



Magnis Resources
L I M I T E D

FOR RELEASE: 23 FEBRUARY 2018

NY Battery Plant Acquisition Complete

- Purchase of battery plant and equipment complete – mobilisation of plant & equipment to Huron Campus expected within a 3-5 month time frame.
- Magnis ownership in Imperium3 New York increased to 41%
- Production expected to begin in first half of 2019 with most of production pre-sold

Magnis Resources Limited [**"Magnis"** or the **"Company"**] [ASX: MNS] is pleased to announce that Imperium3 New York has completed the acquisition of the Lithium-ion battery plant announced to the ASX on 8 February 2018 for US\$5M.

With the contribution made by Magnis to fund the plant acquisition, the Company's ownership in Imperium3 New York has increased to 41%.

Next Steps

The plant is currently housed in a facility in North Carolina and includes all operations such as slurry making, coating, cell assembly, formation and testing, module assembly and packing. The equipment will now be disconnected and packed for transport to Huron Campus in New York where it will be reassembled, re-engineered and upgraded for battery production at a nominal 1GWh scale. This is expected to occur within the next 12-15 months.

Imperium3 New York is already working with the global leaders in automation, digital factory and robotics and plans/design to upgrade the factory with full in-line integration and has commenced budgeting to bring operational expenses to a minimum.

Plant re-engineering will mainly encompass incorporating Imperium3's leading materials and processing technologies, as well as introducing additional cylindrical battery production beyond that existing for prismatic. Imperium3 New York will work closely with its global supply chain partners to ensure reliable future production when the plant is restarted and realise maximum value capture and cost savings from the purchased equipment.

Future plant funding will benefit from the previously announced incentives package provided by the Empire State Development arm of the New York Government. Several parties have expressed interest in participating in funding to bring this plant into production.

Magnis' Chairman Frank Poullas commented: "Our battery plant build in New York is progressing with excellence and is demonstrating both quality and pace. The Imperium3 consortium is one of only a few new players moving towards capability and production at a GWh scale. Finalising the recent purchase of equipment has provided another pivotal opportunity for Magnis enabling an increasing share of a plant that will be in production next year."

"Additionally, the economics of our technology continues to enhance the proposition. With cobalt prices over US\$81,000t, our technology demonstrates strategic value given it does not use any cobalt in the process and exhibits outstanding performance and longevity characteristics."

Dr. William Acker, Executive Director of NY-BEST [New York Battery & Energy Storage Technology Consortium] said: "NY-BEST congratulates Imperium3 on this strategic acquisition and accelerating the schedule toward the completion of its new battery gigafactory in New York's Southern Tier. The battery and energy storage industry is rapidly growing across the globe as these technologies are increasingly used in the transportation, electric grid and portable electronics sectors. Imperium3's new plant illustrates that New York is well-positioned to attract new manufacturing and grow jobs in the energy storage industry."

Details of the Acquisition

The purchase price of the plant equipment and raw materials was US\$5 Million with over US\$200 Million invested by the previous owner. The purchase was made through the Imperium3 NY consortium, of which Magnis and fellow partner C4V co-invested to facilitate the purchase of the plant.

Near-Term Battery Production

This strategic acquisition will therefore bring forward commercial cell production at the Huron Campus, New York, from the previously indicated end of 2019 target to the first half of 2019.

The initial 1-1.5GWh production in New York is mostly pre-sold via binding offtake agreements as announced to the ASX on 15 November 2017.



Figure 1: Cathode Welding



Figure 2: Cell and Module Assembly



Figure 3: Electrode Stacking Equipment

Travis Peluso

Investor Relations Director

Magnis Resources Limited

Ph: +61 411 404 814

www.magnis.com.au