



Magnis Resources

L I M I T E D

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GERMAN LITHIUM-ION BATTERY GIGAFACTORY TO BE DEVELOPED IN NORTH RHINE WESTFALIA

- MoU signed for a 30GWh Lithium-ion battery Gigafactory and Lithium-ion recycling plant located in Germany's largest state North Rhine Westphalia, closely integrated to one of Europe's largest industrial clusters in the Emscher-Lippe region
- WIN Emscher-Lippe GmbH is a Public-Private-Partnership acting as a joint economic development entity on behalf of 13 large municipalities, the state of North Rhine Westphalia and a large group of companies with sizeable activities in an industrial cluster that includes British Petroleum(BP), Evonik Industries, INEOS, SASOL, SABIC, Uniper, RAG and E.ON
- Magnis and its partners responsible for the general project development and management with a specific role in the sourcing of raw materials and providing associated technologies
- Comprehensive consortium of partners with relevant leading-edge competences for the development of battery manufacturing projects
- Two potential sites with a very close link to the other companies in the industrial cluster have been identified

Magnis Resources Limited ("**Magnis**" or the "**Company**") [ASX: MNS] is pleased to announce the signing of a MoU for a 30GWh Lithium-ion battery with integrated Lithium-ion battery recycling plant in North Rhine Westphalia, Germany, with the industrialised Emscher-Lippe region.

The agreement is supported by the North Rhine Westphalia [NRW] government and has been signed by Magnis Resources and Public-Private Partnership [PPP] WIN Emscher-Lippe GmbH [WIN].

The WIN PPP members include Energy and Chemicals giants such as British Petroleum [BP], EVONIK, INEOS, SABIC, SASOL, E.ON, Uniper, RAG and RWE/ Innogy, a number of financial institutions, government entities and economic development entities such as NRW-Bank, NRW.Invest. Thirteen regional municipalities for the economic development of the Emscher-Lippe region an industrialised area in NRW, are also members.

NRW

With a population of 17 million and having US\$800 billion GDP, the Federal State of NRW, is Germany's largest Federal State and the largest industrial activity centre within Europe. Two sites have been shortlisted with the necessary infrastructure to provide advantages for Lithium-ion battery production.

Key Terms of the Development Agreement

Under the Agreement, a 30 GWh Lithium ion battery manufacturing with integrated Lithium-ion battery recycling facility will be setup in NRW. The battery manufacturing plant development will be an integrated facility aimed at achieving the most sustainable supply chain solutions and include product qualification, quality control and close loop on site recycling.

The Emscher-Lippe region has a strong industrial basis with one of the largest energy-chemicals clusters in Europe and there is existing infrastructure in place to house future industries such as the proposed gigafactory. The development of new industries, such as battery manufacturing, is regarded as an essential prerequisite for future employment and economic activity in NRW, especially in the Emscher-Lippe region. This would be a gain for the existing automotive industry and in the new industries that include renewable energies and consumer technologies.

Magnis will be responsible for sourcing raw materials and associated technologies. With its partners, Magnis will assist with general project development and management of the project.

Target Markets

The automotive industry is critical to the German economy and electromobility is a major target market for the project. Germany is also leading the world in the transition to renewables, with over one-third of electricity generation now from renewables. Such a high proportion of intermittent renewables is starting to impact grid stability and hence stationary energy storage is another key target market for future production.

Meetings have been held with groups in the target markets based in Germany who have expressed interest in potential offtake and co-operation with more information expected in the near future.

Commentary

Director of WIN, Peter Karst commented: "We are very encouraged about the potential for this project. WIN has deep expertise and the manpower to ensure that this project will be a success. We look forward to working with the consortium."

Chairman of Magnis, Frank Poullas added: "We are very delighted to be involved with a major role in this German Lithium-ion gigafactory and Lithium-ion battery recycling plant in NRW. From day one, we have had the co-operation from the NRW government along with our partner WIN."

"Having the access to potential cluster synergies with the locally operating companies like BP, EVONIK, INEOS, SABIC, SASOL, E.ON and RWE/ Innogy, all established leaders in their respective industries, is quite remarkable and a very strong vote of confidence to exploit the specific advantages of this specific region and cooperative concept."

"With funding from New York State for the New York Lithium-ion gigafactory announced yesterday, coupled with today's announcement, Magnis is in a very strong and enviable position to be a leading player in the Lithium-ion battery revolution."

Chairman of Allocate, a partner to the project, Dr Jorg Fabri commented: "We are establishing a German based entity with specific expertise in both the battery business but also in industrial clusters

which will manage the next steps of the project development, with a focus on the exploitation of the very specific synergies and advantages of this industrial cluster environment.”

To date, a scoping study has been completed highlighting the financial viability of the plant with a feasibility study to commence in Q4, 2017. Additional consortium members and partners are expected to be announced in the current quarter.

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