

## Clarification of ASX Announcement

MetalsTech Limited (ASX: MTC) (MetalsTech or the Company) refers to its ASX announcement dated 5 October 2021 titled *"China Jushi to back Lithium Spinout with up to \$2.7 Million Strategic Investment"*.

The Company would like to clarify that the entity which has executed the binding subscription agreement with wholly owned subsidiary and lithium spinout vehicle Winsome Resources Limited (ASX: WR1) was a subsidiary of Zhenshi Holding Group Co., Ltd (Zhenshi) who will subscribe for up to 9.9% of all shares on issue (indicatively up to A\$2.7 million) under the public offer of the proposed Winsome initial public offer.

Zhenshi is the second largest shareholder of A\$15 billion market capitalised China Jushi Co.

A replacement announcement is attached overleaf.

**ENDS**

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## **CHINA ZHENSHI TO BACK LITHIUM SPINOUT WITH UP TO \$2.7 MILLION STRATEGIC INVESTMENT**

### Highlights



- ★ MTC's wholly owned subsidiary and lithium spinout vehicle Winsome Resources (ASX: WR1) has signed a binding agreement with a subsidiary of Zhenshi Holding Group Co., Ltd (**Zhenshi**) who will subscribe for up to 9.9% of all shares on issue (indicatively up to A\$2.7 million) under the public offer of the proposed Winsome IPO
- ★ Zhenshi is the second largest shareholder of A\$15 billion market capitalised China Jushi Co which is China's largest fibreglass manufacturer with operations internationally including North Carolina in the United States
- ★ The fibreglass manufacture process requires high quality, low impurity spodumene concentrate, which creates a diverse market outside of the battery industry that directly utilises the likely product from the Company's Quebec projects without the need for subsequent conversion into Lithium Hydroxide or Carbonate
- ★ Strategic investor commitments in the Winsome float now stands at up to approximately A\$5.7 million, including a A\$3 million cornerstone investment commitment by North America's Lithium Royalty Corp
- ★ MTC shareholders to receive A\$9 million worth of shares in Winsome by way of an in species distribution of 45 million WR1 shares in proportion to their MTC holding as at the Record Date (7 October 2021) - MTC has 165.6 million shares on issue – i.e. approximately 1 free WR1 20c share for every 3.68 MTC shares held
- ★ Winsome is led by lithium industry expert Chris Evans, Canaccord Genuity has been appointed as lead manager to the initial public offering

Commenting on the strategic commitment by Zhenshi, MetalsTech Chairman Mr Russell Moran stated:

*"The Winsome team have done a fantastic job courting leading industry participants to support their lithium business vision. MetalsTech shareholders eligible at the record date will capitalise on what is shaping up to be a fiercely sought after battery metals focused share offering through the in-species distribution."*

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



## About China Zhenshi

Zhenshi Holding Group is a China Top 500 Private Enterprise with diversified investment in fibreglass products, stainless steel, wind energy, composites, minerals, logistics and real estate. Zhenshi is also the founding shareholder of China Jushi Co along side a State Owned Enterprise.

China Jushi Co is principally engaged in the research and development, manufacture and distribution of fibreglass and related products across a range of sectors, including the automotive sector. The Company's major product is glass fibre yarn. China Jushi is listed on the Shanghai Stock Exchange and has a market capitalisation of approximately ¥70 billion (A\$15 billion).

## Binding Agreement – Summary

Zhenshi Group (HK) Heshi Composite Materials Co., Limited, a subsidiary of Zhenshi Holding Group Co., Ltd. China Zhenshi Co (together, Zhenshi) has executed a binding terms sheet with Winsome Resources Limited (WR1).

<b>Subscription</b>	<p>Subject to ASX, ASIC and any other approvals required for the offer of WR1 shares under the Prospectus and the terms set out in this Terms Sheet, Zhenshi (or its nominee) agrees to subscribe for, and WR1 agrees to issue up to 9.99% of the total issued capital of WR1 in fully paid ordinary WR1 shares (<b>Shares</b>) at a price of \$0.20 per share (indicatively 13,500,000 shares for an investment of up to \$2,700,000) (the <b>Subscription</b>).</p> <p>For the avoidance of doubt, WR1 will be entitled to reduce (but not increase) the Subscription at its discretion, however such Subscription will not be less than 5,000,000 Shares.</p>
<b>Termination</b>	<p>The Parties must use all reasonable endeavours to cause completion of the Subscription.</p> <p>If the Subscription has not occurred on or before 5.00pm (Western Australian Standard Time) on 1 December 2021 (or such later date as agreed in writing between the Parties), this Terms Sheet will terminate and the Parties will be released from their obligations under this Terms Sheet, other than any obligations that arose or breaches that occurred prior to termination of this Terms Sheet, such obligations or breaches to survive termination.</p>
<b>Voluntary Escrow &amp; Orderly Market Provisions</b>	<p>Zhenshi agrees to enter into a voluntary restriction deed with WR1 pursuant to which the WR1 Shares will be subject to twelve (12) months voluntary escrow from effective from the date of issue of the Shares.</p> <p>Zhenshi agrees to work with WR1 on any future disposal of the Shares, including if required by WR1, to dispose of any Shares by way of an organised 'block trade' and acknowledges that WR1 will be entitled to do such things as it deems necessary to ensure Zhenshi complies with this undertaking.</p>
<b>Mutual Warranties</b>	Usual for a transaction of this nature
<b>WR1 Warranties</b>	Usual for a transaction of this nature
<b>Other Terms</b>	Usual for a transaction of this nature

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**ENDS**

### **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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