

ASX Release**9 October 2017****ULTRACHARGE LIMITED**
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ASX Code:

UTR

Shares:

475,537,404

Escrow Shares:

159,980,717

Options (various):

82,000,000

Performance Rights:

41,250,000

UltraCharge to acquire evolutionary new LIB Cathode IP

- **High voltage cathode IP to open up huge new market opportunities**
- **New cathode complements UltraCharge's existing lithium ion battery solution**
- **Lower cost than current solutions with voltage, energy and power capacity advantages**
- **UTR now has the ability to offer a full lithium ion battery solution**
- **Immediate addressable markets include aviation, power bikes and defence**
- **Conditional acquisition for US\$200,000 and up to 90 million shares**

UltraCharge Limited (ASX: **UTR**, **UltraCharge** or the **Company**) is pleased to announce it has acquired new cathode intellectual property (**IP Assets**) from Israeli company ETV Energy Limited (**ETV Energy**). The IP Assets will add to UltraCharge's IP portfolio and provide a wider product offering that will open new market opportunities and revenue streams while enhancing the Company's existing anode solution.

ETV Energy has developed a lithium ion battery which contains a high voltage LiMnNO cathode that is half the cost of commercial cathodes. Its battery solution offers advantages in terms of the voltage, energy capacity and power capacity. UltraCharge anticipates greater market opportunities through the ability to license out the cathode IP, the full battery solution and/or combine the high voltage cathode with UTR's fast charging, longer life span anode to produce a new and improved battery. Immediate markets for the high voltage cathode include aviation, power bikes and defence, each valued between US\$100 – 500 million. The Company anticipates revenues within 18 – 24 months.

UltraCharge will acquire the IP Assets for US\$200,000 and up to 90 million shares, which are dependent on the achievement of specified milestones. The material terms of the acquisition are set out in Annexure A.

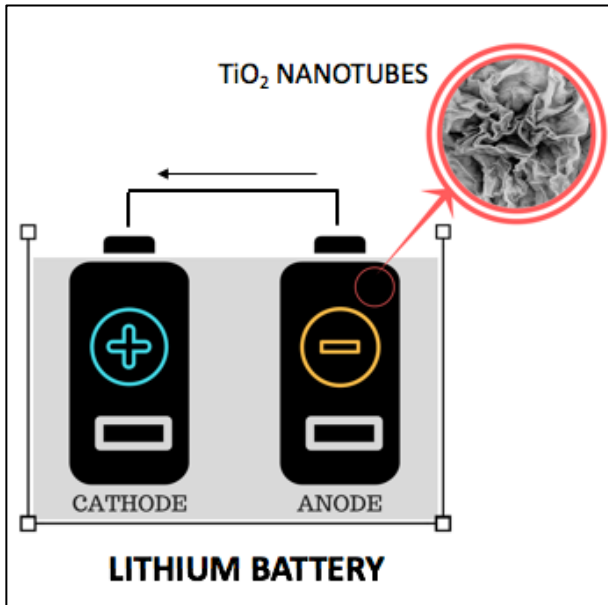
UltraCharge remains focused on its business strategy to deliver enhanced energy storage technologies to the market. The new IP acquisition will assist the Company to strengthen its position with current and new potential customers as well as reach new markets, and revenue streams, all while progressing the commercialisation of its revolutionary nanofiber anode technology.

Kobi Ben-Shabat, CEO said *"We are very excited about the additional market opportunities made available to UltraCharge by the inclusion of this high voltage cathode to the Company's battery IP portfolio. The acquisition of the new IP Asset allows UltraCharge to add experienced battery engineers to our great team, which will further expedite the commercialisation of our patented anode technology with a full battery solution"*.

Kobi Ben-Shabat
Chief Executive Officer

About UltraCharge Limited (www.ultra-charge.net)

UltraCharge is a battery technology company based in Israel which has acquired exclusive rights to patented technology from the Nanyang Technological University in Singapore (NTU). The technology will replace graphite in anodes (negative pole) with a nanotube gel material made from titanium dioxide, in lithium batteries. This has the potential to revolutionise the market for lithium batteries by producing a battery that is safe, has a longer lifetime and is fast charging. UltraCharge has established a laboratory facility in Israel to conduct nanotube synthesis and fabrication of the nanotube anode, and is discussing supply options with end users in the global battery market



Annexure A – material terms of the acquisition of the IP Assets

The key terms of the agreement to acquire the IP assets (**Asset Sale Agreement**) are as follows:

1. **Conditions precedent:** Completion of the acquisition of the IP Assets is subject to and conditional upon a number of conditions precedent, including:
 - (a) (*due diligence*) the Company completing to its satisfaction all necessary due diligence investigations in respect of the IP Assets including, but not limited to, its assessment of the likelihood that the patent applications will be granted;
 - (b) (*shareholder approval*) the Company obtaining all necessary shareholder approvals including, without limitation, listing rules approval and, if required, approval for the purposes of the Corporations Act, for the issue of the Consideration Shares;
 - (c) (*escrow agreement*) the parties entering into a voluntary escrow agreement in respect of the initial Consideration Shares;
 - (d) (*consultancy agreement*) the parties entering into a consultancy agreement;
 - (e) (*Israel Innovation Authority*) the Company executing an undertaking and any other documents required by the Israel Innovation Authority; and
 - (f) (*regulatory approvals*) each of the Company and ETV Energy obtaining all regulatory approvals, consents and waivers (as required) in order to undertake the transactions contemplated by the Asset Sale Agreement, including but not limited to the approval of the Israel Innovation Authority.
2. **Consideration:** Subject to satisfaction of the conditions precedent, at completion, the Company will:
 - (a) pay US\$200,000; and
 - (b) issue between 25 million shares and 30 million shares (depending on the 5-day VWAP as at the completion date),to ETV Energy as the vendor of the IP Assets.
3. **Deferred consideration:** Subject to ETV Energy achieving the specified performance milestones (see below), the Company will issue between 50 million shares and 60 million shares (depending on the 5-day VWAP as at date of achieving the respective milestone) (**Deferred Consideration Shares**).
4. **Performance milestones:** For ETV to become entitled to the Deferred Consideration Shares, the following performance milestones must be achieved by the Company:
 - (a) (*application milestone*): the filing of the LNMO cathode patent application, which application must be assessed as having a reasonable prospect of being granted, as determined by an independent analyst; and
 - (b) (*commercialisation milestone*): together:
 - (i) production of a prototype complying with IATA/UN4380 regulations for air freight transportation of lithium-ion batteries; and
 - (ii) the execution of a contract providing a guaranteed royalty or other income stream of not less than US\$500,000 per annum for a minimum of 3 years and subject to:
 - A. the value of the contract to the counter-party being based on the utility of the Company's technology derived from the IP Assets; and

- B. the amount invoiced under the first invoice delivered to the counter-party having been paid to the Company; or
- (iii) an equity investment in the Company or a related body corporate of the Company of not less than US\$5,000,000 by a strategic partner, subject to the investment being principally for the purpose of commercialisation of any of the IP Assets; or
- (iv) the sale of any or all of the IP Assets for not less than US\$7 million.

The Asset Sale Agreement otherwise contains clauses typical for agreements of this nature.