

MetalsTech Signs Strategic Deal with Leading Battery Manufacturer

MetalsTech (MTC or the **Company**) is pleased to announce it has signed a binding agreement with Dynavolt Renewable Energy Technology Co Ltd, a wholly-owned subsidiary of Shenzhen Stock Exchange listed and world-leading battery manufacturer Guangdong Dynavolt Renewable Energy Technology Co Ltd (**Dynavolt**), to subscribe for 10 million shares through an escrowed placement at 30 cents per share (**Cornerstone Placement**).

Highlights

- Dynavolt is one of the largest battery manufacturers globally and a market leader in EV car and motorcycle batteries, with a market capitalisation of more than 10 billion CNY
- Dynavolt to subscribe for 10,000,000 MTC shares at a price of \$0.30 per share to raise \$3,000,000 with 6 months' escrow, subject to regulatory approval for which MTC will be seeking shareholder approval for the future issue of shares to Dynavolt
- MTC to facilitate Dynavolt share accumulation strategy by introducing third party shareholders (and advisors) for the acquisition of up to a further 5,000,000 MTC shares through on-market purchases
- If Dynavolt increases its share ownership to >12.5% Dynavolt will earn:
 - to a right to participate in placements for 12 months to maintain ownership position
 - a right to match any project-level investment by a third party within 12 months up to 10% project-level interest
- If Dynavolt increases its share ownership to >15% Dynavolt will earn a Board seat
- MTC and Dynavolt to work in good faith to negotiate a project-level equity investment at its projects as part of a larger strategy to develop lithium carbonate/hydroxide beneficiation facility in Quebec underpinned by spodumene concentrate feed from MTC projects
- MTC has also completed a heavily oversubscribed placement to sophisticated and institutional investors of 5,933,333 shares at \$0.30 per share to raise a further \$1.8 million, which will be issued using the existing placement capacity under ASX Listing Rule 7.1
- Dynavolt deal is in addition to the \$1.8m deal previously announced with Wuxi Baichuan Chemical Industry Co Ltd
- Strategic funding deal allows MTC accelerate both the Cancet and Adina Lithium Projects

Commenting on the strategic placement, Executive Chairman of MetalsTech, Mr Russell Moran stated:

"Dynavolt is a global leader in the lithium-ion battery space, having been the battery supplier of choice for market leaders including BMW, Ducati, Suzuki and Kawasaki. They recently invested more than 3 billion CNY in building a high-end lithium battery division and we are excited at the opportunity of working closely with them as we seek to position ourselves as a valuable source of raw and refined lithium materials."



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Board of Directors
Executive Chairman - Russell Moran
Executive Director - Gino D'Anna
Non-Executive Director - Shane Uren
Non-Executive Director - Michael Vellella

Projects	
Cancet	100% owned
Adina	100% owned
Terre Des Montagnes	100% owned
Wells-Lacoucier	100% owned
Kapiwak	100% owned
Sirmac-Clapier	100% owned
Bay Lake	100% owned

About Guangdong Dynavolt Renewable Energy Technology Co Ltd

Dynavolt is a rapidly growing global leader in the manufacture of lithium-ion batteries as well as provider of synergistic products and services to battery-related industry. Dynavolt is seeking to secure exposure to lithium and other battery-related commodities so as to help de-risk its supply chain strategy. MTC is an explorer of these commodities and has a vision to become a producer of both spodumene concentrate ore and lithium chemicals.

MTC recognises that Dynavolt has the financial and technical capabilities to assist it with its vision to become both a spodumene concentrate and ultimately a lithium chemicals producer in Quebec, Canada.

Dynavolt is listed on the Shenzhen Stock Exchange (SHE: 002684) and specialises in production of both traditional and lithium ion batteries for the transportation and mass energy storage market. Dynavolt has a market capitalisation of approximately 10 billion CNY.

Dynavolt has built an automatic three-stage lithium-ion battery production line with an investment of more than 3 billion RMB which will have a capacity of 6 Gwh once commissioned.

A Corporate Video can be found at [CLICK HERE](#) – 9 minutes

A Lithium Battery Division Video can be found at [CLICK HERE](#) – 2 minutes



Dynavolt lithium-ion starter battery



Material Terms

The Company has entered into a binding Terms Sheet with Dynavolt and the material terms of the agreement have been summarised below:

Placement	Dynavolt to subscribe for 10,000,000 shares at an issue price of \$0.30 per share to raise a total of \$3,000,000 (Cornerstone Placement).
Escrow	Shares under the Cornerstone Placement are subject to 6 months voluntary escrow.
Conditions Precedent	Completion of the Cornerstone Placement is conditional upon the satisfaction (or waiver) of the following conditions precedent: (a) MTC obtaining all requisite shareholder and regulatory approvals (if any); and (b) Dynavolt obtaining all requisite shareholder and regulatory approvals (if any). (the Subscription Conditions Precedent). If the Subscription Conditions Precedent are not satisfied (or waived) by 15 January 2017, then either party may terminate.
Share Accumulation	For a period of three months, MTC will use reasonable endeavors to introduce Dynavolt to third parties (or their advisors) that may wish to sell or otherwise dispose of their Shares with a view of helping Dynavolt acquire up to an additional 5,000,000 Shares through on-market and off-market purchases.
No Short Sell	Dynavolt agrees not to engage in short-selling or dealings which have a similar effect to short-selling.
Project-level Option	If Dynavolt increases its position above 12.5% and MTC accepts a bona fide offer from a third party to acquire a project-level equity interest in any of its projects within the next 12 months, Dynavolt will have three months to acquire a similar interest (up to a maximum of 10% interest) on the same terms.
Placement Protection	If Dynavolt increases its position above 12.5% and MTC conducts a capital raising within 12 months, Dynavolt will be entitled to participate so as to maintain its percentage ownership in MTC
Board Seat	If Dynavolt increases its share ownership above 15% it will be entitled to a board seat





ENDS

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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.

