



13 May 2016

## **LTX TO ACQUIRE NEW GENERATION LEADING EDGE LITHIUM-ION BATTERY TECHNOLOGY**

- **LTX enters into a Heads of Agreement to acquire 100% of the issued capital of Voltape Ltd (to be renamed and operate under the name “UltraCharge”).**
- **UltraCharge in partnership with Nanyang Technological University (NTU) is developing faster, safer and more sustainable battery technologies.**
- **It has developed a breakthrough in lithium-ion battery technology presenting significant game-changing advantages to the entire battery industry, that will bring economic and ecological benefits to future energy sources.**
- **Smartphones may be charged in less than 6 minutes and Electric Vehicles will be able to extend their range with just 10 to 15 minutes charging at commercialisation.**
- **UltraCharge’s breakthrough lithium-ion battery technology is recognized as the next big thing by Rachid Yazami, co-inventor of today’s lithium-ion batteries.**
- **Focused on early commercialisation opportunities with the ability to enter the LIB market for small batteries within 6 months.**
- **UltraCharge technology breakthroughs include:**
  - **Rapid charging: includes smartphones, tablets, laptops, electric vehicles and medical devices**
  - **Enhanced safety: avoid thermal runaway. No fires**
  - **Cost efficient: low cost materials**
  - **Enhanced battery life: 20 years**
  - **Rapid integration into current production facilities**
- **Addressable market US\$33.55B in 2016**

Lithex Resources Ltd (LTX) is pleased to announce it has entered into a binding Heads of Agreement to acquire 100% of the issued capital of Israeli company Voltape Ltd (**Proposed Acquisition**). Voltape Ltd (**Ultracharge**) is the parent company of the Singapore-registered “Quick Charge Pte. Ltd”. The key terms of the Heads of Agreement are set out in Annexure A.

### **Overview of UltraCharge**

Quick Charge Pte. Ltd was established in 2015 partnering with Nanyang Technological University (NTU) in Singapore to develop and commercialize a new and innovative lithium-ion battery (LIB) technology that will revolutionise the rechargeable battery markets. LIB’s are commonly used in devices such as smart phones, tablets, digital cameras, laptops, medical devices and power tools. Moreover, demand for LIBs in the automobile industry is also expected to increase significantly with the growing market for electric vehicles. UltraCharge’s technology presents significant game-changing advantages to the entire battery industry, that will bring economic and ecological benefits to future energy sources.

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UltraCharge's breakthrough technology replaces graphite used for the anode (negative pole) of LIB with a novel nanotube gel material made from titanium dioxide (an abundant, cheap and safe material commonly used as a food additive and in sunscreen). The patented technology includes a unique and simple method to turn titanium dioxide particles into tiny nanotubes a thousand times thinner than the diameter of a human hair.

**This cutting edge nanotechnology presents the following key advantages:**

**Rapid Charging:** On commercialisation, UltraCharge's nanotechnology may enable Smartphones to be charged in under 6 minutes, and Electric Vehicles will increase their range dramatically with just 10-15 minutes of charging.

**Enhanced Safety:** UltraCharge batteries would be entirely free of carbon and avoid thermal runaway or overheating which is a main cause of fire in traditional energy storage systems (the reason current LIB's are banned on passenger aircraft). This safe, user-friendly and low-risk energy storage opens up the technology for use in wider applications.

**Cost Efficient:** UltraCharge will utilize low-cost raw materials and a uniquely affordable patented production method.

**Lifetime:** On commercialization, UltraCharge batteries will endure between 10,000 - 15,000 charging cycles, approximately 20 times more than today's batteries.

**Simplicity:** UltraCharge technology allows rapid integration into current battery production lines. Battery manufacturers would find it easy to integrate the new anode into their production processes.

UltraCharge has through Quick Charge Pte. Ltd also signed a research agreement with Professor Chen's research group at NTU one of the world's leading authorities in LIBs today, to develop even better LIB products with faster charging, longer cycling life, energy density improvement and operating at a larger range of ambient temperatures.

More information can be found at [www.ultra-charge.net](http://www.ultra-charge.net).

### **New Board and Management Team**

Upon completion of the Proposed Acquisition, David Wheeler will remain on the Board and the following persons will be appointed:

- **Kobi Ben-Shabat** was educated in Israel's Ruppin Academic Centre in Business and Administration and concluded his tertiary studies with an MBA in Marketing and Information Technology from the University of Manchester in 2000.

After working for various US based technology companies, Mr Ben-Shabat was seconded to Australia where he was instrumental in the growth of the region's IP Surveillance and Security industry. After noticing a market opportunity Kobi established Open Platform Systems Limited (OPS). OPS swiftly became recognised as the predominant player in its technology space and became a pain point for the region's long established tier one providers. Australia's Business Review Weekly magazine recognised OPS in its annual BRW Fastest Growing Companies index three years consecutively. OPS was acquired by Hills Ltd (ASX listed) in April 2014. Kobi Ben-Shabat has extensive experience with Sales and Senior Management with a particular emphasis on emerging markets and technologies.

Mr Ben-Shabat is the current Chief Executive Officer of UltraCharge and will join the Board at settlement.

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- **Yury Nehushtan** is a lawyer and Member of the Israeli Bar Association since November 1991. He is the Managing Partner of Nehushtan, Zafran, Scharf, Jaffe & Co. Law offices, a boutique law firm specialising in commercial litigation and labour law.

Mr Nehushtan gained a Law Degree at the Hebrew University in Jerusalem (1985-1989) and a Master's Degree in the London School of Economics (1990) with a focus on banking, finance and securities law. He has extensive experience in commercial and corporate law, with a focus on large and complex legal disputes, including corporate, securities, contract and commercial disputes, class actions, arbitrations and alternative dispute resolution.

Mr Nehushtan will join the Board of LTX as a non-executive director at settlement.

- **David Wheeler**, an existing director of the company, will stay on as a director after completion of the Proposed Acquisition. Mr. Wheeler has more than 30 years of senior executive management, director and corporate advisory experience. He is a foundation director of Pathways Corporate, a boutique corporate advisory firm that undertakes assignments on behalf of family offices, private clients and ASX listed companies.

Mr Wheeler has engaged in business projects in the USA, UK, Europe, New Zealand, China, Malaysia, Singapore and the Middle East. David is a Fellow of the Australian Institute of Company Directors. He is a director of ASX listed companies OZ Brewing Ltd, TW Holdings Ltd, Castillo Copper Ltd, Premiere Eastern Energy Ltd, Antares Mining Ltd, Antilles Oil and Gas NL and Eumeralla Resources Ltd.

At least one other Australian-resident director will either remain on the board or be appointed to the board in addition to the three directors referred to above.

### **Change of Name**

Following completion of the transaction, LTX will change its name to “Ultracharge Limited”.

### **Escrow**

The Shares issued to Ultracharge shareholders will be subject to any applicable escrow restrictions in accordance with the ASX Listing Rules.

### **Re-compliance with ASX Listing Rules Chapters 1 and 2**

Since the Proposed Acquisition will result in a significant change to the nature and scale of LTX’s activities, the Proposed Acquisition will require LTX shareholders’ approval under ASX Listing Rule 11.1.2 and will also require LTX to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

### **Consolidation**

LTX does not anticipate the need to undergo any share consolidation. The Heads of Agreement contemplates a consolidation only if required by ASX for the purposes of re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

### **Capital Raising**

To enable LTX to re-comply with Chapters 1 and 2 of the ASX Listing Rules and to support its growth strategy post-completion of the Proposed Acquisition, LTX plans, subject to shareholder approval, to conduct a capital raising under a full form prospectus to raise at least the minimum amount required by the ASX for the purposes of re-compliance as referred to above.

### Shareholder Approvals

A Notice of Meeting seeking Shareholder Approval for the resolutions required to give effect to the Proposed Acquisition will be sent to LTX shareholders in due course. It is expected that LTX will convene a general meeting in July 2016 to facilitate shareholder approval for matters in respect of the Proposed Acquisition. LTX securities will be suspended until the company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and the Proposed Acquisition has completed.

### Pro Forma Share Capital Structure

The indicative share capital structure of LTX post-acquisition of UltraCharge (based on current LTX securities on issue and before the proposed capital raising) will be as follows:

	Shares	Other securities	Percentage interest
Shares currently on issue	169,540,545		24.94%
Shares to be issued to Ultracharge shareholders	485,900,000		71.48%
Shares to be issued to transaction facilitators	24,295,000		3.57%
<b>Total Shares upon completion of the Proposed Acquisition</b>	<b>679,735,545</b>		<b>100.0%</b>
Options currently on issue: @\$0.16 31/12/16 @\$0.05 5/4/18 @\$0.059 5/4/19		10,000,000 8,000,000 4,000,000	
Performance rights to be issued to advisors, service providers and management		60,000,000	
Transaction options to transaction facilitators		20,000,000	
Capital raising options to Capital Raising facilitators		50,000,000	

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## **Indicative Timetable**

An indicative timetable for completion of the Proposed Acquisition is set out below:

<b>Event</b>	<b>Date</b>
Announce Transaction	13 May 2016
Commence preparation of Notice of Meeting and Prospectus	13 May 2016
Lodge Notice of Meeting with ASX	June/July 2016
Finalise Formal Agreement Dispatch Notice of General Meeting	July/August 2016
Hold General Meeting	September 2016
Lodge Prospectus with ASIC and ASX	September 2016
Completion of Proposed Acquisition and issue of Shares	September/October 2016
LTX to re-list as "UltraCharge Limited"	September/October 2016

Please note that this timetable is indicative only and the directors of LTX reserves the right to amend the timetable as required.

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## Annexure A

### Key Terms of the Proposed Acquisition

Ultracharge and LTX have entered into a binding Heads of Agreement (**HoA**).

The key terms of the Heads of Agreement are as follows:

1. **Conditions Precedent:** Completion of the Proposed Acquisition is subject to and conditional upon a number of conditions precedent, including:
  - (a) Satisfaction of all necessary due diligence investigations by the parties;
  - (b) Ultracharge receiving confirmation from the Israeli Tax Authority to the effect that "roll-over" relief will be available to Ultracharge shareholders and that there will be no other material adverse taxation implications;
  - (c) LTX having a minimum of AUD\$ 1,300,000 in free cash after the satisfaction of certain conditions;
  - (d) LTX undertaking a capital raising for at least the minimum amount of capital required by ASX to meet the re-compliance requirements of Chapters 1 and 2 of the ASX Listing Rules (**Capital Raising**) at an issue price to be agreed between LTX and Ultracharge;
  - (e) LTX being satisfied in its sole discretion that all options to acquire Ultracharge Shares (**Ultracharge Options**) will be exercised or cancelled such that LTX shall acquire 100% of the issued capital of Ultracharge;
  - (f) the conditional approval by ASX to reinstate the securities of LTX to trading on ASX and those conditions being to the reasonable satisfaction of LTX and Ultracharge;
  - (g) if required in order to re-comply with Chapters 1 and 2 of ASX Listing Rules, LTX undertaking a consolidation of its issued share capital on a ratio to be determined by LTX in its reasonable discretion and as reasonably acceptable to Ultracharge (**Consolidation**);
  - (h) the parties obtaining all necessary regulatory approvals (including ASX approvals and waivers and ASIC relief) to complete the Merger, the expiration of any necessary statutory waiting periods and the filing of all merger notices and proposals required under applicable law;
  - (i) Ultracharge and/or the Holding Agent (referred to below) obtaining any relief from ASIC or any ASX waiver required to permit the Holding Agent to hold shares for the Ultracharge Shareholders pending distribution to those shareholders;
  - (j) Ultracharge acquiring at settlement the minority securities in Ultracharge it does not already hold at Settlement in consideration for the Consideration Shares allocated to the relevant shareholder in the heads of agreement (these Consideration Shares are within and not in addition to the amounts described above);
  - (k) Ultracharge Shareholders holding more than 50% of the outstanding ordinary shares of Ultracharge having passed a resolution approving the Merger; and
  - (l) LTX obtaining all requisite shareholder approvals pursuant to the ASX Listing Rules, the Corporations Act and its constitution to give effect to:
    - a. the transactions contemplated by the Heads of Agreement; and
    - b. the change of name from "Lithex Resources Limited" to "Ultracharge Limited".
2. **Consideration:** Subject to satisfaction of the conditions precedent, at completion, LTX will issue the following securities (on a pre-consolidation basis):

- (a) 485,900,000 fully paid ordinary shares in the capital of LTX (on a pre-Consolidation basis), free and clear of any third party rights (**Consideration Shares**);
- (b) 60,000,000 performance rights to advisors, service providers and management of Ultracharge convertible over a period of time into ordinary shares in LTX.

LTX will also facilitate shares for the facilitation of the transaction in the amount of 5% of the consideration paid for the Proposed Acquisition, being 24,295,000 shares.

3. **Settlement:** The Proposed Acquisition will be effected by LTX incorporating a subsidiary in Israel which will merge with Ultracharge under the Israeli Companies Law. The Consideration Shares are issued to a Holding Agent to hold beneficially for the Ultracharge shareholders.
4. **Employee Incentives:** LTX will adopt an employee incentive rights plan on terms consistent with the Heads of Agreement.
5. **Warranties:** the parties have each provided customary warranties for a transaction of this nature.
6. **Change of name:** Following successful completion of the Proposed Acquisition, LTX will change its name to "Ultracharge Ltd".
7. **Fee:** In consideration for the entry into of the Heads of Agreement, LTX will pay a merger facilitation fee of \$250,000 to Ultracharge in two parts, part of which fee is refundable in certain limited circumstances.
8. **Exclusivity:** During the term of the Heads of Agreement, neither Ultracharge nor LTX will enter into negotiations or take action to enter into certain transactions with alternative potential purchasers.
9. **Maintaining the status quo:** during the exclusivity period the parties agree not to enter into any material contract or incur any material liability; declare any dividends; or vary its capital structure; without the prior written consent of the other party.
10. **Formal Documents:** the parties agree to negotiate in good faith formal binding agreements to be entered into by LTX, Ultracharge and each of the LTX shareholders on terms consistent with the Heads of Agreement or as otherwise agreed between the parties.

The Heads of Agreement otherwise contains clauses typical for non-binding agreements of this nature.

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