

ASX Release

28 April 2017

**ULTRACHARGE LIMITED**  
**ACN 140 316 463**

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**Directors**

Mr Kobi Ben-Shabat  
Mr Doron Nevo  
Mr Yuri Nehushtan  
Mr John Paitaridis  
Mr David Wheeler

**ASX Code:**  
UTR

**Shares:**  
334,516,965

**Escrow Shares:**  
286,001,156

**Options (various):**  
82,000,000

**Performance Rights:**  
60,000,000

## March 2017 Quarterly Report

- End-user discussions underway on Ultracharge's nanotube technology
- Agreement signed with Swiss battery storage supplier Leclanche SA to undertake pilot project on the Electrical Vehicle (EV) market.
- Successfully completed selective reduction of 17.2% of the Company's ordinary capital through the cancellation of 129.2 million shares. The shares were 40% of the consideration shares issued to certain vendors and advisors as part of the Ultracharge acquisition.

UltraCharge Limited (ASX: UTR, Ultracharge or the Company) is pleased to provide an operational update to accompany its Appendix 4C, released today, for the 3-month period to the 31 March 2017.

### Corporate

UltraCharge made significant operational achievements this quarter, including delivering positive R&D and scale up results with its Lithium battery anode technology that has led into signing the first Memorandum of Understanding (MoU) with Swiss battery storage supplier Leclanche SA.

The Company announced a strategy on 22 February to undertake the cancellation of 129.2 million shares which were issued to 14 select vendors and advisors as part of the UltraCharge acquisition. The shares represent 40% of each shareholder's holding, and 17.2% of the Company's issued capital.

UltraCharge was the first Company that was suspended under the new ASX listing rules introduced in May 2016. As a result, the transaction was unable to trade post announcement of the Ultracharge acquisition, and as such did not receive the benefit of price discovery for the transaction. The reduction in capital seeks to address this imbalance.

After quarter end, the strategy was implemented and passed at a Special Meeting on the 10 April 2017.

### Operational

#### End User discussions underway

UltraCharge made considerable progress with the technology central to its world-class nanotube anode. The Company acquired the exclusive rights to the patented titanium dioxide anode technology, which can potentially replace graphite anodes in lithium batteries, producing a safer, longer lifetime and faster charging battery.

The Company was able to successfully reproduce the titanium dioxide nanotubes in its pilot research facility, and is seeking to further optimize production processes to ensure it meets end user requirements. UltraCharge announced it had received considerable interest from potential end users, and was in discussions with these companies over production of its titanium dioxide nanotube technology.

## Memorandum of Understanding (MoU) with Leclanche SA

UltraCharge announced a MoU with Leclanche SA (Leclanche) to collaborate on a pilot project to test and evaluate the Company's titanium dioxide nanotube technology. Leclanche is one of the world's leading fully integrated battery storage solution providers. UltraCharge will collaborate with Leclanche to ultimately seek cost competitive and large scale manufacturing of a high-cycling, fast-charging and high energy density battery for the electric vehicle market. This market for electric buses alone, is said to grow to US\$30 billion by 2026 (IDTechEx Research).

## Outlook

Since listing on the ASX last quarter, UltraCharge has made significant progress in-line with its business strategy, with key achievements to date including the acquisition of exclusive rights to patented world class nanotube technology for lithium batteries; optimizing and upscaling the technology to meet end user requirements; agreements in place with Swiss battery energy storage supplier Leclanche SA; and further discussions with global end user companies.

The Company expects that with the strategic changes announced and its pipeline of business activities planned, which will generate subsequent significant news flow.

*Kobi Ben-Shabat, CEO said "I am pleased at the Company's operational performance and confident that our technology is world class and in high demand. As one of the shareholder's that agreed to the cancellation of shares, I am also very pleased that we proactively took this strategic action to create better value for all shareholders. I also believe our strong research capacity which has allowed us to deliver promising results with the production and optimization of our patented titanium dioxide nanotube technology for lithium batteries, will ensure Ultracharge maintains a leader in innovative battery technology. Our next steps will be to expand and improve our manufacturing capability and further progress our end user discussions. I look forward to updating the market on these activities and anticipate exciting news flow to come".*

**Kobi Ben-Shabat**  
**Chief Executive Officer**

**About UltraCharge Limited** ([www.ultra-charge.net](http://www.ultra-charge.net))

UltraCharge is a battery technology company based in Israel which has acquired exclusive rights to patented technology from the Nanyang Technology 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

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

UltraCharge Limited (formerly Lithex Resources Ltd)

**ABN**

97 140 316 463

**Quarter ended ("current quarter")**

31 March 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$US'000</b>	<b>Year to date (9 months) \$US'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(126)	(746)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(7)	(24)
(d) leased assets	-	-
(e) staff costs	(187)	(396)
(f) administration and corporate costs	(124)	(642)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	5
1.5 Interest and other costs of finance paid	-	(3)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	(2)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(440)</b>	<b>(1,808)</b>

On 2 December 2016, UTR completed the acquisition of UltraCharge Ltd (UltraCharge), an Israeli technology based company by issuing 485,900,000 shares and 57,500,000 performance rights in UTR. In accordance with the Accounting Standards the acquisition of Ultracharge has been accounted for as a reverse acquisition transaction under the guidelines and principles of AASB 2 Share Based Payments. As a result, the statement of cash flows comprises the cash transactions for Ultracharge (and its group entities) for the full period and the cash transactions of UTR from the date of acquisition being 2 December 2016 to the period ended 31 March 2017.

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(33)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	95
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	Proceeds from acquisition of Lithex Resources Limited (the deemed acquiree for accounting purposes)	-	1,163
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>1,225</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	3,232
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(145)	(436)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(145)</b>	<b>2,796</b>

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	3,057	278
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(440)	(1,808)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	1,225
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(145)	2,796
4.5	Effect of movement in exchange rates on cash held	165	146
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>2,637</b>	<b>2,637</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	2,637	3,057
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,637</b>	<b>3,057</b>

6.	Payments to directors of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to these parties included in item 1.2	47
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$US'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	\$US'000
9.1 Research and development	311
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	57
9.4 Leased assets	-
9.5 Staff costs	220
9.6 Administration and corporate costs	143
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>731</b>

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  .....  
(Company secretary)

Date: 28 April 2017 .....

Print name: Peter Webse .....

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.