



Magnis Resources

L I M I T E D

FOR RELEASE
15 November 2017

LITHIUM-ION BATTERY BINDING SALES AGREEMENTS SIGNED FOR NEW YORK GIGAFACTORY

- Binding Sales Agreements for 40 percent of the planned 3GWh production in New York
- Customers include global groups from the automotive and energy sectors
- Term of agreements range from 3 to 5 years with all other terms remaining confidential
- Agreements signed post due diligence by the customers
- Proprietary chemistry eliminating nickel and cobalt makes Imperium3 batteries unique in the market place

Magnis Resources Limited [**"Magnis"** or the **"Company"**] (ASX:MNS) is pleased to announce that Imperium3 NY, has signed Binding Sales Agreements with a number of end users amounting to 40% of the planned first years 3GWh of production. Magnis is a one third owner of the Imperium3 New York consortium which is developing a lithium-ion battery plant to be located at Huron Campus. The project is supported by New York State Government through a financial assistance package of US\$13.25M as announced last month by Governor Cuomo and his team.

Binding Sales Agreements

Agreements have been signed with a number of groups for terms ranging from 3-5 years with these counterparties and price details remaining confidential due to commercial sensitivity. End users are from a diverse range of industries including the automotive and energy sectors. The majority of customers are based in the United States, Asia and the Middle East and have been engaged with the consortium during the year towards building a sustainable supply chain for the production of lithium-ion batteries.

Sales agreements are for the consortium's proprietary patented cathode technology, which eliminates the need for cobalt and nickel, while delivering comparable performance in terms of energy density and life at a significantly lower cost.

Magnis' Chairman Frank Poullas commented: "Today's announcement is a significant milestone for the Imperium3 New York consortium's Gigafactory development plans and validates the recent financial support afforded by the New York Government and Governor Cuomo."

"To have our batteries qualified by major end-users to the extent of securing sales agreements for close to half of our initial first stage production is testament to the performance and cost effectiveness of our battery product."

"We have very strong end-user interest in our product and we are on-track for first production at a gigawatt-hour scale in 2019."



Figure 1 – Cylindrical cells produced by Imperium 3

Background on New York Gigafactory

A Joint Manufacturing Establishment Agreement was signed for a 15GWh lithium-ion battery plant as announced on 22 May 2017.

Last month Governor Cuomo, and his team at the New York State Government, provided financial assistance in the order of US\$13.25M to Imperium3 NY. Magnis Resources has one-third ownership in Imperium3 NY.

Over 30 battery material inputs, including raw materials, electrolyte, separator, additives and binders are currently undergoing qualification from strategic suppliers of these critical ingredients. Most of these upstream suppliers have production plants in the United States which makes Imperium3 NY batteries independent of Asia which is where most of today's lithium-ion batteries are produced. Combining local content and technology, Imperium3 is evolving as a global player and first in class to produce lithium-ion batteries with a western supply chain.

Imperium3 engineers are working closely with global battery equipment manufacturers to finalise the specifications of its machinery and automation that would make the New York Gigafactory one of the most efficient lithium-ion manufacturing plants globally.

The recent completion of the scoping study priced the capital costs for Stage 1 at US\$130m, with an expected first production date in the second half of 2019. First stage production will be at 3GWh with an aggressive Stage 2 ramp up to 15GWh.

For further information, please contact:

Frank Poullas
Chairman
Magnis Resources Limited
Ph: +61 2 8397 9888
www.magnis.com.au