

ASX Release  
17 March 2021

## METALSTECH TO SPINOUT HIGH GRADE LITHIUM ASSETS

### Highlights

- MTC announces **structured spinout** for its portfolio of lithium assets (Cancet, Adina and Sirmac-Clapier Projects) into a focused new venture after appointing Chris Evans “*Executive – Lithium Operations*” to facilitate commercialisation strategy
- As part of the spin out, MTC will receive 22 million Vendor Shares, which upon completion of the ASX listing, will be distributed to **MTC shareholders as an In-specie Distribution pro rata with their respective MTC shareholding**
- MTC shareholders will also be offered a **\$2 million priority participation offer** in the ASX listing
- MTC has completed a total of 59 drill holes for 5,216 m of diamond drilling at Cancet with significant intersections encountered included MTC 17-015 which intersected **3.71% Li<sub>2</sub>O and 301 ppm Ta<sub>2</sub>O<sub>5</sub> over 18.00m**, including 4.10% Li<sub>2</sub>O and 114 ppm Ta<sub>2</sub>O<sub>5</sub> over 5.0m and drill hole MTC 17-021 which intersected **2.24% Li<sub>2</sub>O and 310 ppm Ta<sub>2</sub>O<sub>5</sub> over 21.46m**, including 3.50% Li<sub>2</sub>O and 746 ppm Ta<sub>2</sub>O<sub>5</sub> over 8.46m (refer to ASX Announcement dated 9 July 2019 for additional details)
- Drilling at the Company’s 1Moz+ Sturec Gold Mine in Slovakia progressing well, with **UGA-14 now complete and UGA-15 underway** – assays expected within the next few days

**Commenting on the proposed spinout, MetalsTech Chairman, Russell Moran stated:**

“Although we are firmly focused on developing our flagship 1Moz+ Sturec gold mine, our portfolio of high grade lithium assets are valuable. A spinout of the lithium assets into a separate listing provides a non-dilutive and ‘off balance sheet’ solution for accelerated development in what is now a booming battery metals sector. Furthermore, those that hold MTC shares will have a priority right to participate in the listing of the new venture and will be rewarded with a significant free stake in the new venture by way of an In-specie Distribution.

*Note: This announcement is authorised by the executive board on behalf of the Company.*

MetalsTech Limited (ASX: MTC) (MTC or the Company) is pleased to provide stakeholders with details of a proposed spinout of the Company's high grade lithium assets in Quebec, Canada.

The Company's flagship **Cancet Lithium Project** hosts a **JORC Exploration Target# of 15-25Mt @ 1-2% Li<sub>2</sub>O + 100-250ppm Ta<sub>2</sub>O<sub>5</sub>** at 100% owned Cancet Lithium Project (refer to ASX announcement dated 9 November 2017 and titled "Significant Exploration Target at the Cancet Lithium Project")

*# The Company notes that this Exploration Target is reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves (2012 Edition). The potential quantity and grade of this Exploration Target is therefore conceptual in nature. There has been insufficient work to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

### Spinout

The Company is seeking to undertake the spinout via the incorporation of a new company (**Newco**), which will be a wholly owned Australian subsidiary of the Company.

The Spin-out is proposed to comprise the following steps.

1. Newco will be incorporated with 1 share on issue (**Existing Newco Share**). The Existing Newco Share will be owned by MTC. Newco will therefore be a wholly owned child entity of MTC.
2. Newco will enter into a Share Sale Agreement with MTC, pursuant to which MTC will agree to sell and Newco will agree to purchase 100% of the shares that MTC holds in its wholly owned subsidiaries (the **Share Sale Agreement**) which hold the Cancet Lithium Project, the Adina Lithium Project and the Sirmac-Clapier Lithium Project, specifically, MetalsTech Cancet Lithium Inc., MetalsTech Adina Lithium Inc. and MetalsTech Sirmac-Clapier Lithium Inc. (the **Subsidiary Shares**). It is submitted that this disposal by the Company will be an exception to Listing Rule 10.1 pursuant to Listing Rule 10.3(a). In consideration for the acquisition of the Subsidiary Shares, Newco will issue 22,000,000 fully paid ordinary shares (**MTC Vendor Shares**) which will initially be held by MTC. The Share Sale Agreement will be conditional upon MTC and Newco each obtaining any relevant shareholder and regulatory approvals.
3. MTC will seek shareholder approval for the proposed Spin-out.
4. Following receipt of MTC shareholder approval, Newco will issue the MTC Vendor Shares which will be initially held by MTC.
5. Upon completion of the Share Sale Agreement and following the issue of the MTC Vendor Shares, MTC will arrange for the Subsidiary Shares to be transferred to Newco.
6. Following completion under the Share Sale Agreement with MTC, and the issue of the MTC Vendor Shares, Newco will raise seed capital to fund the pre-IPO expenses. For the avoidance of doubt, the seed capital will be raised directly by Newco, but will not occur until after the Company has received shareholder approval for to the proposed Spin-out and In-Specie Distribution (defined below).

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7. The Company will distribute and transfer the MTC Vendor Shares in-specie to MTC's shareholders on a pro-rata basis (**In-specie Distribution**). The proposed In-specie Distribution will be effected by an equal reduction of MetalsTech's capital on a pro rata basis, that will be subject to shareholder approval at a general meeting of MetalsTech shareholders.
8. In conjunction with the Spin-out, Newco will undertake an initial public offer of its securities (**IPO**) (which will include a priority offer to existing shareholders of MTC) to facilitate an application by Newco for admission to the Official List of ASX (**Listing**). At present, it is expected that:
  - a. Newco will seek to raise a minimum of \$5,000,000 (**Minimum Subscription**) and a maximum of \$8,000,000 (**Maximum Subscription**) with the ability to accept a further \$2,000,000 in oversubscriptions under the IPO (by the issue of fully paid ordinary shares at an issue price of \$0.20 each); and
  - b. of the funds to be raised under the IPO, \$2,000,000 will constitute a priority offer to MTC shareholders.

The In-specie Distribution is conditional upon the Listing and will complete on or about the date of issue of shares under the IPO.

### Indicative Capital Structure

The indicative capital structure of Newco (based on the Minimum Subscription and Maximum Subscription) is outlined below.

### Minimum Subscription

	Number of Shares (Minimum)	Price	Funds Raised	%
Shares issued to MetalsTech on Vend	22,000,000	\$ 0.001	-	43.56%
Shares issued to Seed Capital Holders	3,500,000	\$ 0.10	\$ 350,000	6.93%
IPO Capital Raising	25,000,000	\$ 0.20	\$ 5,000,000	49.50%
<b>Total Shares</b>	<b>50,500,000</b>		<b>\$ 5,350,000</b>	<b>100.00%</b>
<b>Market Capitalisation at \$0.20</b>	<b>\$ 10,100,000</b>			
<b>Enterprise Valuation at \$0.20</b>	<b>\$ 5,100,000</b>			

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## Maximum Subscription

	Number of Shares (Maximum)	Price	Funds Raised	%
Shares issued to Vendors	22,000,000	\$ 0.001	-	33.59%
Shares issued to Seed Capital Holders	3,500,000	\$ 0.10	\$ 350,000	5.34%
IPO Capital Raising	40,000,000	\$ 0.20	\$ 8,000,000	61.07%
<b>Total Shares</b>	<b>65,500,000</b>		<b>\$ 8,350,000</b>	<b>100.00%</b>
<b>Market Capitalisation at \$0.20</b>	<b>\$ 13,100,000</b>			
<b>Enterprise Valuation at \$0.20</b>	<b>\$ 5,100,000</b>			

## Key Appointment - Chris Evans

The Company recently announced that it appointed lithium industry veteran Chris Evans as “Executive – Lithium Operations”, initially on a consultancy basis, to help drive the Company’s lithium strategy with a view to expanding the role with Newco under the spinout.

Mr Evans is an experienced project delivery and operational management expert who as Chief Operating Officer, was responsible for building and bringing into operation the Pilgangoora lithium mine and processing facility which was recently acquired by Pilbara Minerals (ASX:PLS) in a deal valued at more than \$200 million. In this role and in his subsequent role as Managing Director of an ASX Listed lithium developer, Mr Evans was also involved in establishing and maintaining key relationships with project finance and off-take partners.

Mr Evans has a Civil Engineering background with close to 20 years demonstrated success in managing large scale construction and mining development projects and operations across various commodities.

Mr Evans holds a Master of Engineering Science, Construction Management, (University of New South Wales), a Bachelor of Engineering (Hons), Civil (University of New South Wales), and is a Graduate of the Australian Institute of Company Directors.

**ENDS**

For further information on the Company’s Quebec Lithium assets, please contact:

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*Note: This announcement is authorised by the executive board on behalf of the Company.*

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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.

### Competent Person Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Dr. Qingtao Zeng Ph.D (Geology). Dr Zeng is the technical director of MetalsTech Limited and is a member of the Australasian Institute of Mining and Metallurgy. Dr. Zeng has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr. Zeng consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Dr Zeng confirms that the information contained within this announcement is an accurate representation of the available data and studies for the Sturec Gold Project.

### ASX Listing Rules Compliance

In preparing this announcement dated 17 March 2021, the Company has relied on the announcements previously made by the Company and disclosed below. The Company confirms that it is not aware of any new information or data that materially affects those announcements previously made, or that would materially affect the Company from relying on those announcements for the purpose of this announcement dated 17 March 2021.

#### Cancel Lithium Project

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 2 March 2017, 4 May 2017, 23 May 2017, 30 June 2017, 18 July 2017, 30 August 2017, 9 November 2017, 14 November 2017, 19 December 2017 and 9 July 2019.

#### Adina Lithium Project

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 19 February 2018 and 14 May 2018.

#### Sirmac-Clapier Lithium Project

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 February 2017.

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