

Wuxi Baichuan Chemical Industry Co Ltd Completes Technical Due Diligence

MetalsTech Limited (**MTC** or the **Company**) provides the following update in respect of the \$1.8 million funding deal (**Investment**) with leading chemical producer Wuxi Baichuan Chemical Industry Co Ltd (**BCC**).

The Company is pleased to advise that BCC has completed and is satisfied with its technical due diligence and has improved its investment offer through a variation to the binding agreement as announced 26 October 2017. The amendment to the agreement is in line with terms of MTC's recent \$3 million funding deal with leading battery manufacturer Dynavolt Renewable Energy Technology Co Ltd (**Dynavolt**), see ASX announcement 6 December 2017.

Highlights

- BCC satisfied with technical due diligence investigations
- BCC investment terms improved through replacement of the previously guaranteed project-level option with a requirement that BCC increases its share ownership to >12.5% through on-market and off-market share acquisitions to earn:
 - 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
- Investment remains subject to completion of the transfer of certain project tenements into MTC subsidiaries with transfers already underway
- BCC afforded an extension of time to complete the Investment to within 20 business days of completion of the relevant tenement transfers
- MTC believes the outstanding tenement transfers will be complete before the end of this month
- MTC currently funded to commence further drilling at Cancet and Adina Lithium projects, with on-ground works commencing late January

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

"We are grateful for the hard work that Wuxi Baichuan has been applying towards facilitating what will be the first stage of a strategic relationship with our Company. The parties have agreed to amend the terms of the investment to provide incentives to Wuxi Baichuan for increasing its ownership position through on-market purchases in keeping with comparable incentives under our investment arrangement with Dynavolt. This as a win-win for all parties and we look forward to Wuxi Baichuan and Dynavolt supporting us in our development strategy."



Registered Office

Unit 1, 44 Denis Street
Subiaco WA 6008
T +61 408 408 878 T +61 415 493 993
E info@metals.tech

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



Outstanding Regulatory Approval

As a Chinese public company, BCC is required to secure regulatory approval in order to remit funds outside of China for investment purposes. To enable BCC to satisfy approval criteria, MTC is required to demonstrate sole legal and beneficial title for the majority of its core tenements. At present, there are a number of tenements that are in the process of being transferred into MTC subsidiaries pursuant to various acquisition agreements and third party 'staking' arrangements (**MERN Transfers**).

Whilst this is merely an administrative exercise, in order for BCC's regulatory approval process to be complete and for BCC to complete on the Investment, the MERN Transfers must be complete. The Company is working to accelerate this process and believes that based on consultation with Quebec Government, the outstanding MERN Transfers will be complete by the end of December 2017.

The Company notes that BCC has stated that it has completed and is satisfied with technical due diligence in respect of MTC and its projects, and is only waiting on confirmation of the MERN Transfers to satisfy its financial and legal due diligence.

For these reasons, BCC has requested and MTC has agreed to extend the payment date under the Investment to within 20 business days of completion of the MERN Transfers.

Revised Investment Terms

The following is a summary of the material changes to the investment terms as announced 26 October 2017:

Conditions Precedent	BCC has completed and is satisfied with technical due diligence.
	If the Subscription Conditions Precedent are not satisfied (or waived) by the earlier of twenty (20) business days from the completion of the MERN Transfers and 31 January 2017, then either party may terminate.
Project-level Option	If BCC 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, BCC will have three months to acquire a similar interest (up to a maximum of 10% interest) on the same terms.
Placement Protection	If BCC increases its position above 12.5% and MTC conducts a capital raising within 12 months, BCC will be entitled to participate so as to maintain its percentage ownership in MTC





Exploration at Cancet and Adina Lithium Projects

The delay in receipt of funds under the Investment will not affect the Company's exploration schedule at the Cancet and Adina Lithium Projects, as the Company has sufficient working capital having completed a \$750k raise in October and \$1.8m in December in addition to retained capital, with drill program works planned to commence January 2018.

At this stage, the Company is not aware of any delay's to Dynavolt's due diligence investigations and regulatory processing and therefore expect that transaction to complete before 15 January 2018.

ENDS

For further information, contact:

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

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

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

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.

