

Dynavolt Renewable Energy Technology Co Ltd Defaults on Strategic Investment

MetalsTech Limited (**MTC** or the **Company**) provides the following update regarding the proposed investment by Shenzhen-listed Dynavolt Renewable Energy Technology Co Ltd (**Dynavolt**).

Highlights

- Dynavolt fails to fulfil its obligations under the legally Binding Terms Sheet by 31 January 2018 (*refer ASX Release dated 6 December 2017 and 15 January 2018*)
- MTC received a Termination Letter from Dynavolt on 1 February 2018 stating “*Dynavolt is not satisfied with the outcome of the due diligence on the Company and is of the view that the subscription proposed under the Terms Sheet will not be in conformity with the development strategy of Dynavolt*”
- For clarification, the Binding Terms Sheet with Dynavolt was subject to legal, financial, title and regulatory due diligence on the Company and the Projects. MTC and its advisors have not received a clear answer from Dynavolt as to what specific due diligence matters under the Binding Terms Sheet (legal, financial, title, regulatory) have not been satisfied and no indication of outstanding issues had been raised prior to receipt of the Termination Letter which was only provided upon demand by MTC
- MTC is seeking advice as to whether Dynavolt has acted unlawfully, however as it is possible that Dynavolt’s purported termination has been influenced by an adverse change in its own financial and corporate circumstances, from a practical standpoint Dynavolt may not be capable of completing
- While Dynavolt’s default is disappointing, MTC is fully funded for its exploration plans including at the Adina Lithium Project where an approximate 250m x 2km outcropping geological structure with high grade lithium mineralisation at surface will be targeted with mobilisation of a 2,000m diamond core drill program scheduled for 14 February 2018
- Downhole Optical and Acoustic Televiwer survey (OTV-ATV) to commence at Cancet in early March as precursor to recommencement of drilling at the shallow high grade lithium deposit
- Strategic \$1.8m funding deal with Wuxi Baichuan Chemical Industrial Co (**BCC**) progressing well with the Government Regulatory Approval Process (China) underway following satisfaction of technical due diligence and completion of the MERN Transfers – for clarity, the End Date under the relevant BCC agreement is defined as “*19 February 2018 or such later date as determined by the Company at its sole discretion, provided such date is not later than 15 March 2018*”



Registered Office

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

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-Lacourciere	100% owned
Kapiwak	100% owned
Sirmac-Clapier	100% owned
Bay Lake	100% owned



- MTC's strategy remains unchanged and discussions with other potential strategic partners continue, with the Directors hosting a strategic investor site visit in late February at its lithium and cobalt projects in Quebec and Ontario respectively
- MTC has \$2.1m cash at bank (as at 31 December 2017) and 95,445,404 shares on issue

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.ryan@nwrcommunications.com.au

Caution Regarding Forward-Looking Information

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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.

