



Magnis Resources
L I M I T E D

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Significant progress to date at New York Gigafactory

- Equipment from North Carolina plant in transit to New York – deliveries expected to be finalised in coming months
- Experienced executive team working with equipment manufacturers to ensure a seamless move and efficient installations
- C4V's Development Centre qualifying components for prismatic cell design with existing supply chain partners – process well progressed
- Design of drop-in production process and prismatic production integration near completion
- Advanced discussions with key investors and offtake partners with site visits underway

Magnis Resources Limited [**"Magnis"** or the **"Company"**] [ASX: MNS] is pleased to advise that Imperium3 New York [iM3NY] has made significant progress on start-up activities for its New York Gigafactory project whereby Magnis has an overall 43% direct and indirect shareholding through the IM3 Global Consortium.

Co-ordinated mobilisation efforts toward the disassembly, packaging and shipment of recently acquired equipment from a manufacturing plant located in North Carolina to the iM3NY facility at Huron Campus, the birthplace and former headquarters of IBM in Endicott, New York are well progressed. The Company is pleased to advise that these works programmes are all on-target and progressing according to plan.

Further, the development of design specifications for prismatic cells and related manufacturing processes are well underway at C4V's Development Centre at the State University of New York in Binghamton. Magnis looks forward to updating shareholders on these processes as developments materialise.

Details of the mobilisation

The mobilisation process began in North Carolina in April of this year and is on track for completion by the end of July. All equipment is expected to be delivered by early August to the iM3NY facility in the Huron Campus Facility. Currently there are 2-3 truckloads arriving daily in New York.



Figures 1a and 1b : Lithium-ion manufacturing equipment undergoing disassembly process and being packaged with extreme care for the move to New York



Figures 2a and 2b : Lithium-ion cell manufacturing equipment on floor and after disassembly and packaged for shipment



Figures 3a, 3b, 3c : Equipment after packaging, while loading for shipment to New York factory from North Carolina



Figure 4 : One of the first shipments arriving to Huron Campus



Figure 5 : Unloading machinery at Huron Campus

Process and Product Optimisation work

As an integral and strategic element in planning and executing the acquisition of Lithium-ion Battery (LIB) manufacturing equipment in February 2018 [Refer to ASX Announcement on 8 February 2018], iM3NY is committed to diversifying its product offerings to include prismatic cells in addition to its original cylindrical cell product lines. Each product requires ongoing reviews of the design, as well as careful validation and qualification of components that are required to build a single cell of a LIB. Thus, through the auspices of a highly capable and experienced team at C4V's Development Centre in Binghamton, New York, the consortium has attained extremely satisfying outcomes in last few months in terms of optimising cell design for drop-in integration to the new production line acquired, as well as achieving equally satisfactory performance targets from the Company's qualified supply chain partners.

Investor meetings, site visits and offtake discussions

Senior Imperium3 executives have undertaken numerous investor meetings in recent weeks, some of which have included site visits to the Huron campus where iM3NY is establishing its New York manufacturing presence. Further, the consortium has hosted visits by large European and United States based OEM's to the facilities to inspect the significant progress first hand.

With all equipment expected to be delivered at the New York facility within the coming months, iM3NY plans to organise additional site visits catering to potential partners across the investment communities of Australia, Europe and the United States.

Further, the Company advises that offtake discussions are progressing well at senior levels, with highly prospective customers. iM3NY expects to enter into definitive agreements with potential partners within the next quarter and anticipate first production from the New York plant in the first half of 2019.

Management Commentary

iM3NY Director Mike Driscoll said: “We have been very pleased that multiple organizations and experts from the industry have been engaged with us to support our efforts in making this move as seamless as possible. I can’t say enough about how impressed I am with the ability of the team we’ve assembled to take on this challenge over the past few months. They are not only able to disassemble these highly complicated pieces of equipment. They are equally up to the task of organising, wrapping, tagging, and packaging all parts with extreme care, which will pay significant dividends in the later stages of the relocation process as we reassemble and install items in the new facility.”

“I am quite positive that we will be able to meet our late July to early August target dates to have the equipment out of North Carolina and in New York.”

Magnis Chairman, Frank Poullas, said: “We are thrilled to be witnessing the significant progress generated by the Imperium3 New York team.”

“Within only a few weeks of our acquisition, not only have we secured a highly experienced and talented senior team, but also made multiple inroads through C4V’s scientists and engineers on the design and process side of the project. Knowing we have this cadre of talent hard at work on this very important project is indeed reassuring.”

“As we continue to drive our project at Huron Campus continues towards production, we look forward to updating the market on these developments and in turn, delivering value for consortium members and shareholders alike.”

About the Imperium3 Global Consortium and iM3NY

Members of the Imperium3 Global Consortium (Charge CCCV (C4V), Magnis and Boston Energy and Innovation) have been working together for the last 3 years to develop a sustainable supply chain to produce lithium-ion batteries across the globe in multiple locations.

The first USA project, “Imperium3 New York” has received New York State Government support, partial funding and other financial incentives to build the first Gigafactory (15GWh/year LIB) for lithium-ion battery cell production in New York. With this support, first production for a 1GWh line is planned for mid-2019 from iM3NY’s Endicott, NY facility on the Huron Campus.

iM3NY is a recently formalised consortium consisting of five key constituents (C4V, Primet Precision Materials, and C&D Assembly, Magnis and BEI). Additionally, over 45 global companies are participating as strategic value-chain partners.

The consortium has unique and patented lithium-ion battery intellectual property. Its members have been involved in battery production with the requisite, knowledge, experience, expertise and capabilities for lithium-ion battery manufacture from raw materials, to particle engineering, to systems electronics, to cell/battery manufacturing. At the management level, in addition to the highest-level battery expertise, the consortium comprises successful senior executives in all disciplines from a variety of multi-national companies.

The consortium’s objectives are to establish new capacity of lithium-ion battery manufacturing from outside the Pacific Rim. The organisational structure will be grown to enable the necessary and critical agility for rapid commercialisation of new lithium-ion battery technologies, including support for open innovation that is necessary for sustained high performance and low-cost battery products.

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