recovery test work data is summarised in Table 5.

The test work methodology applied to the UGA-14 composite sample provides an initial indication of the sample's amenability to utilising gravity techniques for gold recovery. The results achieved are considered the maximum gravity gold achievable and in practice recovery is likely to be ~28% for the UGA-14 composite, based upon the amalgam test work. De-rating the ILR gravity gold recovery, to account for mineralogy, scale-up and mass yield, indicates a gravity recovery range of ~25%, which aligns closely with the amalgam test work results.

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Table 5: Gravity Test Work Summary

Sample	Head Grade		Recovery (%)		Mass Yield (%)
	Au (g/t)	Ag (g/t)	Au	Ag	
UGA-14 ILR	2.45	8.2	41.5	10.8	7.4
UGA-14 Amalgam	2.56	8.1	28.7	5.2	7.4

Baseline Rougher Flotation Test Work

Baseline (sighter) rougher flotation tests were conducted to assess the flotation response of the composite sample. The sample was ground in a ball mill, to achieve a flotation feed P80 of 75µm, after which the pulp was diluted to achieve a flotation pulp density of 34% solids. A standard gold flotation scheme was adopted, and slurry conditioned with a PAX collector (35 g/t). Flotation was conducted at natural pH 7.5. Five rougher concentrates were recovered over a total flotation time of 20 minutes (Figure 6). Staged addition of A3477 (8 g/t; gold collector) and frother (W24) was utilised.

The sighter rougher flotation test series yielded very encouraging results with the UGA-14 sample achieving a gold recovery of 93.6% into a concentrate containing 9.8 g/t gold. Mass pull to concentrate was moderately low at 14.9%. Arsenic reporting to concentrate was moderately high, at 0.18%, and arsenic depression within the cleaner circuit will need to be considered, such that penalty limits are not exceeded. Results from the sighter rougher flotation test work, conducted on the UGA-14 composite sample, are summarised in Table 6.

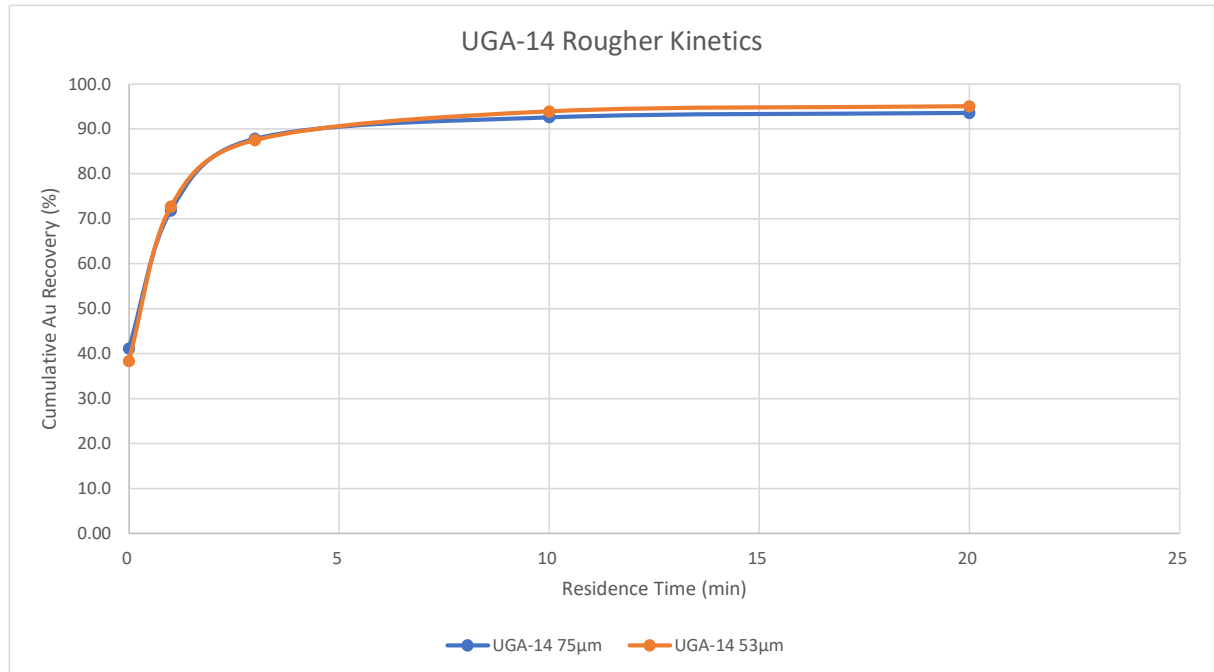
Table 6: UGA-14 Composite Flotation Test Work Summary (75µm)

Sample	Assayed Grade			Recovery (%)			Mass Yield (%)
	Au (g/t)	Ag (g/t)	As (ppm)	Au	Ag	As	
Gravity Concentrate	-	-	-	41.1	11.0	-	-
Concentrate 1	23.3	76	3,425	30.8	33.7	43.5	3.67
Concentrate 2	12.1	49	2,530	15.9	21.6	32.0	3.66
Concentrate 3	2.72	18	770	4.77	10.6	13.0	4.87
Concentrate 4	0.99	8	280	0.96	2.61	2.62	2.70
Tails	0.21	2	30	6.43	20.5	8.84	85.1
Cumulative Recovery	9.8	38	1,767	93.6	79.5	91.2	14.9

The sighter rougher flotation test series indicated that UGA-14 composite rougher flotation kinetics was moderately fast (Figure 6) with greater than 88% recovery of the available gold achieved after 3 minutes of flotation and 93% recovered after 10 minutes of flotation.

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Figure 6: UGA-14 Rougher Kinetic Curve



Rougher Flotation Reagent Optimisation

As part of the flotation test work program, alternate reagents suited were trialed, with the aim of enhancing gold recovery. The reagent optimisation test work was conducted at the selected optimum grind size of 53µm, with a rougher flotation residence time of 15 minutes. The alternate reagents tested include:

- 3418A (gold collector);
- MAXGOLD® 900 (gold collector); and
- Copper Sulphate (activator).

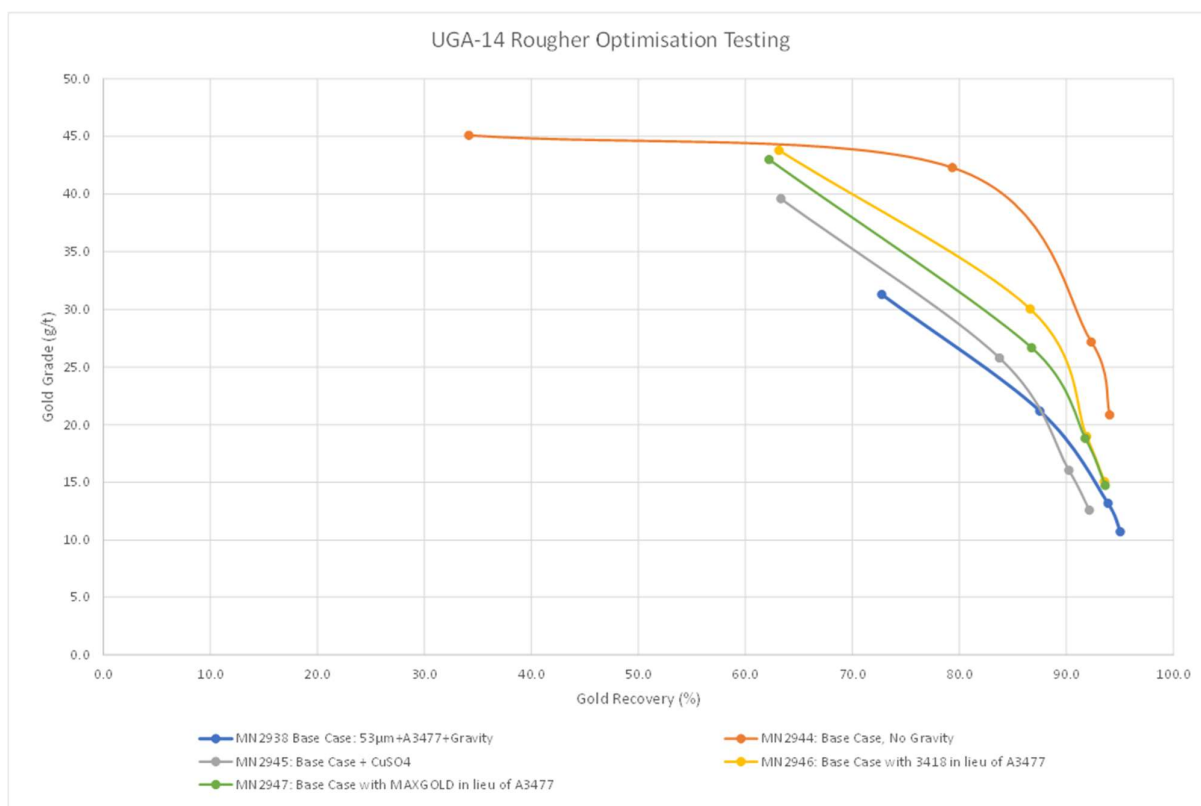
The impact of excluding gravity recovery, prior to rougher flotation, was also tested. Results from the reagent optimisation test work, conducted on UGA-14, are presented in Table 7 and Figure 7.

Of the reagents tested, A3418A proved to be the most selective with a reduced mass yield and increased concentrate grade, with negligible impact on gold recovery to rougher concentrate. Also, excluding the preceding gravity recovery stage had a marked impact on circuit performance with higher gold and silver recovery and significantly improved concentrate grades.

Table 7: UGA-14 Reagent Optimisation Test Work Summary

Test Number	Assayed Grade - Rougher				Recovery (%)				Mass Yield (%)
	Au (g/t)	Ag (g/t)	As (ppm)	Hg (ppm)	Au	Ag	As	Hg	
Base Case	10.7	41.8	1,912	3.7	95.0	88.4	91.1	85.6	13.8
MN2944 – No Gravity	20.9	54.2	2,051	4.2	94.1	94.0	89.4	85.7	12.6
MN2945 – Activator	12.6	44.9	1,896	4.0	92.1	93.0	90.4	75.0	13.0
MN2946 – 3418A	15.1	49.3	2,028	4.2	93.6	93.4	90.7	92.3	12.6
MN2947 - MAXGold	14.7	44.6	1,929	4.1	93.6	93.0	90.6	92.5	13.0

Figure 7: UGA-14 Reagent Optimisation Grade Recovery Curve



Cleaner Flotation Recovery

Cleaner flotation test work was conducted to assess the achievable concentrate gold and silver grade and determine the resultant gold and silver recovery. The initial cleaner flotation test work was conducted on an 'as received' sample, without any regrinding of the rougher concentrate. The rougher concentrate was diluted to achieve a flotation pulp density of approximately 20% solids. The slurry was conditioned with a PAX collector and flotation conducted at pH 7.5. Cleaner concentrates were recovered over a total flotation time

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of 30 minutes. Staged addition of A3418 (gold collector) and W24 (frother) was utilised. The cleaner flotation test work results are presented in Table 8.

Table 8: Cleaner Flotation Test Work Summary

Sample	Assayed Grade				Recovery (%)				Mass Yield (%)
	Au (g/t)	Ag (g/t)	As (ppm)	Hg (ppm)	Au	Ag	As	Hg	
UGA-14 3 rd Cleaner Concentrate	31.1	80.3	3,217	6.4	91.0	88.4	86.4	86.6	8.1

The cleaner flotation test work concluded that for UGA-14 a final concentrate grading 31 g/t gold and 80 g/t silver can be achieved, with a corresponding gold and silver recovery of 91.0% and 88.4% respectively.

The grade of deleterious elements present in the cleaner concentrate is moderately high with an arsenic content of 0.32% and a mercury content of between 6 g/t. The arsenic content of the concentrate will incur penalty charges, whilst it is considered unlikely that the mercury content will incur penalty charges given it is below or equivalent to the nominal penalty threshold of 20 g/t.

Cleaner Concentrate Regrind Size Effect

The impact of grind size, on concentrate grade and gold and silver recovery to concentrate, was also investigated. The Rougher concentrate was subjected to a regrind stage, with a target grind P80 of 15µm. Cleaner flotation conditions were maintained as per the initial investigation above. Results of the cleaner flotation, concentrate regrind test work, are presented in Table 9.

Table 9: Cleaner Flotation Regrind Test Work Summary

Sample	Assayed Grade				Recovery (%)				Mass Yield (%)
	Au (g/t)	Ag (g/t)	As (ppm)	Hg (ppm)	Au	Ag	As	Hg	
UGA-14 3 rd Cleaner Concentrate	37.5	117.4	4,510	8.8	71.4	75.6	69.1	62.3	4.4

The regrind cleaner flotation test work concluded that a final concentrate grading 37.5 g/t gold and 117.4 g/t silver can be achieved, with a corresponding gold and silver recovery of 71.4% and 75.6% respectively. Although regrinding of the concentrate improved concentrate gold and silver grade, and reduced mass yield, there was a substantial reduction in gold and silver recovery, such that regrinding is not considered viable.

Concentrate Quality

Using the typical sulphide concentrate payable parameters displayed in Table 10, the UGA-14 concentrate would achieve 96% payability for gold and 90% payability for silver.

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Table 10: Sulphide Concentrate Typical Payable Elements

Element	Concentrate Grade	Minimum Deduction (%)	Payable Content (%)
Gold	>250 g/t	N. A	97.50%
	>200 - <250g/t	N. A	97.25%
	>150 - <200g/t	N. A	96.75%
	>100 - <150g/t	N. A	96.50%
	>10 - <100g/t	N. A	96.00%
	>5 - <10g/t	N. A	95.00%
	>3 - <5g/t	N. A	94.00%
Silver	>1 - <3g/t	N. A	90.00%
	>30 g/t	N. A	90.00%
	<30 g/t	N. A	0.00%

Test work indicates that the concentrates produced contain marginally elevated levels of penalty elements, specifically arsenic. Arsenic penalties are typically triggered at 0.1% and incur a \$5/t penalty for every 0.1% increment: so, 0.32% As would incur a total penalty of \$15/t. Future test work will need to consider mitigation strategies to limit the recovery of arsenopyrite. Measures to be considered include depressants and flotation alkalinity – should these measures prove unsuccessful, and negatively impact on gold and silver recovery, alkaline sulphide leach (ASL) or the Toowong® process should be evaluated.

The Company is continuing to conduct recovery testwork utilising a flowsheet comprised of gravity recovery followed by conventional flotation circuit. A composite sample from drill hole UGA-15 has also been subjected to the same test work program with the results to be announced once completed.

Further testwork recommended also included:

- Mineralogy – Bulk mineralogy via XRD and detailed mineralogy via QEMSCAN® to identify major and accessory minerals, associations, grain size, liberation as well as identify gangue minerals and deleterious elements including the deportment and association of gold with arsenopyrite;
- Detailed mineralogy on flotation circuit tails to assess nature and occurrence of metal losses;
- Comminution test work, specifically UCS test work, Crusher Work Index Determination, SMC test work and Bond test work to assess ore hardness, competency, and abrasion index;
- Ore sorting test work, to assess whether ore sorting would provide a means of rejecting barren material from gold bearing sulphide material, allowing for a lower mass, higher grade product to be processed;
- Gravity test work, specifically eGRG test work to assess maximum gravity recoverable gold and determine whether direct smelting of gravity concentrates, to doré, is viable process route with enhanced payable value, compared to concentrate sale only;
- Rougher flotation test work, to further enhance kinetics and reagent schemes whilst also assessing means of depressing deleterious elements early in the process, through slurry pH manipulation or other techniques;

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- Cleaner flotation test work, to optimize the number of cleaner stages required, assess the impact of dilute cleaner flotation, optimize regrind size and optimize reagent regime and depression of deleterious elements;
- Locked cycle flotation test work, to establish overall circuit performance with due cognisance of the impact of circulating loads and water quality on metallurgical performance
- Other technologies such as the Toowong Process could be considered for arsenic removal from concentrates, should smelter penalties prove economically prohibitive;
- Full spectrum concentrate analysis to assess generate and understand of concentrate impurities and assess the impact on concentrate marketability;
- Auxiliary test work including slurry rheology, settling rate, filtration rate and transportable moisture limit (TML);
- Production composite test work, to assess predicted circuit performance as related to mine scheduling; and
- Variability test work, on discrete variability samples, to assess variability in metallurgical performance and predicted circuit recovery.

Impairments

During the half-year the Group reviewed all of its projects and no impairments were required.

Corporate

During the half year the Company raised \$2,000,000 through the issue of 5,882,352 shares at \$0.34 per share. A further \$200,000 was raised via the exercise of 1,000,000 options at \$0.20 per option and \$276,150 was raised via the exercise of 1,104,600 options at \$0.25 per option.

The Company issued 4,860,000 shares due to the conversion of Performance Rights upon achievement of performance milestones. No cash was raised from the conversion.

On the 4 October 2021 shareholders approved a reduction of MetalsTech Limited's share capital by way of an in-specie distribution of Winsome Resources Limited shares received as part of the sale of the lithium assets. On the implementation date MetalsTech Limited shareholders received approximately 1 Winsome Resources Limited share for every 3.5 MetalsTech share held.

Other than the above there were no other changes of capital during the half year and the Company had \$4,088,259 cash on hand at 31 December 2021.

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

METALSTECH LIMITED
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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 2021, 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 2021.

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 21 October 2021, 19 October 2021, 11 October 2021, 7 October 2021, 4 October 2021, 30 September 2021, 23 September 2021, 20 September 2021, 15 September 2021, 13 September 2021, 24 August 2021, 7 July 2021 and 21 June 2021.

METALSTECH LIMITED
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Events Subsequent to Reporting Date

There have been no matters or circumstances which have arisen since 31 December 2021 that have significantly affected or may significantly affect:

- a) The operations, in the period subsequent to 31 December 2021, of the Group, or
- b) The results of those operations, or
- c) The state of affairs, in the period subsequent to 31 December 2021, 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 20.

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
15 March 2022

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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 2021, 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, 15 March 2022

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Half Year Financial Report

For the half year ended 31 December 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		December 2021 \$	December 2020 \$
Interest income		156	312
Administration expenses		(521,665)	(102,004)
Advertising and marketing		(251,144)	(167,952)
Audit fees		(28,499)	(18,793)
Consulting and advisory fees		(221,768)	(29,546)
Corporate compliance		(202,872)	(99,524)
Depreciation		(723)	(3,028)
Directors' fees	3	(1,203,099)	(462,440)
Directors' share based benefits expense	3/8	(54,807)	-
Employment costs		(104,500)	(115,493)
Exploration costs written off		(224,046)	(5,532)
Legal Expenses		(99,979)	(82,821)
Occupancy costs		(23,745)	(24,575)
Share based payments	8	(24,115)	(118,302)
Travelling expenses		(36,359)	(835)
Finance costs		-	(65,534)
Loss from continuing operations before income tax		(2,997,165)	(1,296,068)
Income tax expense		-	-
Profit/(Loss) from continuing operations after income tax		(2,997,165)	(1,296,068)
Profit from discontinued operation	10	11,763,482	(334,370)
Profit/(loss) after income tax for the period		8,766,317	(1,630,438)
Other comprehensive loss for the period, net of tax		-	-
Items that may be reclassified to profit or loss:			
Foreign currency translation		18,917	(93,818)
Total comprehensive profit/(loss) for the period		8,785,234	(1,724,256)
Profit/(Loss) per share from continuing operations attributable to the ordinary equity holders of the company:		Cents	Cents
Earnings per share for profit from continuing operations			
Basic and diluted profit/(loss) per share	15	(1.82)	(0.95)
Earnings per share for profit from discontinued operations			
Basic and diluted profit/(loss) per share	15	7.22	(0.24)

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 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2021 \$	30 June 2021 \$
Current Assets			
Cash and cash equivalents		4,088,259	283,540
Trade and other receivables		298,215	147,108
Assets classified as held for sale	10	-	4,163,186
Total Current Assets		4,386,474	4,593,834
Non-Current Assets			
Property, plant and equipment		7,099	7,822
Capitalised exploration and evaluation	4	3,846,929	3,073,037
Total Non-Current Assets		3,854,028	3,080,859
TOTAL ASSETS		8,240,502	7,674,693
Current Liabilities			
Trade and other payables	5	507,120	829,883
Provisions	6	29,718	29,718
Borrowings	9	-	1,100,000
Liabilities classified as held for sale	10	-	351,734
Current tax liability		695,590	-
Total Current Liabilities		1,232,428	2,311,335
Non-Current Liabilities			
Deferred tax liability		-	695,590
Total Non-Current Liabilities		-	695,590
TOTAL LIABILITIES		1,232,428	3,006,925
NET ASSETS		7,008,074	4,667,768
EQUITY			
Share Capital	7	13,922,447	19,304,197
Reserves		1,662,881	2,707,142
Accumulated losses		(8,577,254)	(17,343,571)
TOTAL EQUITY		7,008,074	4,667,768

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 2021

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 2021	19,304,197	1,346,959	1,254,836	105,347	(17,343,571)	4,667,768
Profit/(Loss) for period	-	-	-	-	8,766,317	8,766,317
Foreign currency translation	-	-	-	18,917	-	18,917
Total comprehensive profit/(loss) for the period	-	-	-	18,917	8,766,317	8,785,234
Transactions with owners in their capacity as owners:						
Issue of share capital	2,000,000	-	-	-	-	2,000,000
Options converted to shares	476,150	-	-	-	-	476,150
Performance Rights converted to shares	1,142,100	(1,142,100)	-	-	-	-
Share based payment expense	-	78,922	-	-	-	78,922
Capital return via in specie distribution of shares in Winsome Resources Ltd	(9,000,000)	-	-	-	-	(9,000,000)
At 31 December 2021	13,922,447	283,781	1,254,836	124,264	(8,577,254)	7,008,074
	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 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

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 2021

CONSOLIDATED STATEMENT OF CASH FLOWS

	December 2021 \$	December 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt of royalty	6,646,235	-
Payments to suppliers and employees (including GST)	(2,984,096)	(1,337,683)
Interest received	157	312
Interest paid	(57,797)	(65,000)
Net cash outflow from operating activities	3,604,499	(1,402,371)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for exploration and evaluation expenditure	(1,194,847)	(627,583)
Payment for acquisition of subsidiary	-	(300,000)
Net cash outflow from investing activities	(1,194,847)	(927,583)
Cash flows from financing activities		
Repayment of borrowings	(1,100,000)	-
Proceeds from issue of shares	2,000,000	3,314,400
Proceeds from conversion of options	476,150	-
Costs of capital raising	-	(211,748)
Net cash inflows from financing activities	1,376,150	3,102,652
Net increase in cash and cash equivalents	3,785,803	772,698
Exchange rate adjustments	18,917	12,030
Cash and cash equivalents at the beginning of the period	283,540	1,030,660
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,088,259	1,815,388

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 2021 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 2021 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 2021 the Group recorded a profit after income tax of \$8,766,317 (2020: loss - \$1,630,438) with a cash inflow from operating activities of \$3,604,499 (2020: outflow of \$1,402,371). The Group has current liabilities of \$1,232,429 (of which \$81,400 relates to Directors' fees) and has cash on hand of \$4,088,259.

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:

- Existing cash on hand
- The directors expect the Group to be successful in securing additional funds through debt or equity issues, when and if required to service its 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.

Half Year Financial Report

For the half year ended 31 December 2021

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-current Assets Held for Sale and Discontinued Operations

The Company has sold its lithium projects at Adina, Cancet and Sirmac via the sale of all the issued capital of the wholly owned subsidiary companies that hold these assets. The sale of these companies to Winsome Resources Limited (“Winsome”) was completed on 15 November 2021. These assets were previously classified as held for sale at 30 June 2021 and have now been classified as discontinued operations for the period. Refer note 10.

Non-current assets and disposal groups are classified as held for sale and measured at the lower of carrying value and fair value less costs to sell, where the carrying amount will be recovered principally through the sale as opposed to continued use. No depreciation or amortisation is charged against assets held for sale.

A discontinued operation is a component of an entity, being a cash-generating unit (or a group of cash generating units) that either has been disposed of, or is classified as held for sale, and: represents a separate major line of business or geographical area of operations; is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with the view to resale.

Impairment losses are recognized for any initial or subsequent write-down of an asset (or disposal group) classified as held for resale to fair value less costs to sell. Any reversal or impairment recognized on classification as held for sale or prior to such classification is recognized as a gain in profit or loss in the period in which it occurs.

Royalty Income

On 8 July 2021 the group received US\$5m (AUD \$6.7m) for the sale of royalty interests on its Canadian lithium projects. Refer to note 10.

Royalty income is recognised when it is received or when the right to receive payment is established.

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 sold a royalty stream on its Adina, Cancet and Sirmac projects (now discontinued operations) located in Canada. Other than this there is no revenue from operations, other than interest income derived from deposits held at call with banks in Australia.

Half Year Financial Report
For the half year ended 31 December 2021

2. SEGMENT INFORMATION (continued)

Assets by geographical region

The Company owns gold tenements in the geographical location Slovakia. It has sold its lithium tenements in Canada. Other than the Slovakian tenements the group's assets comprise cash and minor receivables or prepayments. The breakdown of assets by geographical location is as follows:

	31-Dec-21	30-June-21
	\$	\$
Current Assets		
Slovakia	15,850	16,838
Canada	5,041	4,168,189
Australia	4,357,978	402,943
	<u>4,386,474</u>	<u>4,593,834</u>
Non-Current Assets		
Slovakia	2,952,111	2,600,609
Australia	894,818	480,230
	<u>3,846,929</u>	<u>3,080,859</u>

Profit and Loss by geographical region

	31-Dec-21	31-Dec-20
	\$	\$
Profit and Loss after tax		
Slovakia	(14,574)	(14,390)
Canada	6,872,121	(334,370)
Australia	1,908,770	(1,281,678)
	<u>8,766,317</u>	<u>(1,630,438)</u>

Half Year Financial Report
For the half year ended 31 December 2021

	31-Dec-21	31-Dec-20
	\$	\$
3. EXPENSES		
Directors Fees		
Directors fees and share based benefits	1,257,906	462,440
	<u>1,257,906</u>	<u>462,440</u>

	31-Dec-21	30-June-21
	\$	\$
4. CAPITALISED EXPLORATION AND EVALUATION		
Exploration and evaluation expenditure	3,846,929	3,073,037
	<u>3,846,929</u>	<u>3,073,037</u>
Reconciliation:		
Balance at the beginning of the period	3,073,037	5,540,381
Impairment of exploration expenditure	-	(449,482)
Acquisition costs and exploration expenditure for exploration assets	773,892	1,948,453
Acquired with acquisition of subsidiary – see Note 23	-	357,000
Expenditure reclassified to “held for sale” – see note 24	-	(4,118,607)
Net exchange differences on translation	-	(204,708)
Balance at the end of the year	<u>3,846,929</u>	<u>3,073,037</u>

Exploration costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

	31-Dec-21	30-June-21
	\$	\$
5. TRADE AND OTHER PAYABLES		
Trade and other payables	467,094	776,738
Accrued expenses	40,026	53,145
Balance at the end of the period	<u>507,120</u>	<u>829,883</u>

	31-Dec-21	30-June-21
	\$	\$
6. PROVISIONS		
Staff Leave Provisions	29,718	29,718

Half Year Financial Report
For the half year ended 31 December 2021

7. CONTRIBUTED EQUITY

(a) Share Capital

	December 2021 Shares	June 2021 Shares	December 2021 \$	June 2021 \$
Fully paid	166,664,590	153,817,638	13,922,447	19,304,197

(b) Movements in ordinary share capital:

Period ended 31 December 2021

Date	Details	Number of shares	\$	Issue price per ordinary share
01/07/21	Opening balance	153,817,638	19,304,197	
02/07/21	Performance rights converted to shares	4,860,000	1,142,100	0.235
20/09/21	Exercise of options	500,000	100,000	0.20
22/09/21	Placement of shares	5,882,352	2,000,000	0.34
30/09/21	Exercise of options	500,000	100,000	0.20
05/10/21	Exercise of options	1,104,600	276,150	0.25
15/11/21	Return of capital (refer note 10)	-	(9,000,000)	
31/12/21	Balance at end of period	166,664,590	13,922,447	

Year ended 30 June 2021

Date	Details	Number of shares	\$	Issue price per ordinary share
01/07/19	Opening balance	126,327,638	15,207,322	
29/07/20	Exercise of unlisted options	160,000	9,600	0.06
30/07/20	Exercise of unlisted options	80,000	4,800	0.06
25/09/20	Placement of shares	20,000,000	3,300,000	0.165
30/04/21	Shares issued pursuant to Facilitation agreement settlement	6,000,000	870,000	0.145
30/04/21	Share issued for consulting services	1,250,000	181,250	0.145
	Costs of shares issued		(268,775)	
30/06/21	Balance at end of year	153,817,638	19,304,197	

Half Year Financial Report
For the half year ended 31 December 2021

7. CONTRIBUTED EQUITY (continued)

(c) Options on issue

The following options are on issue at 31 December 2021:

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)	-
29 June 2018	1 Nov 2021	\$0.25	100,000	-	-	(100,000)	-
16 Aug 2019	31 Dec 2023	\$0.06	160,000	-	-	-	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)	-	-
			11,964,600	-	(2,104,600)	(9,700,000)	160,000
Vested and Exercisable			-	-	-	-	160,000

(d) Performance Rights on issue

Class	Grant date	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
Class 1	30 April 2021	2,520,000	-	(2,520,000)	-	-
Class 2	30 April 2021	2,340,000	-	(2,340,000)	-	-
Class 3	30 April 2021	2,340,000	-	-	-	2,340,000
Total		7,200,000	-	(4,860,000)	-	2,340,000

The Performance Rights shall convert to Shares on a one-for-one basis upon the Company achieving the applicable Milestone for that Class of Rights, prior to the applicable expiry date of that Class of Rights. The expiry date is 30 April 2024 for each class.

Half Year Financial Report
For the half year ended 31 December 2021

7. CONTRIBUTED EQUITY (continued)

(d) Performance Rights on issue (continued)

Performance Milestones:

- Class 1 Upon achievement of a 25% or greater increase in the combined Mineral Resource across all categories of Measured, Indicated and Inferred (as each of those terms is defined in The JORC Code 2012 Edition (or the current edition at the time) (JORC Code)) at the Sturec Gold Mine and as verified by an Independent Technical Consultant. This tranche vested on 2 July 2021.
- Class 2 Upon achievement of a 40% or greater increase in the combined Mineral Resource across all categories of Measured, Indicated and Inferred (as each of those terms is defined in the JORC Code) at the Sturec Gold Mine and as verified by an Independent Technical Consultant. This tranche vested on 2 July 2021.
- Class 3 Upon completion of a revised scoping study in accordance with the guidelines prescribed by the JORC Code, independently verified by an Independent Technical Consultant, which indicates that the Sturec Gold Mine contains a JORC Code compliant Mineral Resource which delivers a pre-tax net present value (NPV) in excess of AUD\$100 million and a pre-tax internal rate of return (IRR) of 20% or higher using a 5% discount rate. This tranche has not yet vested.

During the half year the milestones for Class 1 and Class 2 were met and accordingly the performance rights were converted to shares.

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 2021	December 2020
	\$	\$
Expense for the period for Performance Rights issued in prior period	78,922	-
Options issued to brokers and consultants	-	118,302
	78,922	118,302

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9. REDEEMABLE NOTES

	31 December	30 June
	2021	2021
	\$	\$
Opening balance	1,100,000	650,000
Additional borrowings	-	450,000
Repayment of borrowing	<u>(1,100,000)</u>	-
Closing balance	<u>-</u>	<u>1,100,000</u>

The Company entered into four redeemable note agreements totalling \$650,000 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.

On 27th May 2021 the Company entered into a further two redeemable note agreements totalling \$450,000. The repayment dates for the notes is 13 September 2021. The notes have an interest rate of 20% pa subject to a minimum amount of interest equal to 10% of the amount of the note.

The notes were unsecured and were repaid in full during the half year ended 31 December 2021.

NOTE 10: DISCONTINUED OPERATIONS

The Company has sold its lithium projects at Adina, Cancet and Sirmac via the sale of all the issued capital of the wholly owned subsidiary companies that hold these assets. The sale of these companies to Winsome Resources Limited (“Winsome”) was completed on 15 November 2021. The consideration received was 45,000,000 ordinary fully paid shares in Winsome Resources Limited. Winsome was admitted to ASX following completion of the acquisition and a successful capital raising. The 45 million shares in Winsome received by Metalstech were subsequently distributed in specie to Metalstech shareholders. The 45,000,000 shares were recognised at fair value of \$9,000,000 based on Winsome Resources Limited IPO price of 20 cents per share prior to commencement of quotation and trading on the ASX.

The in-specie distribution of Winsome shares is a return of capital to Metalstech shareholders.

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NOTE 10: DISCONTINUED OPERATIONS (continued)

The carrying values at time of disposal of the assets, liabilities and equity of the entities held for sale were:

	At time of disposal	30-June-21
	AUD \$	
ASSETS		
Current Assets		
Cash and cash equivalents	44,725	1,233
Trade and other receivables	12,366	43,346
Total Current Assets	57,091	44,579
Non-Current Assets		
Exploration and evaluation expenditure	4,250,926	4,118,608
Total Non-Current Assets	4,250,926	4,118,608
TOTAL ASSETS	4,308,017	4,163,187
LIABILITIES		
Current Liabilities		
Trade and other payables	199,378	351,734
Total Current Liabilities	199,378	351,734
EQUITY		
Share capital	322	322
Reserves	64,519	(178)
Retained earnings/(Accumulated losses)	4,043,798	(59,274)
TOTAL EQUITY	4,108,639	(59,130)

Financial performance and cashflow information

The financial performance of the discontinued operations up to the time of disposal is as follows:

	Period to disposal	31 Dec 2020
Revenue		
Interest income	1	-
Sale of royalty interest	6,646,235	-
Expenses		
Administration	295	1,225
(Exploration recouped)/Impairment expenses	(226,180)	333,145
Profit/(loss) from discontinued operations	6,872,121	(334,370)
Income tax	-	-
Profit/(loss) after income tax of discontinued operations	6,872,121	(334,370)
Profit on sale of discontinued operations (see below)	4,891,361	-
Total Profit on discontinued operations	11,763,482	-

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For the half year ended 31 December 2021

NOTE 10: DISCONTINUED OPERATIONS (continued)

	Period to disposal	31 Dec 2020
Cashflow information		
Cash received on sale of royalty interests	6,646,235	-
Interest received	-	-
Administration	(295)	(1,226)
Exploration	-	(1,274)
Cash inflow/(outflow) from discontinued operations	6,645,940	(2,500)
Details of the disposal of the discontinued operations		
Sale proceeds – shares received in Winsome Resources Ltd	9,000,000	-
Cost base of assets disposed	(4,108,639)	-
Profit on sale of discontinued operations	4,891,361	-

11. DIVIDENDS

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

12. COMMITMENTS & CONTINGENCIES

Aside as disclosed in the annual report as at 30 June 2021, there are no new contingent liabilities or contingent assets.

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For the half year ended 31 December 2021

13. RELATED PARTY TRANSACTIONS

Directors Russell Moran and Gino D'Anna are remunerated under executive services agreements which includes amounts for Director Fees (\$48,000 for Mr Moran and \$36,000 for Mr D'Anna) as well as day rates for consulting services (\$1400 per day for Mr Moran and \$1300 per day for Mr D'Anna).

The consulting fees at day rates paid to Mr Moran's entity are for his services and also for a related person and another person and the fees are therefore for the work of three persons.

During the Half Year Mrs. Stevenson was appointed as a non-executive Director, she will be paid a non-executive directors fee of \$4,000 per month.

During the half year, the Company also paid ad hoc bonuses above the abovementioned fees and these amounted to \$250,000 to a related party of Mr Moran and \$225,000 to a related party of Mr D'Anna. These amounts were for achievements including successful completion of the sale of royalty interests and the spin out of the lithium assets to Winsome Resources Limited in addition to other project and corporate achievements.

Mr Moran's entity was also paid performance milestone bonus of \$244,199 in connection with the achievement of JORC resource targets.

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 \$88,000 (including an ad hoc bonus of \$25,000) for these services in addition to his \$18,000 directors fees.

The total remuneration paid to executives or their related entities during the half year was:

Mr Moran's related entity	\$709,999
Mr D'Anna's related entity	\$369,100
Dr Zeng's related entity	\$124,000

14. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no matters or circumstances which have arisen since 31 December 2021 that have significantly affected or may significantly affect:

- The operations, in the period subsequent to 31 December 2021, of the company, or
- The results of those operations, or
- The state of affairs, in the period subsequent to 31 December 2021, of the company.

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15. EARNINGS PER SHARE

Basic loss per share

The calculation of basic loss per share for the half year ended 31 December 2021 was based on a loss from continuing operations of (\$2,997,165) and profit from discontinued operations of \$11,763,482 and a weighted average number of ordinary shares outstanding during the half- year as follows:

	31-Dec-2021	31-Dec-2020
Profit/(Loss) from continuing operations (\$)	(2,997,165)	(1,296,068)
Profit/(loss) from discontinued operations (\$)	11,763,482	(334,370)
Weighted average number of ordinary shares (number)	162,871,200	137,072,855
Basic loss per share (cents per share) – continuing operations	(1.82)	(0.95)
Basic earnings per share (cents per share) – discontinued operations	7.22	(0.24)

Diluted loss per share

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

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

	31-Dec-2021	31-Dec-2020
	\$	\$
Net profit/(loss) after income tax	8,766,317	(1,630,438)
Adjustments for:		
Non cash profit on sale of subsidiaries	(4,891,361)	-
Share benefit and share option expenses	78,921	118,302
Exploration recouped/(written off)	(2,134)	338,677
Depreciation expense	723	3,028
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(151,106)	(30,912)
Increase/(decrease) in trade and other payables	(196,861)	(209,759)
Increase in staff leave provisions	-	8,731
Net cash flows used in operating activities	<u>3,604,499</u>	<u>(1,402,371)</u>

Half Year Financial Report
For the half year ended 31 December 2021

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) The financial statements and notes set out on pages 21 to 36 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 2021 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
15 March 2022

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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 2021, 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 significant 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 2021 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.

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.

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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 2021 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, faint BDO logo.

Neil Smith

Director

Perth, 15 March 2022

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