

iCobalt Spinout and Priority Offer to MetalsTech Shareholders

MetalsTech (MTC or the Company) is pleased to provide shareholders with the following update on the proposed listing of its subsidiary iCobalt Limited (iCobalt) via a \$4.5m Initial Public Offer, with a Priority Offer to eligible MTC shareholders.

Subject to MTC obtaining shareholder approval, pursuant to ASX Listing Rule 11.4.1(b), for the disposal of the Bay Lake High Grade Cobalt Project (held by MTC's wholly-owned subsidiary, MetalsTech Bay Lake Cobalt Inc.), iCobalt will seek admission to the Official List of the ASX pursuant an Initial Public Offer (Spinout).

iCobalt will accelerate the exploration activity on the 100%-owned Bay Lake High Grade Cobalt Project and proceed with the finalisation of legal and technical due diligence to acquire 100% of the Rusty Lake Silver-Cobalt-Nickel Mine, both located in Ontario, Canada.

Highlights

- Alto Capital appointed Lead Manager to the Spinout which is expected to occur during April 2018 under the ticker code **ASX:1CO**
- Mr David Riekie appointed as Managing Director of iCobalt having previously held positions as former Managing Director of Avonlea Minerals Limited (now AVZ Minerals Limited (ASX: AVZ)) and previous General Manager – Corporate of Battery Minerals Limited (ASX: BAT)
- Mr Russell Moran and Mr Gino D'Anna appointed as Non-Executive Directors of iCobalt
- Dr Qingtao Zeng (PhD Geology) appointed as Non-Executive Director of iCobalt bringing a deep understanding and network of China's battery minerals sector
- MTC to be issued 15 million fully paid ordinary shares and 10 million performance rights in iCobalt
- Priority Offer under the Spinout will entitle MTC shareholders holding a minimum of 20,000 MTC shares, a pro rata entitlement on a 1 for 5 basis as at the Record Date (**Qualifying Priority Holder**), a guaranteed right to subscribe for a minimum of 10,000 iCobalt shares at \$0.20 per share (**Minimum Allocation**) and scope to subscribe for additional shares (subject to **Maximum Allocation** of 250,000 iCobalt shares at \$0.20 per share i.e. \$50,000). The Priority Offer is not strictly a pro-rata entitlement for all MTC shareholders to participate in the Public Offer
- **Record Date** for the Priority Offer will be announced shortly, however will be a date not earlier than 5 January 2018, to allow MTC shareholders the opportunity to qualify for the Priority Offer.



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Board of Directors

Executive Chairman - Russell Moran
Executive Director - Gino D'Anna
Non-Executive Director - Shane Uren
Non-Executive Director - Michael Vellella

Projects

Cancel	100% owned
Adina	100% owned
Terre Des Montagnes	100% owned
Wells-Lacouciere	100% owned
Kapiwak	100% owned
Sirmac-Clapier	100% owned
Bay Lake	100% owned



Commenting on the iCobalt listing, Managing Director of iCobalt, Mr David Riekie stated:

"I would like to thank MetalsTech for the opportunity to lead this exciting venture. The price of cobalt continues to surge to a spot price now approaching US\$75,000 per tonne. This reinforces the future strength of demand for this vital metal. Ontario, Canada is becoming a recognised area for high grade cobalt. iCobalt has already built a strong position with the proposed acquisition and expansion of the Bay Lake project, boasting in-vein assays of over 15% Co together with over 2% Co in surface dumps and the historically producing Rusty Lake Silver Cobalt Mine under option, which exhibits outstanding prospectivity with grades of up to 11.85% Co, 8.64% Ni and >10,000g/t Ag within the existing mine area. I look forward to delivering on our expectations and strategy – a world class primary cobalt project in a tier-one jurisdiction."

iCobalt Strategy

iCobalt will seek to unlock the exploration potential at two high grade Cobalt projects, Bay Lake and Rusty Lake (subject to exercise of its option), both located in Ontario, Canada.

Bay Lake

Refer to ASX Announcement dated 17 August 2017 titled "*High Grade Cobalt Results at Bay Lake Project, Ontario*".

- Bay Lake is located 10km SSW of the Historic Cobalt Mining Camp of Cobalt Township and has assayed up to 15.36% Co in cobalt-rich veins (*refer to ASX announcement dated 16 March 2017 and titled "MetalsTech to Acquire Two High Grade Cobalt Projects"*)
- 1.17% Co and 7.7g/t Ag recovered from a surface "dump" pile at the Van Chester (Last Chance) Prospect
- 0.40% Co recovered at the historic Price Prospect exploration pit where historic sampling of a surface "dump" pile returned 2.14% Co, 0.11% Cu, 0.48 g/t Au and 1,740 g/t Ag (*refer to ASX announcement dated 16 May 2017 and titled "MetalsTech Expands High Grade Bay Lake Cobalt Project"*)
- 0.61% Co, 0.34% Co and 0.15% Co were recovered surrounding the historic Bay Lake exploration shaft where in-vein sampling of the cobaltite vein below ground assayed 15.36% Co (*refer to ASX announcement dated 16 March 2017 and titled "MetalsTech to Acquire Two High Grade Cobalt Projects"*)
- 3.45g/t Au and 44.5g/t Ag also recovered around the Bay Lake exploration shaft and pit suggesting potential for Co-Ag-Au in the area
- A previously un-reported zone of mineralisation at a historic pit located approximately 900m NE of the Bay Lake Prospect exploration shaft has assayed 0.30% Co and 16.4g/t Ag

Pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 17 August 2017.





Rusty Lake Silver-Cobalt-Nickel Mine (Under Option)

Refer to ASX Announcement dated 23 November 2017 titled “*Acquisition of High Grade Rusty Lake Cobalt-Silver Mine*”.

- Option to acquire 100% interest in 52 mining claims for 816 hectares including the historical silver and cobalt producing Rusty Lake Mine which operated between 1910-1913, 1936-1938 and 1964-1966
- 540 hectares of the project area covers the Nipissing Diabase which is the target geological structure for high grade cobalt, silver and nickel within the area
- Excellent infrastructure associated with historical mining and located 15km south of the town of Gowganda, Ontario with all-weather road access
- Recent surface sampling at the Rusty Lake Mine yielded the following assays:
 - 4.38% Co, 85.7g/t, Ag, 2.08% Ni (stockpile off main mine shaft)
 - 6.08% Co, 3540g/t Ag, 8.64% Ni (stockpile off main mine shaft)
 - 3.26% Co, 478g/t Ag, 1.31% Ni (stockpile off main mine shaft)
 - 6.04% Co, 38.9g/t Ag, 1.6% Ni (stockpile off main mine shaft)
 - 11.85% Co, >10,000g/t Ag, 2.97% Ni (angular boulder)
 - 9.92% Co, >10,000g/t Ag, 3.93% Ni (angular boulder)
 - 6.33% Co, 69.1g/t Ag, 4.79% Ni (stockpile grab coarse)
 - 3.8% Co, 34.8g/t Ag, 3.93% Ni (stockpile grab coarse)
 - 5.08% Co, 19.4g/t Ag, 0.44% Ni (angular boulder)
 - 5.65% Co, 44.4g/t Ag, 0.48% Ni (angular boulder)
 - 1.47% Co, 30.9g/t Ag, 3.52% Ni (NE trench)

Pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 23 November 2017.

Priority Offer to MetalsTech Shareholders

Subject to MTC obtaining shareholder approval for the disposal of the Bay Lake High Grade Cobalt Project (held by MTC’s wholly-owned subsidiary, MetalsTech Bay Lake Cobalt Inc.), iCobalt will seek admission to the official list of ASX pursuant to an Initial Public Offer.

Pursuant to the terms to be contained in the offer within the iCobalt prospectus, iCobalt will offer MTC shareholders the right to participate in a Priority Offer as part of iCobalt’s Initial Public Offer. The Priority Offer is not strictly a pro-rata entitlement for all MTC shareholders to participate in the Public Offer.

MTC shareholders holding a minimum of 20,000 MTC shares as at the Record Date (**Qualifying Priority Holders**) will be offered a pro rata entitlement on a 1 for 5 basis as at the Record Date, with the





opportunity to subscribe for a guaranteed minimum of 10,000 iCobalt shares at \$0.20 per share (**Minimum Allocation**) and scope to subscribe for additional iCobalt shares. The terms under the Priority Offer are such that there will be a **Maximum Allocation** of 250,000 iCobalt shares at \$0.20 per share (or \$50,000).

Example:

<u>MTC Shares Held at Record Date</u>	<u>Share Allocation Under iCobalt Priority Offer</u>
0 - 19,999	Nil
20,000 - 50,000	10,000
50,001 - 1,250,000	1 for 5 basis
> 1,250,000	250,000

The **Record Date** for the Priority Offer will be announced shortly, which will be a date set in the near future, so as to allow MTC shareholders the opportunity to qualify with a **Minimum Allocation** under the Priority Offer. The Record Date will be a date not earlier than 5 January 2018.

MetalsTech will not in-specie its interest in iCobalt to MTC shareholders initially, however it may do so at a later date subsequent to the listing of iCobalt and subject to any regulatory approvals required.

Indicative iCobalt Capital Structure

iCobalt plans to issue a prospectus for the purposes of raising a minimum of \$4.5 million with the capacity to accept oversubscriptions of a further \$500,000 at the discretion of the directors of iCobalt. Included within the prospectus, will be the Priority Offer to MTC shareholders who qualify as priority holders.

An indicative share structure for iCobalt on completion of a minimum \$4.5 million capital raising is presented below:

	Shares	Consideration	Initial Ownership
MetalsTech#	15,000,001	-	33%
Rusty Lake Vendors	3,000,000	-	7%
Seed	3,500,000	\$350,000	8%
Priority Offer MetalsTech Shareholders on 1 for 5 basis	10,000,000	\$2,000,000	22%
Initial Public Offer	12,500,000	\$2,500,000	27%
Lead Manager Shares	1,500,000	-	3%
Totals	45,500,001	\$4,850,000	100%

Implied Undiluted Market Capitalisation at 20 cents per share is \$9.1 million





It is proposed that MetalsTech will also be issued with 10,000,000 performance rights which will convert to fully paid ordinary shares on a one for one basis, subject to certain performance milestones.

An indicative capital structure on a fully diluted basis is illustrated below:

	Shares	Consideration	Fully Diluted Ownership
MetalsTech (upfront)	15,000,001	-	34.6%
MetalsTech (from performance rights)	10,000,000	-	
Rusty Lake Vendors	3,000,000	-	4.2%
Seed	3,500,000	\$350,000	4.8%
Other Public and Priority Shares	22,500,000	\$4,500,000	31.1%
Lead Manager Shares (upfront)	1,500,000	-	2.1%
Lead Manager Shares (from performance options)	1,000,000	\$250,000	1.4%
Broker Shares (from exercise)	1,500,000	\$375,000	2.1%
Managing Director Shares (from performance rights)	2,625,000	-	3.6%
Executive Management Shares (from performance rights)	2,625,000	-	3.6%
NED Shares (from performance options)	9,000,000	\$2,250,000	12.5%
Totals	72,250,001	\$7,725,000	100%

Note: The fully diluted capital structure assumes that all MTC performance rights, Managing Director performance rights, Executive Management performance rights, Non-Executive Director performance options, Lead Manager performance options and broker options have vested and have been converted into fully paid ordinary shares.

Details relating to the proposed MTC performance rights, Managing Director’s terms, Lead Manager shares, broker options, executive and non-executive performance options are set out in Appendix 1.

The proposed terms of the performance rights and options remain subject to ASX approval.

Board Appointments

Mr Riekie has 30 years’ global corporate experience with a focus on natural resource development. He was formerly Managing Director of Avonlea Minerals Limited (now AVZ Minerals ASX: AVZ) and former General Manager – Corporate of Battery Minerals Limited (ASX: BAT). Details relating the Managing Director terms and performance incentives are detailed in Appendix 1.

Mr Russell Moran and Mr Gino D’Anna have been appointed as Non-Executive Directors of iCobalt.

Dr Qingtao Zeng (PhD Geology) has been appointed as a Non-Executive Director of iCobalt bringing a deep understanding and network within China’s lithium battery and battery minerals sector. Dr Zeng has a PhD in Geology from the University of Western Australia and is a key member of the Chinese Academy of Geosciences. Dr Zeng has been involved in the successful development of several exploration projects and possesses significant experience in the exploration of lithium, cobalt and gold.





Timing and waivers

iCobalt Limited is expected to list during April 2018 under ticker code **ASX:1CO**.

The disposal of MTC's cobalt assets to iCobalt is subject to approval by MTC shareholders at a general meeting, expected to be convened in early February 2018.

ENDS

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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.





Appendix 1:

MetalsTech (Vendor) Performance Rights

MetalsTech will be able to increase its share position in iCobalt by up to a further 10,000,000 shares subject to performance and achievement of certain milestones. The terms of the MTC Performance Rights are subject to shareholder approval.

- 2,000,000 Performance Rights will each convert into one (1) iCobalt share on delivery of JORC Compliant Resource of >3Mt @ 0.5% Co Equivalent
- 2,000,000 Performance Rights will each convert into one (1) iCobalt share on achievement of a share price 20 day Volume Weighted Average Price (**VWAP**) >\$0.45 and approval for and commencement of a maiden drilling campaign on either of the Bay Lake or Rusty Lake cobalt projects within 3 years of listing
- 2,000,000 Performance Rights will each convert into one (1) iCobalt share on achievement of a share price 20 day VWAP >\$0.60 and approval for and commencement of a maiden drilling campaign on either of the Bay Lake or Rusty Lake cobalt projects within 3 years of listing
- 2,000,000 Performance Rights will each convert into one (1) iCobalt share on delivery of a robust Pre-Feasibility Study
- 2,000,000 Performance Rights will each convert into one (1) iCobalt share on delivery of offtake or major financing.

Each Performance Right, once the performance hurdle has been satisfied, will convert into one fully paid ordinary share.

Managing Director Appointment

Mr David Riekie has been appointed Managing Director of iCobalt on the following terms:

Term:	2 years
Base Salary:	\$22,000 per month + GST
Termination:	6 months' notice
Performance Rights:	500,000 Performance Rights on a JORC Compliant Resource of >3Mt @ 0.5% Co Equivalent

500,000 Performance Rights will each convert into one (1) iCobalt share on achievement of a share price 20 day VWAP >\$0.45 and approval for commencement of a maiden drilling campaign on either of the Bay Lake and or Rusty Lake cobalt projects within 3 years of listing

625,000 Performance Rights will each convert into one (1) iCobalt share on achievement of a share price 20 day VWAP >\$0.60 and approval for commencement of a maiden drilling campaign on either of the Bay Lake and / or Rusty Lake cobalt projects within 3 years of listing





500,000 Performance Rights will each convert into one (1) iCobalt share on delivery of a robust Pre-Feasibility Study within 5 years of listing
500,000 Performance Rights will each convert into one (1) iCobalt share on delivery of offtake or major financing within 5 years of listing

Other: Executive services agreement contains terms that are otherwise standard

Mr Riekie has 30 years' global corporate experience with a focus on natural resource development. He was formerly Managing Director of Avonlea Minerals Limited (now AVZ Minerals ASX: AVZ) and former General Manager – Corporate of Battery Minerals Limited (ASX: BAT).

Executive Management Performance Rights Pool

The executive management of iCobalt (including the Managing Director) will be eligible to participate in the Performance Rights Pool with each right converting to an ordinary fully paid share on performance of certain milestones, on the basis of one Performance Right will convert into one fully paid ordinary share. The terms of the Executive Management Performance Rights are subject to shareholder approval.

- 1,000,000 Performance Rights will each convert into one (1) iCobalt share on delivery of JORC Compliant Resource of >3Mt @ 0.5% Co Equivalent
- 1,000,000 Performance Rights will each convert into one (1) iCobalt share on achievement of a share price 20 day VWAP >\$0.45 and approval for and commencement of a maiden drilling campaign on either of the Bay Lake or Rusty Lake cobalt projects within 3 years of listing
- 1,250,000 Performance Rights will each convert into one (1) iCobalt share on achievement of a share price 20 day VWAP >\$0.60 and approval for and commencement of a maiden drilling campaign on either of the Bay Lake or Rusty Lake cobalt projects within 3 years of listing
- 1,000,000 Performance Rights will each convert into one (1) iCobalt share on delivery of a robust Pre-Feasibility Study PFS within 5 years of listing
- 1,000,000 Performance Rights will each convert into one (1) iCobalt share on delivery of offtake or major financing within 5 years of listing

The above Performance Rights will be split as follows:

- Mr Riekie, pursuant to his Executive Service Agreement and Managing Director contract will be issued with 2,625,000 Performance Rights; and
- An unallocated pool of 2,625,000 will remain “unissued” but available for the attraction and retention of other executive management and executive directors. This will allow iCobalt to attract the right candidates and ensure they are aligned to the best interests of iCobalt shareholders.





Non-Executive Director Board Performance Options

The non-executive board consisting of Mr Moran, Mr D'Anna and Dr Zeng will be issued with the following performance options with a four (4) year term and \$0.25 exercise price with vesting conditions as follows:

- 2,250,000 options on completion of the iCobalt ASX listing
- 2,250,000 options on iCobalt 20 day VWAP > \$0.30 within 3 years of listing
- 2,250,000 options on iCobalt 20 day VWAP > \$0.45 within 3 years of listing
- 2,250,000 options on iCobalt 20 day VWAP > \$0.60 within 3 years of listing

The above Performance Options will be split as follows:

- Pursuant to a letter of appointment as a non-executive director and service agreement, Mr Moran will be issued with 4,000,000 Performance Options;
- Pursuant to a letter of appointment as a non-executive director and service agreement, Mr D'Anna will be issued with 4,000,000 Performance Options; and
- Pursuant to a letter of appointment as a non-executive director and service agreement, Dr Zeng will be issued with 1,000,000 Performance Options.

Lead Manager Performance Options

Alto Capital, as Lead Manager, will be issued with the following performance options with a four (4) year term and \$0.25 exercise price with vesting conditions as follows:

- 1,000,000 options on iCobalt 20 day VWAP > \$0.30 within 3 years of listing

Broker Options Pool

Pursuant to the Prospectus, iCobalt may elect to issue up to 1,500,000 unlisted options to brokers and advisors that participate in the IPO of iCobalt. Each broker option will have a four (4) year term and \$0.25 exercise price. iCobalt reserves the right to not issue any broker options in the event that it is deemed unnecessary.

