

CORPORATE GOVERNANCE AND COMPLIANCE UPDATE

Corporate Governance Policies and Procedures

The Company's is continually reviewing its internal and external corporate governance policies and procedures, in compliance with the 4th edition of the ASX Corporate Governance Principles and Recommendations.

The Company's policy documents are available on the website of the Company (www.metalstech.net).

Natres Services Pty Ltd

On 1 September 2019, the Company entered into an Executive Services Consulting Agreement with Natres Services Pty Ltd (**Natres Services**) (**2019 Natres Agreement**). Chairman Mr Russell Moran is a director of Natres Services.

Effective 1 June 2021, the 2019 Natres Agreement has been replaced by a new agreement (**2021 Natres Agreement**) which supersedes any and all previous executive services agreements in place between the Company and Natres Services.

Pursuant to the 2021 Natres Agreement, there are three nominated persons, being Executive Chairman, Mr Russell Moran (an experienced natural resources executive), Executive (Engineering and Risk), Ms Fiona Paterson (the spouse of Mr Moran, an experienced risk, engineering and corporate governance professional) and Executive (Finance) Ms Candice Stevenson (an experienced public company director and financial accountant).

The 2021 Natres Agreement provides that Mr Moran, Ms Paterson and/or Ms Stevenson are to provide certain services to the Company, and in consideration for the provision of those services, the Company pays Natres Services a fee of \$1,400 per billable day (plus GST) as well as a monthly fee of \$4,000 per month (plus GST).

Under the 2021 Natres Agreement there is a minimum retainer of 18 billable days per month and a maximum of 23 billable days per month payable to Natres Services. The agreement otherwise contains standard terms and conditions usual for a contract of this nature, including standard confidentiality and termination provisions.

Mr Moran, Ms Paterson and Ms Stevenson as nominated persons under the 2021 Natres Agreement will provide consultancy services to the Company on an arm's length basis.

Pursuant to ASX Listing Rule 3.16.4, the material terms of the 2021 Natres Agreement is set out below:

- a. **Term**
The Engagement will commence on 1 June 2021 and continue for a minimum period of twenty-four (24) months from the date of the Agreement unless terminated earlier.
- b. **Remuneration**
The Company will pay Natres Services for the Services a consulting fee of \$1,400 for each billable day (exclusive of GST).

**** This announcement is authorised by the executive board on behalf of the Company ****



c. **Cash Performance Bonuses**

The Company may pay discretionary cash bonuses to Natres Services from time to time, linked to specific performance of value accretive outcomes.

The Company will pay the following specific cash bonuses to Natres Services:

i. **Milestone Bonus 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 (**First Milestone**), the Company shall pay the Consultant a cash bonus equal to 500,000 multiplied by the five (5) day volume weighted average price of the shares of the Company following announcement of the First Milestone.

ii. **Milestone Bonus 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 (**Second Milestone**), the Company shall pay the Consultant a cash bonus equal to 500,000 multiplied by the five (5) day volume weighted average price of the shares of the Company following announcement of the Second Milestone.

iii. **Milestone Bonus 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 (**Third Milestone**), the Company shall pay the Consultant a cash bonus equal to 500,000 multiplied by the five (5) day volume weighted average price of the shares of the Company following announcement of the Third Milestone.

d. **Expenses**

On provision of all documentary evidence reasonably required by the Company, the Company will reimburse Natres Services for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred by Natres Services or a Nominated Person in the performance of duties in connection with the business of the Company and its Related Bodies Corporate.

e. **Confidentiality**

Natres Services and the Nominated Persons agree that the Confidential Information is at all times to be treated as secret and undertake to maintain and take all steps necessary to maintain the Confidential Information in strictest confidence.

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f. **Termination**

The Company may at its sole discretion terminate the Engagement. Where the Company elects to terminate the Engagement, it must immediately and without set-off pay a termination fee to Natres Services equal to the Fees that the Consultant would have been entitled to during the Term.

g. **Covenant not to compete**

During the Term, and for a period of three (3) months following the expiration or earlier termination of this Agreement, the Consultant shall not directly or indirectly, or by action in concert with others, induce, or influence, or seek to induce or influence, any Consultant, agent, independent contractor, employee or other business affiliate of the Company to terminate their relationship with the Company.

General Duties

The following general duties of Natres Services and the Nominated Persons under the 2021 Natres Agreement are as follows:

- a. assume and exercise the powers and perform the duties from time to time vested in or assigned to them by the Board or any officer or employee authorised by it for that purpose and will comply in all respects with the directions and regulations given or made by the Board, officer or employee;
- b. faithfully serve the Company and its Related Bodies Corporate and use their best endeavours to promote their interest and welfare;
- c. devote sufficient time and attention to the business of the Company and its Related Bodies Corporate during the normal working hours of the Company and at such other times as may be reasonably necessary; and
- d. perform services for the Company and its Related Bodies Corporate and, without further remuneration unless otherwise agreed, accept offices in those Related Bodies Corporate as the Board may from time to time reasonably require.

Specific Duties

The following specific duties of Natres Services and the Nominated Persons under the 2021 Natres Agreement are as follows:

- a. assist in executing the business of the Company including, without limitation, implementing strategic and tactical plans and executing operational functions to achieve the Company's goals and outcomes;
- b. review and initiate continuous improvement in support and administrative functions;
- c. implement employment policies and development of an effective and valued performance management framework;
- d. using their best endeavours to achieve the corporate objectives of the Company;
- e. performing the Services under this Agreement and use their best endeavours to ensure that the business of the Company is conducted in accordance with the policies, procedures and/or directions as notified from time to time by the Board to the Consultant and/or the Nominated Persons, including in accordance with the requirements of any approved budget or business plan;
- f. complying with the reasonable directions of the Board from time to time including to undertake any activity for the benefit of the Company.
- g. formulating strategies to promote and improve the financial performance of the Company;
- h. advising the Board in relation to all relevant issues affecting the Company and its performance, including, without limitation, relevant corporate governance and risk issues;

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- i. ensuring the proper implementation of the Company's policies, procedures and systems;
- j. developing new opportunities and expanding the Company's current activities and market share; and
- k. review and initiate continuous improvement in support and administrative functions.

At all times, the non-conflicted Board and the Chief Financial Officer (CFO) have oversight over the invoicing and payment under the 2021 Natres Agreement.

Internazionale Consulting Pty Ltd

On 1 April 2020, the Company entered into an Executive Services Consulting Agreement with Internazionale Consulting Pty Ltd (**Internazionale Consulting**), an entity related to Executive Director, Mr Gino D'Anna (**2020 Internazionale Consulting Agreement**).

Effective 1 June 2021, the 2020 Internazionale Consulting Agreement has been replaced by a new agreement (**2021 Internazionale Consulting Agreement**) which supersedes any and all previous executive services agreements in place between the Company and Internazionale Consulting.

Pursuant to the 2021 Internazionale Consulting Agreement, there is a single nominated person under the contract, being Executive Director, Mr Gino D'Anna.

The 2021 Internazionale Consulting Agreement provides that Mr D'Anna is to provide certain services to the Company, and in consideration for the provision of those services, the Company pays Internazionale a fee of \$1,300 per day (plus GST) as well as an Executive Director fee of \$3,000 per month (plus GST) for directorial services.

Under the 2021 Internazionale Consulting Agreement there is a minimum retainer of 17 billable days per month and a maximum of 23 billable days per month payable to Internazionale Consulting. The agreement otherwise contains standard terms and conditions usual for a contract of this nature, including standard confidentiality and termination provisions.

Mr D'Anna is a nominated person under the 2021 Internazionale Consulting Agreement and provides consultancy services to the Company on an arm's length basis.

Pursuant to ASX Listing Rule 3.16.4, the material terms of the 2021 Internazionale Consulting Agreement is set out below:

- a. **Term**
The Engagement will commence on 1 June 2021 and continue for a minimum period of twenty-four (24) months from the date of the Agreement unless terminated earlier.
- b. **Remuneration**
The Company will pay to the Consultant for the Services a consulting fee of \$1,300 for each billable day (exclusive of GST).
- c. **Cash Performance Bonuses**
The Company may pay discretionary cash bonuses to Internazionale Consulting from time to time, linked to specific performance of value accretive outcomes.

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d. Expenses

On provision of all documentary evidence reasonably required by the Company, the Company will reimburse the Consultant for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred by the Consultant or the Nominated Persons in the performance of duties in connection with the business of the Company and its Related Bodies Corporate.

e. Confidentiality

The Consultant and the Nominated Persons agree that the Confidential Information is at all times to be treated as secret and undertake to maintain and take all steps necessary to maintain the Confidential Information in strictest confidence.

f. Termination

The Company may at its sole discretion terminate the Engagement. Where the Company elects to terminate the Engagement, it must immediately and without set-off pay a termination fee to Internazionale Consulting equal to the Fees that the Consultant would have been entitled to during the Term.

g. Covenant not to compete

During the Term, and for a period of three (3) months following the expiration or earlier termination of this Agreement, the Consultant shall not directly or indirectly, or by action in concert with others, induce, or influence, or seek to induce or influence, any Consultant, agent, independent contractor, employee or other business affiliate of the Company to terminate their relationship with the Company.

General Duties

The following general duties are set out in the 2021 Internazionale Consulting Agreement. These services are captured through the remuneration of the directors fee, which in the case of the 2021 Internazionale Consulting Agreement, equals \$3,000 per month (plus GST):

- i. assume and exercise the powers and perform the duties from time to time vested in or assigned to them by the Board or any officer or employee authorised by it for that purpose and will comply in all respects with the directions and regulations given or made by the Board, officer or employee;
- ii. faithfully serve the Company and its Related Bodies Corporate and use their best endeavours to promote their interest and welfare;
- iii. devote sufficient time and attention to the business of the Company and its Related Bodies Corporate during the normal working hours of the Company and at such other times as may be reasonably necessary; and
- iv. perform services for the Company and its Related Bodies Corporate and, without further remuneration unless otherwise agreed, accept offices in those Related Bodies Corporate as the Board may from time to time reasonably require.

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Specific Duties

The following specific duties are set out in the 2021 Internazionale Consulting Agreement. These services are captured through the remuneration of the billable day rate fee, which in the case of the 2021 Internazionale Consulting Agreement, equals \$1,300 per billable day (plus GST):

- i. assist in managing the business of the Company including, without limitation, implementing strategic and tactical plans and managing operational functions to achieve the Company's goals and outcomes;
- ii. review and initiate continuous improvement in support and administrative functions;
- iii. implement employment policies and development of an effective and valued performance management framework;
- iv. using their best endeavours to achieve the corporate objectives of the Company;
- v. performing the Services under this Agreement and use their best endeavours to ensure that the business of the Company is conducted in accordance with the policies, procedures and/or directions as notified from time to time by the Board to the Consultant and/or the Nominated Persons, including in accordance with the requirements of any approved budget or business plan;
- vi. complying with the reasonable directions of the Board from time to time including to undertake any activity for the benefit of the Company.
- vii. formulating strategies to promote and improve the financial performance of the Company;
- viii. advising the Board in relation to all relevant issues affecting the Company and its performance, including, without limitation, relevant corporate governance and risk issues;
- ix. ensuring the proper implementation of the Company's policies, procedures and systems;
- x. developing new opportunities and expanding the Company's current activities and market share; and
- xi. review and initiate continuous improvement in support and administrative functions.

At all times, the non-conflicted Board and the Chief Financial Officer (CFO) have oversight over the invoicing and payment under the 2021 Internazionale Consulting Agreement.

Non-Executive Director Services Agreement – Dr Qingtao Zeng

On 1 June 2021, the Company entered into a Non-Executive Director Services Agreement with Dr Qingtao Zeng, the non-executive technical director of the Company.

The Non-Executive Director Services Agreement with Dr Zeng supersedes any and all previous agreements in place between the Company and Dr Qingtao Zeng or any of his related entities.

Pursuant to the Non-Executive Director Services Agreement, the Company pays Dr Zeng a non-executive directors fee of \$3,000 per month (plus GST) for the standard services that are required to be provided by Dr Zeng as a non-executive director.

In addition, the Company pays Dr Zeng a further fee of \$1,300 per day (plus GST) for services that are provided outside of the usual scope of responsibilities for a non-executive director.

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The Non-Executive Director Services Agreement otherwise contains the standard terms and conditions usual for a contract of this nature, including the standard confidentiality and termination provisions.

Pursuant to ASX Listing Rule 3.16.4, the material terms of the Non-Executive Director Services Agreement with Dr Zeng is set out below:

a. Remuneration

The director will be entitled to a base fee of A\$36,000 per annum (plus GST). In addition to the base fee, if required, the director may also provide the Company with, where necessary, services which are outside the scope of the engagement as a Technical Director of the Company. If the director is providing additional services to the Company as contemplated, additional time will be charged as technical consulting services at a rate of \$1,300 per day (plus GST), based on a minimum 8-hour day.

b. Expenses

On provision of all documentary evidence reasonably required by the Company, the Company will reimburse the director for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred by the director in the performance of duties in connection with the business of the Company and its Related Bodies Corporate.

c. Confidentiality

The director agrees that the Confidential Information is at all times to be treated as secret and undertake to maintain and take all steps necessary to maintain the Confidential Information in strictest confidence.

General Duties

The following general duties are set out in the Non-Executive Director Services Agreement. These services are captured through the remuneration of the directors fee, which in the case of the Non-Executive Director Services Agreement, equals \$3,000 per month (plus GST):

- i. sharing responsibility with the other Directors for the effective control of the Company, and with the other Directors for the appointment of the Managing Director and Chief Executive Officer and the superintendence of Executive Management;
- ii. reviewing all Board papers ahead of Board meetings;
- iii. bringing independent judgment to bear on issues of strategy, performance, present and future availability and utilisation of resources and standards of conduct;
- iv. constructively challenging and helping to develop proposals on strategy of the Company;
- v. setting values and standards for the Company and establishing systems for its communication and monitoring;
- vi. monitoring the performance of management in meeting agreed goals and objectives and ensuring that the necessary financial and human resources are in place to enable the Company to meet those goals and objectives;
- vii. being familiar with the corporate governance policies and principles which have been adopted by the Board, and taking a leadership role in ensuring these remain current and effective;
- viii. satisfying yourself as to the adequacy and integrity of financial and other reporting to the board and shareholders and that there are adequate systems of internal control;

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- ix. satisfying yourself that systems for identification and management of risks are robust and appropriate; and
- x. making yourself available, if called upon, to serve as a member of committees established by the Board.

Dr Zeng also provides additional technical services to the Company which are outside the scope of the usual services provided pursuant to the Non-Executive Director Services Agreement. In consideration for providing those technical services, the Company is required to pay Dr Zeng a technical consulting fee charged at \$1,300 per billable day (plus GST) for any technical consulting services provided to the Company.

ENDS

For further information, contact:

Russell Moran
Chairman
M +61 415 493 993
russell@metalsTech.net

Nathan Ryan
Investor Relations
M +61 420 582 887
nathan.ryan@nwrcommunications.com.au

Gino D'Anna
Director
M +61 400 408 878
gino@metalsTech.net

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.

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