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US\$52 Million Term Sheet Signed for New York Battery Plant

- Project financing of US\$52 Million at 5.35%pa for the term of the loan
- 13 year term with interest only repayments for first 3 years
- Magnis has an effective 47% ownership in Imperium3 New York
- Project financing expected to close with funds to be received within 50 days
- Funds will allow for the production of Lithium-ion battery cells from Huron Campus in New York

Magnis Energy Technologies Limited [“Magnis” or the “Company”] is pleased to announce that Imperium3 New York has signed a Term Sheet for US\$52 Million in funding, via a pre-issued European bond used to fund renewable energy projects.

Key terms of the financing

After an eight-week due diligence process on Imperium3 New York, a term sheet was issued and signed. The debt financing consists of two stages, the first payment of US\$30,000,000 on completion of final documentation and checks by both parties, with the remaining amount to be issued 12 months after the first payment with no milestone attached. Final documentation is expected within 50 days with all other details marked as commercial in confidence.

Amount: US\$52,083,033

Rate: 5.35%pa for entire term of the loan

Term: 13 Years (3 years interest only, 10 years Principal and Interest)

New York Battery Plant

The former Alevio plant purchased in the first half of 2018, with a replacement value in the order of US\$200 million, was disassembled and transported to Endicott, New York in the second half of 2018. Since that time, there has been significant planning effort towards the re-engineering of the plant to a capacity of over 1GWh annually using C4Vs patented BM-LMP chemistry.

Qualification of materials and component inputs for battery manufacture has also been performed in parallel involving over 40 different potential suppliers to the plant. Current schedule aims to have battery production starting within 12 months of funding closure with offtake contracts in place for the majority of the first 3 years of planned production. The C4V product design team has been building battery cells with retrofitted processes to the existing machine design making improvements wherever necessary while continuously delivering cells and packs to already contracted customers for market qualification. In addition to the floor plan, additional machine design (such as an automated electrolyte dispensing machine) and process improvement is on-going to accelerate the recommissioning process.

Imperium3 Chairman, Dr Shailesh Upreti commented: “This is very exciting for our New York Project and once we receive this funding we can move ahead very quickly. We have a highly experienced team including senior management, system integrators, automation partners, original equipment vendors ready to commence the work as soon as we close this round of funding.”

Magnis Chairman, Mr Frank Poullas commented: “Production is the main goal for Magnis from both the battery and mining divisions and we have recently made significant progress with New York and Nachu.”

“Imperium3 have assessed a few proposals recently regarding the funding of our New York project and realising the value we have created via the purchase of the Alevio Plant and having access to Huron Campus. This proposal allows Imperium3 New York to move towards developing the project into production and importantly without any dilution in ownership.”

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