+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Magnis Energy Technologies Ltd

ABN	Quarter ended ("current quarter")
26 115 111 763	31 December 2019

Consolidated statement of cash flows			Current quarter $A'000	Year to date (6 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		-	-
1.2	Payments for			
	(a)	exploration & evaluation	(276)	(720)
	(b)	development	(9)	(9)
	(c)	production	-	-
	(d)	staff costs	(489)	(899)
	(e)	administration and corporate costs	(464)	(1,152)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		-	4
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Research and development refunds		116	116
1.8	Other (Security Deposit)		-	-
1.9	**Net cash from / (used in) operating activities**		**(1,122)**	**(2,660)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire:			
	(a)	property, plant and equipment	(1)	(1)
	(b)	tenements (see item 10)	-	-
	(c)	investment in iM3NY & C4V	(29)	(132)
	(d)	other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	161	251
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**131**	**118**

* Short-term loans to Charge CCCV & Imperium3 Townsville

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	1,200	1,200
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(29)	(29)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	**Net cash from / (used in) financing activities**	**1,171**	**1,171**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	257	1,830
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,122)	(2,660)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	131	118
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,171	1,171
4.5	Effect of movement in exchange rates on cash held	(4)	(26)
4.6	**Cash and cash equivalents at end of period**	**433**	**433**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	433	257
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**433**	**257**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	378
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors' remuneration entitlements, expenses and consulting fees.

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

-

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	6,600	1,400

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

On 27 September 2019, Magnis announced that it had secured a $8 million investment through the issue of fully paid ordinary shares to Middle East based Negma Group Limited. Negma will provide up to $8 million over a 12-month period with a maximum monthly subscription of $700,000. The price of the shares issued will be at an 8% discount to the previous ten day Volume Weighted Average Price ('VWAP'). The Company has the flexibility to call the monthly amounts and can cancel the agreement at any stage.

A commitment fee of 5% of the maximum committed capital equal to $400,000 is payable via the issue of fully paid ordinary shares at $100,000 per month for the first four months of the overall subscription.

In addition, the Company issued 4,000,000 Unlisted Options in the Company at an exercise price of $0.40 per share with an expiry date of 30 April 2021 subject to shareholder approval.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	412
9.2	Development	-
9.3	Production	-
9.4	Staff costs	459
9.5	Administration and corporate costs	575
9.6	Other (Equity in iM3 NY and loans to Charge C4V & Imperium3 Townsville)	457
9.7	**Total estimated cash outflows**	**1,903**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here:

Marc Vogts (Managing Director) Date: 30 January 2020

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.